

# 2025

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



**MURIEL BOWSER** | MAYOR  
**GLEN LEE** | CHIEF FINANCIAL OFFICER  
**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OFFICE OF THE CHIEF FINANCIAL OFFICER**  
YEAR ENDED SEPTEMBER 30, 2025



**MURIEL BOWSER**  
MAYOR

January 23, 2026

Dear Washingtonians:

On behalf of the Government of the District of Columbia, I am proud to present the Fiscal Year 2025 Annual Comprehensive Financial Report. For the twenty-ninth consecutive year, the audit opinion is unqualified (unmodified), demonstrating the District's financial responsibility and maturity.

With \$2.2 billion of operating cash as of September 30, 2025, the District's strong reserves continue to provide robust financial flexibility, allowing us to maintain and expand the essential supports to our residents and businesses that contributed to our economic rebound. We entered 2025 with strong population and tourism numbers. This boost in tourism generated more than \$11.5 billion in visitor spending - a 13 percent increase from the prior year.

Throughout 2025, we continued to deliver big wins for DC, despite a changing federal footprint and other unforeseen challenges.

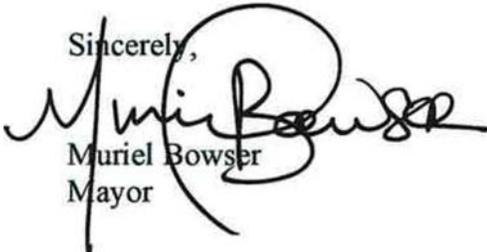
- We drove down violent crime to its lowest levels in three decades, in large part a result of opening our Real-Time Crime Center and passing new comprehensive public safety legislation.
- We opened a new state-of-the-art hospital in Ward 8. The Cedar Hill Regional Medical Center now offers comprehensive health care services to residents East of the Anacostia River. And importantly, it ensures families have critical access to both urgent trauma and maternity care in their neighborhood.
- Investments in our students and educators and have continued to generate educational success, including increased public-school enrollment, higher graduation rates, higher teacher retention rates, and the largest increase in proficiency rates since the pandemic in both English Language Arts and math, in all grades tested, for almost all student groups across both DC Public Schools and DC Public Charter Schools.
- Our Housing in Downtown (HID) program has positioned the District as a national leader in office-to-residential conversions. Through a \$41 million investment, we estimate that HID will help deliver 8,400 new housing units which not only increase the Downtown housing supply but also stabilize the commercial office market, generate construction jobs, and attract new businesses, further strengthening the District's economy.

- We are bringing home our Washington Commanders and activating 180 acres of opportunity on the banks of the Anacostia. With investments in housing, recreation and shopping, green space, and a brand-new stadium, the RFK campus will be transformed into a year-round destination to live, work and play. And with a \$2.7 billion investment from the Commanders, this becomes the single largest private investment in DC's history.

There were some pretty big challenges to overcome in 2025 as well, most notably related to the shrinking federal presence in DC. Our plan to address this challenge head-on launched new efforts and incentives to attract new businesses, create new jobs, generate new tax revenue, and quickly grow the local economy.

In 2026, we will double down on that work and continue our DC comeback through investments in our businesses, neighborhoods, and residents across all eight wards! With your support, and the strength of our city's solid financial footing, I am confident we will achieve a healthier, safer, more prosperous, and resilient Washington, DC.

Sincerely,



Muriel Bowser  
Mayor

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



**Glen Lee**  
Chief Financial Officer

January 23, 2026

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year (FY) ended September 30, 2025. In the face of unprecedented challenges in FY 2025, the District successfully closed its books, timely completed the financial audit, and reliably reported on its financial position and operating results.

CliftonLarsonAllen, LLP, independent certified public accountants, audited the FY 2025 ACFR, with the assistance of F.S. Taylor & Associates, PC (the Auditors). FY 2025 was the first year in which this combined team of independent auditing professionals conducted the District's annual financial audit.

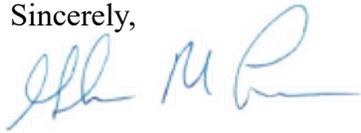
Based on the results of the audit procedures performed, the Auditors issued an unmodified (clean) opinion on the District's FY 2025 financial statements. Such an opinion indicates that the Auditors found no material misstatements or errors in the District's FY 2025 financial statements. This opinion is the 29<sup>th</sup> consecutive clean audit opinion the District has earned.

The core of the District's financial strength is its ability to properly execute millions of financial transactions annually and record those transactions appropriately. As with the past 28 years, District stakeholders and other users of these financial statements can be assured that the District's accounting practices are sound, and the information presented in the ACFR is reliable.

The District's reserve levels also provide insight into the health and stability of the city's finances. As of September 30, 2025, the District's liquidity funds (federally and locally mandated reserves) totaled \$2.2 billion. At this level, the District has the necessary resources to meet its routine obligations and continue operations for a period of at least 60 days during times of emergency or other unexpected events.

I would like to express my sincere gratitude to District financial staff, managers of District programs, and other stakeholders who partnered with us to ensure successful outcomes for the District. Using prudent financial management practices and sound decision-making, we worked collaboratively to achieve a clean audit opinion while successfully navigating the challenges faced in FY 2025.

Sincerely,

A handwritten signature in blue ink, appearing to read "Glen Lee". The signature is fluid and cursive, with the first name "Glen" and last name "Lee" clearly distinguishable.

Glen Lee

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**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2025**

**Muriel Bowser**  
Mayor

**Glen Lee**  
Chief Financial Officer

**John A. Wilson Building  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004**

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**PREPARED BY:**

**OFFICE OF THE CHIEF FINANCIAL OFFICER**

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**Office of Financial Operations and Systems**

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Deputy Chief Financial Officer and Controller

**Diji Omisore**

Deputy Controller

**Khaled AbdelGhany**

**Cassandra Alexander**

Director of Operations

**Vanessa Jackson**

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---

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Director

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**Kim Chamberlain**

**Jesse Dolojan**

**Yosief Ghebrerufael**

**Shawn Hampton**

**Elizabeth Kpabitey**

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**Yili Shao**

**DISTRICT OF COLUMBIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Year Ended September 30, 2025**

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# Introductory Section



# Government of the District of Columbia



## Office of the Chief Financial Officer Office of Financial Operations and Systems

1100 4th Street, SW, 8th Floor  
Washington, DC 20024  
Telephone: (202) 442-8200  
Website: <https://cfo.dc.gov>

January 23, 2026

Chief Financial Officer Glen Lee  
The Honorable Muriel Bowser, Mayor  
The Honorable Members of the Council of the District of Columbia  
The Citizens of the District of Columbia

The Annual Comprehensive Financial Report (ACFR) of the Government of the District of Columbia (District) for the fiscal year ended September 30, 2025, 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 management of the District. 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 generally accepted accounting principles (GAAP) of the United States of America 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 financial activities of the District.

The ability to produce a timely and accurate ACFR depends upon the adequacy of the internal controls of the District. 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. Management is responsible for establishing and maintaining adequate internal controls in the District. The greatest challenge in establishing and maintaining adequate internal controls is ensuring that the control framework developed by management is comprehensive and broad enough to achieve its intended purpose.

Due to certain inherent limitations, including the consideration that the cost of a control should not exceed the benefits to be derived, as well as the possibility of

errors in judgment, management override, or collusion, internal controls can provide reasonable, rather than absolute assurance that management's objectives will be achieved and that the financial statements are free from material misstatement. Routine audits help management assess, on an ongoing basis, the adequacy of the internal controls of the District.

In accordance with DC Code § 47-119, independent certified public accountants audited the financial statements of the District for the year ended September 30, 2025. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and applicable guidance related to financial audits as presented in Government Auditing Standards, issued by the Comptroller General of the United States. In addition to issuing an unmodified opinion on the financial statements of the District, the independent auditors, CliftonLarsonAllen LLP (CLA), issued a report in conjunction with the ACFR, which discussed the consideration given by the independent auditors to the internal controls over financial reporting used by the District. This report also presented the outcome of tests performed by the auditors 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 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards issued by the United States Office of Management and Budget (OMB) is performed annually. A separate report, often referred to as the Single Audit Report, is issued by independent public accountants. The fiscal year 2025 Single Audit Report of the District will be issued later.

This letter of transmittal is designed to supplement the Management's Discussion and Analysis (MD&A), and therefore, does not discuss the financial operations and operating results of the District, 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 financial condition of the District.

## PROFILE OF THE GOVERNMENT

### Overview: Historical Background of the District

President George Washington established Washington, D.C. (DC, the District of Columbia, or the District) in 1790 from territory ceded by the State of Maryland (Maryland) and the Commonwealth of Virginia (Virginia). Until Home Rule was granted in 1973, the United States Congress assumed jurisdiction over the District of Columbia.

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).

**Table T-1** presents a timeline of significant events in the history of the District of Columbia.

**Table T-1**  
**Key Dates in the History of the District of Columbia**

<b>1801</b>	Congress enacted the Organic Act of 1801, thereby dividing the capital district into Washington County (former Maryland area) and Alexandria County (former Virginia area).
<b>1846</b>	Congress passed a law allowing the City of Alexandria and Alexandria County to be returned to the Commonwealth of Virginia.
<b>1871</b>	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.
<b>1874</b>	The territorial government of the District of Columbia was abolished and the provision for a non-voting delegate to Congress was eliminated.
<b>1878</b>	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.
<b>1961</b>	The 23rd Amendment to the U.S. Constitution was ratified. Citizens of the District of Columbia were granted the right to vote in presidential elections.
<b>1967</b>	President Lyndon B. Johnson appointed Walter E. Washington Mayor of the District of Columbia.
<b>1970</b>	Congress passed the District of Columbia Delegate Act, which granted District residents the right to elect a non-voting Member of Congress to represent them in the U.S. House of Representatives.
<b>1971</b>	Walter Fauntroy became the first Congressional Delegate to represent the District of Columbia in the 20th century.
<b>1973</b>	Congress passed the Home Rule Act, which provides for a popularly elected mayor and a 13-member Council.
<b>1990</b>	Pursuant to District of Columbia Code § 1-123, the first election for shadow representatives to the U.S. Senate and U.S. House of Representatives was held. Shadow representatives are recognized only by the District and do not have voting rights in Congress.
<b>1995</b>	Congress passed the District of Columbia Financial Responsibility and Management Assistance Act and created the position of the Chief Financial Officer.
<b>1997</b>	Congress enacted the National Capital Revitalization and Self-Government Improvement Act of 1997 (the Revitalization Act), which changed the funding of the District pension plans and set the stage for major changes to the District's criminal justice system.
<b>2006</b>	Congress passed the District of Columbia Omnibus Authorization Act, expanding the duties of the Office of the Chief Financial Officer.
<b>2016</b>	The Local Budget Autonomy Amendment Act of 2012, upheld by the Superior Court, granted the District budget autonomy for local funds.

### Financial Reporting Entity

For financial reporting purposes, the reporting entity of the District consists of: (1) the primary government; (2) five discretely presented component units: Health Benefit Exchange Authority, Washington Convention and Sports Authority (t/a Events DC), District of Columbia Green Finance Authority, Housing Finance Agency, and University of the District of Columbia; and (3) two blended component units: District of Columbia 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, which begins on page 74 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 30 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. Consistent with the Local Budget Autonomy Amendment Act of 2012, upon expiration of a 30-day Congressional review period, the Local Budget Act becomes law. Congress enacts the federal portion of the budget for the District through passage of an appropriations bill, which is signed into law by the President.

The District adopts annual budgets for all governmental funds except the Tobacco Settlement Financing Corporation Fund. In this report, budgetary information is presented for the General Fund, major special revenue funds, capital projects funds, and other nonmajor governmental funds.

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 reprogramming process of the District 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 level of budgetary control (e.g., the level at which expenditures and other obligations cannot legally exceed the appropriated amount) is established by function, appropriated

fund, and agency within the governmental funds. The automated and manual transaction level controls of the District and sound governance provide strong budgetary controls. The annual budget is assigned specific accounting attributes and is uploaded into the accounting system of record, thereby establishing the budget authority for each entity within the District. The budget authority established in the accounting 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 of Columbia 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 Chief Financial Officer (CFO) by October 1 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 shows 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. Summarized spending projections must be submitted to the CFO no later than 30 days after the end of each month. In addition, pursuant to DC Code § 47-355.05, the CFO is to submit quarterly reports to the Council and the Mayor that present actual expenditures, encumbrances, and commitments compared to the approved spending plan by agency and by source of funds. These reports are required to be accompanied by the observations made by the CFO regarding spending patterns and steps being taken to ensure that spending remains within the approved budget. The information in these reports is 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 accounting system in order to reserve the portion of the related appropriation that will be needed for such expenditures. 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 U.S. 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 General Fund local expenditures less debt service cost for the previous fiscal year. 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. Consistent with the requirements of applicable legislation, the District must replenish the contingency cash reserve and the emergency cash reserve for any amounts used.

### Mandated by the District Council

#### 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 DC 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 General Fund operating expenditures for that year. In addition, the fiscal stabilization reserve account may be used by the Mayor for the following two purposes: (1) funding for locally approved expenditures during a lapse in regular appropriations, provided that any amounts used must be replenished immediately at the conclusion of the lapse; and (2) funding for the appropriations advance to District of Columbia Public Schools and District of Columbia Public Charter Schools as authorized by the annual budget and financial plan, provided that any amounts used must be replenished immediately upon approval of the annual budget of the District for that year.

#### Cash Flow Reserve

The CFO may use the cash flow reserve as needed to manage the cash flow of the District. Pursuant to DC Code § 47–392.02(j-2), as amended, 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 10% of the General Fund operating budget for that fiscal year. Further, the cash flow reserve account may be used by the CFO to fund locally approved expenditures during a lapse in regular appropriations, provided that any amounts used must be replenished immediately at the conclusion of the lapse.

## District Accounting and Financial System

### Accounting System

The accounting system of the District 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 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 financial statements of the District 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 economic resources of the District 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 and fiduciary 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 61. This basis of accounting differs from the GAAP basis as described below:
  - Basis differences arise when the basis of budgeting differs from the basis of accounting prescribed by GAAP. For example, to account for supplies inventory, the District uses the purchase method in the budgetary basis statements and the consumption method in GAAP basis statements. 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 may arise between the basis of budgeting and GAAP when: (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 may occur between the basis of budgeting and GAAP and result when the fund, organization, or program structure used for budgeting differs from that used for GAAP-based financial reporting. The District does not have any significant budgetary perspective differences.
- Timing differences may occur between the basis of budgeting and GAAP and are noted when the period used for budgeting differs from the period used for GAAP-based reporting. The District has no significant timing differences between its budgetary practices and the GAAP-based presentation of its financial statements.

### Transparency in Government Operations and Financial Reporting

Through the Office of Open Government (OOG), the District has taken measures to make financial and non-financial information available to the general public. The OOG, an independent office operating under the Board of Ethics and Government Accountability, works to ensure that the operations of the District are transparent and open to the public, thereby promoting civic engagement. The OOG seeks to ensure city-wide compliance with the Open Meetings Act, which requires public bodies to take 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. In addition to enforcement of the DC Open Meetings Act, the OOG advocates for fair and efficient Freedom of Information Act (FOIA) processing and advises agencies seeking guidance on FOIA.

To further promote transparency in government, the Open Government Advisory Group, established as a 16-member coalition, provides feedback to the OOG as the District carries out its Open Government and Open Data policies. The Advisory Group is purposed to: (1) evaluate progress towards making the District government more open, transparent, participatory, and collaborative; (2) make specific recommendations for improving the openness and transparency of the operations of the District and the participatory and collaborative nature of its decision-making; and (3) evaluate the progress towards meeting the requirements of the open data policy of the District and make recommendations for improving the openness and transparency of District government data. Further information on the Advisory Group may be obtained from the website at <https://ogag.dc.gov>.

To further promote openness in government, the Office of the Chief Financial Officer (OCFO) emphasizes transparency in financial reporting. The District continues to open its books to the public by posting online: the Annual Operating Budget and Capital Plan, the Annual Comprehensive Financial Report, and the Popular Annual Financial Report. In addition, the OCFO website ([www.cfo.dc.gov](http://www.cfo.dc.gov)) provides information that allows taxpayers to review and assess the financial status, programs, activities, and services of the District, and determine how their tax dollars are being used. This information includes operating and capital financial status reports, quarterly revenue estimates, monthly cash reports, monthly and annual economic indicators, as well as other documents including press releases, newsletters, Council Hearing written testimonies, and links to other useful resources such as the Taxpayer Service Center, the DC College Savings Plan, and the Unclaimed Property Division. Additional financial information for investors on the bonds of the District may be obtained from the investor information website at <https://dcbonds.com>.

### ECONOMIC CONDITION AND OUTLOOK

For the year ended September 30, 2025, federal government employment accounted for 24.30% of all wage and salary jobs located in the District and 27.20% of wages and salaries generated in the city. Approximately 17.60% of employed District residents worked for the federal government. Furthermore, federal contracting accounted for additional jobs and income in the area, which also contributed to the tax base of the District. With such a dominant federal presence, significant changes in federal spending can have a major impact on the economy and revenues of the District.

The metrics quoted above did not vary significantly from the prior fiscal year, even though federal employment reductions associated with the Department of Government Efficiency (DOGE) began in fiscal year 2025. The timing and magnitude of the local economic impact of those reductions have differed from initial expectations. Early announcements of mass firings, layoffs, and early retirement programs suggested a more immediate and concentrated effect on the District's labor market. However, recent labor market data indicate that these workforce reductions occurred more gradually than anticipated. Specifically, the District's September 2025 employment report showed that the near-term impact of DOGE-related actions was moderated by a combination of court challenges, administrative reviews, and implementation delays, which temporarily constrained agencies' ability to execute workforce reductions at scale. As a result, federal job losses were partially deferred, and the associated effects on wages, withholding, and local spending were less pronounced in fiscal year 2025.

However, with these legal and administrative constraints largely resolved, and with the federal Deferred Resignation Program taking effect in October, 2025, the pace of federal workforce reductions is expected to accelerate. Accordingly, the District anticipates that the full economic and revenue impacts of DOGE-related workforce actions—including effects on employment, household income, taxable spending, and commuter activity—will be realized more clearly over the remainder of the financial plan period.

Population within the District and the surrounding metropolitan area also impacts the local economy and the city's revenues. Each year, the U.S. Census Bureau releases population estimates as of July 1 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. Certain population data, including income and poverty metrics, were not released as of the date of this publication.

### Highlights: The District Economy

As of September 2025, there were approximately 40,100 fewer jobs in DC compared to September 2019. Highlighting a positive trend, the District's population has rebounded, as evidenced by population increases in both 2023 and 2024. According to U.S. Census Bureau data, as of July 1, 2024, the District's estimated population was 702,250 residents. This marked the first time that the city's population surpassed the 700,000 milestone. Highlights of these and other recent trends in the District economy are as follows:

- In September 2025, there were 10,200, or 1.33%, fewer wage and salary jobs located in the District than in the same period a year earlier. Hospitality and retail jobs, including amusement and recreation positions, have not recovered, falling by 300 jobs in September 2025 when compared to September 2024. Federal employment continued to decline, with September 2025 showing a 4.60% decrease compared to the level at September 2024.
- District resident employment in September 2025 was 384,800, showing a 1.9% decline compared to the seasonally adjusted figure for the same period in the prior year.

- As of September 2025, the unemployment rate within the District increased to a not seasonally adjusted rate of 6.90%, up from the September 2024 not seasonally adjusted rate of 5.20%.
- Overall wages earned in the District grew 2.40% in the quarter ended September 2025, compared to the same quarter a year ago, led by growth in the business and professional services sector and in the information and financial services sector.
- Single family home sales for the 12-month period ended September 2025 were up 7.90% from a year ago while the average selling price was 4.00% higher. Condominium sales increased by 1.50%, and the average selling price was 2.40% higher than a year ago. The value of all home sale settled contracts for the 12-month period ended September 2025 was 9.40% higher than a year ago.
- Commercial office base rents in the quarter ending September 2025 were up about 0.30% over the past year and average vacancy was 17.70%. Leased space in September 2025 was down by 1.00% from a year ago.
- Hotel room-days sold for the 12 months ended September 2025 were up 6.30% from the prior year and hotel room revenues increased by 4.90% during that period. In September 2025, hotel occupancy was 69.20%.

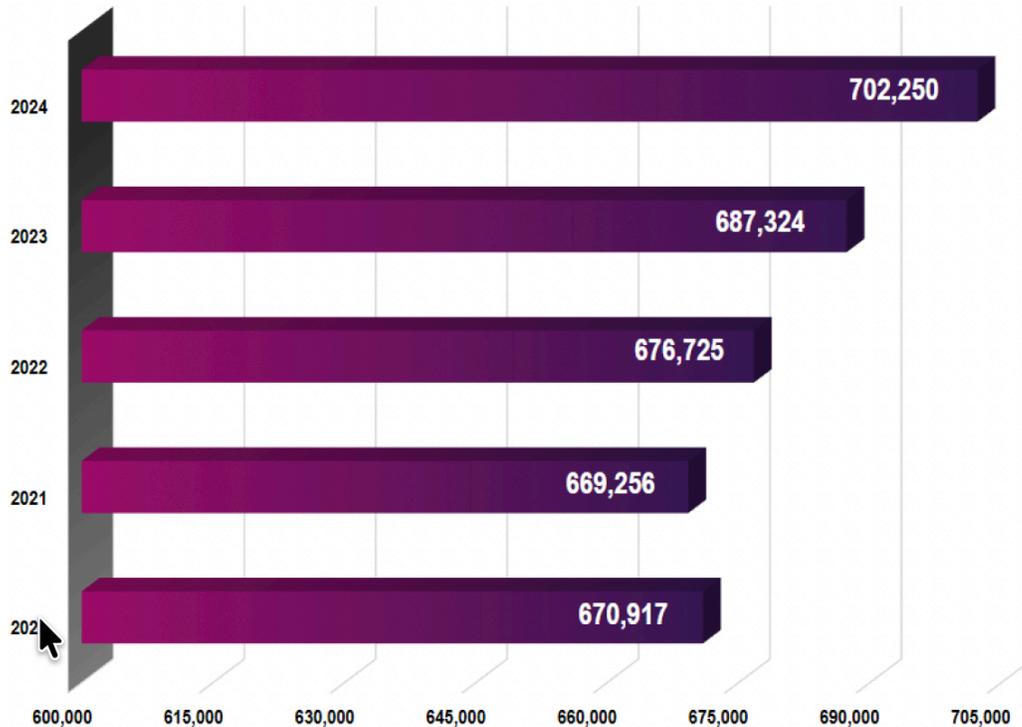
### Key Factors in the District Economy

#### Population

Historically, continuous population growth has been important in increasing the income, property, and sales tax bases of the District, and has been one of the driving forces behind rising home values. Between 2019 and 2021, a period which included the pandemic's peak period, the District of Columbia faced a net loss of over 31,000 residents. However, this negative trend has been reversing in recent years with the city's population reaching 702,250 residents in 2024. Population data issued by the U.S. Census Bureau is usually updated annually as of July 1 of each year. However, such data has not been updated and released for 2025.

**Chart T-1** presents population trends of the District as of July 1 of each year between 2020 and 2024, using annually revised population data. (Data as of July 1, 2025 was not available.)

**Chart T-1**  
**Population Trends - Number of Residents**  
**District of Columbia Population as of July 1 of Each Year (2020 - 2024)**



**Number of Residents**

*Note:*  
 Presentation of prior years' data has been revised to reflect resident population of the District as of July 1 each year. Population data as of July 1, 2025 was not available.

*Source:*  
 U.S. Census Bureau

**Income Trends**

Despite the effects of federal policy initiatives and changes that impacted the District in early 2025, income grew by 3.40% during fiscal year 2025. Inflation, however, cut the real income growth rate to 0.90% through 2025.

The distribution of income in the District differs from that of the nation, with larger portions of District residents in the higher and lower income brackets and a significantly smaller portion within the middle-income levels. Median household income data is not yet available for 2025; however, for 2024, the median household income of \$106,287 within the District was 35.33% above the U.S. average. The U.S. Census Bureau estimates that 17.30% of the population of the

District was below the poverty line in 2024 as compared to 10.60% for the entire country.

**Employment Trends**

As shown in Table T-2, total wage and salary employment in the Washington Metropolitan Area (Metropolitan Area) decreased to approximately 3.3921 million at the end of fiscal year 2025 from the revised 3.3933 million for fiscal year 2024, representing a decrease of less than one percent. These numbers exclude self-employed individuals, domestic workers, military, and foreign government personnel, who together represent a significant portion of the total workforce of the region. Some references to the 2024 employment numbers may differ from those presented in the fiscal year 2024 ACFR because of updates and revisions.

Table T-2 presents a comparison of September 2025 and 2024 labor market data for the District and the surrounding Metropolitan Area.

**Table T-2  
Comparison of September 2025 and 2024 Labor Market Data for the District and Surrounding Metropolitan Area (000s)**

Type	District of Columbia				Metropolitan Area			
	FY 2025 Level	FY 2024 Level	1 Year Change	1 Year Change %	FY 2025 Level	FY 2024 Level	1 Year Change	1 Year Change %
Employed residents	384.8	392.3	(7.5)	(1.91)%	3,371.9	3,449.8	(77.9)	(2.26)%
Labor force	413.1	413.9	(0.8)	(0.2)	3,515.3	3,556.8	(41.5)	(1.2)
Wage and salary employment:								
Federal government	183.9	192.7	(8.8)	(4.6)	354.0	376.0	(22.0)	(5.9)
Local government	43.3	42.6	0.7	1.6	356.0	351.1	4.9	1.4
Leisure and hospitality	78.5	77.7	0.8	1.0	328.0	325.1	2.9	0.9
Trade	24.5	25.7	(1.2)	(4.7)	312.2	317.6	(5.4)	(1.7)
Education and health	126.3	125.9	0.4	0.3	496.8	483.3	13.5	2.8
Professional, business, and other services	168.5	171.4	(2.9)	(1.7)	800.4	812.8	(12.4)	(1.5)
Other private	132.2	131.4	0.8	0.6	744.7	727.4	17.3	2.4
Total wage and salary employment	757.2	767.4	(10.2)	(1.3)	3,392.1	3,393.3	(1.2)	(0.0)
Unemployed	28.3	21.6	6.7	31.0	143.4	107.0	36.4	34.0
New unemployment claims	3.2	2.2	1.0	45.5	(a)	(a)	(a)	(a)

**Notes:**

FY 2025 Level - Data presented is preliminary, not seasonally adjusted amounts for September 2025.  
 FY 2024 Level - Data presented is seasonally adjusted and will differ from those presented in the fiscal year 2024 ACFR.  
 1 Year Change - The calculation of the change in numbers is based on adjusted data of the prior year.  
 (a) New unemployment claims for the Metropolitan Area are not available.

**Sources:**

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

In September 2025, total wage and salary employment within the District was 22.32% of the total wage and salary employment for the Washington Metropolitan Area. As of September 2025, the unemployment rate within the District increased to a not seasonally adjusted rate of 6.90%, up from the revised not seasonally adjusted rate of 5.20% in September 2024.

Total employment in the District decreased to approximately 757.2 thousand as of September 2025, compared to the revised 767.4 thousand as of September 2024. The leisure and hospitality industry continued to grow and improve during fiscal year 2025, contributing the most to job growth in the District. Jobs in legal services, construction, and local government added to job growth. However, jobs in other major sectors, including the federal government, business services, professional and technical, and retail trade, declined. Given the overall decline in the job market, the unemployment rate increased because more people were actively pursuing jobs than there were jobs available.

As the nation’s capital, Washington, DC is the seat of the federal government and headquarters for most federal departments and agencies. As indicated in Table T-2, the total federal workforce in the Washington Metropolitan Area during September 2025 was 354.0 thousand, with approximately 183.9 thousand federal employees located in Washington, D.C., and 170.1

thousand federal employees working elsewhere in the Washington Metropolitan Area.

**Minimum Wage Rate**

Effective July 1, 2025, the minimum wage in the District increased from \$17.50 per hour to \$17.95 per hour for all workers. There was no change on July 1, 2025 to the base minimum wage for tipped employees which remained constant at \$10.00 per hour. However, if an employee’s hourly tip earnings (averaged weekly) added to the base minimum wage do not equal the minimum wage as established by the District, the employer must pay the difference. These wage increases are due to provisions of the Fair Shot Minimum Wage Amendment Act of 2016 which further increases the minimum wage each successive year in proportion to the Consumer Price Index.

**Living Wage Rate**

Pursuant to the Living Wage Act of 2006, effective June 8, 2006 (DC Law 16-118; DC Code § 2-220.01 et seq.), recipients of District government contracts and 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, 2025 until June 30, 2025, the living wage rate was increased from \$17.05 per hour to \$17.50 per hour. Effective July 1, 2025, the living wage rate in the District increased to \$17.95 per hour.

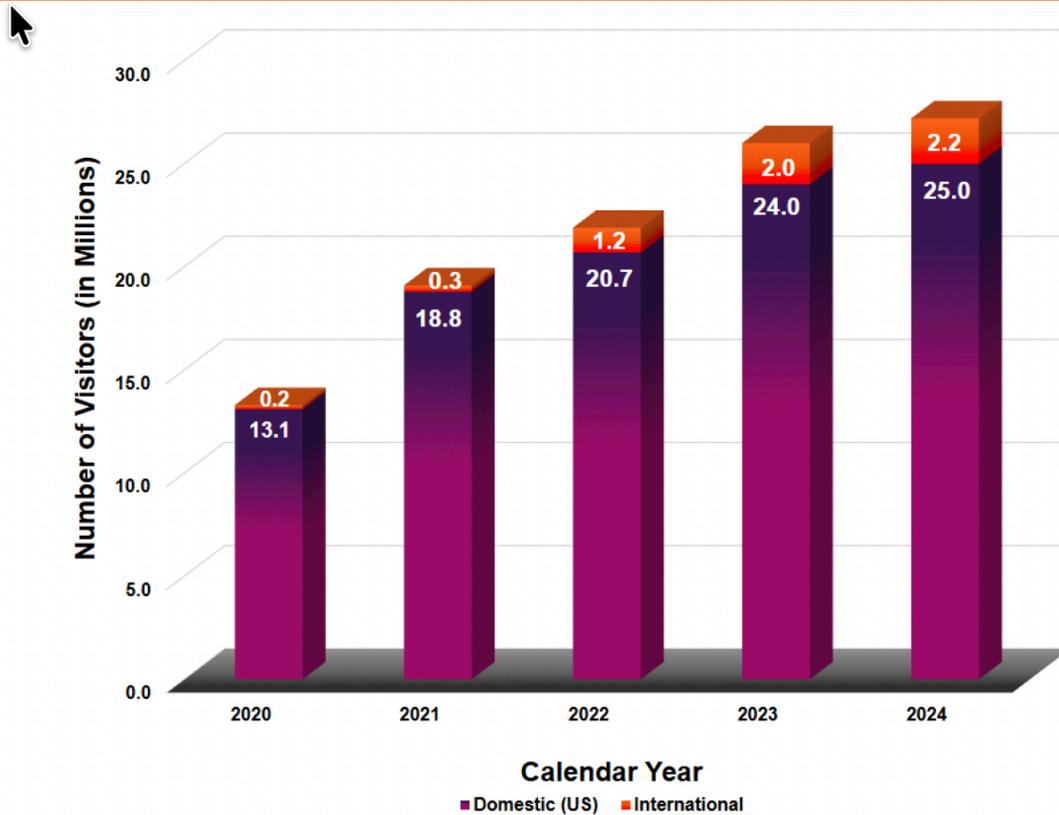
**Tourism and Hospitality**

As the capital city of the United States, Washington, D.C. is host to millions of domestic and international tourists who visit more than 400 museums, monuments, war memorials, and other historical landmarks each year. The presence of foreign embassies, diplomatic missions, and other international organizations also help boost tourism in the District. The number

of visitors to the District in 2024 increased from approximately 27.2 million total visitors in calendar year 2024 compared to 26.0 million total visitors in 2023. This change represents an increase in total visitors of 4.62% in 2024. Of the 27.2 million total visitors, 25.0 million were domestic visitors while 2.2 million were international visitors who traveled to the District.

**Chart T-2** presents the trends in tourism for calendar years 2020 through 2024.

**Chart T-2**  
**Trends in District Tourism**  
**Total Visitation to the District (2020 - 2024)**



*Note:*  
 Tourism data for calendar year 2025 was not available at the publication date.

*Source:*  
 Destination DC

The rise in visitors traveling to the nation’s capital positively affected visitor spending which totaled \$11.46 billion in 2024 compared to \$10.15 billion in 2023, an increase of 12.91%. The breakdown of visitor spending in 2024 is as follows: \$4.60 billion for lodging; \$3.10 billion for food and beverage; \$1.60 billion for entertainment; \$1.50 billion for retail; and \$0.66 billion for transportation. Tourism also supported 111,500 jobs in the District. Hotel occupancy rose to 71.70% in 2024 compared to 69.90% in 2023.

Tourism data for calendar year 2025 was not available at the time of this report.

**Construction**

**Commercial Office Space**

Office space under construction as of September 30, 2025, totaled 400 thousand square feet in one building. The office vacancy rate remained constant at 17.70% from the prior fiscal year and the average base rent increased slightly by 0.30%. Occupancy also decreased slightly over the past year for Class A properties, while there was a minor increase for Class B properties. The vacancy rate for Class A space was 20.00% in September 2025, up from 19.00% a year ago. The vacancy rate for Class B office space was

15.40%, slightly lower than the rate of 17.50% for Class B office space one year ago.

**Housing Units**

For the 12-month period ended September 30, 2025, 2,174 housing unit building permits were issued. This

represents a 82.70% increase over the prior 12-month period.

In calendar year 2025, there were 270,433 apartment units and condominiums in the District. As of September 30, 2025, there were 5,021 apartment units and condominiums under construction.

**Table T-3** presents the number of apartment units and condominiums located in the District in 2021 through 2025.

**Table T-3  
District Apartment Units and Condominiums (2021 - 2025)**

Type	2021	2022	2023	2024	2025
Inventory	209,351	221,016	214,604	223,327	270,433
Occupied Units	146,764	157,352	163,238	168,849	171,844

Note:  
Data for prior years is unadjusted.

Source:  
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 low- and moderate-income households. The Housing Production Trust Fund is funded through a dedicated portion of the city’s deed recordation and transfer tax revenues and the District’s General Fund. In fiscal year 2025, dedicated tax revenues increased by 26.55%, mainly from collections at the recently-lowered 1.45% assessed rate for commercial and industrial properties.

In fiscal year 2025, HPTF financed 48 projects that produced or preserved 5,500 housing units in the District. The total amount of HPTF funding obligated in fiscal year 2025 was approximately \$225 million. The projects financed included six new construction projects, 41 bridge grants/loans for distressed or pipeline projects, and one substantial rehabilitation project.

At the end of fiscal year 2025, DHCD had 43 additional housing projects in its underwriting pipeline that will

produce or preserve approximately 3,970 housing units when completed. The total estimated amount of HPTF funding to be committed for these projects is approximately \$342 million. The 43 projects include 12 new construction projects, five substantial rehabilitation projects, and 26 bridge grants/loans for distressed/pipeline projects.

**The District 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 facilitates access to the market and the possibility of realizing favorable borrowing costs for an issuer. During 2025, Moody’s Investors Service downgraded the general obligation debt of the District from Aaa to Aa1. Although downgraded, these ratings continue to support the superior ability of the District to repay its long-term debt obligations. Additional information about the bond ratings for the District may be obtained on the District’s investor relations website at <https://dcbonds.com>.

Table T-4 presents the ratings for District General Obligation Bonds and District Income Tax Secured Revenue Bonds over the past five years.

**Table T-4  
Bond Rating History (2021 - 2025)**

	General Obligation Bonds				
	2021	2022	2023	2024	2025
Moody's Investors Service	Aaa	Aaa	Aaa	Aaa	Aa1
Standard & Poor's Global Ratings	AA+	AA+	AA+	AA+	AA+
Fitch Ratings	AA+	AA+	AA+	AA+	AA+

	Income Tax Secured Revenue Bonds				
	2021	2022	2023	2024	2025
Moody's Investors Service	Aa1	Aa1	Aa1	Aa1	Aa1
Standard & Poor's Global Ratings	AAA	AAA	AAA	AAA	AAA
Fitch Ratings	AA+	AA+	AA+	AA+	AA+

**Long-Term Financial Planning**

Like other state and local governments throughout the country, the District continues to experience significant challenges in maintaining its most vital infrastructure, especially as it aims to manage increasing needs for funding operational requirements to support residents while budgets become more constrained due to slower revenue growth.

The District faces several internal and external challenges, including changes to federal employment and office use patterns which affect the local office real estate market and property values. Further challenges include stagnant population growth due to federal workforce reductions and tighter immigration policies, and declining tourism through more restrictive trade and travel policies. However, prudent financial management practices and fiscal discipline instituted over the years have enabled the District to address revenue shortfalls without sacrificing long-term budget priorities.

District officials continue to maintain a strong, stable financial environment by: developing a six-year capital improvements plan and a balanced five-year operating financial plan; monitoring and analyzing the quarterly revenue estimates of the District and making spending adjustments throughout the year, as necessary; identifying sound measures to enhance revenue streams; and striking an appropriate balance between funding the essential programs or services of the District versus its capital assets needs. The development and implementation of a budget that preserves long-term fiscal priorities despite unprecedented and unforeseen circumstances demonstrates the fiscal resilience of the District. This resiliency and strength become transparent in the financial markets as the District has maintained its high quality credit ratings over the last several years. This is critically important and allows the District to develop strategies as it continuously assesses its long-term capital and operational needs.

**Enhancements to Capital Planning Process**

The OCFO released its 2025 Long-Range Capital Financial Plan Report in October 2025. This report is intended to assist the Mayor, Council, other policymakers, and the public in understanding the size and scope of projects and future capital needs related to the infrastructure of the District during the current Capital Improvements Plan period and beyond. The development of the Long-Range Capital Financial Plan also allows the District to have a truly data-driven and transparent Capital Improvements Plan process.

The infrastructure needs of the District, which serves as a city, state, county, and school district, are significant. For that reason, the District continues to utilize the Capital Asset Replacement Scheduling System (CARSS), an asset management planning solution to manage its capital assets. CARSS contains a detailed inventory of all District-owned assets, including land, buildings, roads and streets, vehicles, and equipment, delivers a comprehensive view of the health of the capital assets of the District and provides information on each project or asset. The Long-Range Capital Financial Plan Report provides updates on the detailed information captured in CARSS for individual assets.

Although the District continues to face challenges, it will fund roughly \$10.71 billion of its highest-priority capital needs through 2030. However, the overall need for new or replacement facilities and maintenance of existing facilities far exceeds this funding level. CARSS analysis identified \$5.98 billion of additional unmet needs that cannot be funded during this Capital Improvements Plan period, although the District has made significant progress in addressing its deferred maintenance needs. Like any other enterprise, the District has limits on how much it can borrow and must strike an appropriate balance between funding its ongoing operations (programs and services) and investing in capital assets.

## Major Initiatives

The following tables present some of the major initiatives and projects of the District which were completed (**Table T-5**) or in progress (**Table T-6**) as of September 30, 2025.

**Table T-5**  
**Projects Completed by Economic Sector**

Project	Location	Square Footage/ Units/ Rooms	Estimated Value (\$000s)	Delivery Date (Calendar Year Basis)
<b>Retail</b>				
ART Place at Fort Totten (Aldi)	5300 South Dakota Avenue, NE	24,000 sq ft	Not available	4th Qtr 2024
The Yards DC Urby	110 N Street, SE	26,000 sq ft	Not available	3rd Qtr 2025
The Stacks (Phase I)	101 V Street, SW	40,000 sq ft	\$ 650,000	1st Qtr 2025
Residences at Mazza	5300 Wisconsin Avenue, NW	90,000 sq ft	\$ 150,000	3rd Qtr 2025
<b>Office</b>				
The Milken Center for Advancing the American Dream	1501 Pennsylvania Avenue, NW	132,000 sq ft	Not available	3rd Qtr 2025
EucKal - 1724 Kalorama Road	1724 Kalorama Road, NW	7,448 sq ft	\$ 16,000	2nd Qtr 2025
<b>Residential</b>				
Annex on 12th	300 12th Street, SW	562 units	Not available	4th Qtr 2024
Vermeer	113 Potomac Avenue, SW	501 units	\$ 259,000	4th Qtr 2024
The Bridge District (Phase I)	632 Howard Road, SE	757 units	\$ 350,000	1st Qtr 2025
The Stacks (Phase I)	101 V Street, SW	1,100 units	\$ 650,000	1st Qtr 2025
The Yards DC Urby	110 N Street, SE	466 units	Not available	3rd Qtr 2025
Residences at Mazza	5300 Wisconsin Avenue, NW	321 units	\$ 150,000	3rd Qtr 2025
Wardman Park Redevelopment	2650 Woodley Road, NW	900 units	\$ 500,000	3rd Qtr 2025
<b>Hospitality</b>				
Arlo DC Hotel	333 G Street, NW and 704 3rd Street, NW	445 rooms	Not available	4th Qtr 2024
Mint House	1010 Vermont Avenue, NW	85 rooms	\$ 50,000	2nd Qtr 2025
The Sixty DC	1337 Connecticut Avenue, NW	73 rooms	\$ 39,000	2nd Qtr 2025
<b>Education/Quality of Life</b>				
Joy Evans Therapeutic Recreation Center	3030 G Street, SE	37,000 sq ft	\$ 40,000	4th Qtr 2024
Cedar Hill Regional Medical Center	1200 Pecan Street, SE	407,000 sq ft	\$ 434,000	2nd Qtr 2025
Fort Dupont Ice Arena	3779 Ely Place, SE	43,600 sq ft	\$ 39,000	2nd Qtr 2025

Source:

Washington, DC Development Report 2024/2025 Edition, published by Washington DC Economic Partnership

**Table T-6  
Projects Under Construction by Economic Sector**

Project	Location	Square Footage/Units/ Rooms	Estimated Value (\$000s)	Estimated Delivery Date (Calendar Year Basis)
<b>Retail</b>				
600 5th Street	600 5th Street, NW	12,612 sq ft	\$ 370,000	4th Qtr 2025
The Edmonson Reservoir District	1130 Sumner Road, SE North Capitol Street & Michigan Avenue, NW	20,000 sq ft 80,000 sq ft	Not available \$ 720,000	4th Qtr 2026 2029
<b>Office</b>				
AIA Headquarters Modernization	1735 New York Avenue, NW	180,000 sq ft	\$ 60,000	4th Qtr 2025
600 5th Street	600 5th Street, NW	414,742 sq ft	\$ 370,000	4th Qtr 2025
<b>Residential</b>				
Carl F. West Estates	1370 Harvard Street, NW	215 units	\$ 134,000	1st Qtr 2026
1125 15th Street	1125 15th Street, NW	264 units	Not available	1st Qtr 2026
Reservoir District	North Capitol Street & Michigan Avenue, NW	730 units	\$ 720,000	2029
<b>Hospitality</b>				
citizenM - Georgetown	3401 Water Street, NW	230 rooms	Not available	2026
1776 K Street	1776 K Street, NW	278 rooms	Not available	1st Qtr 2026
Base Camp	1600 M Street, NW	110,000 sq ft	Not available	4th Qtr 2026
Capital One Arena Modernization	601 F Street, NW	1,200,000 sq ft	\$ 800,000	3rd Qtr 2027
<b>Education and Medical/Quality of Life</b>				
Spingarn High School (DCIA)	2500 Benning Road, NE	50,000 sq ft	\$ 64,000	4th Qtr 2025
Anacostia Recreation Center	1929 15th Street, SE	12,100 sq ft	\$ 16,000	1st Qtr 2026
MacArthur High School Modernization	4530 MacArthur Boulevard, NW	120,000 sq ft	\$ 85,000	3rd Qtr 2026
Neval Thomas Elementary School Modernization	650 Anacostia Avenue, NE	80,030 sq ft	\$ 79,000	3rd Qtr 2026

Source:  
Washington, DC Development Report 2024/2025 Edition, published by Washington DC Economic Partnership

**Retail, Residential, and Medical Projects**

**Joy Evans Therapeutic Recreation Center**

On December 23, 2024, the Mayor and community members joined together to cut the ribbon on the new Joy Evans Therapeutic Recreation Center. Located at 3030 G Street, SE, the 37,000-square-foot center sits on 7.5 acres of land. The Center is designed to serve residents of all ages and abilities with state-of-the-art amenities that enhance the physical, cognitive, and emotional well-being of its guests. Key amenities include therapy, wellness, and active rooms; a sensory room; a therapeutic pool and spa; locker rooms; a senior lounge; fitness center; and a full-size gymnasium. The outdoor spaces are equally inclusive and innovative featuring two playgrounds; a splash pad, a community garden; outdoor fitness equipment; walking paths; and open park spaces. This \$40.4 million project has become the premier therapeutic recreation center in the region.

**Cedar Hill Regional Medical Center GW Health**

On April 10, 2025, the Mayor was joined by healthcare leaders, project partners, and community members to cut the ribbon on the new Cedar Hill Regional Medical Center GW Health. This is the first new hospital built in the District in 25 years. The \$434.4 million public-private partnership project spans 406,000 square feet on the historic St. Elizabeths East campus in Southeast, D.C. Cedar Hill Regional Medical Center GW Health is a full-service hospital which contains 136 beds (expandable to 184 beds); a trauma care center; a 54-bay emergency department; maternal health and delivery services; an ambulatory pavilion; a 500-car parking garage; and a helipad for emergency transports. The hospital offers a full range of outpatient and specialty services such as dialysis infusion, cardiac rehabilitation, physical therapy and more. Cedar Hill Regional Medical Center GW Health officially opened its doors to patients on April 15, 2025.

### 600 5th Street – Former WMATA Headquarters

The former home to the Washington Metropolitan Area Transit Authority (WMATA) is undergoing a significant renovation of the existing structure. Located at 600 5th Street, NW, the building served as the headquarters for WMATA for 48 years until its relocation in 2022. The redevelopment plan calls for the former 360,000-square-foot building to be modernized and expanded to more than 400,000 square-feet. It will feature cutting-edge office spaces, outdoor terraces, green spaces, and 12,600 square feet dedicated to a corner restaurant. This \$370 million project is scheduled for completion in 2026.

### RFK Campus Redevelopment

In April 2025, the Mayor and Managing Partner of the Washington Commanders football team announced a historic deal to return the football team to Washington, D.C., playing its games at the historic 180-acre Robert F. Kennedy (RFK) site. The deal includes building a new 65,000-seat, state-of-the-art roofed stadium that will be able to host events year-round. The stadium, which will occupy only 11% of the site, will catalyze the transformation of the entire campus to include restaurants, hotels, retail, entertainment venues, housing, and neighborhood amenities. As the largest private investment in the history of the District, the Washington Commanders have committed to spending \$2.7 billion, the full cost of the stadium's construction. The District will use the existing debt service fund to back a \$500 million investment to prepare the land and handle needed infrastructure. The entire campus is expected to create approximately 14,000 jobs in construction, 2,000 permanent jobs and \$4 billion in total tax revenue.

The team played at RFK Stadium for 35 seasons, from 1961 to 1996, and moved to the Jack Kent Cooke Stadium, located in Landover, Maryland, in 1997. After playing home games in Landover, Maryland for approximately 30 years, the Washington Commanders will be returning to the District in 2030.

## Transportation and Other Projects

### Transportation

The District Department of Transportation (DDOT) is the agency responsible for managing transportation infrastructure and operations. DDOT manages hundreds of projects across the city and ensures that the District's roads are safe, reliable, and easy to navigate for the millions of residents, commuters, and visitors who use the transportation network each year.

### Mamie “Peanut” Johnson Plaza - Florida Avenue NE and New York Avenue NE Intersection Project

On June 2, 2025, DDOT personnel, the Mayor, the NoMa Business Improvement District (NoMa Bid), and community members unveiled the newly transformed

Mamie “Peanut” Johnson Plaza located at the Florida Avenue NE and New York Avenue NE intersection. This \$41 million infrastructure project was designed to enhance all modes of transportation and improve the overall safety to this busy intersection. The newly reconfigured Mamie “Peanut” Johnson Plaza connects the Eckington, NoMa, Union Market, and Shaw communities. The project added two-way traffic to First Street NE, restored two-way traffic on Florida Avenue NE, added protected bicycle lanes, improved pedestrian connectivity and vehicular flow, and created new green space for these communities. The plaza honors Mamie “Peanut” Johnson, the first woman to pitch in the Negro Leagues and longtime resident of Northeast DC.

### Rehabilitation of the Theodore Roosevelt Bridge

In April 2025, DDOT announced the start of the rehabilitation of the Theodore Roosevelt Bridge project. Opened in 1964, the Theodore Roosevelt Bridge, which crosses the Potomac River, has been a critical structure that connects neighboring Arlington, Virginia to Washington, DC. The bridge carries three lanes of vehicular traffic inbound towards Washington, D.C. as well as three outbound lanes towards Arlington, Virginia. Currently, the bridge is structurally deficient and functionally obsolete and if repairs are not completed, long-term traffic impacts will occur, which may include the eventual closure of the bridge. This rehabilitation project will extend the service life of the bridge by 20 to 30 years and better provide for the safe mobility of pedestrians and bicyclists. The proposed scope of the project will include sidewalk widening; deck replacement; structural repairs and painting; upgrading of the traffic barrier and pedestrian railing; and replacement of all sign structures. Total project costs will be approximately \$128 million, and the project is expected to be completed within 42 months.

### Bike Lane Projects

DDOT is working to create an equitable, connected, and low-stress bicycle lane network that is accessible to all users across the District of Columbia. The District currently has 114 miles of bicycle lanes that DDOT plans, constructs, and manages. Below are four bike lane projects that were completed in 2025:

- Riggs Road NE – From First Place to South Dakota Avenue NE; the new two-way protected cycle track provides a safe connection for bikes to Fort Totten and the Metropolitan Branch Trail.
- New Jersey Avenue NW – From Louisiana Avenue to H Street NW; protected bike lanes were installed and reduced travel lanes to a single lane in each direction.
- K Street NE – From 1st to 2nd Street NE; this short distance located underneath a rail bridge filled the gap that connects to the north-south Metropolitan Branch Trail and West Virginia Avenue NE protected bicycle lanes.

- I Street SE/SW – From 4th Street SW to 1st Street SE; bicycle lanes were upgraded to protected bicycle lanes providing a low-stress route between the 14th Street Bridge, the Wharf, and Capitol Hill.

To view a map of existing and planned bike lanes in the District, you may visit <https://bikelanes.ddot.dc.gov>.

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

#### **Office of the Deputy Mayor for Planning and 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**

899 North Capitol Street, NE, Suite 7100  
Washington, DC 20002  
Telephone: (202) 442-7600  
Website: <https://planning.dc.gov>

#### **Office of Tax and Revenue**

1101 4th Street, SW, Suite 270 West  
Washington, DC 20024  
Telephone: (202) 727-4829  
Website: <https://otr.cfo.dc.gov>

#### **Department of General Services**

3924 Minnesota Avenue, NE  
Washington, DC 20019  
Telephone: (202) 727-2800  
Website: <https://dgs.dc.gov>

#### **Department of Housing and Community Development**

1909 Martin Luther King Jr. 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**

250 M Street, SE  
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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. The District has received this award for 40 of the last 43 years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that the fiscal year 2025 ACFR continues to meet the requirements of the Certificate of Achievement Program, 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, 2024, for the twenty-first time. The PAFR presents the financial results of the District 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 ACFR. It is a less detailed overview of the city's financial activities and contains simplified jargon with graphics and photographs that enhance the District's message.

Like the Certificate of Achievement, the Award for Popular Annual Financial Reporting is valid for one year only. The District expects the fiscal year 2025 PAFR will conform to the GFOA requirements of the Popular Annual Financial Reporting Program and will be submitting it for consideration. The PAFR can be found on the website of the District at [www.cfo.dc.gov](http://www.cfo.dc.gov).

### **Acknowledgments**

I would like to express my sincere appreciation to all staff who contributed to this report, especially my immediate staff, *Diji Omisore, Belete Sitota, Mulu Kahsay, Temony McNeil, Manas Mondal, Wilma Matthias, Cassandra Alexander, Vanessa Jackson*, and their respective teams who prepared and compiled this report. I commend them for their professionalism, hard work, and efforts to continuously improve the business and financial reporting processes. Finally, this Annual Comprehensive Financial Report could not have been prepared without the full cooperation of the Component Units and the assistance and efficient administration of the District's financial operations by all District Agencies. I would like to express my sincerest gratitude to agency financial and program staff and personnel within the component units and other independent entities for their hard work and dedication throughout the fiscal year. I would also like

to thank the Office of the Inspector General, and the District's independent auditors CliftonLarsonAllen LLP (CLA), assisted by F.S.Taylor & Associates, P.C. for their efforts throughout the audit engagement.

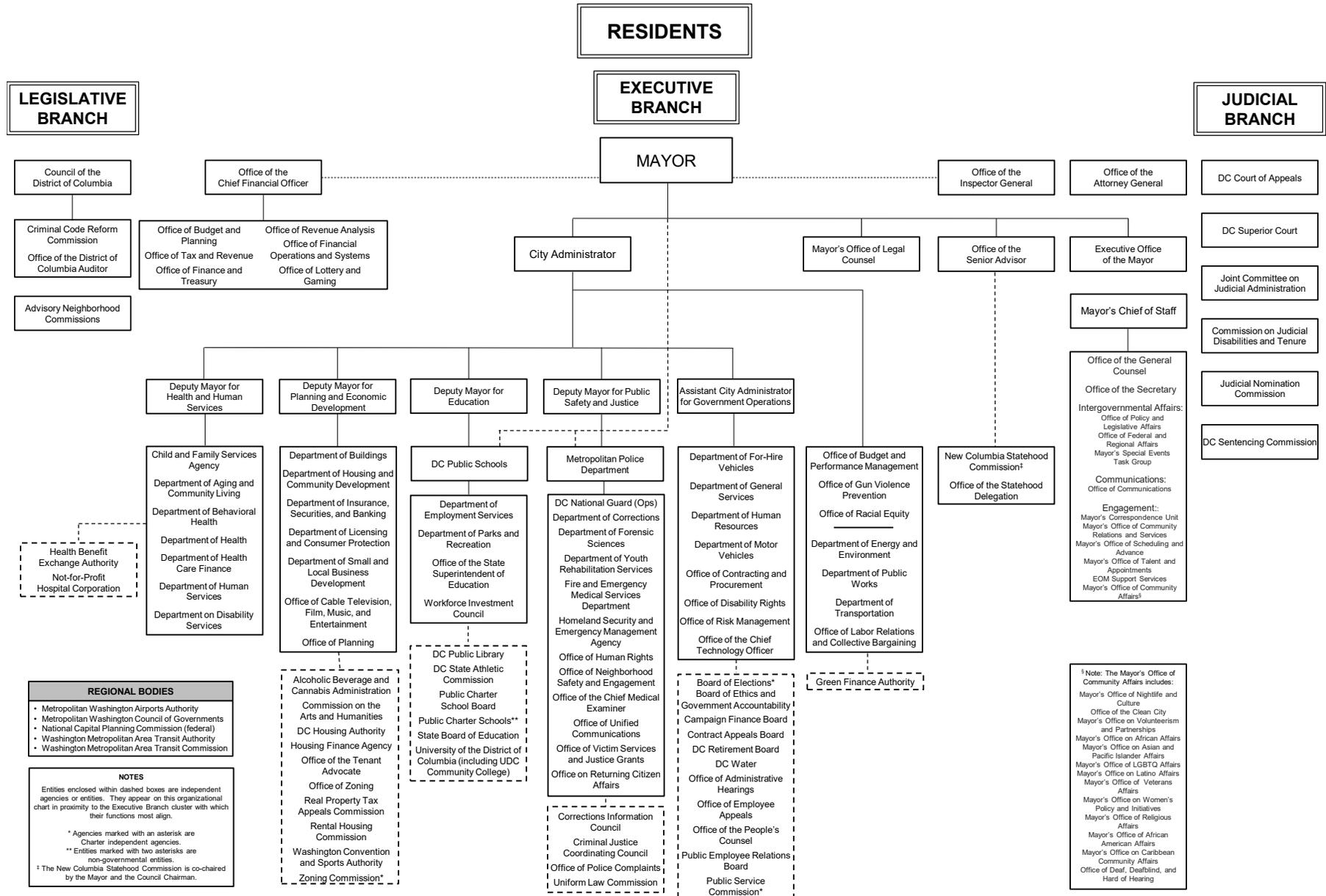
Respectfully submitted,

A handwritten signature in black ink that reads "Kimberly Williams". The signature is written in a cursive style with a large, sweeping loop at the end of the name.

Kimberly Williams  
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, 2025

**ELECTED OFFICIALS**

	<b>Name</b>	<b>Position</b>	<b>First Took Office</b>	<b>Term Expires</b>
<b>Executive Office of the Mayor</b>	Muriel Bowser	Mayor	2015	2027
<b>Office of the Attorney General</b>	Brian L. Schwalb	Attorney General	2023	2027
<b>Council</b>	Phil Mendelson	Chairman	2012	2027
	Anita Bonds	At Large	2012	2027
	Christina D. Henderson	At Large	2021	2029
	Kenyan R. McDuffie	At Large	2023	2027
	Robert C. White, Jr.	At Large	2016	2029
	Brianne K. Nadeau	Ward 1	2015	2027
	Brooke Pinto	Ward 2	2020	2029
	Matthew Frumin	Ward 3	2023	2027
	Janeese Lewis George	Ward 4	2021	2029
	Zachary Parker	Ward 5	2023	2027
	Charles Allen	Ward 6	2015	2027
	Wendell Felder	Ward 7	2025	2029
	Trayon White, Sr.	Ward 8	2017	2029
<b>House of Representatives</b>	Eleanor Holmes Norton	Delegate	1991	2027
<b>Shadow Representatives</b>	Paul Strauss	U.S. Senator	1997	2027
	Ankit Jain	U.S. Senator	2025	2031
	Oye Owolewa	U.S. Representative	2021	2027

**EXECUTIVE OFFICERS**

<b>Name</b>	<b>Position</b>
Daniel W. Lucas	Inspector General
Kevin Donahue	City Administrator
Lindsey Appiah	Deputy Mayor for Public Safety and Justice
Wayne Turnage	Deputy Mayor for Health and Human Services
Nina Albert	Deputy Mayor for Planning and Economic Development
Paul Kihn	Deputy Mayor for Education
Lindsey V. Parker	Chief of Staff to Mayor Muriel Bowser
Glen Lee	Chief Financial Officer
Angell Jacobs	Deputy CFO/Chief of Staff
Kimberly Williams	Deputy CFO/Controller, Financial Operations and Systems
Eric Cannady	Deputy CFO, Budget and Planning
Carmen Pigler	Deputy CFO/Treasurer, Finance and Treasury
Fitzroy Lee	Deputy CFO/Chief Economist, 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
Paris Saunders	Associate CFO, Education
Randy Burnside	Executive Director, Lottery and Gaming

**Note:**

First Took Office in Position: Dates presented may differ from those shown in prior years; dates now reflect start date in current position rather than start date as an elected official.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Government of the District of Columbia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

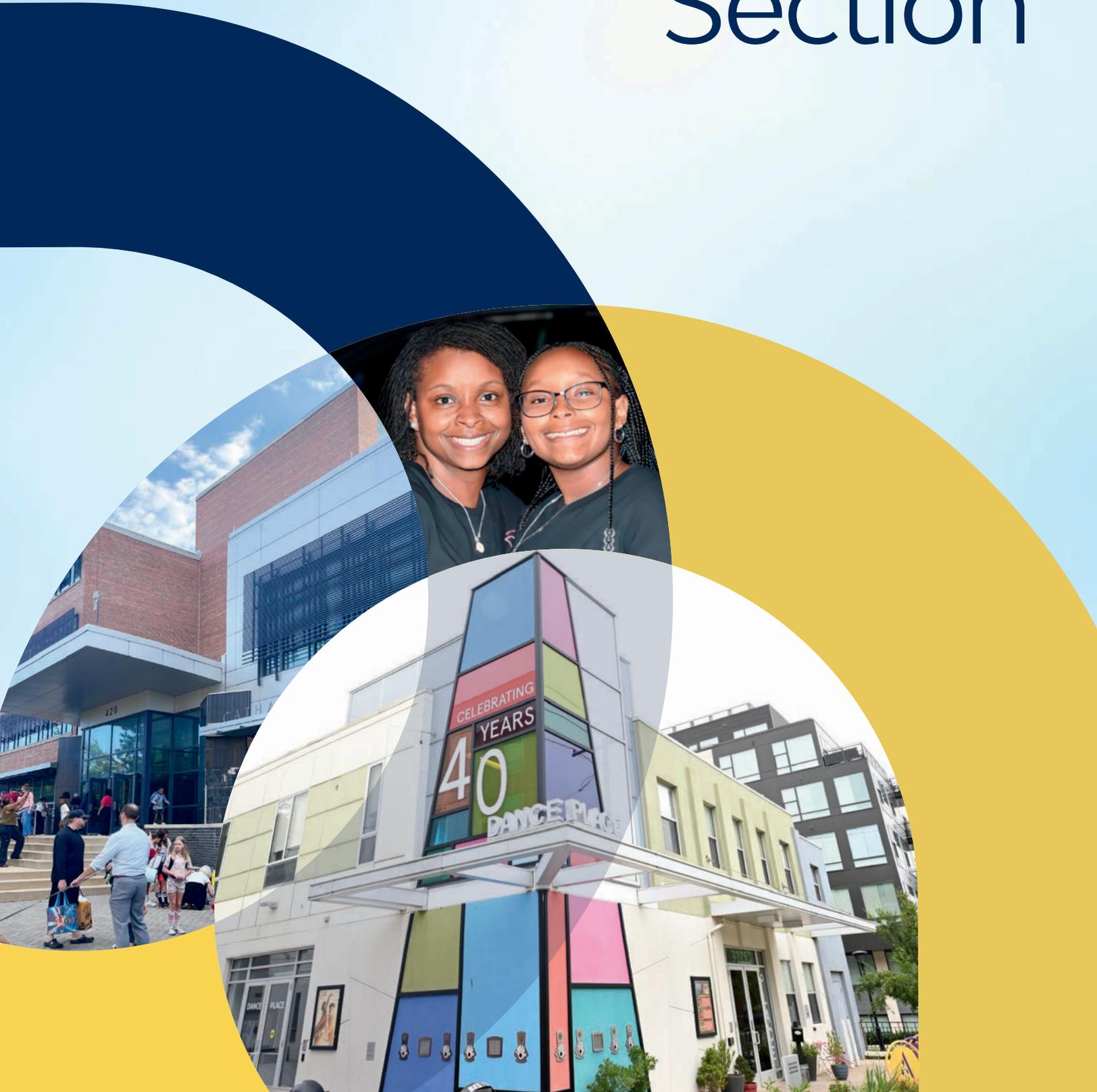
*Christopher P. Morill*

Executive Director/CEO



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# Financial Section



## **INDEPENDENT AUDITORS' REPORT**



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

The Mayor and the Council of the Government of the District of Columbia, and  
The Inspector General of the Government of the District of Columbia  
Washington, D.C.

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements 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 Government of the District of Columbia (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position, and, where applicable, cash flows and the respective budgetary comparison for the General Fund, Federal and Private Resources Fund, and Housing Production Trust Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer).

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control related matters that we identified during the audit.

### ***Emphasis of Matter – Correction of an Error and Change in Accounting Principle***

As disclosed in Note 1Z, the District restated beginning net position or fund balance due to a correction of an error in the Housing Production Trust Fund and for the implementation of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to these matters.

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

### **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, schedules of changes in net pension liability (asset) and related ratios for the Teachers' Retirement Fund and the Police Officers and Firefighters' Retirement Fund, schedule of employer contributions – Other Postemployment Benefits (OPEB), and schedule of changes in net OPEB liability (asset) and related ratios for the OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

### **Supplementary Information**

Our audit was for the year ended September 30, 2025, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information presented for the general fund, nonmajor governmental funds, fiduciary funds, and supporting schedules, as listed in the table of contents, for the year ended September 30, 2025, are presented for purposes of additional analysis and is not a part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended September 30, 2025, 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 GAAS. In our opinion, the supplementary information for the general fund, nonmajor governmental funds, fiduciary funds and supporting schedules, referred to above, is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended September 30, 2025.

### **Other Information**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Report on Summarized Comparative Information**

The basic financial statements and supplementary information, referred to above, include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended September 30, 2024, from which the summarized information was derived. Those financial statements were audited by another auditor, whose report dated January 24, 2025, expressed unmodified opinions.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2026, on our consideration of the District's internal control 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 control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
January 23, 2026



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# MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

(Dollar amounts expressed in thousands)

The following is a discussion and analysis of the financial performance of the District of Columbia (District) for the fiscal year ended September 30, 2025, 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.

In fiscal year 2025, the District continued to demonstrate overall financial stability amid changing economic conditions. While revenues and expenses both increased, the growth in revenues was tempered by the expiration of certain temporary funding sources, and expenditures reflected ongoing investments in essential services and programs. The District's financial position was impacted by some adjustments due to resource allocations and required accounting changes, while long-term obligations were managed effectively through debt repayments and strong financial performance. Overall, fund balances remained healthy, supporting the District's ability to meet its commitments and maintain fiscal resilience.

## FINANCIAL HIGHLIGHTS

- During fiscal year 2025, total District revenues increased by \$715,222, driven by a \$981,564 rise in general revenues. The increase in general revenues was primarily derived from growth in income and franchise taxes, along with other taxes such as deed and related real estate taxes. This growth was partially offset by a decline of \$266,342 in program revenues. The only decrease in program revenues occurred in operating grants and contributions which fell by \$508,053, mainly due to the expiration of certain stimulus funding provided through the American Rescue Plan Act of 2021 (ARPA). (See **Table MDA-3**)

As reported above, general revenues increased by \$981,564, or 8.65%, in fiscal year 2025. The most significant dollar increases in general revenues were in income and franchise tax, which rose by \$594,167 or 13.99%, and other taxes, which increased by \$226,449, or 24.61%. The increase in income and franchise tax revenues was driven by from earnings on non-wage income which were significantly influenced by strong performance in the stock market. In addition, taxable income

from wages also grew as a result of increasing employment by residents in the healthcare, education and hospitality sectors. Moreover, rising wages among higher-income residents and increased corporation franchise taxes contributed to the growth in this revenue stream. Corporation franchise taxes increased as businesses reported higher profits, especially within the technology sector, as capital investments in artificial intelligence expanded. An increase in the number of property transfer and financing transactions partially accounted for the growth in other taxes as deed recordation revenues grew by 24.54% and revenues from deed transfers increased by 19.41%. Revenues from inheritance and estates fell by approximately 1.00% while revenues from economic interests, though small in value, grew by 69.09%. Most of the revenue growth in other taxes was from residential transactions while commercial properties, other than large office transactions, represented the remaining transactions. (See **Table MDA-3**)

- Total expenses increased, though modestly, by \$451,417, or 2.32%, during fiscal year 2025. The most significant increases occurred in Public Transportation, which rose by \$212,997, or 42.06%, over the one-year period, Human Support Services which increased by \$208,503 or 2.96%, and Economic Development and Regulation which increased by \$70,899 or 7.95% over the same period. The overall increase in expenses in Public Transportation was mainly driven by additional costs incurred to comply with the WMATA Compact Agreement as well as increasing costs due to inflation. Increased expenses in Human Support Services resulted primarily from a new funding mechanism that increased dedicated tax collections from hospitals. This increased funding enabled the processing of separate payments to Medicaid Managed Care Organizations (MCOs) that would then utilize that revenue to make state directed payments (SDPs) as necessary. In addition, increases in expenses were also attributed to the DC Provider Fee Fund, which supports the District match for Medicaid fee-for-service hospital reimbursements. Economic Development and Regulation expenses increased overall as a result of a significant local budget increase in fiscal year 2025 for the Home Purchase Assistance Program and increases in disbursements of Preservation grants to local community development financial institutions. In addition, spending on community planning and design to support the Streets for People program rose to support this community-driven initiative that focuses on investing in infrastructure for streets, sidewalks, and alleys to encourage civic engagement and enjoyment of local amenities in the District. (See **Table MDA-3**)
- Total net position decreased by \$255,201, or 3.17%, down to \$7,799,311 compared to the prior year. This decrease was primarily due to the implementation of GASB Statement No. 101, *Compensated Absences*, which resulted in a downward adjustment to net position. In addition, although revenues increased, expenses also increased such that by the end of the year, expenses were higher than revenues, a circumstance which also decreased net position. The District made a higher volume of payments to claimants from the Unemployment Compensation Fund and also experienced significant declines in operating grants and contributions. When combined, such factors all contributed to the overall decrease in net position at the end of the year. (See **Table MDA-2**)
- The District's total long-term liabilities, which represent 86.90% of total liabilities, increased by \$1,800,609, or 10.86%, from the prior year. This was primarily due to new issuances of General Obligation Bonds and Income Tax Secured Revenue Bonds in October 2024 and May 2025. Bond proceeds were used to finance capital expenditures under the District's capital improvement plan and to refund other general obligation bonds and pay the costs of issuing and delivering other bonds. These increases were offset primarily by debt service payments on other General Obligation and Income Tax Secured Revenue Bonds. (See **Table MDA-2**)
- The combined fund balances of the governmental funds increased by \$205,729 to \$4,718,889 in fiscal year 2025. The increase in fund balance in the governmental funds was due to the issuance of several new bonds to cover capital outlays during the fiscal year. These bond issuances resulted in a significant increase in the fund balance of the General Capital Improvements Fund. (See **Table MDA-4**)

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Table MDA-1** summarizes the major features of the financial statements of the District. The overview section which follows describes the structure and contents of each of the statements in more detail.

**Table MDA-1  
Summary of the Financial Statements of the District**

	Government-wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
<b>Financial Statement Title</b>	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures, and Changes in Fund Balances  Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  Budgetary Comparison Statement	Statement of Net Position  Statement of Revenues, Expenses, and Changes in Net Position  Statement of Cash Flows	Statement of Fiduciary Net Position  Statement of Changes in Fiduciary Net Position
<b>Scope</b>	Entire District entity (except fiduciary funds)	The day-to-day operating activities of the District for basic governmental services	The day-to-day operating activities of the District for business-type enterprises	Instances in which the District administers resources on behalf of others in a trustee capacity, such as employee benefits
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of balance information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Balances of current financial resources (assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balances)	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	All resources held in a trustee or custodial capacity for others
<b>Type of inflow and outflow of resources</b>	All inflows and outflows during the year, regardless of when cash is received or paid	Near-term inflows and outflows of spendable resources	All inflows and outflows during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## 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 overall financial position of the District and include a Statement of Net Position and a Statement of Activities. The District prepares the government-wide financial statements using the economic resources measurement focus and the full accrual basis of accounting. 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. Governmental activities include the District's basic functional services which are mainly 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 (the Corporation), which are primarily funded by fees for services. These 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 purpose of the Statement of Net Position is to report all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District as of September 30, 2025. Net position of the District is determined by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources. Total net position is comprised of three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. In general, evaluating 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 overall financial health of the District.

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 a 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 government-wide financial statements of the District are presented in Exhibits 1-a and 1-b on pages 56 and 57, respectively.

## 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 fund financial statements of the District 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 focus primarily on the sources, uses, and balances of current financial resources and use the modified 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 financial position of the District 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 the accounting basis used to prepare fund financial statements differs from that used to prepare 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. It 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 governmental funds financial statements of the District are presented in Exhibits 2-a, 2-b, and 2-c on pages 58 through 60.

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

The proprietary funds financial statements of the District, which present the changes in financial position and condition of these three proprietary funds, are presented in Exhibits 3-a, 3-b, and 3-c on pages 63 through 65.

### Financial Statements of the Fiduciary Funds

The fiduciary funds of the District include the Pension (and Other Employee Benefit) Trust Funds, Private-Purpose Trust Fund, and Custodial Fund. The financial statements of the fiduciary funds consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

The fiduciary fund statements are prepared using the full accrual basis of accounting which is also 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 fiduciary funds financial statements of the District are presented in Exhibits 4-a and 4-b on pages 66 and 67, respectively.

### Component Units

Financial data of the District's discretely presented component units is reported in combining financial statements, which are presented in Exhibits 5-a and 5-b on pages 68 and 69, respectively. 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 71, 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 progress of the District toward funding its obligation to provide pension and other postemployment benefits to District employees. Required supplementary information can be found on pages 161 through 167.

Financial statements of individual funds, combining statements (including nonmajor governmental funds), and supporting schedules are presented in the other supplementary information section on pages 169 through 208.

## OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AND OPERATIONS

The District's overall financial position remained strong during fiscal year 2025 despite the economic impacts of volatile inflationary conditions, significant federal policy changes affecting the District, and the waning consequences of COVID-19. The financial position and operations of the District for the past two fiscal years are summarized in **Tables MDA-2** and **MDA-3**. The information for fiscal years 2025 and 2024 is based on the government-wide financial statements presented on pages 56 and 57.

**Table MDA-2**  
**Net Position as of September 30, 2025 and 2024 (\$000s)**

	Governmental activities		Business-type activities		Totals		Variance
	2025	2024	2025	2024	2025	2024	
<b>ASSETS</b>							
Current and other assets	\$ 10,225,947	\$ 9,489,595	\$ 424,604	\$ 473,487	\$ 10,650,551	\$ 9,963,082	\$ 687,469
Capital assets, net	19,773,203	18,735,329	-	34,213	19,773,203	18,769,542	1,003,661
<b>Total assets</b>	<b>29,999,150</b>	<b>28,224,924</b>	<b>424,604</b>	<b>507,700</b>	<b>30,423,754</b>	<b>28,732,624</b>	<b>1,691,130</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>642,514</b>	<b>494,971</b>	<b>-</b>	<b>-</b>	<b>642,514</b>	<b>494,971</b>	<b>147,543</b>
<b>LIABILITIES</b>							
Long-term liabilities	18,376,392	16,578,828	9,976	6,931	18,386,368	16,585,759	1,800,609
Other liabilities	2,698,293	2,274,636	72,711	86,517	2,771,004	2,361,153	409,851
<b>Total liabilities</b>	<b>21,074,685</b>	<b>18,853,464</b>	<b>82,687</b>	<b>93,448</b>	<b>21,157,372</b>	<b>18,946,912</b>	<b>2,210,460</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>2,109,585</b>	<b>2,226,171</b>	<b>-</b>	<b>-</b>	<b>2,109,585</b>	<b>2,226,171</b>	<b>(116,586)</b>
<b>NET POSITION</b>							
Net investment in capital assets	3,626,703	4,082,178	-	33,101	3,626,703	4,115,279	(488,576)
Restricted	3,247,902	1,881,774	338,026	364,008	3,585,928	2,245,782	1,340,146
Unrestricted	582,789	1,676,308	3,891	17,143	586,680	1,693,451	(1,106,771)
<b>Total net position</b>	<b>\$ 7,457,394</b>	<b>\$ 7,640,260</b>	<b>\$ 341,917</b>	<b>\$ 414,252</b>	<b>\$ 7,799,311</b>	<b>\$ 8,054,512</b>	<b>\$ (255,201)</b>

**Table MDA-3**  
**Change in Net Position for the Fiscal Year Ended September 30, 2025 and 2024 (\$000s)**

	Governmental activities		Business-type activities		Totals		Variance
	2025	2024	2025	2024	2025	2024	
<b>REVENUES</b>							
Program revenues							
Charges for services	\$ 1,260,412	\$ 861,464	\$ 234,755	\$ 421,961	\$ 1,495,167	\$ 1,283,425	\$ 211,742
Operating grants and contributions	5,673,795	6,204,691	33,253	10,410	5,707,048	6,215,101	(508,053)
Capital grants and contributions	275,337	245,368	-	-	275,337	245,368	29,969
General revenues							
Property taxes	3,121,075	3,099,740	-	-	3,121,075	3,099,740	21,335
Sales and use taxes	2,184,263	2,084,662	-	-	2,184,263	2,084,662	99,601
Income and franchise taxes	4,842,694	4,248,527	-	-	4,842,694	4,248,527	594,167
Other taxes	1,019,041	800,376	127,401	119,617	1,146,442	919,993	226,449
Non-tax revenues	1,018,873	981,290	14,153	11,724	1,033,026	993,014	40,012
<b>Total revenues</b>	<b>19,395,490</b>	<b>18,526,118</b>	<b>409,562</b>	<b>563,712</b>	<b>19,805,052</b>	<b>19,089,830</b>	<b>715,222</b>
<b>EXPENSES</b>							
Governmental direction and support	1,732,747	1,697,573	-	-	1,732,747	1,697,573	35,174
Economic development and regulation	962,851	891,952	-	-	962,851	891,952	70,899
Public safety and justice	2,105,061	2,206,241	-	-	2,105,061	2,206,241	(101,180)
Public education system	4,449,701	4,386,680	-	-	4,449,701	4,386,680	63,021
Human support services	7,259,180	7,050,677	-	-	7,259,180	7,050,677	208,503
Operations and infrastructure	1,656,423	1,635,636	-	-	1,656,423	1,635,636	20,787
Public transportation	719,459	506,462	-	-	719,459	506,462	212,997
Interest on long-term debt	554,348	537,974	-	-	554,348	537,974	16,374
Office of lottery and gaming	-	-	179,697	290,273	179,697	290,273	(110,576)
Unemployment compensation	-	-	199,111	110,701	199,111	110,701	88,410
Not-for-profit hospital corporation	-	-	70,834	123,826	70,834	123,826	(52,992)
<b>Total expenses</b>	<b>19,439,770</b>	<b>18,913,195</b>	<b>449,642</b>	<b>524,800</b>	<b>19,889,412</b>	<b>19,437,995</b>	<b>451,417</b>
<b>Increase (decrease) in net position before transfers</b>	<b>(44,280)</b>	<b>(387,077)</b>	<b>(40,080)</b>	<b>38,912</b>	<b>(84,360)</b>	<b>(348,165)</b>	<b>263,805</b>
Transfers in (out)	32,742	17,350	(32,742)	(17,350)	-	-	-
Change in net position	(11,538)	(369,727)	(72,822)	21,562	(84,360)	(348,165)	263,805
Net position - October 1, as restated	7,468,932	8,009,987	414,739	392,690	7,883,671	8,402,677	(519,006)
<b>Net position - September 30</b>	<b>\$ 7,457,394</b>	<b>\$ 7,640,260</b>	<b>\$ 341,917</b>	<b>\$ 414,252</b>	<b>\$ 7,799,311</b>	<b>\$ 8,054,512</b>	<b>\$ (255,201)</b>

Note:

Refer to Note 1X - Reconciliation of Government-Wide and Fund Financial Statements, on page 93 for additional information on the differences between the full accrual basis of accounting used in this report and the modified accrual basis of accounting that the District used in the Fund Financial Statements.

### Financial Analysis of the Government as a Whole

Total revenues increased by \$715,222, or 3.75%, while total expenses increased by \$451,417, or 2.32%, in fiscal year 2025 compared to the prior year.

Program revenues, which accounted for 37.76% of the District's total revenues in fiscal year 2025, decreased overall by \$266,342, or 3.44%. This was largely driven by a decrease in operating grants and contributions, a decline of 8.17%, as a result of the expiration of federal Coronavirus relief funding and financial resources provided under ARPA and other federal sources in fiscal year 2024. These funds were used to support the city's response to and recovery from the COVID-19 public health emergency. The overall decrease was offset by increased revenues from charges for services largely attributable to the implementation of an additional employer contribution to the Universal Paid Leave (UPL) Program. This change was enacted under the Universal Paid Leave (UPL) Program Amendment Act of 2024, which increased the amount employers are required to contribute and authorized the transfer of surplus funds—those not needed for program operations—from the UPL Fund to the District's local fund.

General revenues, which are derived primarily from taxes and represented 62.24% of the District's total revenues in fiscal year 2025, increased by \$981,564, or 8.65%, over the prior fiscal year. The increase resulted primarily from higher income and franchise tax, gross receipts taxes, and other taxes during fiscal year 2025. During the fiscal year, the District implemented strategies to address seemingly insurmountable financial and economic challenges, including those resulting from mandates imposed by the federal government. While such strategies were effective in reducing the impact of these challenges, the city also experienced increases in all tax categories in fiscal year 2025. Increased tax revenues further helped to successfully address the challenges faced. Similar to the prior fiscal year, revenue growth from income and franchise tax revenues was attributed to increased withholding due to gains in resident employment and rising wages among residents with higher incomes. A strong overall performance in the stock market also contributed to increased non-wage income which led to increases in individual income tax revenues. Capital investments in the technology sector, an industry that is critically important to the District, resulted in higher business profitability and ultimately strong growth in corporation franchise tax revenues. Tax revenues from other taxes, which includes deed recordation; deed transfers; inheritance and estate taxes; and economic interests also grew primarily from higher residential property transfers and financing transactions when compared to the prior year. There was higher activity in the single-family and multifamily property markets. Commercial transactions across all property types also increased although large office transactions decreased. The prevailing inflationary environment along with higher consumer incomes during the fiscal

year contributed to the increase in sales and use tax revenues. The tourism and hospitality sector, which includes the food and beverage industry, along with accommodation services, continued its economic rebound, especially during the first six months of the fiscal year. General revenues also increased in fiscal year 2025, though minimally, due to an increase in personal property tax revenues. This increase was driven by investments in information technology equipment which typically includes higher-value taxable assets that are further subject to increasing valuations through rising inflation. However, the overall increase in property tax revenues was offset by a decline in collections of real property taxes related to office buildings, due to a reduction in assessed values for these properties and other commercial properties. The weakened demand for office space from both the federal government and the private-sector continues to be an impediment towards, and negatively impacts, real property tax revenue growth in the District.

The District's expenses grew by \$451,417 in fiscal year 2025 because of increases in expenses across all but one functional area of governmental activities. The most significant increases were reported in the areas of Public Transportation; Human Support Services; Economic Development and Regulation; and Public Education System while Public Safety and Justice tempered the overall increase. Total expenses in business-type activities were significantly reduced in fiscal year 2025. The most substantial decrease was in the Office of Lottery and Gaming with a smaller decrease in the Not-for-Profit Hospital Corporation. These decreases, however, were offset by a relatively large increase in expenses of 79.86% for the Unemployment Compensation Fund, as a result of higher unemployment benefit payments.

Human Support Services expenses increased, year-over-year, primarily due to increased resources being available to support programs, activities, and operations in a wide range of areas. Increased expenses during fiscal year 2025 were also attributed to an increase in payments made to Medicaid Managed Care Organizations (MCOs). During the fiscal year, the Department of Health Care Finance was authorized to make separate payments to MCOs, funded by a new dedicated tax revenue source collected from hospitals.

Overall spending for Economic Development and Regulation grew due to several factors, including significantly increased project activities driven by larger initiatives and less project delays when compared to the prior fiscal year. In addition, expenses grew as a result of higher contract costs for housing rehabilitation across individual properties and related tasks. An increase in disbursements for distressed property grants also contributed to the increase in expenses. Further, increases in personnel services costs and contractual services for IT contracts occurred, along with increases in program costs, including community planning and design costs for the Streets for People

program, which was a one-time program funded in fiscal year 2025. Another major activity that resulted in increased expenses, year-over-year, was the disbursement, for the first time, of voucher payments funded under the Local Rent Supplement Program and spending under the Reentry Housing grant. In addition, executing three multi-year projects in the Small Buildings Program, awarding Preservation grants to local community development financial institutions, and additional funding for the Home Purchase Assistance Program accounted for a major increase in expenses.

Spending in the Public Education System rose as a result of additional retroactive payments that were made to union staff members. Pay increases for educators that were consistent with the execution of the Washington Teachers' Union Contract for fiscal year 2025 also resulted in increased spending. Increased Uniform Per Student Funding Formula rates for pupils and facilities also contributed to higher expenses in the fiscal year. Further, increased costs for private bus companies to transport eligible children to and from school and increased costs associated with the Parent Stipend program also contributed to higher expenditures in the Public Education System.

Public Safety and Justice experienced a significant decrease in overall expenditures largely due to a reduction in ARPA funding which expired in fiscal year 2024. As a result, funding for grants and programs, including for Boating Safety and Motor Carrier Safety grants, programs under Homeland Security and Emergency Management as well as other emergency planning programs had substantial reductions during fiscal year 2025.

The considerable growth in Public Transportation expenses was consistent with the significant increase in District funding towards the Washington Metropolitan Area Transit Authority (WMATA) Compact agreement. The majority of the increase was a subsidy to operate WMATA's core transit services (Metrorail, Metrobus, and MetroAccess), while lesser amounts were designated for debt service and the school subsidy Kids Ride Free program.

The District's combined net position (governmental and business-type activities) decreased by \$255,201, or 3.17%, to \$7,799,311 in fiscal year 2025 from

\$8,054,512 in fiscal year 2024. The decrease was mainly due to a reduction in net position within the governmental activities as a result of the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during fiscal year 2025. This implementation resulted in a restatement to present the cumulative effect of the change in accounting principle and reduced the District's beginning net position in governmental activities by \$171,328.

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 increased by \$1,340,146, or 59.67%, in fiscal year 2025, mainly due to increases in amounts set aside for expenses related to pension and postemployment health care benefit liabilities, increases in restrictions for debt service payments, and emergency and contingency reserves. The growth in net position related to pension liabilities is directly related to increased contributions made towards the Teachers, Police Officers and Fire Fighters Retirement Plan. The growth in net position for debt service payments and capital projects are driven by the issuance of new general obligation bonds and bonds to support highway projects.

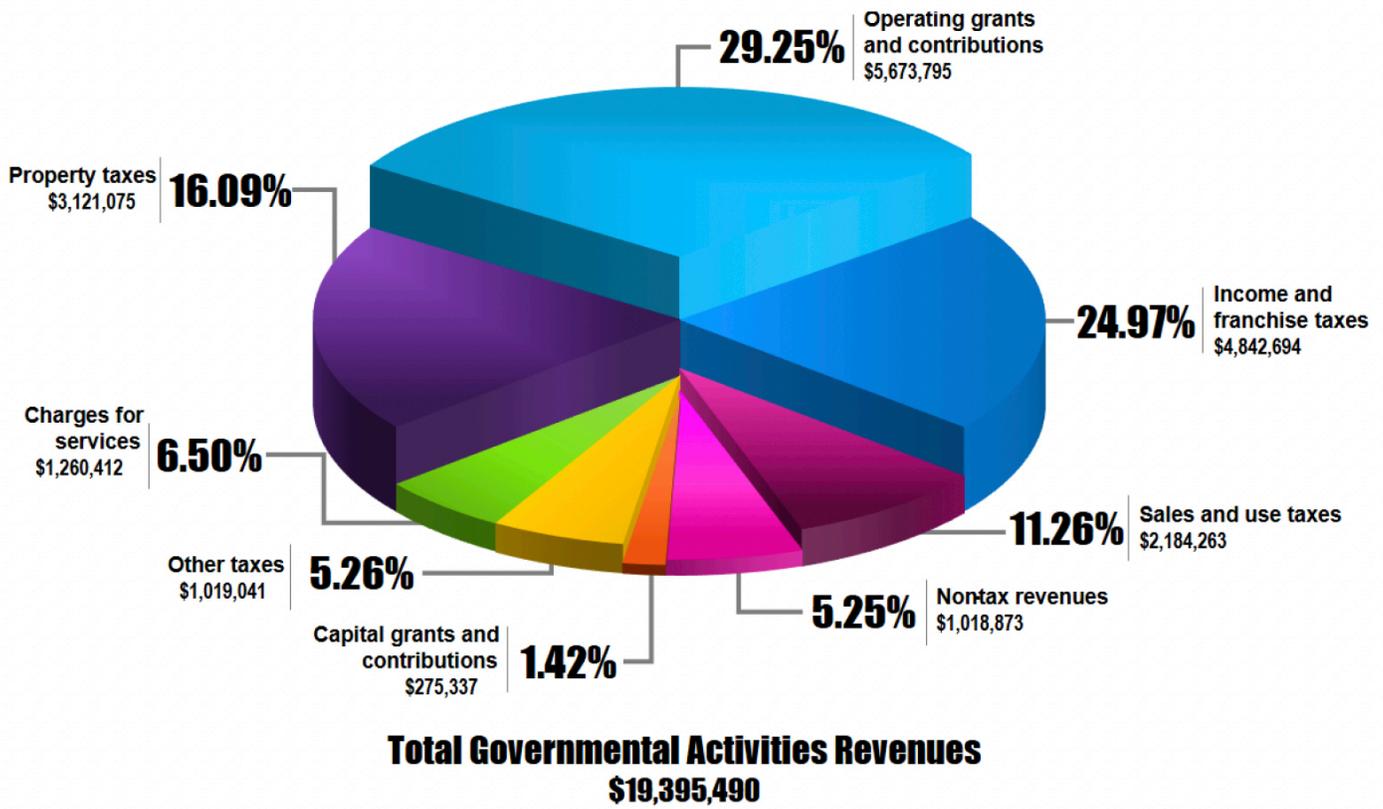
Unrestricted net position decreased by \$1,106,771 to \$586,680, or 65.36%, in fiscal year 2025. The decrease is mostly due to overall expenses exceeding revenues for the fiscal year. Additionally, growth in restricted net position contributed to the decline, as resources were reallocated between net position categories.

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 year 2025, the Lottery transferred \$32,500 to the District's General Fund.

The Not-for-Profit Hospital Corporation received a transfer of \$26,000 from the primary government for operating purposes during the fiscal year. The Corporation transferred capital assets with a carrying value of \$26,242 to the primary government's governmental activities upon its closure.

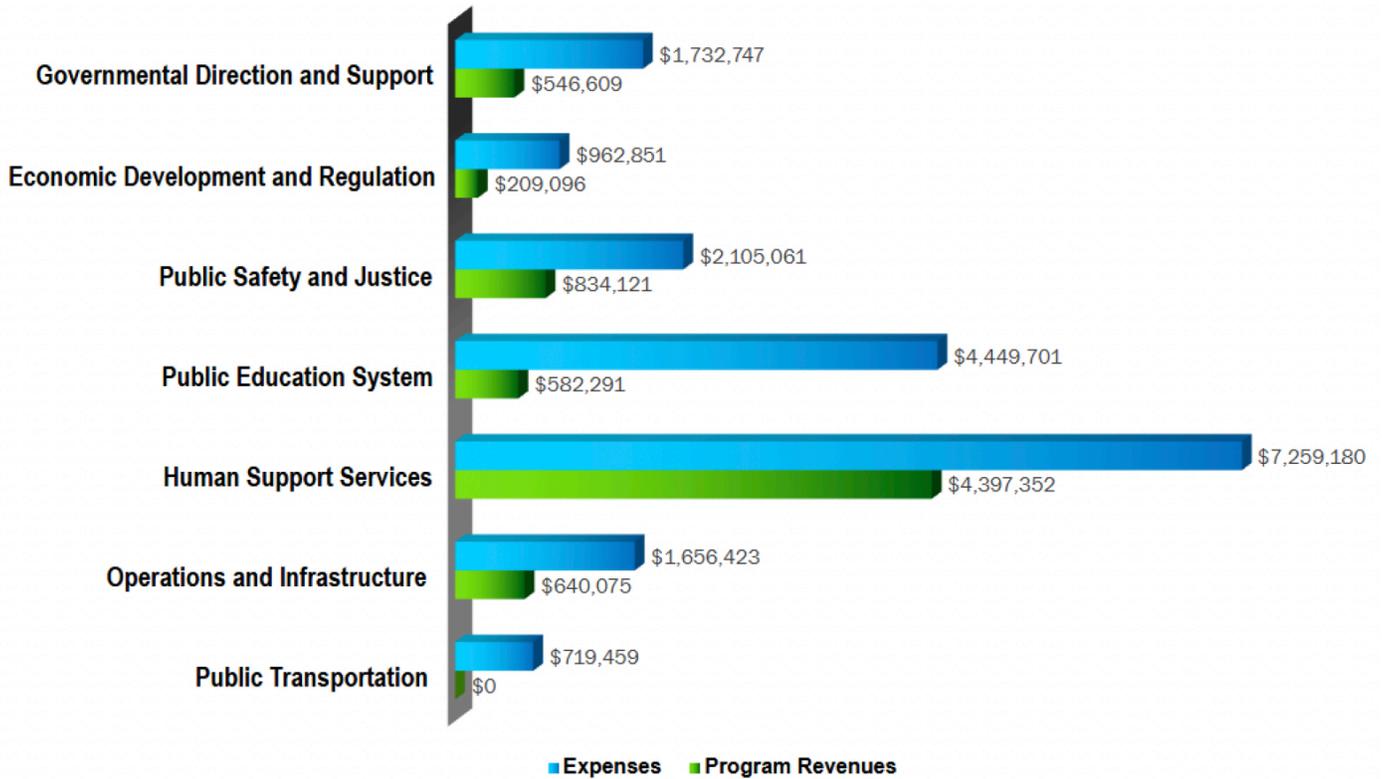
Chart MDA-1 graphically depicts the District’s sources of revenues in its governmental activities.

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



**Chart MDA-2** graphically displays both expenses and program revenues of the governmental activities for fiscal year 2025. Functional areas of the governmental activities are Governmental Direction and Support, Economic Development and Regulation, Public Safety and Justice, Public Education System, Human Support Services, Operations and Infrastructure, and Public Transportation.

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



### Changes in Net Position

Total net position of governmental activities was \$7,457,394 in fiscal year 2025, which was \$182,866, or 2.39%, lower than the amount in the prior year. This decrease was driven by the implementation of a new accounting standard for compensated absences and by expenses exceeding revenues during the fiscal year. During fiscal year 2025, total revenues in the governmental activities increased by \$869,371 or 4.69% to \$19,395,489. Revenues increased in all categories with the exception of operating grants and contributions, which decreased significantly by \$530,897. The decline in grants and contributions was due to the expiration of federal Coronavirus relief funding and financial resources provided under ARPA and other federal support. While these sources were available in the prior year, that was no longer the case in fiscal year 2025. Total expenses in the governmental activities also increased by \$526,575 or 2.78% to \$19,439,770. The most significant increases were in Public Transportation, Human Support Services, and Economic Development and Regulation. Public Transportation expenses grew mainly as a result of additional costs to meet the mandated WMATA subsidies. Human Support Services expenses increased due to increased payments to Medicaid MCOs using dedicated taxes, a new source of funding for such payments. Economic Development and Regulation expenses increased as a result of the first disbursements of voucher funding under the Local Rent Supplement Program being made, expenditure of Reentry Housing grant funding, and increased spending associated with the Streets for People Program and the Home Purchase Assistance Program.

Net position of business-type activities decreased by \$72,335, or 17.46%, between fiscal year 2025 and 2024. The decrease in overall net position was mainly attributed to a decrease in net position of \$47,075 from the Not-For-Profit Hospital Corporation, which was driven by a steep reduction in revenues due to the cessation of patient intake in April 2025 and the permanent closure of the Corporation on September 30, 2025.

Net position for the Office of Lottery and Gaming increased by \$500, or 10.04%, from the prior year. The

increase was mainly due to the implementation of a new accounting standard which changed the accounting for compensated absences. Prizes paid and other related expenses experienced a significant decrease of 44.10%; similarly, operating revenues decreased by \$117,750 or 35.84%, both due to a shift away from, and consequently, a decline in sports wagering sales. The Lottery's change in net position was \$13 for fiscal year 2025, after transferring \$32,500 to the General Fund of the District.

The Unemployment Compensation Fund net position decreased by \$25,760, or 7.19%. This decrease was driven by benefit payments exceeding operating revenues during the fiscal year.

### 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 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 180 and 181.

### Governmental Funds

Governmental Funds provide information that is useful when assessing the financing needs of the District, 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 58 and 59, provide information about these funds.

**Fund Balances**

The governmental funds reported a total fund balance of \$4,718,889 in fiscal year 2025 and \$4,513,160 in fiscal year 2024, which represents an increase of \$205,729, or 4.56%, from the prior year.

Table MDA-4 presents the components of fund balances for the governmental funds.

**Table MDA-4  
Fund Balances: Governmental Funds (\$000s)**

<b>Governmental funds</b>	<b>2025</b>	<b>2024</b>	<b>Variance</b>	<b>Variance %</b>
General	\$ 4,825,267	\$ 4,922,962	\$ (97,695)	(1.98)%
Federal and private resources	(422,585)	(421,721)	(864)	(0.20)
Housing production trust	325,805	483,805	(158,000)	(32.66)
General capital improvements	(341,564)	(980,374)	638,810	65.16
Nonmajor governmental funds	331,966	508,488	(176,522)	(34.72)
<b>Total fund balances</b>	<b>\$ 4,718,889</b>	<b>\$ 4,513,160</b>	<b>\$ 205,729</b>	<b>4.56</b>

The negative fund balance in the Federal and Private Resources Fund increased minimally by \$864, or 0.20%, between fiscal years 2025 and 2024.

During fiscal year 2025, expenditures of the Federal and Private Resources Fund increased by \$108,684, or 1.84%, over the one-year period while revenues decreased more sharply by \$475,998, or 7.54%, primarily due to a \$484,663 reduction in federal contributions. Despite the decline in revenues and expenditures, the fiscal year ended with only a minimal deficit of revenues over expenditures. The fund transferred \$47,710 to the General Fund for loss revenue replacement from ARPA resources and reimbursement for FEMA expenditures that were spent from the General Fund in fiscal year 2024.

Fund balance in the Housing Production Trust Fund decreased by \$158,000, or 32.66% between fiscal years 2025 and 2024. The overall decrease was primarily due to significantly higher expenditures over revenues in fiscal year 2025. Expenditures increased year-over-year as a result of an increased number of stabilization grants being awarded and disbursed. These grants were awarded in light of the ongoing stress in the affordable housing sector due to nonpayment of rents. Other measures taken to support affordable housing included making five loans for new construction and one for substantial rehabilitation available to the public.

The most significant change in the governmental fund balance occurred in the General Capital Improvements Fund, which reported a negative fund balance of \$341,564 as of September 30, 2025. This substantial

decrease in the fund balance deficit of \$638,810, or 65.16%, over the prior year’s negative fund balance of \$980,374, was a consequence of the District issuing more bonds in fiscal year 2025 to cover the expenditures for this Fund. The remaining shortfall was covered by advances from the General Fund.

Fund balance in the Nonmajor Governmental Funds decreased by \$176,522 or 34.72% between fiscal years 2025 and 2024. The overall decrease was primarily due to fund balance decreases in special revenue funds for the PILOT Fund, Baseball Project Fund, and the Tax Increment Financing Program. The large decrease in fund balance for the PILOT Fund was due to significantly higher debt service payments even as tax collections increased by 45.81% in fiscal year 2025. However, the decrease in fund balance for the Baseball Project Fund was due to the transfer of funds to the General Fund and the Debt Service Fund to support baseball project debt service payments. Similarly, the decrease in fund balance for the Tax Increment Financing Program was primarily due to revenues in excess of debt service requirements being transferred to the General Fund. These decreases in fund balance, however, outweighed the minor changes in fund balance from the remaining Nonmajor Governmental Funds.

Fund balance in the General Fund, which is the primary operating fund of the District, decreased by \$97,695, or 1.98% over the one-year period. A detailed discussion of the District’s General Fund follows.

Revenues

General Fund revenues totaled \$12,756,235, which represents an increase of \$1,157,823, or 9.98%, in fiscal year 2025. **Table MDA-5** presents the significant changes in General Fund revenues.

**Table MDA-5**  
**Changes in Major General Fund Revenues (\$000s)**

Revenue category	2025	2024	Variance	Variance %
Property taxes	\$ 3,042,819	\$ 3,052,685	\$ (9,866)	(0.32)%
Sales and use taxes	2,125,636	2,017,380	108,256	5.37
Income and franchise taxes	4,840,361	4,271,954	568,407	13.31
Gross receipts taxes	506,903	364,393	142,510	39.11
Other taxes	395,578	327,815	67,763	20.67
<b>Total</b>	<b>\$ 10,911,297</b>	<b>\$ 10,034,227</b>	<b>\$ 877,070</b>	<b>8.74</b>

**Property Taxes**

The decline in property tax revenue for fiscal year 2025, compared to fiscal year 2024, was driven by a combination of factors. Lower real property tax collections were attributable primarily to reduced revenues from commercial (Class 2) properties, particularly office buildings. This decrease resulted from downward revisions to assessed values, reflecting sustained weakness in office space demand from both federal agencies and private-sector tenants. In contrast, personal property tax revenue increased, driven by continued investment in higher-value taxable assets—especially information technology equipment—as well as inflationary impacts on asset valuations. Public space rental fee collections declined due to reduced utilization of public areas for private activities, including outdoor dining and special events, relative to fiscal year 2024.

**Sales and Use Taxes**

Sales tax revenue growth in fiscal year 2025 was primarily attributable to increases in the retail component of the general sales tax, supported by higher consumer incomes and ongoing inflationary pressures. In addition, receipts from food and beverage establishments, hotels and short-term lodging, and parking exceeded fiscal year 2024 levels, reflecting continued economic recovery, particularly during the first half of the fiscal year.

**Income and Franchise Taxes**

Approximately 60 percent of the growth in individual income tax revenue in fiscal year 2025 was attributable to non-wage (non-withholding) income, which benefited from the strong performance of the stock market. The withholding component also increased, reflecting gains in resident employment—particularly within the health care, education, and hospitality sectors—as well as rising wages among higher-income residents. In addition, corporation franchise tax revenue grew due to higher business profitability, led by the technology sector, which continues to benefit from significant capital investment in artificial intelligence.

**Gross Receipts Taxes**

The primary driver of growth in gross receipts tax revenue in fiscal year 2025 was the implementation of a new hospital fee applied to inpatient net revenue and gross outpatient revenue, as adopted in the District’s fiscal year 2025 budget. In addition, private sports wagering revenue increased following the expansion of mobile sports betting, which was supported by the authorization of additional commercial vendors in the District.

**Other Taxes**

The increase in deed tax revenue—including recordation, transfer, and economic interest taxes—was primarily driven by a higher volume of property transfers and financing transactions processed throughout the year. Residential transactions accounted for approximately two-thirds of the revenue growth, reflecting activity across both single-family and multifamily properties. Commercial transactions contributed the remaining one-third of the increase, with growth observed across all property types except large office transactions.

**Dedicated Tax 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 2025, the District dedicated a total of \$914,935 in tax revenues, which was 13.35% higher compared to the prior year, to fund the projects presented in **Table MDA-6**. The highest increase was reported in revenues from taxes dedicated to the Healthcare programs. The dedicated revenues significantly increased due to a new funding mechanism which increased dedicated tax collections. For fiscal year 2025, the Department of Health Care Finance (DHCF) was authorized

to collect dedicated taxes from hospitals in order to make separate payments to Medicaid Managed Care Organizations (MCOs) which would use that revenue to make State Directed Payments (SDPs) up to the Average Commercial Rate (ACR). During fiscal year 2025, taxes dedicated to the Healthcare programs increased by \$124,923, or 307.00%, compared to fiscal year 2024.

The increase was partially offset by a decrease in revenues from taxes dedicated to the PILOT special revenue fund. During fiscal year 2025, taxes dedicated to this fund declined by \$27,796, or 45.81%, compared to fiscal year 2024. This decrease was primarily attributable to the full redemption of the Southwest Waterfront (The Wharf) bonds during fiscal year 2025.

**Table MDA-6  
Dedicated Tax Revenues (\$000s)**

	<u>Property</u>	<u>Sales and Use</u>	<u>Gross Receipts</u>	<u>Deed Recordation</u>	<u>Deed Transfers</u>	<u>Motor Fuel</u>	<u>Other</u>	<u>Total Taxes</u>
<b>General fund</b>								
Washington Convention and Sports Authority	\$ -	\$ 205,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,536
Department of General Services	-	-	-	177	177	-	-	354
Walter Reed Development Fund	810	148	-	-	-	-	-	958
Healthcare programs	-	-	-	-	-	-	165,614	165,614
Highway Trust Fund	-	-	-	-	-	31,085	-	31,085
WMATA	-	255,261	-	-	-	-	-	255,261
Arts and Humanities	-	43,905	-	-	-	-	-	43,905
HPTF debt service	-	-	-	2,247	-	-	-	2,247
<b>Total general fund</b>	<b>810</b>	<b>504,850</b>	<b>-</b>	<b>2,424</b>	<b>177</b>	<b>31,085</b>	<b>165,614</b>	<b>704,960</b>
<b>Special revenue funds</b>								
Tax increment financing program	15,371	26,038	-	-	-	-	-	41,409
PILOT special revenue	19,417	13,463	-	-	-	-	-	32,880
Baseball project	-	19,125	56,748	-	-	-	-	75,873
Housing Production Trust	-	-	-	29,420	26,389	-	4,004	59,813
<b>Total special revenue funds</b>	<b>34,788</b>	<b>58,626</b>	<b>56,748</b>	<b>29,420</b>	<b>26,389</b>	<b>-</b>	<b>4,004</b>	<b>209,975</b>
<b>Total dedicated taxes</b>	<b>\$ 35,598</b>	<b>\$ 563,476</b>	<b>\$ 56,748</b>	<b>\$ 31,844</b>	<b>\$ 26,566</b>	<b>\$ 31,085</b>	<b>\$ 169,618</b>	<b>\$ 914,935</b>

**Expenditures**

The District’s General Fund expenditures, excluding debt service, increased by \$629,704 from the previous year.

Table MDA-7 presents General Fund expenditure variances by function.

**Table MDA-7  
General Fund Expenditure Variances by Function (\$000s)**

Function	2025	2024	Variance	Variance %
Governmental direction and support	\$ 1,545,706	\$ 1,702,059	\$ (156,353)	(9.19)%
Economic development and regulation	440,248	474,019	(33,771)	(7.12)
Public safety and justice	1,679,668	1,513,937	165,731	10.95
Public education system	3,713,348	3,424,203	289,145	8.44
Human support services	2,899,692	2,733,861	165,831	6.07
Operations and infrastructure	745,370	759,246	(13,876)	(1.83)
Public transportation	719,459	506,462	212,997	42.06
<b>Total functional expenditures</b>	<b>\$ 11,743,491</b>	<b>\$ 11,113,787</b>	<b>\$ 629,704</b>	<b>5.67</b>

Explanations for variances between fiscal years 2025 and 2024 in General Fund functional expenditures follow:

**Governmental Direction and Support**

The overall decrease in Governmental Direction and Support expenditures in fiscal year 2025 was due to several contributing factors, including a decrease in lease expenditures that was recorded in the current fiscal year compared to fiscal year 2024. This decrease was primarily attributable to reduced lease-related activities during the year under the city’s Rental program which is administered by the Department of General Services. Lower expenditures were also due to a significant decrease of approximately \$28.80 million in the cost of energy, achieved in large part, through a memorandum of agreement with the Department of Energy and Environment (DOEE). This agreement allowed DOEE to absorb approximately \$30.10 million of electricity cost which in fiscal year 2024 was paid by the Department of General Services under the Centrally Managed Energy program. Expenditures also decreased due to a mid-year budget freeze which prevented the filling of vacant positions in several agencies, and a general reduction in spending on personnel services, such as for the Eastern Market Fund, and certain non-personnel services, including occupancy and contractual services associated with the Facilities Management program. In fiscal year 2024, GenTax—a modified integrated tax system for the Office of Tax and Revenue—was implemented which contributed to an increase in subscription-based information technology arrangement (SBITA) expenditures of approximately \$13.00 million; a similarly large expenditure did not occur during fiscal year 2025. Likewise, expenditures incurred during

fiscal year 2024, in preparation for the General Election that was held in November 2024, did not occur during fiscal year 2025. Consequently, overall costs which are typically incurred to facilitate fair elections as a part of the Fair Elections program in the District, as well as costs incurred for the response to first amendment activities, decreased in fiscal year 2025.

The following factors offset the overall decrease in Governmental Direction and Support expenditures during fiscal year 2025:

- Increased spending under the new Energy Surcharge Trust Fund for electricity costs;
- Increased non-personnel spending on operating expenditures, including telecommunications, utility costs and security services;
- Increased costs and benefit payments to support impacted residents due to a higher unemployment rate in the District, compared to the prior year;
- Significantly higher expenditures in fiscal year 2025 to settle claims and lawsuits and pay judgments in various civil cases filed against the District;
- Higher expenditures for software maintenance costs and new federal government contract-related expenditures; and
- Increases in expenditures over several programs, including the Asset Management Program, the Facilities Management Program, and the Protective Services Program.

### Economic Development and Regulation

The decrease in Economic Development and Regulation expenditures during fiscal year 2025 was primarily driven by the absence of one-time funding available in the prior fiscal year that supported the creation and preservation of affordable housing for low- and extremely low-income families in the District, including mortgage assistance under the Homeowner Assistance Fund. Similarly, there was also less spending on business development and in the Special Events Relief Fund due to a reduction in funding for those projects during fiscal year 2025. Additional contributing factors to the decrease in Economic Development and Regulation expenditures were reductions in state small business credit initiative spending under the DC Business Capital Program (DC BizCAP) and in one-time local funding to support individual Business Improvement District (BID) projects. Further, an overall reduction in spending due to the Mayor's spending freeze in 2025 significantly impacted personnel services and non-personnel services cost during the latter half of the fiscal year. However, the decrease in expenditures was partially offset by:

- Increased spending on community planning and design to support the Streets for People program, a community-driven initiative that focuses on investing in infrastructure for streets, sidewalks, and alleys to encourage civic engagement and enjoyment of local amenities in the District;
- The first disbursements of voucher funding under the Local Rent Supplement Program and expenditures of Reentry Housing grant funding;
- Increased expenditures in the Small Buildings Program;
- Increased disbursement of Preservation grants to local community development financial institutions over the prior fiscal year; and
- A significant local budget increase in fiscal year 2025 for the Home Purchase Assistance Program.

### Public Safety and Justice

Public Safety and Justice expenditures increased overall, primarily due to higher District contributions for eligible retirees under the Police Officers and Fire Fighters Retirement Plan, as determined by the results of an actuarial study. Inauguration expenditures, which occur every four years, were also incurred during fiscal year 2025; there were no such expenditures in the prior year. Increased overtime costs related to expanded policing activities in the District in response to the crime emergency declared by the US President also contributed to the increase in Public Safety and Justice expenditures. The Fire and Emergency Medical Services Department, which provides emergency medical services, fire suppression, and homeland security and special operations response for the District, also incurred higher costs over the prior year. For instance, costs were incurred to respond to the mid-air collision emergency event that occurred in January 2025. Less significant cost increases were as follows:

- A rise in maintenance and security costs and tuition assistance for the DC National Guard; and
- Higher inmate care costs due to an increase in the average daily population of inmates.

A combination of at least two factors helped to offset the overall increase in Public Safety and Justice expenditures:

- Decreased spending due to the expiration of funding under the American Rescue Plan Act (ARPA) which had been available in the prior year; and
- Spending restrictions imposed by the District in fiscal year 2025.

## Public Education System

Public Education System expenditures rose in fiscal year 2025 largely due to an increase in the Uniform Per Student Funding Formula rate and the facilities allocation. Expenditures also increased as a result of backpay to union staff members and an increase in wages for educators under the Washington Teachers' Union contract which was fully executed in fiscal year 2025. Increased expenditures were also incurred for private bus companies to transport eligible children to school; costs associated with the Parent Stipend program, which is designed to support parents and guardians who choose to self-transport their students to and from school; and costs incurred to provide funding, oversight, and leadership for required special education and related services for children with disabilities who attend special education schools and programs under the federal Individuals with Disabilities Education Act (IDEA). The overall increase in expenditures was offset by lower expenditures related to the following:

- Support teacher apprenticeship planning;
- Statewide assessment and data collection;
- Support of grants and programs, including the Early Literacy Grant, the Flexible Scheduling Pilot Program Grant, and the Pre K Enhancement and Expansion Program; and
- District budget constraints and limitations on spending on personnel and non-personnel services.

## Human Support Services

The District, through Human Support Services agencies, provides an array of services to sustain, support, and assist the most vulnerable residents in the District. Programs include, but are not limited to, Medicaid, Behavioral Health Services, Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), Homeless Services, Adoption and Foster Care services, recreational programming, care for youth in pre- and post-court adjudication, and mental health services provided by Saint Elizabeths Hospital and other community-based providers. The increase in expenditures in Human Support Services was primarily due to a new funding mechanism which increased dedicated tax collections, and consequently increased spending. For fiscal year 2025, the Department of Health Care Finance (DHCF) was authorized to collect dedicated taxes from hospitals in order to make separate payments to Medicaid Managed Care Organizations (MCOs) which would use that revenue to make State Directed

Payments (SDPs) up to the Average Commercial Rate (ACR). Implementation of this process required two approvals from the Centers for Medicare & Medicaid Services (CMS), one for the taxes and the other for the SDPs. CMS approved the tax waiver in June 2025 and the SDPs in September 2025. Although both were retroactively effective to October 1, 2024, the SDP approval was too late to collect the taxes and make the payments before the end of fiscal year 2025. Since the approvals were retroactive to the beginning of the fiscal year, DHCF accrued the full amount of the dedicated tax payments. The increased expenditures is directly associated with the increase in dedicated tax collections.

Additional increases in expenditures are also attributed to the DC Provider Fee Fund, which supports the District match for Medicaid fee-for-service hospital reimbursements. Conversely, decreases in Human Support Services expenditures were driven by a reduction in revenue collected, including revenues that support Pharmacy Protection and programs related to communicable and chronic disease. In addition, in fiscal year 2025, revenues derived from licensing fees and civil fines relating to the practice of health occupations in the District declined. This reduction in available revenues further contributed to the overall decrease in Human Support Services spending when compared to the prior year.

## Operations and Infrastructure

Overall, expenditures for Operations and Infrastructure decreased slightly during fiscal year 2025 primarily due to a reduction in ARPA local funds which ended in fiscal year 2024. Related levels of similar spending did not occur during fiscal year 2025. In addition, expenditures decreased year over year as a result of reduction in revenues collected which are used to support transportation and related expenditures. The decrease in expenditures for Operations and Infrastructure was offset, however, by additional expenditures incurred in fiscal year 2025 from an interagency memorandum of understanding with the Department of General Services for electricity costs for District buildings.

## 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). The overall transfers to WMATA from the District in fiscal year 2025 were higher than in previous years due to annual inflationary increases.

**Capital Expenditures and Financing**

During fiscal year 2025, the District spent \$2,139,710 on general capital improvements which exceeded the general capital improvements revenues of \$278,362 by \$1,861,348. This deficiency was financed with a net total of \$2,500,158 from bond proceeds and other financing sources. The net change in fund balance was an increase of \$638,810, which resulted in a cumulative negative fund balance of \$341,564.

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 capital project expenditures under the District’s capital improvements plan. 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 2025, the gross Housing Production Trust Fund (HPTF) long-term loans receivable balance was \$1,656,124, an increase of \$166,273, or 11.16% from the balance at the end of the prior 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 for 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 long-term loans receivable is reported net of the related allowance for doubtful accounts as other long-term assets. As of September 30, 2025, the net balance was \$55,957.

**Table MDA-8** presents the Housing Production Trust Fund long-term loan receivable balances and the corresponding allowance for doubtful accounts for fiscal years 2021 through 2025.

**Table MDA-8  
Housing Production Trust Fund Long-Term Loan Receivable Balances (\$000s)**

	2021	2022	2023	2024	2025
HPTF long-term loans receivable	\$ 1,055,668	\$ 1,161,151	\$ 1,305,592	\$ 1,489,851	\$ 1,656,124
Less: allowance for doubtful accounts	964,025	1,097,349	1,245,304	1,432,416	1,600,167
<b>Net long-term loans receivable (other long-term assets)</b>	<b>\$ 91,643</b>	<b>\$ 63,802</b>	<b>\$ 60,288</b>	<b>\$ 57,435</b>	<b>\$ 55,957</b>

**Proprietary Funds**

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

The operating revenues of the Lottery decreased by \$117,750 or 35.84%, compared to the prior year, primarily due to a decrease in sports wagering sales as in fiscal year 2025, wagering was limited to retail locations only. Also, operating expenses decreased by \$110,454 or 38.09% from the prior year primarily due to reduced sports wagering activities and consequently, lower prize payouts.

During fiscal year 2025, the operating revenues of the Unemployment Compensation Fund increased by \$30,877, or 23.79%, primarily due to increases in employer taxes and federal contributions, which rose as a result of policy decisions made that affected former civilian federal employees. In addition, operating expenses had a considerable increase of \$88,410, or 79.86%. This growth was due to an increase in the

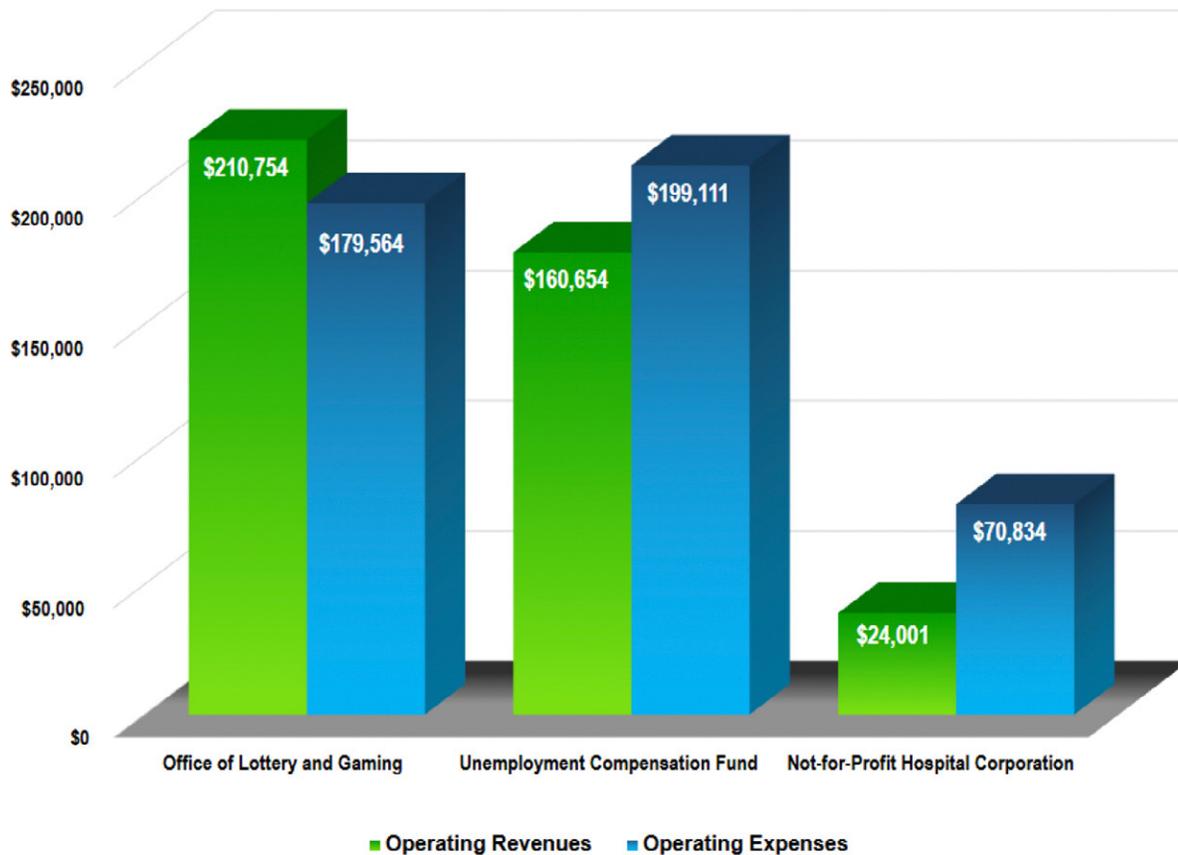
unemployment rate within the District, when compared to the prior fiscal year. Due to a higher number of unemployed workers in fiscal year 2025, a greater number of claims were filed in that year.

The operating revenues of the Not-for-Profit Hospital Corporation notably decreased by \$69,706 or 74.39% as operating expenses also decreased by \$52,992 or 42.80%. The Corporation’s operating revenues and expenses represent seven months of activity as the Corporation was closed for patient operations in April 2025 and was dissolved on September 30, 2025.

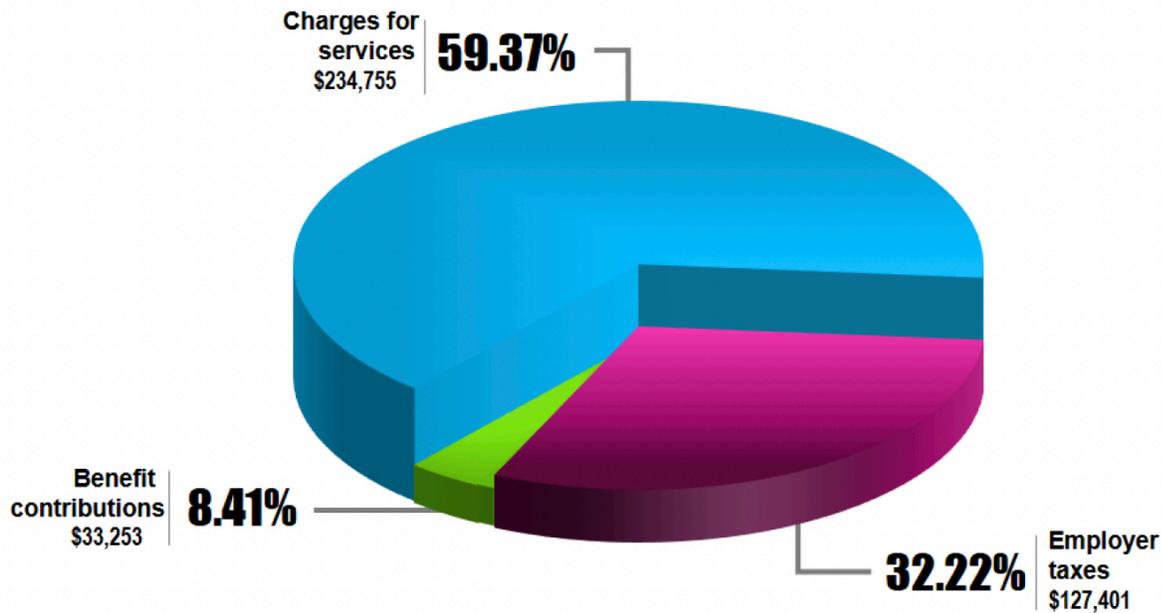
Total net position of the District’s proprietary funds decreased by \$72,335, or 17.46%, over the prior year. The financial statements of the proprietary funds are presented in Exhibits 3-a, 3-b, and 3-c on pages 63 through 65.

**Charts MDA-3 and MDA-4** graphically present comparisons of revenues and expenses of District proprietary funds for the fiscal year ended September 30, 2025 based on information contained in the Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds, shown on page 64.

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



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



**Total Business-Type Activities: Operating Revenues**  
**\$ 395,409**

**Fiduciary Funds**

Fiduciary 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 has the fiduciary responsibility for ensuring that these assets are used for their intended purposes. The District maintains three fiduciary fund types: the Pension (and Other Employee Benefit) Trust Funds, a Private-Purpose Trust Fund, and a Custodial Fund. The net position for the most significant fiduciary fund, the Pension (and Other Employee Benefit) Trust Funds, is outlined in the table below. 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 66 and 67, respectively. Exhibits C-1 and C-2, on pages 184 and 185, respectively, provide additional information related to the fiduciary activities. 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 District operations.

Table MDA-9 presents the net position restricted for Pension (and Other Employee Benefit) Trust Funds.

**Table MDA-9**  
**Net Position Restricted for Pension and Other Employee Benefit Trust Funds (\$000s)**

	2025	2024	Variance	Variance %
<b>Pension (and Other Employee Benefit) Trust Funds</b>				
Police officers and fire fighters pension	\$ 9,710,683	\$ 8,877,390	\$ 833,293	9.39%
Teachers pension	3,753,242	3,386,616	366,626	10.83
Other postemployment benefits	2,532,242	2,285,178	247,064	10.81
401(a) Defined Contribution Plan	2,014,299	1,787,448	226,851	12.69
457(b) Deferred Compensation Plan	1,904,012	1,669,481	234,531	14.05
403(b) Tax-Sheltered Annuity Plan	459,878	424,984	34,894	8.21
<b>Total</b>	<b>\$ 20,374,356</b>	<b>\$ 18,431,097</b>	<b>\$ 1,943,259</b>	<b>10.54</b>

Net position of the Pension and Other Employee Benefit Trust Funds increased mainly because of the considerably larger additions, primarily from investment earnings, over deductions in the fiscal year.

The next significant fiduciary fund type is the Private-Purpose Trust Fund. This Fund is used to report any trust arrangement not reported in the Pension or Other Employee Benefit 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. For fiscal year 2025, the net position of the Private-Purpose Trust Fund was \$1,641,493, which represents an increase of \$225,337, or 15.91% from the prior fiscal year.

### 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, or (c) the District holds majority equity interest, which does not meet the definition of investment in the entity. Consistent with these criteria, the District reports five discretely presented component units: (1) Health Benefit Exchange Authority, (2) Washington Convention and Sports Authority (t/a Events DC), (3) District of Columbia Green Finance Authority, (4) Housing Finance Agency, and (5) 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; or (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. Historically, the Not-for-Profit Hospital Corporation has been reported as a blended component unit because: (a) there was a financial benefit/burden relationship between the District and the Not-for-Profit Hospital Corporation because the District assumed the obligation to provide financial support to the Not-for-Profit Hospital Corporation to help sustain its operations; (b) the District was able to impose its will on the Not-for-Profit Hospital Corporation because the District had the ability to modify or approve the Not-for-Profit Hospital Corporation's budget; and (c) it was organized as a not-for-profit corporation, in which the District is the sole corporate owner. The Not-for-Profit Hospital Corporation was dissolved on September 30, 2025.

Each of the District's 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 68 and 69, respectively, present the discretely presented component units' financial information for fiscal year 2025. 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 Income Tax Secured Bond Authorization Act of 2008 (DC Code § 47-340.26 et seq.). 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, and other revenue bonds.

As of September 30, 2025, the District (including its business-type activities) had \$18,386,368 in long-term liabilities, of which \$13,586,230, or 73.89%, was in the form of bonds and notes. Of the outstanding bonds and notes, \$6,398,855, or 47.10%, were General Obligation Bonds, and \$6,348,850, or 46.73%, were Income Tax Secured Revenue Bonds.

**Table MDA-10** presents the outstanding bonds and notes of the District as of September 30, 2025.

**Table MDA-10  
Outstanding Bonds and Notes as of September 30, 2025 (\$000s)**

	2025	2024	Variance	Variance %
<b>Type of bonds and notes</b>				
General obligation bonds - publicly offered	\$ 5,717,445	\$ 4,851,625	\$ 865,820	17.85%
General obligation bonds - direct placements	681,410	739,165	(57,755)	(7.81)
Income tax secured revenue bonds	6,348,850	5,874,740	474,110	8.07
Other bonds:				
Qualified zone academy bonds (QZAB) - direct placements	-	276	(276)	(100.00)
Tobacco settlement asset-backed bonds	380,509	405,339	(24,830)	(6.13)
Tax increment financing bonds - publicly offered	49,955	54,890	(4,935)	(8.99)
Tax increment financing bonds - direct placements	90,091	90,708	(617)	(0.68)
Ballpark revenue bonds	70,555	136,665	(66,110)	(48.37)
Federal highway grant anticipation revenue bonds (GARVEE)	219,495	235,970	(16,475)	(6.98)
Deed tax revenue bonds (housing production trust fund program)	27,920	29,110	(1,190)	(4.09)
PILOT revenue bonds - publicly offered	-	121,940	(121,940)	(100.00)
PILOT revenue bonds and notes - direct placements	-	12,772	(12,772)	(100.00)
<b>Total outstanding bonds and notes - governmental activities</b>	<b>\$ 13,586,230</b>	<b>\$ 12,553,200</b>	<b>\$ 1,033,030</b>	<b>8.23</b>

The District, through multiple public offerings, issued a series of General Obligation Bonds and Income Tax Secured Revenue bonds between October 2024 and June 2025. In October 2024, the District issued a total of \$1,588,555 in General Obligation Bonds. Proceeds of the bonds were used to finance capital projects, refinance existing debt, support infrastructure development, and cover the cost of issuance and delivery. The District issued \$683,020 in Series 2024A, \$316,450 in Series 2024B, and \$589,085 in Series 2024C.

In May 2025, the District issued a total of \$1,473,415 of Income Tax Secured Revenue and Refunding Bonds to refund outstanding General Obligation Bonds, Income Tax Secured Revenue Bonds, and pay off Commercial Paper Bond Anticipation Notes. In addition to the

refunding, proceeds were used to cover issuance and delivery costs, and to finance capital projects.

The District issued \$1,172,305 in Series 2025A Income Tax Secured Revenue and Refunding Bonds and issued \$301,110 in Series 2025B Taxable Income Tax Secured Bonds.

In June 2025, through direct placement, the District issued \$348,000 in General Obligation Bonds, Series 2025A as a mandatory tender for purchase of the General Obligation Bonds, Series 2021C. The purchase price of the tendered 2021C Bonds was for the outstanding par amount of the 2021C Bonds plus accrued interest.

**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, bridges, and right-to-use leased and subscription assets. In fiscal year 2025, total net capital assets (capital assets less accumulated depreciation and amortization) increased by \$1,003,661, or 5.35%, over the prior year. Total net capital assets increased overall because the District invested resources in the construction of new assets and the rehabilitation of existing infrastructure, such as roads, streets, and bridges.

Most of the increase in total net capital assets over the prior fiscal year was attributed to various functions within the governmental activities of the primary government. Total net capital assets for business-type activities were directly attributable to the Not-for-Profit Hospital Corporation which dissolved on September 30, 2025. Upon dissolution, the Corporation transferred \$26,242 in net capital assets consisting of land and buildings to the District and the remaining capital assets were disposed, hence there was no capital assets balance in business-type activities at the end of the fiscal year. Depreciation and amortization charges in fiscal year 2025 for the governmental activities totaled \$758,991, compared to the prior year amount of \$741,934. Depreciation and amortization charges in fiscal year 2025 for the business-type activities totaled \$7,971 compared to \$10,221 in the prior year.

Table MDA-11 presents information on the net capital assets of the District by class as of September 30, 2025.

**Table MDA-11  
Net Capital Assets by Asset Class as of September 30, 2025 (\$000s)**

Asset class	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,040,494	\$ 1,013,910	\$ -	\$ 8,100	\$ 1,040,494	\$ 1,022,010
Buildings	9,491,816	8,838,563	-	22,040	9,491,816	8,860,603
Infrastructure	4,152,342	4,340,578	-	-	4,152,342	4,340,578
Right-to-use leased buildings	1,367,088	1,180,659	-	-	1,367,088	1,180,659
Right-to-use leased equipment	10,031	11,393	-	1,112	10,031	12,505
Right-to-use subscription assets	111,739	99,041	-	-	111,739	99,041
Equipment	534,885	562,949	-	2,961	534,885	565,910
Construction in progress	3,064,808	2,688,236	-	-	3,064,808	2,688,236
<b>Total capital assets, net</b>	<b>\$ 19,773,203</b>	<b>\$ 18,735,329</b>	<b>\$ -</b>	<b>\$ 34,213</b>	<b>\$ 19,773,203</b>	<b>\$ 18,769,542</b>

Note:  
Additional information on the District’s capital assets is presented in Note 5: Capital Assets, on pages 116 through 120.

## REPORTING THE DISTRICT BUDGET

### Overview

Home Rule Act §§ 603(c) and (d) require 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) for submission 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 operating fund of the primary government. **Table MDA-12** presents variances between revised budget amounts and actual expenditures for the fiscal year ended September 30, 2025.

**Table MDA-12**  
**Schedule of General Fund Budgetary Basis Revenues and Expenditures (\$000s)**

	Original Budget	Revised Budget	Actual	Variance (Actual to Revised Budget)
<b>Revenues and other sources</b>				
Taxes	\$ 10,190,581	\$ 10,668,976	\$ 10,834,658	\$ 165,682
Licenses and permits	160,446	138,545	142,626	4,081
Fines and forfeitures	335,584	281,549	271,410	(10,139)
Charges for services	397,066	401,732	429,407	27,675
Miscellaneous	294,789	201,363	149,891	(51,472)
Other sources	791,812	951,087	957,304	6,217
Bond proceeds	11,000	11,000	7,664	(3,336)
Interfund transfers	158,945	215,842	208,422	(7,420)
<b>Total revenues and other sources</b>	<u>12,340,223</u>	<u>12,870,094</u>	<u>13,001,382</u>	<u>131,288</u>
<b>Expenditures and other uses</b>				
Governmental direction and support	1,486,338	1,441,700	1,417,963	23,737
Economic development and regulation	484,000	445,467	441,319	4,148
Public safety and justice	1,622,499	1,707,351	1,681,606	25,745
Public education system	3,697,625	3,762,322	3,730,602	31,720
Human support services	2,865,647	2,954,740	2,943,538	11,202
Operations and infrastructure	1,526,340	1,486,736	1,468,651	18,085
Repayment of bonds and interest	1,259,219	1,089,521	1,088,598	923
Other expenditures and uses	283,430	280,975	280,975	-
<b>Total expenditures and other uses</b>	<u>13,225,098</u>	<u>13,168,812</u>	<u>13,053,252</u>	<u>115,560</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>				
- budgetary basis	(884,875)	(298,718)	(51,870)	(892,955)
Use of fund balance	904,221	1,294,380	154,577	(1,139,803)
<b>Excess after use of fund balance</b>	<u>\$ 19,346</u>	<u>\$ 995,662</u>	<u>\$ 102,707</u>	<u>\$ (892,955)</u>

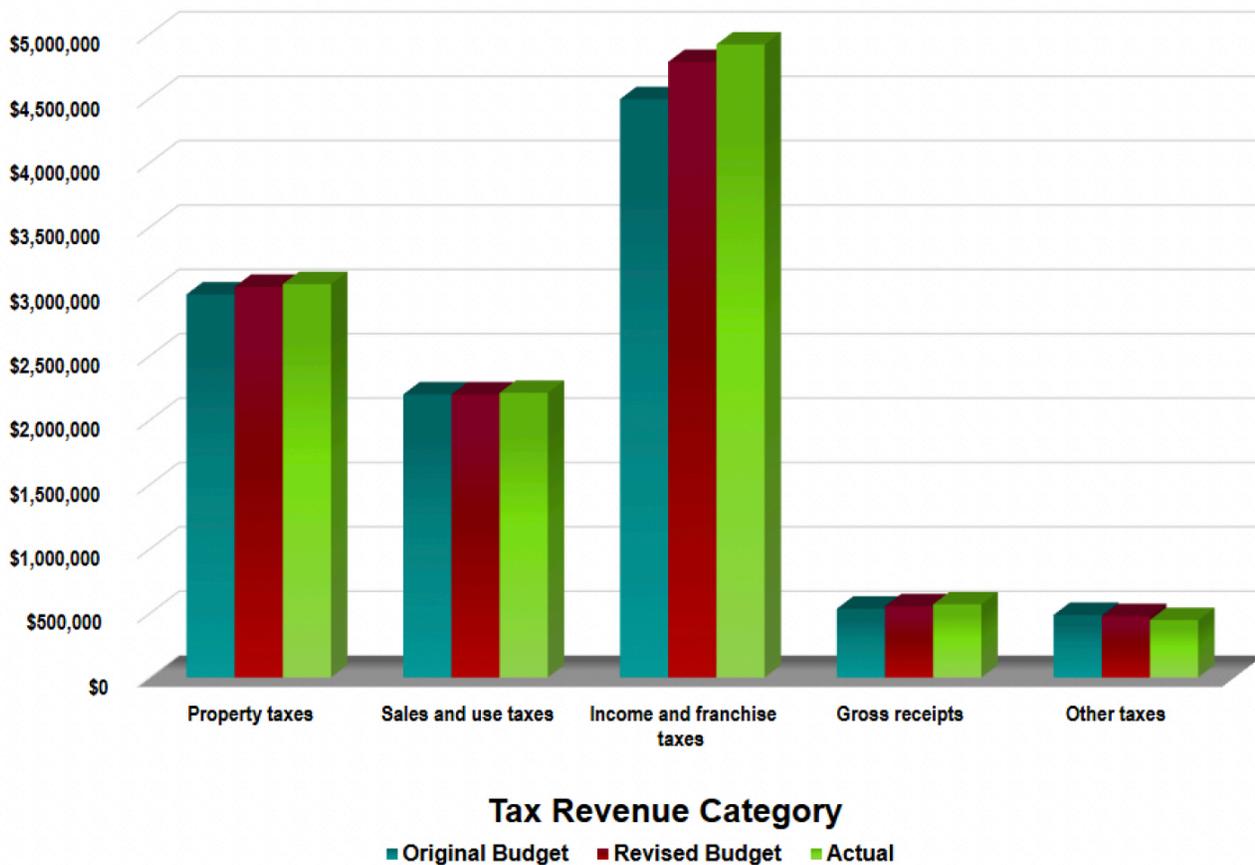
Revenues and Other Sources

During fiscal year 2025, actual tax revenues comprised 83.33% of the General Fund’s total revenues and other sources. As presented in **Table MDA-12**, actual General Fund revenues and other sources were \$131,288, or 1.02%, more than the revised budget. This variance was primarily attributable to higher-than-expected revenues in real property, individual income and franchise taxes, as well as growth in non-tax revenues from miscellaneous revenue which consists of interest income, unclaimed property proceeds and other sources.

Use of fund balance is defined as the portion of fund balance that was restricted or committed for either a period of time or for a particular purpose for which the imposed conditions have been met, allowing the resources to become available for use. In other words, this amount of fund balance was used to help finance operations in the current year. As presented in **Table MDA-12**, the District utilized the fund balance by drawing on its available reserves to finance costs associated with activities that were not covered from the revenues generated during the fiscal year.

**Chart MDA-5** graphically presents differences between the General Fund’s original budget, final revised budget, and actual tax revenues (by type of tax) for fiscal year 2025.

**Chart MDA-5**  
**FY 2025 Budgetary Comparison – Tax Revenues**  
**Original and Revised Budgets with Actual Results (\$000s)**



Note:  
 For more detailed information, refer to the Schedule of Local Source Revenues for the General Fund, Exhibit A-4, presented on page 176.

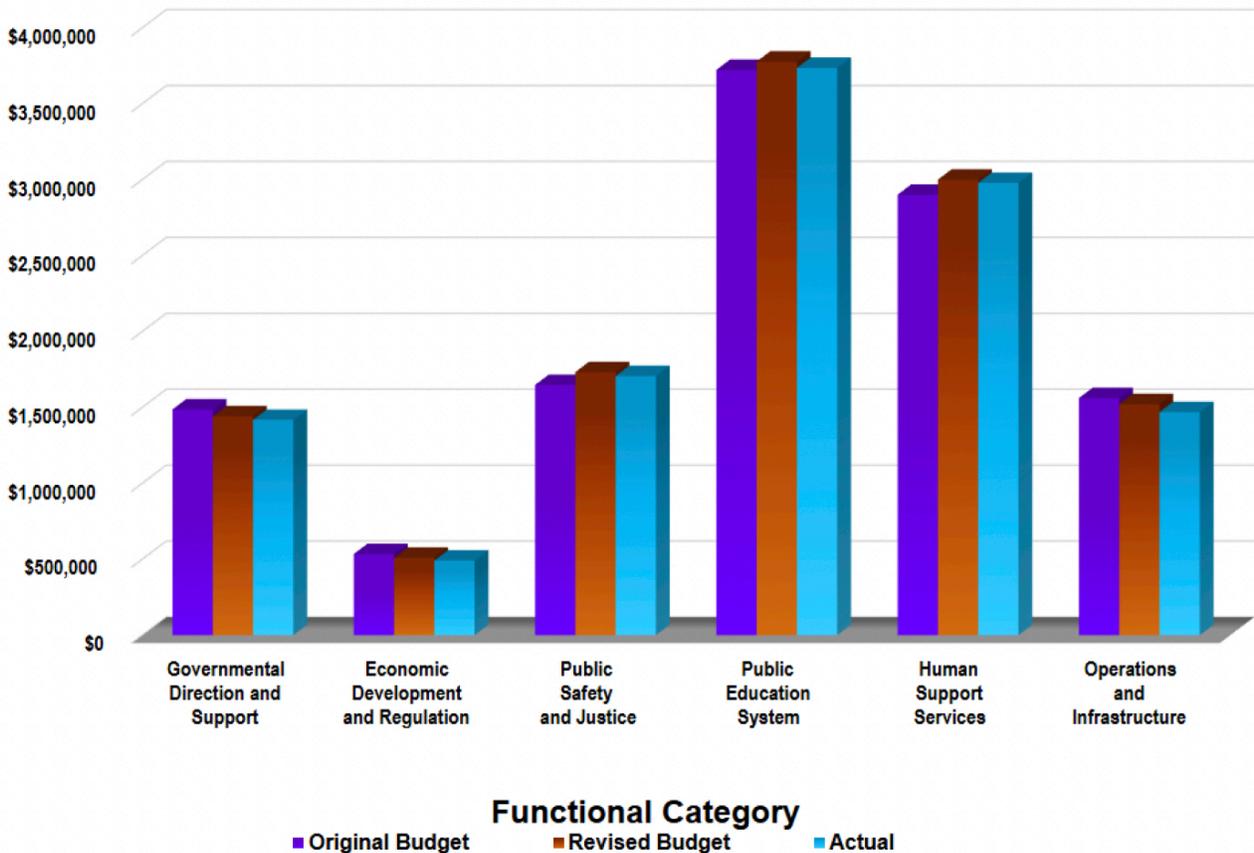
**Expenditures and Other Uses**

Actual General Fund expenditures and other uses were \$115,560, or 0.88%, less than the revised budget. As presented in **Table MDA-12**, this variance is primarily attributable to underspending in areas of Public Education System, Public Safety and Justice, and Governmental Direction and Support.

Notably, expenditures in Public Education System, Human Support Services, Public Safety and Justice, and Operations and Infrastructure areas collectively constituted 75.26% 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 2025.

**Chart MDA-6**  
**FY 2025 Budgetary Comparison – General Fund Expenditures (by Function)**  
**Original and Revised Budgets with Actual Results (\$000s)**



*Note:*  
 For more detailed information, refer to the budgetary schedule for the General Fund, Exhibit A-6, which is presented on page 178.

## ECONOMIC OUTLOOK AND OTHER EVENT

### Economic Outlook

The District's economy is closely tied to the federal government, whose policies directly affect local operations and outlook. In September 2024, the federal government accounted for over 24% of District employment and 27.5% of wages. Mandated federal workforce reductions in fiscal year 2025 had broad impacts, including higher unemployment, reduced income and consumer spending, and increased commercial vacancies affecting property values and tax revenues. Moreover, continued remote work further depressed office demand, with fiscal year 2026 assessments showing declines across property classes, leading to expected reductions in property and sales tax revenues.

On July 4, 2025, the President signed the One Big Beautiful Bill Act (OBBBA), which significantly altered the federal tax code. Because the District's tax structure partially conforms to federal definitions, these changes will reduce local revenues. For individuals, OBBBA excludes certain wages from taxable income, raises the standard deduction, and expands credits, lowering District income tax liabilities. For businesses, new depreciation allowances, full expensing of research costs, and expanded interest deductions reduce taxable income. The District estimates OBBBA will lower income tax revenues by about \$657.8 million from fiscal years 2025–2029, based on economic forecasts and historical data. Actual impacts may vary due to economic conditions and taxpayer behavior, and the District will update projections as new federal guidance emerges.

## CONTACT INFORMATION FOR THE OFFICE OF THE CHIEF FINANCIAL OFFICER

This ACFR is designed to provide a general overview of District finances and to demonstrate the effectiveness of the systems of accountability for the resources the District 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 details.

Exhibit 1-a

**DISTRICT OF COLUMBIA**  
**STATEMENT OF NET POSITION**  
**September 30, 2025**  
**(With Summarized Totals at September 30, 2024)**  
**(\$000s)**

	Primary Government		Totals		Component Units
	Governmental Activities	Business-Type Activities	2025	2024	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,091,969	\$ 4,247	\$ 3,096,216	\$ 2,527,261	\$ 92,206
Investments	-	-	-	-	521,342
Taxes receivable, net	599,661	-	599,661	579,688	-
Accounts receivable, net	429,787	24,325	454,112	286,723	32,963
Other receivables	-	-	-	-	40,780
Due from federal government	1,417,911	6,101	1,424,012	1,491,481	-
Lease receivable	343,100	-	343,100	439,679	23,935
Due from component units	19,901	-	19,901	10,369	-
Due from primary government	-	-	-	-	31,130
Internal balances	13,108	(13,108)	-	-	-
Inventories	41,227	-	41,227	46,939	-
Prepays	16,047	-	16,047	-	-
Other current assets	53,229	9,362	62,591	41,942	9,112
Derivative instrument assets	329	-	329	628	-
Cash and cash equivalents (restricted)	2,247,715	393,677	2,641,392	2,742,184	169,147
Investments (restricted)	4,793	-	4,793	4,665	460,406
Other long-term assets	340,696	-	340,696	448,940	333,012
Net pension and OPEB assets	1,606,474	-	1,606,474	1,342,583	-
Depreciable and amortizable capital assets, net	15,667,901	-	15,667,901	15,059,296	633,917
Non-depreciable capital assets	4,105,302	-	4,105,302	3,710,246	65,141
<b>Total assets</b>	<b>29,999,150</b>	<b>424,604</b>	<b>30,423,754</b>	<b>28,732,624</b>	<b>2,413,091</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Derivative instrument - hedge	883	-	883	1,773	-
Pension and OPEB	641,631	-	641,631	493,198	-
Advance refunding loss	-	-	-	-	8,878
<b>Total deferred outflows of resources</b>	<b>642,514</b>	<b>-</b>	<b>642,514</b>	<b>494,971</b>	<b>8,878</b>
<b>LIABILITIES</b>					
Accounts payable	1,038,720	49,399	1,088,119	1,243,890	56,825
Compensation payable	296,808	322	297,130	308,419	13,523
Due to federal government	-	14,631	14,631	20,919	61
Due to component units	31,130	-	31,130	43,280	-
Due to primary government	-	-	-	-	19,901
Accrued liabilities	951,008	8,232	959,240	356,337	13,448
Accrued interest payable	180,042	-	180,042	184,043	-
Unearned revenues	107,770	127	107,897	97,809	18,964
Other current liabilities	91,932	-	91,932	104,683	157,419
Derivative instrument liabilities	883	-	883	1,773	-
Long-term liabilities:					
Due within one year	1,186,873	749	1,187,622	1,246,381	19,688
Due in more than one year	17,189,519	9,227	17,198,746	15,339,378	827,396
<b>Total liabilities</b>	<b>21,074,685</b>	<b>82,687</b>	<b>21,157,372</b>	<b>18,946,912</b>	<b>1,127,225</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases and loans	664,620	-	664,620	900,298	28,484
Pension and OPEB	1,364,569	-	1,364,569	1,238,820	-
Advance refunding gain	80,396	-	80,396	87,053	-
<b>Total deferred inflows of resources</b>	<b>2,109,585</b>	<b>-</b>	<b>2,109,585</b>	<b>2,226,171</b>	<b>28,484</b>
<b>NET POSITION</b>					
Net investment in capital assets	3,626,703	-	3,626,703	4,115,279	415,044
Restricted for:					
Expendable					
Pension and OPEB	1,606,474	-	1,606,474	574,192	-
Debt service	677,319	-	677,319	494,419	-
Benefit payments	-	332,547	332,547	358,307	-
Capital projects	12,644	-	12,644	8,896	-
Purpose restrictions	126,376	-	126,376	116,300	-
Emergency and contingency reserves	641,672	-	641,672	483,505	-
Universal paid leave	169,065	-	169,065	181,413	-
Other	14,352	5,479	19,831	28,750	226,100
Nonexpendable	-	-	-	-	32,976
Unrestricted	582,789	3,891	586,680	1,693,451	592,140
<b>Total net position</b>	<b>\$ 7,457,394</b>	<b>\$ 341,917</b>	<b>\$ 7,799,311</b>	<b>\$ 8,054,512</b>	<b>\$ 1,266,260</b>

The notes to financial statements are an integral part of this statement.

DISTRICT OF COLUMBIA  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2025  
(With Summarized Totals for the Year Ended September 30, 2024)  
(\$000s)

Exhibit 1-b

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Units
	Expenses	Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	2025	2024	
<b>GOVERNMENTAL ACTIVITIES</b>									
Governmental direction and support	\$ 1,732,747	\$ 407,697	\$ 138,912	\$ -	\$ (1,186,138)		\$ (1,186,138)	\$ (1,199,333)	
Economic development and regulation	962,851	174,173	34,923	-	(753,755)		(753,755)	(615,358)	
Public safety and justice	2,105,061	263,986	570,135	-	(1,270,940)		(1,270,940)	(1,412,928)	
Public education system	4,449,701	16,765	534,883	30,643	(3,867,410)		(3,867,410)	(3,600,647)	
Human support services	7,259,180	10,869	4,351,091	35,392	(2,861,828)		(2,861,828)	(2,719,299)	
Operations and infrastructure	1,656,423	386,922	43,851	209,302	(1,016,348)		(1,016,348)	(1,009,671)	
Public transportation	719,459	-	-	-	(719,459)		(719,459)	(506,462)	
Interest on long-term debt	554,348	-	-	-	(554,348)		(554,348)	(537,974)	
<b>Total governmental activities</b>	<b>19,439,770</b>	<b>1,260,412</b>	<b>5,673,795</b>	<b>275,337</b>	<b>(12,230,226)</b>		<b>(12,230,226)</b>	<b>(11,601,672)</b>	
<b>BUSINESS-TYPE ACTIVITIES</b>									
Office of lottery and gaming	179,697	210,754	-	-	-	\$ 31,057	31,057	38,231	
Unemployment compensation	199,111	-	33,253	-	-	(165,858)	(165,858)	(100,541)	
Not-for-profit hospital corporation	70,834	24,001	-	-	-	(46,833)	(46,833)	(30,119)	
<b>Total business-type activities</b>	<b>449,642</b>	<b>234,755</b>	<b>33,253</b>	<b>-</b>	<b>-</b>	<b>(181,634)</b>	<b>(181,634)</b>	<b>(92,429)</b>	
<b>Total primary government</b>	<b>\$ 19,889,412</b>	<b>\$ 1,495,167</b>	<b>\$ 5,707,048</b>	<b>275,337</b>	<b>(12,230,226)</b>		<b>(12,411,860)</b>	<b>(11,694,101)</b>	
<b>COMPONENT UNITS</b>									
Health benefit exchange authority	\$ 56,582	\$ 45,282	\$ -	\$ -					\$ (11,300)
Convention center	257,334	34,724	-	-					(222,610)
Green finance authority	4,580	4,389	374	-					183
Housing finance agency	49,784	55,136	(9,836)	-					(4,484)
University of the District of Columbia	231,086	25,798	32,974	27,101					(145,213)
<b>Total component units</b>	<b>\$ 599,366</b>	<b>\$ 165,329</b>	<b>\$ 23,512</b>	<b>\$ 27,101</b>					<b>(383,424)</b>
<b>GENERAL REVENUES:</b>									
Taxes:									
Property					3,121,075	-	3,121,075	3,099,740	-
Sales and use					2,184,263	-	2,184,263	2,084,662	-
Income and franchise					4,842,694	-	4,842,694	4,248,527	-
Gross receipts					563,651	-	563,651	425,297	-
Other					455,390	127,401	582,791	494,696	-
Investment earnings					157,162	14,153	171,315	231,860	47,236
Miscellaneous					861,711	-	861,711	761,154	40,718
Subsidy from primary government					-	-	-	-	308,115
Transfer in (out)					32,742	(32,742)	-	-	-
<b>Total general revenues and transfers</b>					<b>12,218,688</b>	<b>108,812</b>	<b>12,327,500</b>	<b>11,345,936</b>	<b>396,069</b>
Change in net position					(11,538)	(72,822)	(84,360)	(348,165)	12,645
Net position as of October 1, as reported					7,640,260	414,252	8,054,512	8,402,677	1,257,612
Restatement (See Note 1Z)					(171,328)	487	(170,841)	-	(3,997)
<b>Net position as of September 30</b>					<b>\$ 7,457,394</b>	<b>\$ 341,917</b>	<b>\$ 7,799,311</b>	<b>\$ 8,054,512</b>	<b>\$ 1,266,260</b>

The notes to financial statements are an integral part of this statement.

Exhibit 2-a

**DISTRICT OF COLUMBIA  
BALANCE SHEET  
Governmental Funds  
September 30, 2025  
(With Summarized Totals at September 30, 2024)  
(\$000s)**

	General	Federal and Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Totals	
						2025	2024
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3,091,969	\$ -	\$ -	\$ -	\$ -	\$ 3,091,969	\$ 2,493,438
Taxes receivable, net	594,533	-	-	-	5,128	599,661	579,688
Accounts receivable, net	384,469	9,622	3,643	178	31,875	429,787	241,338
Due from federal government	4,041	1,273,516	-	140,354	-	1,417,911	1,489,375
Lease receivable	326,743	16,357	-	-	-	343,100	439,679
Due from other funds	1,048,847	38,274	4,491	-	4,375	1,095,987	2,155,586
Due from component units	19,236	-	-	-	665	19,901	10,369
Inventories	11,412	29,815	-	-	-	41,227	44,238
Prepays	12,971	3,076	-	-	-	16,047	-
Other current assets	53,193	22	-	-	14	53,229	40,103
Cash and cash equivalents (restricted)	1,181,179	177,282	345,456	163,198	380,600	2,247,715	2,341,637
Investments (restricted)	2,494	2,299	-	-	-	4,793	4,665
Other long-term assets	54,756	133,194	55,957	96,789	-	340,696	448,940
<b>Total assets</b>	<u>\$ 6,785,843</u>	<u>\$ 1,683,457</u>	<u>\$ 409,547</u>	<u>\$ 400,519</u>	<u>\$ 422,657</u>	<u>\$ 9,702,023</u>	<u>\$ 10,289,056</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 508,146	\$ 139,535	\$ 27,877	\$ 261,471	\$ 11,298	\$ 948,327	\$ 1,091,499
Compensation payable	266,620	24,940	256	3,769	1,223	296,808	305,673
Due to other funds	13,936	670,792	-	330,792	67,359	1,082,879	2,142,672
Due to component units	20,418	1,850	-	7,005	1,857	31,130	43,280
Accrued liabilities	334,304	616,021	-	-	683	951,008	347,789
Unearned revenue	33,086	72,818	-	1,866	-	107,770	97,667
Other current liabilities	74,759	-	-	11,290	5,883	91,932	102,282
<b>Total liabilities</b>	<u>1,251,269</u>	<u>1,525,956</u>	<u>28,133</u>	<u>616,193</u>	<u>88,303</u>	<u>3,509,854</u>	<u>4,130,862</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	709,307	580,086	55,609	125,890	2,388	1,473,280	1,645,034
<b>FUND BALANCES</b>							
Nonspendable	24,383	32,891	-	-	-	57,274	44,238
Restricted	1,309,462	-	325,805	-	331,966	1,967,233	2,115,267
Committed	3,491,422	-	-	-	-	3,491,422	3,786,204
Unassigned	-	(455,476)	-	(341,564)	-	(797,040)	(1,432,549)
<b>Total fund balances (deficits)</b>	<u>4,825,267</u>	<u>(422,585)</u>	<u>325,805</u>	<u>(341,564)</u>	<u>331,966</u>	<u>4,718,889</u>	<u>4,513,160</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 6,785,843</u>	<u>\$ 1,683,457</u>	<u>\$ 409,547</u>	<u>\$ 400,519</u>	<u>\$ 422,657</u>		<u>\$ 10,289,056</u>

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.	19,773,203
Certain long-term assets are not available to pay current period expenditures and are therefore not recognized as revenues in the governmental funds.	
Unavailable revenues - general fund - taxes (Exhibit A-1)	\$ 210,860
Unavailable revenues - general fund - leases (Exhibit A-1)	327,916
Unavailable revenues - general fund - other (Exhibit A-1)	170,531
Unavailable revenues - federal and private resources (Exhibit 2-a)	580,086
Unavailable revenues - housing production trust (Exhibit 2-a)	55,609
Unavailable revenues - general capital improvements (Exhibit 2-a)	125,890
Unavailable revenues - nonmajor funds (Exhibit 2-a)	2,388
Total unavailable revenues	1,473,280
Deferred inflows of resources - lease and loans (Exhibit 1-a)	(664,620)
Deferred inflows of resources - pension and OPEB (Exhibit 1-a)	(1,364,569)
Deferred outflows of resources - pension and OPEB (Exhibit 1-a)	641,631
Net pension and OPEB asset (Exhibit 1-a)	1,606,474
Retainage liability not to be paid with current resources	(90,393)
Advance refunding gain (Exhibit 1-a)	(80,396)
Derivative instrument liabilities (Exhibit 1-a)	(883)
Deferred outflows of resources - derivative instruments (Exhibit 1-a)	883
Derivative instrument assets (Exhibit 1-a)	329
Certain liabilities are not due and payable in the current period:	
General obligation bonds (Note 7, Table N7-19)	\$ (6,398,855)
Income tax secured revenue bonds (Note 7, Table N7-19)	(6,348,850)
Tobacco settlement bonds (Note 7, Table N7-19)	(380,509)
TIF bonds (Note 7, Table N7-19)	(140,046)
GARVEE (Note 7, Table N7-19)	(219,495)
Ballpark revenue bonds (Note 7, Table N7-19)	(70,555)
Deed tax revenue bonds (Note 7, Table N7-19)	(27,920)
Accrued interest payable (Exhibit 1-a)	(180,042)
Other long-term liabilities (Note 7, Table N7-1)	(4,790,162)
Total liabilities not due and payable in the current period:	(18,556,434)
<b>Net position of governmental activities</b>	<u>\$ 7,457,394</u>

The notes to financial statements 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, 2025**  
**(With Summarized Totals for the Year Ended September 30, 2024)**  
**(\$000s)**

	General	Federal and Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Totals	
						2025	2024
<b>REVENUES</b>							
Taxes:							
Property taxes	\$ 3,042,819	\$ -	\$ -	\$ -	\$ 34,788	\$ 3,077,607	\$ 3,104,285
Sales and use taxes	2,125,636	-	-	-	58,626	2,184,262	2,084,662
Income and franchise taxes	4,840,361	-	-	-	-	4,840,361	4,271,954
Gross receipts taxes	506,903	-	-	-	56,748	563,651	425,297
Other taxes	395,578	-	59,812	-	-	455,390	375,078
Fines and forfeitures	279,782	-	-	-	-	279,782	238,958
Licenses and permits	168,558	-	-	-	-	168,558	162,722
Charges for services	635,850	8,304	-	10	150,549	794,713	463,201
Miscellaneous	640,945	53,262	23,107	2,419	39,275	759,008	767,613
Investment earnings	119,803	5,685	16,225	596	14,851	157,160	220,136
Federal contributions	-	843,134	-	-	-	843,134	1,327,797
Operating grants	-	4,925,268	-	275,337	-	5,200,605	5,184,649
<b>Total revenues</b>	<b>12,756,235</b>	<b>5,835,653</b>	<b>99,144</b>	<b>278,362</b>	<b>354,837</b>	<b>19,324,231</b>	<b>18,626,352</b>
<b>EXPENDITURES</b>							
Current:							
Governmental direction and support	1,545,706	122,819	-	-	28,622	1,697,147	1,832,741
Economic development and regulation	440,248	42,698	236,813	-	144,107	863,866	888,811
Public safety and justice	1,679,668	605,963	-	-	-	2,285,631	2,156,385
Public education system	3,713,348	577,539	-	-	-	4,290,887	4,203,910
Human support services	2,899,692	4,386,983	-	-	-	7,286,675	7,003,560
Operations and infrastructure	745,370	46,431	-	-	-	791,801	803,516
Public transportation	719,459	-	-	-	-	719,459	506,462
Debt service:							
Principal	678,763	10,155	485	19,215	231,353	939,971	732,294
Interest	618,867	3,235	531	11,706	28,900	663,239	622,051
Fiscal charges	17,376	-	-	-	5,608	22,984	9,329
Capital outlay	-	-	-	2,108,789	34,652	2,143,441	1,840,381
<b>Total expenditures</b>	<b>13,058,497</b>	<b>5,795,823</b>	<b>237,829</b>	<b>2,139,710</b>	<b>473,242</b>	<b>21,705,101</b>	<b>20,599,440</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(302,262)</b>	<b>39,830</b>	<b>(138,685)</b>	<b>(1,861,348)</b>	<b>(118,405)</b>	<b>(2,380,870)</b>	<b>(1,973,088)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt issuance	15,268	-	-	2,142,280	150	2,157,698	740,619
Refunding debt issuance	1,984,725	-	-	-	-	1,984,725	595,858
Premium on sale of bonds	126,438	-	-	170,150	-	296,588	89,275
Payment to refunded bond escrow agent	(2,105,360)	-	-	-	-	(2,105,360)	(649,808)
Leases and SBITAs	253,643	7,016	-	102	-	260,761	413,516
Transfers in	232,302	-	-	237,652	122,997	592,951	1,352,755
Transfers out	(307,451)	(47,710)	-	(50,026)	(181,264)	(586,451)	(1,335,405)
Sale of capital assets	5,002	-	-	-	-	5,002	998
<b>Total other financing sources (uses)</b>	<b>204,567</b>	<b>(40,694)</b>	<b>-</b>	<b>2,500,158</b>	<b>(58,117)</b>	<b>2,605,914</b>	<b>1,207,808</b>
Net change in fund balances	(97,695)	(864)	(138,685)	638,810	(176,522)	225,044	(765,280)
Fund balances (deficit) as of October 1, as reported	4,922,962	(421,721)	483,805	(980,374)	508,488	4,513,160	5,278,440
Restatement (See Note 1Z)	-	-	(19,315)	-	-	(19,315)	-
<b>Fund balances (deficits) as of September 30</b>	<b>\$ 4,825,267</b>	<b>\$ (422,585)</b>	<b>\$ 325,805</b>	<b>\$ (341,564)</b>	<b>\$ 331,966</b>	<b>\$ 4,718,889</b>	<b>\$ 4,513,160</b>

The notes to financial statements 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, 2025  
(\$000s)**

Net change in fund balances - total governmental funds		\$ 225,044
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/amortization expense. This is the amount by which capital outlays that are capitalized exceeded depreciation expense in the current period.		
Non-depreciable capital asset additions (Note 5, Table N5-1)	\$ 1,246,979	
Depreciation/amortization expense (Note 5, Table N5-1)	(758,991)	
Depreciable/amortizable capital asset additions (Note 5, Table N5-1)	554,220	
Transfers/dispositions, net (Note 5, Table N5-1)	<u>(4,334)</u>	
Net adjustment		1,037,874
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 (Exhibit 2-a)	1,473,280	
Prior year deferred inflows of resources (Exhibit 2-a)	(1,645,034)	
Change in leases and loans (Exhibit 1-a)	<u>235,678</u>	
Net adjustment		63,924
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 (excluding Pension and OPEB items, as they are already included in the Pension and OPEB expenses section of the reconciliation below.) (Note 7, Table N7-19)		
Long-term liabilities additions	(4,728,752)	
Long-term liabilities reductions	3,102,516	
Change in net pension liability	<u>(22,769)</u>	
Net adjustment		(1,649,005)
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.		
Increase in net pension assets - teachers fund (Note 8, Table N8-6)	95,041	
Increase in net pension assets - police officers and fire fighters' fund (Note 8, Table N8-6)	196,920	
Decrease in net OPEB assets - OPEB fund (Note 9, Table N9-5)	(4,673)	
Increase in deferred outflows of resources - teachers fund over prior year (Note 8, Table N8-8)	3,721	
Increase in deferred outflows of resources - police officers and fire fighters over prior year (Note 8, Table N8-8)	92,928	
Increase in deferred outflows of resources - OPEB fund over prior year (Note 9, Table N9-8)	51,784	
Increase in deferred inflows of resources - teachers' retirement fund over prior year (Note 8, Table N8-8)	(53,067)	
Increase in deferred inflows of resources - police officers and fire fighters' fund over prior year (Note 8, Table N8-8)	(63,856)	
Increase in deferred inflows of resources - OPEB fund over prior year (Note 9, Table N9-8)	<u>(8,826)</u>	
Net adjustment		309,972
Other adjustments include:		
Change in advance refunding gain amortization over prior year (Exhibit 1-a)	6,657	
Decrease in long-term accrued interest payable over prior year (Exhibit 1-a)	4,001	
Increase in retainage payables over prior year	10,238	
Restatement relate to Housing Production Trust Fund (see Note 1Z)	(19,315)	
Other	<u>(629)</u>	
Net adjustment		952
Investment revenue from derivative instruments (Note 2, Table N2-13)		<u>(299)</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ (11,538)</u></b>

The notes to financial statements are an integral part of this statement.

**DISTRICT OF COLUMBIA  
BUDGETARY COMPARISON STATEMENT  
For the Year Ended September 30, 2025  
(\$000s)**

	General Fund				Federal and Private Resources			
	Budget		Actual	Variance	Budget		Actual	Variance
	Original	Revised			Original	Revised		
<b>REVENUES</b>								
Taxes:								
Property taxes	\$ 2,874,120	\$ 2,932,721	\$ 2,980,031	\$ 47,310	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	2,062,430	2,112,358	2,115,622	3,264	-	-	-	-
Income and franchise taxes	4,390,665	4,704,709	4,840,362	135,653	-	-	-	-
Gross receipts and other taxes	863,366	919,188	898,643	(20,545)	-	-	-	-
<b>Total taxes</b>	<b>10,190,581</b>	<b>10,668,976</b>	<b>10,834,658</b>	<b>165,682</b>	-	-	-	-
Licenses and permits	160,446	138,545	142,626	4,081	-	-	-	-
Fines and forfeitures	335,584	281,549	271,410	(10,139)	-	-	-	-
Charges for services	397,066	401,732	429,407	27,675	-	-	8,304	8,304
Miscellaneous	294,789	201,363	149,891	(51,472)	-	-	38,481	38,481
Investment earnings	-	-	-	-	-	-	5,685	5,685
Other sources	791,812	951,087	952,302	1,215	-	-	-	-
Federal contributions	-	-	-	-	163,547	137,709	139,611	1,902
Operating grants	-	-	-	-	5,179,208	4,460,765	4,173,624	(287,141)
<b>Total revenues</b>	<b>12,170,278</b>	<b>12,643,252</b>	<b>12,780,294</b>	<b>137,042</b>	<b>5,342,755</b>	<b>4,598,474</b>	<b>4,365,705</b>	<b>(232,769)</b>
<b>EXPENDITURES</b>								
Governmental direction and support	1,486,338	1,441,700	1,417,963	23,737	138,996	123,724	123,687	37
Economic development and regulation	484,000	445,467	441,319	4,148	37,318	44,609	42,698	1,911
Public safety and justice	1,622,499	1,707,351	1,681,606	25,745	289,916	140,461	125,660	14,801
Public education system	3,697,625	3,266,939	3,235,219	31,720	523,156	448,913	372,039	76,874
Public education AY26 expenditure	-	495,383	495,383	-	-	-	-	-
Human support services	2,865,647	2,954,740	2,943,538	11,202	4,164,473	3,723,631	3,646,816	76,815
Operations and infrastructure	1,526,340	1,486,736	1,468,651	18,085	174,771	103,011	46,715	56,296
Debt service	1,259,219	1,089,521	1,088,598	923	14,125	14,125	1,567	12,558
<b>Total expenditures</b>	<b>12,941,668</b>	<b>12,887,837</b>	<b>12,772,277</b>	<b>115,560</b>	<b>5,342,755</b>	<b>4,598,474</b>	<b>4,359,182</b>	<b>239,292</b>
<b>Excess of revenues over expenditures</b>	<b>(771,390)</b>	<b>(244,585)</b>	<b>8,017</b>	<b>252,602</b>	<b>-</b>	<b>-</b>	<b>6,523</b>	<b>6,523</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Bond proceeds	11,000	11,000	7,664	(3,336)	-	-	-	-
Transfer in	158,945	215,842	208,422	(7,420)	-	-	-	-
Transfer out	(283,430)	(280,975)	(280,975)	-	-	-	-	-
Sale of capital assets	-	-	5,002	5,002	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(113,485)</b>	<b>(54,133)</b>	<b>(59,887)</b>	<b>(5,754)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<b>(884,875)</b>	<b>(298,718)</b>	<b>(51,870)</b>	<b>246,848</b>	<b>-</b>	<b>-</b>	<b>6,523</b>	<b>6,523</b>
Use of fund balance	904,221	1,294,380	154,577	(1,139,803)	-	-	-	-
<b>Excess after use of fund balance</b>	<b>\$ 19,346</b>	<b>\$ 995,662</b>	<b>\$ 102,707</b>	<b>\$ (892,955)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,523</b>	<b>\$ 6,523</b>

Exhibit 2-d

**DISTRICT OF COLUMBIA  
BUDGETARY COMPARISON STATEMENT  
For the Year Ended September 30, 2025  
(\$000s)**

	Housing Production Trust				Totals			
	Budget		Actual	Variance	Budget		Actual	Variance
	Original	Revised			Original	Revised		
<b>REVENUES</b>								
Taxes:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,874,120	\$ 2,932,721	\$ 2,980,031	\$ 47,310
Sales and use taxes	-	-	-	-	2,062,430	2,112,358	2,115,622	3,264
Income and franchise taxes	-	-	-	-	4,390,665	4,704,709	4,840,362	135,653
Gross receipts and other taxes	48,997	48,997	59,812	10,815	912,363	968,185	958,455	(9,730)
<b>Total taxes</b>	<b>48,997</b>	<b>48,997</b>	<b>59,812</b>	<b>10,815</b>	<b>10,239,578</b>	<b>10,717,973</b>	<b>10,894,470</b>	<b>176,497</b>
Licenses and permits	-	-	-	-	160,446	138,545	142,626	4,081
Fines and forfeitures	-	-	-	-	335,584	281,549	271,410	(10,139)
Charges for services	-	-	-	-	397,066	401,732	437,711	35,979
Miscellaneous	26,000	16,000	23,107	7,107	320,789	217,363	211,479	(5,884)
Investment earnings	5,000	15,000	16,225	1,225	5,000	15,000	21,910	6,910
Other sources	-	-	-	-	791,812	951,087	952,302	1,215
Federal contributions	-	-	-	-	163,547	137,709	139,611	1,902
Operating grants	-	-	-	-	5,179,208	4,460,765	4,173,624	(287,141)
<b>Total revenues</b>	<b>79,997</b>	<b>79,997</b>	<b>99,144</b>	<b>19,147</b>	<b>17,593,030</b>	<b>17,321,723</b>	<b>17,245,143</b>	<b>(76,580)</b>
<b>EXPENDITURES</b>								
Governmental direction and support	-	-	-	-	1,625,334	1,565,424	1,541,650	23,774
Economic development and regulation	79,997	262,943	239,769	23,174	601,315	753,019	723,786	29,233
Public safety and justice	-	-	-	-	1,912,415	1,847,812	1,807,266	40,546
Public education system	-	-	-	-	4,220,781	3,715,852	3,607,258	108,594
Public education AY26 expenditure	-	-	-	-	-	495,383	495,383	-
Human support services	-	-	-	-	7,030,120	6,678,371	6,590,354	88,017
Operations and infrastructure	-	-	-	-	1,701,111	1,589,747	1,515,366	74,381
Debt service	-	-	-	-	1,273,344	1,103,646	1,090,165	13,481
<b>Total expenditures</b>	<b>79,997</b>	<b>262,943</b>	<b>239,769</b>	<b>23,174</b>	<b>18,364,420</b>	<b>17,749,254</b>	<b>17,371,228</b>	<b>378,026</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>(182,946)</b>	<b>(140,625)</b>	<b>42,321</b>	<b>(771,390)</b>	<b>(427,531)</b>	<b>(126,085)</b>	<b>301,446</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Bond proceeds	-	-	-	-	11,000	11,000	7,664	(3,336)
Transfer in	-	-	-	-	158,945	215,842	208,422	(7,420)
Transfer out	-	-	-	-	(283,430)	(280,975)	(280,975)	-
Sale of capital assets	-	-	-	-	-	-	5,002	5,002
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(113,485)</b>	<b>(54,133)</b>	<b>(59,887)</b>	<b>(5,754)</b>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<b>-</b>	<b>(182,946)</b>	<b>(140,625)</b>	<b>42,321</b>	<b>(884,875)</b>	<b>(481,664)</b>	<b>(185,972)</b>	<b>295,692</b>
Use of fund balance	-	182,946	182,946	-	904,221	1,477,326	337,523	(1,139,803)
<b>Excess after use of fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,321</b>	<b>\$ 42,321</b>	<b>\$ 19,346</b>	<b>\$ 995,662</b>	<b>\$ 151,551</b>	<b>\$ (844,111)</b>

The notes to financial statements are an integral part of this statement.

Exhibit 3-a

**DISTRICT OF COLUMBIA**  
**STATEMENT OF NET POSITION**  
**Proprietary Funds**  
**September 30, 2025**  
**(With Summarized Totals for the Year Ended September 30, 2024)**  
**(\$000s)**

	Office of Lottery and Gaming	Unemployment Compensation	Not-for-Profit Hospital Corporation	Totals	
				2025	2024
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 4,247	\$ 4,247	\$ 33,823
Accounts receivable, net	4,073	20,252	-	24,325	45,385
Due from federal government	-	6,101	-	6,101	2,106
Due from other funds	-	1,320	-	1,320	1,917
Inventories	-	-	-	-	2,701
Other current assets	6	-	9,356	9,362	1,839
Cash and cash equivalents (restricted)	15,109	378,568	-	393,677	400,547
<b>Total current assets</b>	<b>19,188</b>	<b>406,241</b>	<b>13,603</b>	<b>439,032</b>	<b>488,318</b>
<b>Noncurrent assets:</b>					
Depreciable/amortizable capital assets, net	-	-	-	-	26,113
Non-depreciable capital assets	-	-	-	-	8,100
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,213</b>
<b>Total assets</b>	<b>19,188</b>	<b>406,241</b>	<b>13,603</b>	<b>439,032</b>	<b>522,531</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	4,024	44,635	740	49,399	51,760
Accrued compensation	322	-	-	322	2,746
Due to federal government	-	14,631	-	14,631	20,919
Due to other funds	-	14,428	-	14,428	14,831
Accrued liabilities	8,232	-	-	8,232	8,549
Unearned revenues	127	-	-	127	142
Other current liabilities	-	-	-	-	2,401
Long-term liabilities due within one year	749	-	-	749	1,540
<b>Total current liabilities</b>	<b>13,454</b>	<b>73,694</b>	<b>740</b>	<b>87,888</b>	<b>102,888</b>
<b>Noncurrent liabilities:</b>					
Long-term liabilities due in more than one year	255	-	8,972	9,227	5,391
<b>Total noncurrent liabilities</b>	<b>255</b>	<b>-</b>	<b>8,972</b>	<b>9,227</b>	<b>5,391</b>
<b>Total liabilities</b>	<b>13,709</b>	<b>73,694</b>	<b>9,712</b>	<b>97,115</b>	<b>108,279</b>
<b>NET POSITION</b>					
Net investment in capital assets	-	-	-	-	33,101
Restricted - expendable	5,479	332,547	-	338,026	364,008
Unrestricted	-	-	3,891	3,891	17,143
<b>Total net position</b>	<b>\$ 5,479</b>	<b>\$ 332,547</b>	<b>\$ 3,891</b>	<b>\$ 341,917</b>	<b>\$ 414,252</b>

The notes to financial statements are an integral part of this statement.

## Exhibit 3-b

**DISTRICT OF COLUMBIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Proprietary Funds**  
**For the Year Ended September 30, 2025**  
**(With Summarized Totals for the Year Ended September 30, 2024)**  
**(\$000s)**

	Office of Lottery and Gaming	Unemployment Compensation	Not-for-Profit Hospital Corporation	Totals	
				2025	2024
<b>OPERATING REVENUES</b>					
Employer taxes	\$ -	\$ 127,401	\$ -	\$ 127,401	\$ 119,617
Charges for services	210,754	-	24,001	234,755	421,961
Benefit contributions	-	33,253	-	33,253	10,160
Operating grants and contributions	-	-	-	-	250
<b>Total operating revenues</b>	<u>210,754</u>	<u>160,654</u>	<u>24,001</u>	<u>395,409</u>	<u>551,988</u>
<b>OPERATING EXPENSES</b>					
Benefits	-	199,111	5,891	205,002	123,530
Prizes and other expenses	141,726	-	-	141,726	253,513
Personnel services	11,675	-	24,818	36,493	52,174
Supplies	-	-	5,483	5,483	9,308
Utilities	-	-	2,071	2,071	3,722
Insurance	-	-	3,596	3,596	4,832
Rent	-	-	488	488	299
Repairs and maintenance	-	-	766	766	1,275
Other expenses	-	-	418	418	1,963
Contractual services	25,040	-	20,455	45,495	63,708
Depreciation and amortization	1,123	-	6,848	7,971	10,221
<b>Total operating expenses</b>	<u>179,564</u>	<u>199,111</u>	<u>70,834</u>	<u>449,509</u>	<u>524,545</u>
<b>Operating income (loss)</b>	<u>31,190</u>	<u>(38,457)</u>	<u>(46,833)</u>	<u>(54,100)</u>	<u>27,443</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest, investment and other income	1,456	12,697	-	14,153	11,724
Lease expense – interest	(133)	-	-	(133)	(255)
<b>Total nonoperating revenues</b>	<u>1,323</u>	<u>12,697</u>	<u>-</u>	<u>14,020</u>	<u>11,469</u>
Income (loss) before transfers	<u>32,513</u>	<u>(25,760)</u>	<u>(46,833)</u>	<u>(40,080)</u>	<u>38,912</u>
Transfer in (out)	<u>(32,500)</u>	<u>-</u>	<u>(242)</u>	<u>(32,742)</u>	<u>(17,350)</u>
Change in net position	13	(25,760)	(47,075)	(72,822)	21,562
Net position as of October 1, as reported	4,979	358,307	50,966	414,252	392,690
Restatement (See Note 1Z)	487	-	-	487	-
<b>Net position as of September 30</b>	<u>\$ 5,479</u>	<u>\$ 332,547</u>	<u>\$ 3,891</u>	<u>\$ 341,917</u>	<u>\$ 414,252</u>

The notes to financial statements 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, 2025**  
**(With Summarized Totals for the Year Ended September 30, 2024)**  
**(\$000s)**

	Office of Lottery and Gaming	Unemployment Compensation	Not-for-Profit Hospital Corporation	Totals	
				2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts from customers/employers	\$ 210,670	\$ 135,431	\$ 25,265	\$ 371,366	\$ 536,379
Cash receipts from governmental contributions	-	29,855	-	29,855	10,826
Other cash receipts (payments)	-	(5,834)	11,023	5,189	4,384
Cash payments to vendors	(25,762)	-	(44,272)	(70,034)	(94,406)
Cash payments to employees	(11,833)	-	(32,777)	(44,610)	(65,385)
Cash payments to claimants	-	(194,128)	-	(194,128)	(108,992)
Other cash payments, including prizes	(140,491)	-	-	(140,491)	(255,140)
<b>Net cash provided by (used for) operating activities</b>	<b>32,584</b>	<b>(34,676)</b>	<b>(40,761)</b>	<b>(42,853)</b>	<b>27,666</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund transfers in (out)	(32,500)	-	26,000	(6,500)	(17,350)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(32,500)</b>	<b>-</b>	<b>26,000</b>	<b>(6,500)</b>	<b>(17,350)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	-	-	-	(658)
Payment for lease liability and interest	(1,246)	-	-	(1,246)	(1,590)
<b>Net cash used for capital and related financing activities</b>	<b>(1,246)</b>	<b>-</b>	<b>-</b>	<b>(1,246)</b>	<b>(2,248)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Receipts of interest and dividends	1,456	12,697	-	14,153	11,724
<b>Net cash provided by investing activities</b>	<b>1,456</b>	<b>12,697</b>	<b>-</b>	<b>14,153</b>	<b>11,724</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	294	(21,979)	(14,761)	(36,446)	19,792
Cash and cash equivalents at October 1	14,815	400,547	19,008	434,370	414,578
<b>Cash and cash equivalents at September 30</b>	<b>\$ 15,109</b>	<b>\$ 378,568</b>	<b>\$ 4,247</b>	<b>\$ 397,924</b>	<b>\$ 434,370</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 31,190	\$ (38,457)	\$ (46,833)	\$ (54,100)	\$ 27,443
Depreciation and amortization	1,123	-	6,848	7,971	10,221
Decrease (increase) in current assets:					
Accounts receivable	(69)	8,627	13,099	21,657	8,211
Other current assets	1	(3,995)	4,149	155	2,684
Increase (decrease) in current liabilities:					
Accounts payable	830	(851)	(9,021)	(9,042)	(8,824)
Accrued liabilities	(139)	-	(2,067)	(2,206)	(6,935)
Unearned revenues	(15)	-	-	(15)	(21)
Other current liabilities	(337)	-	(6,936)	(7,273)	(5,113)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 32,584</b>	<b>\$ (34,676)</b>	<b>\$ (40,761)</b>	<b>\$ (42,853)</b>	<b>\$ 27,666</b>

The notes to financial statements are an integral part of this statement.

Exhibit 4-a

**DISTRICT OF COLUMBIA  
STATEMENT OF FIDUCIARY NET POSITION  
Fiduciary Funds  
September 30, 2025  
(\$000s)**

	<b>Pension (and Other Employee Benefit) Trust Funds</b>	<b>Private- Purpose Trust Fund</b>	<b>Custodial Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 152,507	\$ 2,550	\$ 93,685
Investments			
Equities	11,354,033	1,025,139	-
Fixed income securities	4,310,896	331,737	-
Guaranteed investment contracts	-	280,264	-
Real estate	2,216,546	-	-
Private equity	1,870,586	-	-
Money market funds	449,631	-	-
Total investments	<u>20,201,692</u>	<u>1,637,140</u>	<u>-</u>
Receivables			
Accounts receivable	-	2,444	34,964
Loan receivable	3,488	-	-
Benefit contributions receivable	62,686	-	-
Other receivables	21,216	-	-
Due from federal government	1,083	-	3,666
Total receivables	<u>88,473</u>	<u>2,444</u>	<u>38,630</u>
Other current assets	-	-	74
Long-term accounts receivable	-	-	31,562
Depreciable and amortizable capital assets, net	6,264	-	-
<b>Total assets</b>	<u><u>20,448,936</u></u>	<u><u>1,642,134</u></u>	<u><u>163,951</u></u>
<b>LIABILITIES</b>			
Accounts payable	35,175	641	4,624
Due to federal government	644	-	-
Other current liabilities	30,187	-	97
Other long-term liabilities	8,574	-	31,284
<b>Total liabilities</b>	<u>74,580</u>	<u>641</u>	<u>36,005</u>
<b>NET POSITION</b>			
Restricted for:			
Pensions	13,463,925	-	-
Other postemployment benefits	2,532,242	-	-
Other employee benefits	4,378,189	-	-
Individuals	-	1,641,493	-
Individuals and Organizations	-	-	127,946
<b>Net position restricted for pension, other employee benefits, and other purposes</b>	<u><u>\$ 20,374,356</u></u>	<u><u>\$ 1,641,493</u></u>	<u><u>\$ 127,946</u></u>

The notes to financial statements 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, 2025**  
**(\$000s)**

	<b>Pension (and Other Employee Benefit) Trust Funds</b>	<b>Private- Purpose Trust Fund</b>	<b>Custodial Fund</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 388,891	\$ -	\$ -
Plan members	309,380	157,332	-
Other contributions	-	-	98,075
<b>Total contributions</b>	<b>698,271</b>	<b>157,332</b>	<b>98,075</b>
Investment earnings:			
Net increase in fair value of investments	1,806,476	156,838	-
Other Investment Income	34,610	-	-
Interest and dividends	155,312	10,189	-
<b>Total investment earnings</b>	<b>1,996,398</b>	<b>167,027</b>	<b>-</b>
Less: investment expenses	(63,759)	(1,168)	-
<b>Net investment earnings</b>	<b>1,932,639</b>	<b>165,859</b>	<b>-</b>
Other	7,917	-	-
<b>Total additions</b>	<b>2,638,827</b>	<b>323,191</b>	<b>98,075</b>
<b>DEDUCTIONS</b>			
Benefits	668,926	-	-
Administrative expenses	24,407	4,450	-
Distributions to participants	-	93,404	-
Other distributions	-	-	73,911
Other	1,606	-	-
<b>Total deductions</b>	<b>694,939</b>	<b>97,854</b>	<b>73,911</b>
Change in net position	1,943,888	225,337	24,164
Net position as of October 1, as reported	18,431,098	1,416,156	103,782
Restatement (See Note 1Z)	(630)	-	-
<b>Net position as of September 30</b>	<b>\$ 20,374,356</b>	<b>\$ 1,641,493</b>	<b>\$ 127,946</b>

The notes to financial statements are an integral part of this statement.

## Exhibit 5-a

**DISTRICT OF COLUMBIA**  
**COMBINING STATEMENT OF NET POSITION**  
**Discretely Presented Component Units**  
**September 30, 2025**  
**(With Summarized Totals at September 30, 2024)**  
**(\$000s)**

	Health Benefit Exchange Authority	Washington Convention and Sports Authority	Green Finance Authority	Housing Finance Agency	University of the District of Columbia	Totals	
						2025	2024
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 18,803	\$ 13,659	\$ 19,008	\$ 21,373	\$ 19,363	\$ 92,206	\$ 103,730
Investments	87,292	232,256	5,581	128,527	67,686	521,342	536,168
Receivables, net:							
Accounts	3,450	14,596	-	-	14,917	32,963	59,615
Lease receivable	-	-	-	-	4,702	4,702	4,621
Other	1,267	2,516	15,735	9,355	11,907	40,780	25,773
Due from primary government	11	21,009	-	790	9,320	31,130	43,280
Other current assets	-	3,495	139	4,451	1,027	9,112	8,074
Restricted cash	52,285	6,450	23,548	82,271	4,593	169,147	133,474
Restricted investments	-	216,059	-	206,117	38,230	460,406	461,318
<b>Total current assets</b>	<b>163,108</b>	<b>510,040</b>	<b>64,011</b>	<b>452,884</b>	<b>171,745</b>	<b>1,361,788</b>	<b>1,376,053</b>
Noncurrent assets:							
Loans receivable	-	-	44,090	288,693	-	332,783	257,754
Lease receivable	-	9,681	-	-	9,552	19,233	17,514
Other	-	-	-	-	229	229	300
<b>Total noncurrent assets:</b>	<b>-</b>	<b>9,681</b>	<b>44,090</b>	<b>288,693</b>	<b>9,781</b>	<b>352,245</b>	<b>275,568</b>
Capital assets, net							
Depreciable and amortizable capital assets, net	7,610	409,690	1,382	1,422	213,813	633,917	641,078
Non-depreciable capital assets	-	10,402	-	573	54,166	65,141	81,132
<b>Total assets</b>	<b>170,718</b>	<b>939,813</b>	<b>109,483</b>	<b>743,572</b>	<b>449,505</b>	<b>2,413,091</b>	<b>2,373,831</b>
<b>DEFERRED OUTFLOWS OF RESOURCES - BONDS REFUNDING</b>							
	-	8,878	-	-	-	8,878	9,444
<b>LIABILITIES</b>							
Current liabilities:							
Payables:							
Accounts	34,971	11,002	254	651	9,947	56,825	63,919
Compensation	1,193	2,160	310	791	9,069	13,523	20,476
Due to federal government	61	-	-	-	-	61	61
Due to primary government	11,999	7,064	-	-	838	19,901	10,369
Accrued liabilities	5,953	7,340	155	-	-	13,448	9,464
Current maturities	-	16,285	-	3,403	-	19,688	21,784
Unearned revenue	-	8,704	121	-	10,139	18,964	20,492
Other current liabilities	14,000	2,868	310	127,903	12,338	157,419	151,426
<b>Total current liabilities</b>	<b>68,177</b>	<b>55,423</b>	<b>1,150</b>	<b>132,748</b>	<b>42,331</b>	<b>299,829</b>	<b>297,991</b>
Noncurrent liabilities:							
Long-term debt:							
Bonds payable	-	368,701	-	399,299	-	768,000	772,520
Other long-term liabilities	7,076	7,186	19,745	-	25,389	59,396	27,691
<b>Total noncurrent liabilities</b>	<b>7,076</b>	<b>375,887</b>	<b>19,745</b>	<b>399,299</b>	<b>25,389</b>	<b>827,396</b>	<b>800,211</b>
<b>Total liabilities</b>	<b>75,253</b>	<b>431,310</b>	<b>20,895</b>	<b>532,047</b>	<b>67,720</b>	<b>1,127,225</b>	<b>1,098,202</b>
<b>DEFERRED INFLOWS OF RESOURCES - LEASES</b>							
	-	14,230	-	-	14,254	28,484	27,461
<b>NET POSITION</b>							
Net investment in capital assets	7,610	158,530	-	1,957	246,947	415,044	469,345
Restricted - expendable	169	169,113	4,639	48,971	3,208	226,100	218,764
Restricted - nonexpendable	-	-	-	-	32,976	32,976	32,726
Unrestricted	87,686	175,508	83,949	160,597	84,400	592,140	536,777
<b>Total net position</b>	<b>\$ 95,465</b>	<b>\$ 503,151</b>	<b>\$ 88,588</b>	<b>\$ 211,525</b>	<b>\$ 367,531</b>	<b>\$ 1,266,260</b>	<b>\$ 1,257,612</b>

Exhibit 5-b

**DISTRICT OF COLUMBIA**  
**COMBINING STATEMENT OF ACTIVITIES**  
**Discretely Presented Component Units**  
**For the Year Ended September 30, 2025**  
**(With Summarized Totals for the Year Ended September 30, 2024)**  
**(\$000s)**

	Health Benefit Exchange Authority	Washington Convention and Sports Authority	Green Finance Authority	Housing Finance Agency	University of the District of Columbia	Totals	
						2025	2024
<b>EXPENSES</b>	\$ 56,582	\$ 257,334	\$ 4,580	\$ 49,784	\$ 231,086	\$ 599,366	\$ 530,145
Program revenues:							
Charges for services, fees, fines, and forfeitures	45,282	34,724	4,389	55,136	25,798	165,329	114,402
Operating grants and contributions	-	-	374	(9,836)	32,974	23,512	28,411
Capital grants and contributions	-	-	-	-	27,101	27,101	35,668
<b>Net expense</b>	<u>(11,300)</u>	<u>(222,610)</u>	<u>183</u>	<u>(4,484)</u>	<u>(145,213)</u>	<u>(383,424)</u>	<u>(351,664)</u>
<b>GENERAL REVENUES</b>							
Investment earnings	4,903	19,943	1,322	7,301	13,767	47,236	63,932
Miscellaneous	-	16,702	-	950	23,066	40,718	78,810
Subsidy from primary government	-	205,536	1,470	-	101,109	308,115	310,794
<b>Total general revenues</b>	<u>4,903</u>	<u>242,181</u>	<u>2,792</u>	<u>8,251</u>	<u>137,942</u>	<u>396,069</u>	<u>453,536</u>
Change in net position	(6,397)	19,571	2,975	3,767	(7,271)	12,645	101,872
Net position as of October 1, as reported	102,848	484,761	85,613	207,758	376,632	1,257,612	1,155,740
Restatement (See Note 1Z)	(986)	(1,181)	-	-	(1,830)	(3,997)	-
<b>Net position as of September 30</b>	<u>\$ 95,465</u>	<u>\$ 503,151</u>	<u>\$ 88,588</u>	<u>\$ 211,525</u>	<u>\$ 367,531</u>	<u>\$ 1,266,260</u>	<u>\$ 1,257,612</u>



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## NOTES TO THE BASIC FINANCIAL STATEMENTS

September 30, 2025

(Dollar amounts expressed in thousands unless specifically disclosed)

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## Notes to the Basic Financial Statements

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## 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 provision, the District of Columbia (District, or DC) was established as the nation's capital on July 16, 1790 from territory ceded by Maryland and Virginia.

On January 2, 1975, the District Charter (Charter) took effect. The means of governance of the District was established by the Charter through passage by Congress of the Home Rule Act. The Charter may be found in Title IV of the District of Columbia 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 becomes law unless Congress and the President of the United States disapprove it after it has been adopted. Citizens residing in the District have the right to vote for the 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, including all 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 financial reporting entity of the District are as follows:

- The organization is a legally separate entity.
- The District appoints a voting majority of the governing board for the organization.
- There is a financial benefit or burden relationship between the District and the organization or the District is able to impose its will on the organization.
- The District holds majority equity interest which does not meet the definition of investment in the entity.

Organizations meeting the criteria are included in the financial reporting entity of the District 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 relationship between the organization and the District.

Based on the application of the criteria outlined, the District includes five discretely presented component units in its reporting entity: District of Columbia Health Benefit Exchange Authority, Washington Convention and Sports Authority, District of Columbia Green Finance Authority, District of Columbia 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 discretely presented component units, 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. The relationship between each discretely presented component unit and the District is as follows:

#### District of Columbia Health Benefit Exchange Authority

The District has the ability to impose its will on the District of Columbia Health Benefit Exchange Authority (Authority) because the District is able to approve or modify the budget of the Authority and may overrule, veto, or modify certain decisions made by the governing board of the Authority (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 or 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 (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 Authority because the District has the ability to modify or approve the budget and the rates or fees charged by the Authority.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### District of Columbia Green Finance Authority

A financial benefit or burden relationship exists between the District of Columbia Green Finance Authority (Green Finance Authority) and the District because the District provides financial support to the Green Finance Authority through annual transfers and additional funding from the DC Department of Energy and Environment.

### District of Columbia Housing Finance Agency

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

### University of the District of Columbia

A financial benefit or burden relationship exists between the University of the District of Columbia (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 or modify the budget of the University.

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 I Street, NW  
Suite 400  
Washington, DC 20005  
<https://hbx.dc.gov>

#### Washington Convention and Sports Authority

t/a Events DC  
Chief Financial Officer  
801 Allen Y. Lew Place, NW  
Washington, DC 20001  
<https://eventsdc.com>

#### District of Columbia Green Finance Authority

Chief Financial Officer  
1140 19th Street, NW  
Suite 800  
Washington, DC 20036  
<https://dcgreenbank.com>

#### Housing Finance Agency

Chief Financial Officer  
815 Florida Avenue, NW  
Washington, DC 20001  
<https://www.dchfa.org>

#### University of the District of Columbia

Office of the Chief Financial Officer  
Van Ness Campus  
4200 Connecticut Avenue, NW  
Building 39, 2nd floor  
Washington, DC 20008  
<https://www.udc.edu>

### Blended Component Units

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

- The governing body of the organization is substantively the same as the governing body of the District and either (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 the organization does not provide services directly to the District.
- The total debt outstanding of the organization, including leases, is expected to be repaid entirely or almost entirely with resources of the District.
- The organization is incorporated as a not-for-profit corporation where the District is the sole corporate member.

Based on these criteria, the District includes two blended component units:

#### District of Columbia Tobacco Settlement Financing Corporation

The District of Columbia Tobacco Settlement Financing Corporation (Tobacco Corporation) was created by the Tobacco Settlement Financing Act of 2000 as a special purpose, independent instrumentality of the District. The Tobacco Corporation, which is legally separate from the District, was established to purchase all of the rights, title, and interest of the District in the Master Settlement Agreement executed by participating cigarette manufacturers, states, and other jurisdictions. The Tobacco Corporation issued bonds in fiscal year 2001 to finance the purchase of the securitized rights, title, and interest of the District in the tobacco settlement revenues. The Tobacco Corporation is a blended component unit because: (a) the District appoints the governing board of the Tobacco Corporation; (b) the District is legally entitled to and can otherwise access

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

the resources of the Tobacco Corporation, thereby establishing a benefit or burden relationship; (c) the District has the ability to modify or approve the budget for the Tobacco Corporation, 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 initially established pursuant to the Not-for-Profit Hospital Corporation Establishment Emergency Amendment Act of 2010, effective July 7, 2010 (DC Act 18-476; DC Code § 44-951.01 et seq.) to provide community-centered health care east of the Anacostia River. The permanent establishment act, the Not-for-Profit Hospital Corporation Establishment Amendment Act of 2011, became effective on September 14, 2011 (D.C. Law 19-21; 58 DC Register 6226). The District was the sole owner of the Not-for-Profit Hospital Corporation (Corporation) and provided financial support to this entity to help sustain its operations. Consequently, a financial benefit or burden relationship existed between the District and the Corporation. In addition, the District was able to impose its will on the Not-for-Profit Hospital Corporation because the District had the ability to modify or approve the budget for the Corporation. The Not-for-Profit Hospital Corporation has been reported as a blended component unit because: (a) it was organized as a not-for-profit corporation and (b) the District was its sole owner.

### Permanent Closure of the Not-for-Profit Hospital Corporation

The District opened Cedar Hill Regional Medical Center – GW Health in Southeast DC on April 15, 2025. On the same day, the Corporation ceased patient operations. In accordance with DC Code § 44-951.19, the Corporation dissolved on September 30, 2025 and all of its assets, positions, personnel, and records, and the unexpended balances of appropriations, allocations, and other funds available or to be made available to it, reverted to the District. Effective October 1, 2025, all cash balances, receivables, and liabilities reported as of September 30, 2025 were transferred to and assumed by the District.

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

#### District of Columbia Tobacco Settlement Financing Corporation

Corporate Vice President and District Treasurer  
1350 Pennsylvania Avenue, NW, Suite 200  
Washington, DC 20004

### Not-for-Profit Hospital Corporation

d/b/a United Medical Center  
Office of the Chief Financial Officer  
1350 Pennsylvania Avenue, NW, Suite 203  
Washington, DC 20004

### Related Organizations

A related organization is an organization for which the District is not financially accountable even though the District appoints a voting majority of the governing board of the organization. The District reports two entities as related organizations: the District of Columbia Housing Authority (Housing Authority) and DC Water. The Mayor, with the consent and advice of the Council, appoints a majority of the voting members of the governing boards for both related organizations. However, the District is not legally entitled to nor can it otherwise access the resources of these related organizations. Additionally, the District is not legally obligated to finance the deficits of or provide financial support to the Housing Authority and DC Water, neither is the District obligated for the debts of these related organizations.

### 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; 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, Charles, 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 Public Law 111-62, which revised the WMATA compact agreement, WMATA is governed by a 16-member board composed of eight voting directors and eight alternate directors from each signatory to the compact. The directors and alternates for Maryland are appointed by members of the Washington Suburban Transit Commission; for Virginia, by members of the Northern Virginia Transportation Commission; for the District, by members of the Council; and for the

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

federal government, by the United States Secretary of Transportation. 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 WMATA are presented in Note 12 on page 155.

### C. BASIS OF PRESENTATION

#### Government-Wide Financial Statements

The government-wide financial statements report information on all 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 governmental and business-type activities and the discretely presented component units. The District reports all debts and capital assets, including infrastructure and intangible assets, in the 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 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 and amortization 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 balance/net position, revenues, and expenses or 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 general activities of the District. 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, a special revenue fund, is used to account for proceeds of intergovernmental grants and other federal payments, private grants, and private contributions that are legally restricted and may be only expended for specified purposes.

##### Housing Production Trust Fund

The Housing Production Trust Fund, a special revenue fund, is used to account for certain financial resources which are used to support 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. The main sources of revenue for the Housing Production Trust Fund include subsidies from the General Fund and dedicated local tax revenues from deed transfers and recordations. This fund is

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

administered by the Department of Housing and Community Development.

### General Capital Improvements Fund

The General Capital Improvements Fund, a capital projects 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, Tobacco Settlement Financing Corporation, Payment in Lieu of Taxes (PILOT) Fund, Universal Paid Leave Fund, and Baseball Project; (2) one Debt Service Fund; and (3) one Capital Projects Fund, which is 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 and amortization) 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 or loss is necessary or useful for sound financial administration.

The District reports three proprietary funds that are discussed as follows:

#### Lottery and Gaming Fund

The Lottery and Gaming Fund is used to account for revenues from the sale of lottery products, charitable gaming fees and other related income. Gaming activities are administered by the Office of Lottery and Gaming which, under DC Code § 36-601(b), was established as a subordinate office within the Office of the Chief Financial Officer.

#### 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.

In general, unemployment insurance 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

Historically, the Not-for-Profit Hospital Corporation was used to account for revenues, expenses, and capital outlays related to the provision of inpatient, outpatient, psychiatric, and emergency care services. Until its dissolution in September 2025, it was a separate legal entity and blended component unit of the primary government for financial reporting purposes.

### Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District for the benefit of individuals, private organizations, or other governments. The District is responsible for ensuring these assets are used for their intended purposes. Fiduciary funds are not included in the government-wide financial statements because the resources cannot be used for operations of the government.

The District maintains three different types of fiduciary funds that are discussed as follows:

#### Pension (and Other Employee Benefit) Trust Funds

The Pension Trust Funds are used to report the activities associated with the payment of benefits to District retirees. These funds accumulate financial resources for pension benefit payments to eligible District employees upon their retirement. The District reports two single-employer defined benefit pension plans: the District of Columbia Teachers' Retirement Fund (TRF) and the District of Columbia Police Officers and Fire Fighters' Retirement Fund (POFRF), collectively referred to as the District Retirement Funds.

The Other Employee Benefit Trust Funds are discussed as follows:

#### Other Postemployment Benefits (OPEB)

The OPEB plan is a single-employer defined benefit healthcare and life insurance plan. These funds are used to accumulate financial resources for payments to eligible District retirees for their postemployment healthcare and life insurance.

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**


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**401(a) Defined Contribution Plan**

The 401(a) Defined Contribution Plan is a non-contributory pension plan administered through a trust that covers all District employees hired on or after October 1, 1987. Coverage begins for eligible participants after one year of service. The District contributes 5.00% of base salaries for eligible employees and 5.50% of base salaries for detention officers.

**457(b) Deferred Compensation Plan**

The 457(b) Deferred Compensation Plan was established pursuant to section 457 of the Internal Revenue Code to allow all District employees to participate in a tax-deferral retirement savings plan. Effective July 2019, all District employees are automatically enrolled in the 457(b) Plan as a participant, as of their appointment date, with an option to opt-out within the first 30 days of employment.

**403(b) Tax-Sheltered Annuity Plan**

The District of Columbia Public Schools sponsors the District of Columbia Public Schools 403(b) Tax-Sheltered Annuity (TSA) plan. The 403(b) TSA retirement plan is a voluntary retirement plan in which eligible employees may participate and invest additional income towards retirement.

**Private-Purpose Trust Fund**

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

**Custodial Fund**

A Custodial Fund is used to account for and report resources held by the District on behalf of external parties. These activities solely benefit individuals or businesses outside the District and are not administered through trusts or trust-equivalent arrangements. Typical custodial activities in the District include unclaimed property; child support collections and disbursements; refundable deposits from tax sale buyers in excess of delinquent taxes, penalties, and interest; and monies held in escrow when the District acts as an agent.

The resources in this fund are held solely in a custodial capacity, with the District acting as an agent rather than a beneficiary.

**Prior Year Information**

The financial statements include summarized prior-year comparative information. Such information does not include sufficient details to constitute a comparative presentation in conformity with generally accepted accounting principles (GAAP). Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2024, from which summarized information was derived.

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The financial statements of the District 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, amortizable, 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 are those that are directly related to the provision of public services, including health and human support services, public education, general government operations, public safety and transportation, and interest on long-term debt. 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 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 after 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 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, Fiduciary Funds, and Discretely Presented Component Units

The proprietary funds, fiduciary funds, 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 in 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, and the custodial fund, 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 producing and delivering goods in connection with the principal ongoing operations of a proprietary fund.

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

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

Expenses for benefits and refunds are recognized when due and payable. The Private-Purpose Trust Fund recognizes additions to net position when contributions from plan members 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. Property taxes are levied after the returns are filed. If a taxpayer fails to pay the levied taxes when due, the District will have a legal claim to the taxpayer's property. Pursuant to the Clarification of Personal Property Tax Revenue Reporting Act of 2013, (DC Law 20-61; DC Code § 47-501), the revenue budget for personal property tax is formulated with the understanding that personal property taxes are reported in the fiscal year in which they are collected.

#### 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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Supplemental Nutrition Assistance Program (SNAP), a federal program 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. Revenues and expenditures are reported in the Federal and Private Resources Fund when the underlying transactions (i.e., food purchase) occur.

### 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 generally not measurable until received, at which time they are recorded as revenue. 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

The District adopts annual budgets for all of its governmental funds except for the Tobacco Settlement Financing Corporation Fund. Budgetary information for the General Fund and the major special revenue funds—the Federal and Private Resources Fund and the Housing Production Trust Fund—is presented in the Budgetary Comparison Statement in Exhibit 2-d. Budgetary information for all capital projects funds and nonmajor governmental funds is presented in Exhibits E-1 and E-2 as supplementary schedules.

The budgetary basis of accounting used to prepare these schedules differs from the GAAP basis used to prepare the governmental fund financial statements presented in Exhibit 2-b on page 59. These differences arise because the requirements and authoritative

guidance for budgeting differ from the accounting requirements prescribed by GAAP. A reconciliation between the GAAP basis and budgetary statements for the General Fund and major special revenue funds is provided in Note 1Y on page 94.

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, 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; and (4) a multi-year capital improvements plan by project for all agencies of the District. 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-Congressional day review period. This review period excludes Saturdays, Sundays, holidays, and certain days on which Congress is not in session for periods lasting more than three days.

### Appropriations Acts

The appropriation authority of the District is defined by the Local Budget Act and Federal Portion Budget Request Act (appropriations acts). The appropriation authority is approved by Congress and authorizes the District to incur 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 Congress approves the District appropriation, the District may transmit amendments or supplements to the budget by submitting a request for supplemental appropriation to Congress, which would require passive approval. However, within certain limits, pursuant to Home Rule Act § 442(c), the District may supplement its General Fund budget by notifying Congress not fewer than 30 days in advance of the changes taking place. Authorization for such supplemental budget requests requires advance notification to Congress, but not Congressional approval.

Pursuant to Section 446 of the Home Rule Act and the Reprogramming Policy Act of 1980, as amended (DC Law 3-100; DC Code § 47-361 et seq.), the District may reallocate budget amounts. The appropriated budget

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

amounts in the Budgetary Comparison Statement, which are presented in Exhibit 2-d found on page 61, 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) and the District of Columbia Anti-Deficiency Act of 2002 (DC Code § 47-355.01 et seq.). Similarly, an expenditure or obligation exceeding an amount available in an appropriation for an agency, fund, or capital project is also a violation of the District of Columbia 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 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.

### 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 (e.g., the level at which expenditures and other obligations cannot legally exceed the appropriated amount) is established by function, appropriated fund, and agency within the governmental funds.

### Encumbrances

Encumbrance accounting is used in District 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 budget of the subsequent year. However, encumbered amounts do not lapse at year-end in the Capital Projects Funds or the Special Revenue Funds.

As of September 30, 2025, the Capital Projects Improvement Fund had an encumbrance balance of \$1,978,124. None of the other major and nonmajor funds had significant encumbrances as of the end of the fiscal year.

## 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.

Most of the cash management pool of the District 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 Deposit and Investment Act of 2006 (DC Code § 47-351.01 et seq.) effective June 16, 2006, and its adopted Cash and Investment Management Investment Policy. As of September 30, 2025, 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 federal government. Such investments are 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 OPEB Fund are authorized to invest monies consistent with their respective investment policies. Historically, the investments of these Funds have been comprised of equities, balanced funds, fixed income securities, and other long-term investments.

District 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 upon selling an asset (or transferring 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 GAAP. The following three-level 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 prices

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs, such as management's assumptions and information that is reasonably available to determine market participant pricing.

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 based on the difference between the selling price and the identified cost basis. Income and capital gains distributions, if any, from investments in the underlying funds are recorded when earned.

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 purchased but not yet consumed. Inventory on hand at year-end is stated at cost generally using the weighted average method. The District utilizes the purchases method to account for inventory whereby materials and supplies are recorded as budgeted expenditures/expenses whether or not consumed. At year-end, however, adjustments are made to report inventory valued at \$20,000 or greater as an asset.

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 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.

### 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 including reimbursements; 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 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.

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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, right-to-use assets (leases and subscription-based information technology (IT) arrangements), and infrastructure (i.e., roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items), are reported in the financial statements for government-wide, proprietary fund, and component units. All purchased capital assets are stated at cost when historical records are available and at estimated historical cost when no historical records exist.

Right-to-use assets resulting from leases are measured as the lease liability, plus lease payments made at or before the lease commencement date, plus ancillary direct costs minus incentives received at the date of lease inception. Right-to-use assets resulting from subscription-based information technology (IT) arrangements (SBITAs) are measured at the present value of the expected subscription payments over the subscription term (the initial subscription liability), plus vendor payments made at the start of the subscription term, plus capitalizable initial implementation costs, minus incentives received at the start of the subscription term. For the governmental funds, expenditures and other financing sources are reported when the subscription asset is initially recognized.

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 and amortization expense is recorded in the government-wide and proprietary fund financial statements and the financial statements of the component units, as applicable.

Intangible assets lack physical substance, have a useful life of more than one 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.

Consistent with GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, when the construction of assets is financed through the issuance of debt, interest cost incurred before the end of a construction period is recognized as expenditure in governmental fund statements, and as expense in the government-wide financial statements and proprietary funds, in the period in which the cost is incurred.

**Capitalization, Depreciation, and Amortization Policies**

An asset with an original cost in excess of \$5 (thousand) per unit and has an expected useful life greater than one year is capitalized. Depreciation is calculated for each class of depreciable asset using the straight-line method over the estimated useful life of the asset. Right-to-use leased assets are also amortized using the straight-line method, but over the lesser of the lease term or the estimated remaining useful life of the asset. Right-to-use subscription assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Table N1-1 presents the estimated useful lives for capital assets by class.

**Table N1-1**  
**Estimated Useful Lives for Capital Assets**

Asset Class/Subclass	Estimated Useful Life
<b>Buildings:</b>	
Residential	15 years
Other	50 years
Solid waste facilities	60 years
Improvements other than buildings	5-25 years
<b>Infrastructure:</b>	
Storm drains	45 years
Roads	30 years
Bridges	40 years
Docks and bulkheads	20 years
Street car system	30 years
<b>Equipment:</b>	
Fleet and mobile equipment	5-30 years
Equipment and machinery	3-10 years
Leasehold improvements	10 years
Furniture and fixtures	5 years
Books	5 years
<b>Right-to-use assets:</b>	
Right-to-use leased buildings	Lesser of lease term or remaining estimated useful life
Right-to-use leased equipment	Lesser of lease term or remaining estimated useful life
Right-to-use subscription assets	Lesser of subscription term or remaining estimated useful life

Note:

*Buildings – Other includes office buildings, school buildings, recreation centers, police and fire stations, building improvements, and other buildings.*

### M. DEFERRED OUTFLOWS OF RESOURCES

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

### N. LEASES

GASB Statement No. 87, *Leases*, defines a lease as a legally binding contract that conveys control of the right to use another entity's nonfinancial asset (underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. This contractual arrangement requires the lessee (the party who is renting or leasing the asset) to pay the lessor (the party who owns or controls the asset) for use of the asset over a specified time. The District engages in contractual agreements both as a lessee and a lessor.

#### Lessee

As a lessee, the District recognizes a lease liability and an intangible right-to-use leased asset in the government-wide financial statements. The District also recognizes expenditures and other financing sources in the governmental funds financial statements at the commencement of the lease, that equal the amount of the lease liability.

The District measures the lease liability at the present value of future payments expected to be paid during the lease term. Lease liabilities are subsequently reduced

by the principal portion of lease payments made. The leased asset is measured as the sum of (1) the initial lease liability, (2) lease payments made at or before the lease commencement date, and (3) ancillary direct costs minus incentives received.

The District recognizes a lease liability with an initial individual value of \$5 (thousand) or more as an intangible right-to-use leased asset in the government-wide financial statements. The right-to-use leased asset is amortized over the shorter of the lease term or the remaining estimated useful life of the underlying asset. However, if a lease contains a purchase option that is reasonably certain of being exercised, then the asset is amortized based on the useful life of the underlying asset.

The District utilizes the interest rate that is implicitly defined within the lease agreement as the discount rate. If one is not readily determinable, the District utilizes the incremental borrowing rate as an alternative. The lease term is defined as the noncancelable lease period plus optional renewal periods that are reasonably certain to be exercised and any unconditional option to terminate that is reasonably certain not to be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments that are fixed in substance, and the purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease liability and will remeasure the lease liability and right-to-use

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

asset if certain changes occur that are expected to significantly affect the amount of the lease liability.

### Lessor

As a lessor, the District recognizes a lease receivable and deferred inflows of resources in both the government-wide and the governmental fund financial statements. The lease receivable is measured at lease commencement, based on the present value of future payments expected to be collected during the lease term. Lease receivables are subsequently reduced by the principal portion of lease payments received. The deferred inflows of resources are measured at the initial amount of the lease receivable and adjusted for lease payments received at or before the lease commencement date. Deferred inflows of resources are recognized as revenue over the life of the lease term.

The District utilizes the interest rate that is implicitly defined within the lease agreement as the discount rate. If one is not readily determinable, the District utilizes the incremental borrowing rate as an alternative. The lease term is defined as the noncancelable lease period plus optional renewal periods that are reasonably certain to be exercised and any unconditional option to terminate that is reasonably certain not to be exercised. Collections included in the measurement of the lease receivable are composed of fixed payments, and variable lessee payments that are fixed in substance.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### O. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under GASB Statement No. 96, the District recognizes a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The subscription liability is recognized, in the government-wide financial statements, at the commencement of the subscription term and measured at the present value of subscription payments expected to be made during the subscription term. The subscription liabilities are subsequently reduced by the principal portion of the subscription payment.

Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments that are fixed in

substance, and variable payments that depend on an index or a rate. The District utilizes the interest rate that is implicitly defined in the SBITA agreement as the discount rate. If one is not readily determinable, the District utilizes the incremental borrowing rate as an alternative.

The District also recognizes expenditures and other financing sources in the governmental funds financial statements, at the commencement of the subscription term, that equal the subscription liability. The subscription term is defined as the noncancelable subscription period plus optional renewal periods that are reasonably certain to be exercised and any unconditional option to terminate the SBITA agreement that is reasonably certain not to be exercised. Periods for which both the District and the SBITA vendor have an option to terminate the SBITA without permission from the other party are cancellable periods and are excluded from the subscription term.

The District measures the right-to-use subscription asset as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right-to-use subscription asset is amortized as an outflow of resources (amortization expense) over the shorter of the subscription term or the useful life of the underlying IT assets.

Additionally, the District groups and recognizes the outlays associated with a SBITA, other than making subscription payments, as follows:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. The District recognizes the outlays in this stage as expenses as they are incurred.
- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. The District capitalizes the outlays in this stage as an addition to the subscription asset.
- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for the District's ongoing operations related to a SBITA. The District recognizes the outlays in this stage as expenses when incurred unless the outlays increase the functionality or the efficiency of the subscription asset.

### P. COMPENSATED ABSENCES

#### Benefit Accumulation Policies

District policy allows employees to accumulate unused sick leave, with no maximum limitation. Annual (vacation) leave may be accumulated up to 240 hours at the end of a calendar year, regardless of the

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

employee's length of service, while there is no limit to the amount of compensatory leave (i.e., leave granted to eligible employees in lieu of paid overtime) that may be accumulated. District policy also allows the accrual of up to 10 days of universal leave for certain executive positions at the end of the calendar year.

### Recording of Accrual for Accumulated Leave

In accordance with GASB Statement No. 101, *Compensated Absences*, the District records an expense and related liability in the government-wide financial statements for compensated absences for (a) leave that has been earned but not used, and (b) leave that has been used but not yet paid in cash or settled through noncash means. Consequently, the District has recorded an expense and a liability for accumulated sick, annual, compensatory and universal leave balances that have not matured by the end of the current fiscal year in the government-wide financial statements. Similarly, accumulated balances for these leave types of the proprietary funds and discretely presented component units are recorded as an expense and liability as the benefits accrue to employees.

Other than as noted above for sick leave, the District does not record a liability for accumulated rights to receive sick pay benefits. At the time of retirement, unused sick leave can be used to determine the years of service for employees who are covered under the Civil Service Retirement System, the Police Officers and Fire Fighters' Retirement Fund, and the Teachers' Retirement Plan. Covered 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.

The District estimates the potential sick leave credits (i.e., 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.

### Q. LONG-TERM LIABILITIES

#### Debt Limits and Limitations on Borrowing

Pursuant to Section 603 of the Home Rule Act, no additional long-term general obligation debt may be issued during any fiscal year that 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 (DC Law 17-360; DC 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 when 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.

### 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 and component units. All other long-term indebtedness of the District, which has been incurred but not financed, is reported in the government-wide financial statements. Examples of other long-term indebtedness include disability compensation, compensated absences, employee separation incentives, and accreted interest liabilities.

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

### R. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent the acquisition of net assets by the District that is applicable to a future reporting period. Deferred inflows of resources have a natural credit balance and decrease net position similar to liabilities.

### S. ADOPTION OF NEW ACCOUNTING STANDARDS

During fiscal year 2025, the District adopted the following two new accounting standards issued by GASB:

- Statement No. 101, *Compensated Absences*, establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). This Statement defines a compensated absence as leave for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. The Statement further defines salary-related payments as obligations

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

that a government incurs related to providing leave in exchange for services rendered and requires note disclosures regarding long-term liabilities for compensated absences. The implementation of GASB Statement No. 101 resulted in a restatement of the fiscal year 2024 government-wide financial statements. The cumulative effect of the change in accounting principle on the beginning balance of the net position is presented in Note 1Z on page 95.

- Statement No. 102, *Certain Risk Disclosures*, defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources, and defines a constraint as a limitation that is imposed by an external party or by formal action of a government's highest level of decision-making authority. The Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

More detailed information regarding the requirements contained in these GASB Statements may be found at: [www.gasb.org](http://www.gasb.org).

### T. NEW ACCOUNTING PRONOUNCEMENTS TO BE IMPLEMENTED IN THE FUTURE

The District will adopt the following new accounting standards, issued by GASB as of September 30, 2025, by the required effective dates:

- Statement No. 103, *Financial Reporting Model Improvements*, continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A). The Statement also requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions, and emphasizes that the analysis provided in MD&A should avoid unnecessary duplication and repetition. The Statement impacts other financial statement presentation requirements including:
  - unusual or infrequent items,
  - presentation of the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position,

- major component units, and
- budgetary comparison information.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, which is fiscal year 2026 for the District.

- Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Moreover, the Statement requires additional disclosures for capital assets held for sale and that this asset type be evaluated each reporting period. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, which is fiscal year 2026 for the District.

More detailed information regarding the requirements contained in these GASB Statements may be found at: [www.gasb.org](http://www.gasb.org).

### U. NET POSITION AND FUND BALANCE

#### Net Position

Net position for government-wide reporting, proprietary funds, and fiduciary funds is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three separate categories: net investment in capital assets, restricted net position, and unrestricted net position.

When an expense is incurred and both restricted and unrestricted resources are available for use, the District utilizes restricted resources first and will then use unrestricted resources as needed.

#### Net Investment in Capital Assets

This category of net position is comprised of all capital assets, including infrastructure, reduced by accumulated depreciation and amortization and the outstanding balances of debt, net of unspent proceeds,

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

that are attributable to the acquisition, construction, or improvement of these assets.

### Restricted Net Position

This category presents net position subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations through 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

Fund balance in governmental fund statements is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. When an expenditure is incurred and both restricted and unrestricted resources are available for use, the District utilizes restricted resources first and will then use unrestricted resources as needed. 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 component of fund balance 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, 2025, the nonspendable fund balance of the District included:

#### Inventory

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

#### Prepays

This portion of the fund balance represents an advance payment for quarterly rent and associated administrative costs.

#### Restricted Fund Balance

This component of fund balance 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, 2025, the restricted fund balance of the District included:

#### Emergency and Contingency Cash Reserves

This portion of the fund balance represents amounts that, in accordance with Congressional 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 emergency and contingency cash reserves of the District is presented in the Minimum Fund Balance Policies section on page 91.

#### Debt Service – Bond Escrow

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

#### Purpose Restrictions

This portion of the fund balance represents resources from revenues with externally imposed restrictions on how the District may expend the funds. Other revenues include, but are not limited to: resources restricted for the Workers' Compensation Special Fund; Credit Enhancement Fund established for DC public charter schools; resources collected for the Pepco Cost-Sharing Fund for the District of Columbia Power Line Undergrounding (DC PLUG); and Stormwater Permit Compliance Enterprise Fund established for reducing stormwater pollution.

#### 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 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 categorized low-income housing and related facilities.

#### Highway Projects

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Baseball Project

This portion of the fund balance represents resources restricted for debt service payments associated with the construction of the baseball stadium.

### Universal Paid Leave

This portion of the fund balance represents resources restricted for benefit payments to covered employees under the Paid Family Leave program.

### Committed Fund Balance

This component of fund balance includes resources used for specific purposes pursuant to limitations imposed by formal action of the highest level of decision-making authority of the District. Resources can only be committed if the formal action is issued on or before the end of the fiscal year. Committed amounts cannot be used for any other purpose unless the District 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, 2025, the committed fund balance of the District included:

### Cash Flow Reserve

This portion of the fund balance is committed to cover cash flow needs. Any reserve amounts used must be replenished in the same fiscal year. Information about the cash flow reserve of the District is presented on page 92.

### Fiscal Stabilization Reserve

This portion of the fund balance is committed to the same purposes for which the contingency cash reserve was established. Information about the fiscal stabilization reserve of the District is presented on page 91.

### 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 2026 budget approved by the Council.

### 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.

### Dedicated Taxes

This portion of fund balance represents the amounts of District tax revenues from varying streams which are dedicated or set aside for specific purposes and are not available for general budgeting.

### Other Special Purposes

This portion of the fund balance is committed to activities financed by specific sources of unrestricted revenues internal to the District, as authorized by formal action of the 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, installation of electrical and thermal storage systems, in addition to implementation of the Renewable Portfolio Standard Expansion Act of 2016.

### Assigned Fund Balance

This component of fund balance 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 to which the right to assign amounts for specific purposes was delegated. These are resources where the constraints/restrictions are less binding than those for committed resources. Consistent with Sections 424, 448, and 450 of the Home Rule Act, the Mayor, Council, and CFO are responsible for managing the financial resources of the District. In fulfilling their respective responsibilities, the Mayor, Council, or CFO, 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.

### Unassigned Fund Balance

This component of fund balance includes resources which cannot be classified in one of the other four categories. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, 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, 2025, the unassigned fund balance of the District included:

### Federal and Private Resources

This portion of the fund balance relates to Federal expenditures incurred, for which the offsetting revenue has not yet been collected.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### General Capital Improvements

This portion of the fund balance relates to the deficit in the General Capital Improvements Fund caused by the absence of significant bond issuances. A portion of the expenditures in this fund was covered by resources advanced from the General Fund in anticipation of issuance of new debt in the subsequent fiscal year.

Additional information about fund balances of the District is presented in **Table N10-1** on page 153.

### 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 the actual General Fund local expenditures as reported in the previous year, 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 fund balance in the governmental funds financial statements.

#### Contingency Cash Reserve

The contingency cash reserve may only be used for nonrecurring or unforeseen needs that arise during the fiscal year. Examples of events applicable to the contingency cash reserve include expenses associated with unforeseen weather conditions or other natural disasters; unexpected obligations created by federal law or new public safety or health needs; 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 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 50.00% 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 50.00% of the amount used from the reserve in the first year after

use, by the end of the second year, the remaining 50.00% 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. Examples of events applicable to the emergency cash reserve include natural disaster or calamity, or unexpected obligations by federal law. The emergency cash reserve fund may also be used in the event that the Mayor declares a State of Emergency. However, the emergency cash reserve fund may not be used to fund: (a) any department, agency, or office of the District 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.

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 50.00% 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 emergency cash reserve to the required 2.00% balance. The District should choose the option that involves the lesser amount.
- If the District replenishes only 50.00% of the amount used from the reserve in the first year after use, by the end of the second year, the remaining 50.00% 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

Under District law, the Mayor is authorized to use the fiscal stabilization reserve account for certain specific purposes: (1) the same purposes for which the contingency cash reserve was established; (2) to address lapses in appropriations; and (3) to provide for D.C. public schools funding in advance of budget approval. The CFO may use the fiscal stabilization reserve to cover cash flow needs. District law has specific requirements for the replenishment of amounts drawn from the fiscal stabilization reserve. At full funding, for any given fiscal year, the fiscal

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

stabilization reserve must equal 2.34% of the General Fund operating expenses for that year.

### Cash Flow Reserve

The CFO may use the cash flow reserve to cover cash flow needs. When these 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 10.00% of the 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 ACFR, the CFO must commit 50.00% of the unassigned end-of-year fund balance to each reserve, or 100.00% 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 to reduce the funding limits for the contingency cash reserve and the emergency cash reserve, the Council has legally mandated that the fiscal stabilization reserve is to 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 ACFR for that fiscal year, must be used for the following purposes: (a) 50.00% must be deposited in the Housing Production Trust Fund; and (b) 50.00% must be reserved for Paygo 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.

## V. 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 Retirement Funds. The District of Columbia Retirement Board (DCRB or Board) administers the District 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 fiduciary net position of the District Retirement Funds 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 pages 140 through 147.

### Other Retirement Programs

The District sponsors a defined contribution pension plan with a qualified trust under IRC Section 401(a) and the provisions of DC 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 and 5.50% for detention officers each pay period. Contributions and earnings vest incrementally after two years of service, and fully, after five years of service. Information about the defined contribution pension plan and other retirement programs sponsored by the District such as IRC Section 403(b) and IRC Section 457 are presented in Note 8 on pages 140 through 147.

### Other Postemployment Benefits (OPEB)

In addition to the pension benefits described in Note 8 and pursuant to DC Code § 1-621.09, District employees hired after September 30, 1987, who retire may be eligible to continue their healthcare benefits. Furthermore, in accordance with DC 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 fiduciary net position of the OPEB plan is determined using the economic resources measurement focus and the accrual basis of accounting. 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. Information regarding OPEB is presented in Note 9 on pages 148 through 152.

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**W. 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.

**X. 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 58.

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 60.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Y. 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)**

	<b>General Fund</b>	<b>Federal and Private Resources</b>	<b>Housing Production Trust</b>
<b>Excess of revenues and other sources over expenditures and other uses - budgetary basis</b>	\$ 102,707	\$ 6,523	\$ 42,321
<b>Basis differences:</b>			
Inventory is recorded as expenditures under the budgetary basis and GAAP basis but significant amounts of inventory are reported as assets under the GAAP basis	(2,388)	(639)	-
Transfers/Reclassifications	(43,437)	(6,748)	1,940
Fund balance released from restrictions - a funding source for budgetary purposes but not revenue on a GAAP basis	(154,577)	-	(182,946)
<b>Excess (deficiency) of revenues and other sources over(under) expenditures and other uses - GAAP basis</b>	<b><u>\$ (97,695)</u></b>	<b><u>\$ (864)</u></b>	<b><u>\$ (138,685)</u></b>

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Z. RESTATEMENT**

**Change in Accounting Principle**

The District implemented GASB Statement No. 101 in fiscal year 2025. As a result of the implementation, beginning net position as of October 1, 2024, was restated to recognize additional long-term compensated absence liabilities. Component units, proprietary funds and fiduciary funds present comparative financial statements in their stand-alone financial reports; accordingly, prior-year amounts in those statements have been restated.

However, within the District’s reporting entity financial statements, those entities are presented with one year of current information and summarized prior-year totals. Summarized prior-year information has not been restated. The cumulative effect of the change in accounting principle is reflected as a restatement of beginning net position of fiscal year 2025. **Tables N1-3, N1-4 and N1-5** present the cumulative effects of the change in accounting principle for the primary government and the component units, respectively.

**Table N1-3** presents the cumulative effect of the change in accounting principle for the primary government of the District.

**Table N1-3  
Cumulative effect of GASB Statement No. 101 - Primary Government (\$000s)**

	Governmental Activities		Primary Government				Total		
	Balance October 1, 2024, as reported	Restatement	Balance October 1, 2024, as reported	Restatement	Balance October 1, 2024, as restated	Balance October 1, 2024, as reported	Restatement	Balance October 1, 2024, as restated	
Compensated absences	\$ 306,790	\$ 171,328	\$ 478,118	\$ 1,294	\$ (487)	\$ 807	\$ 308,084	\$ 170,841	\$ 478,925
Long-term liabilities	16,578,828	171,328	16,750,156	6,931	(487)	6,444	16,585,759	170,841	16,756,600
Net position	7,640,260	(171,328)	7,468,932	414,252	487	414,739	8,054,512	(170,841)	7,883,671

Note:  
Only the Office of Lottery and Gaming was affected by the restatement within business-type activities.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Table N1-4 presents the cumulative effect of the change in accounting principle for the component units of the District.

**Table N1-4  
Cumulative effect of GASB Statement No. 101 - Component Units (\$000s)**

	Component Units		
	Balance October 1, 2024, as reported	Restatement	Balance October 1, 2024, as restated
<b>Net position</b>			
Health Benefit Exchange Authority	\$ 102,848	\$ (986)	\$ 101,862
Washington Convention and Sports Authority	484,761	(1,181)	483,580
Green Finance Authority	85,613	-	85,613
Housing Finance Agency	207,758	-	207,758
University of the District of Columbia	376,632	(1,830)	374,802
<b>Total net position</b>	<u>\$ 1,257,612</u>	<u>\$ (3,997)</u>	<u>\$ 1,253,615</u>

Table N1-5 presents the cumulative effect of the change in accounting principle for the Fiduciary Funds - Pension (and Other Employee Benefit) of the District.

**Table N1-5  
Cumulative effect of GASB Statement No. 101 - Fiduciary Funds - Pension (and Other Employee Benefit) Trust Funds (\$000s)**

	Fiduciary Funds		
	Balance October 1, 2024, as reported	Restatement	Balance October 1, 2024, as restated
<b>Net position</b>			
Teachers Retirement Fund	\$ 3,386,616	\$ (174)	\$ 3,386,442
Police Officers and Fire Fighters Retirement Fund	8,877,390	(456)	8,876,934
<b>Total net position</b>	<u>\$ 12,264,006</u>	<u>\$ (630)</u>	<u>\$ 12,263,376</u>

**Correction of an Error**

In fiscal year 2025, the District identified an error in the fiscal year 2024 reporting for the Housing Production Trust Fund (HPTF), a major special revenue fund. The error resulted from revenue being incorrectly recognized in fiscal year 2024. Consequently, the beginning fund balance for fiscal year 2025 has been restated. This adjustment decreased the HPTF beginning fund balance by \$19,315 as of October 1, 2024.

Table N1-6 presents the impact of this restatement on the beginning fund balance.

**Table N1-6  
Restatement – Error Correction - HPTF (\$000s)**

	Housing Production Trust Fund		
	Balance October 1, 2024, as reported	Restatement	Balance October 1, 2024, as restated
Fund Balance	\$ 483,805	\$ (19,315)	\$ 464,490

## NOTE 2. CASH AND INVESTMENTS

### A. CASH AND CASH EQUIVALENTS

The District follows the practice of pooling cash and cash equivalents for some of its governmental funds and component units to provide better physical custody and control of these assets, enhance operational efficiency, and maximize investment opportunities. As of September 30, 2025, substantially all cash deposits in the custody of the District were insured or collateralized with securities held by the District, or by its agent, in the name of the District, in accordance with the provisions of the Financial Institutions Deposit and Investment Act of 2006 (DC Law 16-125; DC Code § 47-351.01 et seq.). During fiscal year 2025, the cash equivalents of the District (excluding those held by the District Retirement Funds, the Other Postemployment Benefits (OPEB) Fund, and the D.C. Library Trust Fund) consisted primarily of U.S. Treasury securities, commercial paper, and certificates of deposit. As of September 30, 2025, the carrying amount of cash and cash equivalents was \$5,737,608 for the primary government, \$261,353 for the component units, and \$248,742 for the fiduciary funds.

### B. INVESTMENTS

The Treasurer is authorized by District laws to invest funds in a manner that will preserve principal and meet the anticipated daily cash requirements of the District, while maximizing investment earnings. The District purchases legally authorized investments consistent with the provisions of the Financial Institutions Deposit and Investment Act of 2006 (DC Law 16-125; DC Code § 47-351.01 et seq.) and the adopted Cash and Investment Management Investment Policy (the investment policy) of the District. The investment policy of the District 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, and repurchase agreements fully collateralized in obligations of the United States government and agency securities.

Table N2-1 presents the cash, cash equivalents and investment balances of the District as of September 30, 2025.

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

	Exhibit 1-a		Exhibit 4-a			Total
	Primary Government	Component Units	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Fund	Custodial Fund	
Cash and cash equivalents	\$ 3,096,216	\$ 92,206	\$ -	\$ -	\$ -	\$ 3,188,422
Investments	-	521,342	-	-	-	521,342
Cash and cash equivalents (restricted)	2,641,392	169,147	152,507	2,550	93,685	3,059,281
Investments (restricted)	4,793	460,406	20,201,692	1,637,140	-	22,304,031
<b>Total</b>	<b>\$ 5,742,401</b>	<b>\$ 1,243,101</b>	<b>\$ 20,354,199</b>	<b>\$ 1,639,690</b>	<b>\$ 93,685</b>	<b>\$ 29,073,076</b>

**NOTE 2. CASH AND INVESTMENTS**

**Table N2-2** presents the cash, cash equivalents, and investment balances by category for the District as of September 30, 2025.

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

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Total</u>
<b>Cash and cash equivalents</b>	\$ 5,737,608	\$ 261,353	\$ 248,742	\$ 6,247,703
<b>Investments</b>				
U.S. government securities	-	13,036	-	13,036
U.S. treasury securities	-	351,772	-	351,772
Certificates of deposit	-	20,422	-	20,422
Mortgage-backed securities	2,494	-	-	2,494
Guaranteed investment contracts	-	-	280,264	280,264
Repurchase agreements	-	32,821	-	32,821
Exchange traded funds	1,968	-	-	1,968
Equity securities	331	41,756	12,379,172	12,421,259
Fixed income securities	-	19,420	4,642,633	4,662,053
Real assets	-	-	2,216,546	2,216,546
Private equity	-	1,251	1,870,586	1,871,837
Corporate securities	-	79,202	-	79,202
Investment contracts	-	129,986	-	129,986
Money market funds	-	249,302	449,631	698,933
Mutual funds	-	42,780	-	42,780
<b>Total investments</b>	<u>4,793</u>	<u>981,748</u>	<u>21,838,832</u>	<u>22,825,373</u>
<b>Total cash, cash equivalents and investment</b>	<u>\$ 5,742,401</u>	<u>\$ 1,243,101</u>	<u>\$ 22,087,574</u>	<u>\$ 29,073,076</u>

**Table N2-3** presents the authorized investments and maturity limits as detailed in the investment policy of the District. Additional information on the policy, including corporate notes and requirements regarding maturities less than 100 days, may be obtained from the website of the Office of the Chief Financial Officer at: <https://cfo.dc.gov>.

**Table N2-3**  
**District: Investments and Maturity Limits**

<u>Type of Investment</u>	<u>Maturity</u>	<u>Maximum Investment %</u>
U.S. treasury obligations	Five years	100%
U.S. agency obligations primary securities	Five years	100
U.S. agency obligations secondary issuance	Five years	10
Supranational agency bonds	Five years	10
Municipal debt obligations	Five years	100
Corporate notes	Five years	10
Commercial paper	180 days or less	30
Federally insured or collateralized certificates of deposit	Five years	30
Repurchase agreements	90 days or less	100
Money market mutual funds	Five years	100
Negotiable certificates of deposit	Five years	30
Bank deposits	Not applicable	100

**District Retirement Funds**

The District Retirement Funds consist of the District Teachers' Retirement Fund (TRF) and the District of Columbia Police Officers and Fire Fighters' Retirement Fund (POFRF). The District of Columbia Retirement Board (DCRB) is authorized to manage and control the investments of the District Retirement Funds. DCRB may invest in fixed income, equity securities and various other types of investments. As prescribed

in DC Code § 1-907.01, 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 DC Code § 1-907.01.

## NOTE 2. CASH AND INVESTMENTS

**Table N2-4** presents cash, cash equivalents and investment pools held in the control of DCRB as of September 30, 2025.

**Table N2-4**  
**District Retirement Funds: Cash, Cash Equivalents and Investment Pools (\$000s)**

	September 30, 2025
<b>Cash and cash equivalents</b>	<u>\$ 88,833</u>
<b>Investments</b>	
Domestic equity	3,629,744
International equity	2,353,322
Fixed income	3,396,714
Real assets	2,149,375
Private equity	1,860,789
<b>Total investments</b>	<u>13,389,944</u>
<b>Total cash, cash equivalents and investments</b>	<u>\$ 13,478,777</u>

### Other Postemployment Benefits Fund

The Other Postemployment Benefits (OPEB) Fund held cash and certain cash equivalents and investments during fiscal year 2025. The investments held by the OPEB Fund primarily included equities and debt securities. Alternative investments include private debt, private equity, and real assets. **Table N2-5** presents the OPEB Fund cash, cash equivalents and investment balances as of September 30, 2025.

**Table N2-5**  
**OPEB Fund: Cash, Cash Equivalents and Investment Balances (\$000s)**

	September 30, 2025
<b>Cash and cash equivalents</b>	<u>\$ 63,674</u>
<b>Investments</b>	
Equities	1,599,332
Debt securities	804,836
Alternatives	82,141
<b>Total investments</b>	<u>2,486,309</u>
<b>Total cash, cash equivalents and investments</b>	<u>\$ 2,549,983</u>

### Deposit and Investment Risks

The investments of the District and its discretely presented component units are subject to credit, custodial credit, concentration of credit, interest rate, 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 significant losses, unless under the circumstances, it is prudent not to do so. The OPEB Fund investments are uninsured and unregistered and are held by the counterparty in the name of the Fund.

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 be 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 AAA 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 by a credit rating agency 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 organization.

#### OPEB Fund

The average quality of all bond holdings in the OPEB Fund portfolio should be maintained at a rating of A or higher, as determined by recognized statistical rating organizations.

#### Custodial Credit Risk

Custodial credit risk is the risk that a government will not be able to recover deposits, if the depository financial institution fails, or to recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

## NOTE 2. CASH AND INVESTMENTS

### District of Columbia (Excluding Fiduciary Funds)

The District had no custodial credit risk exposure during the fiscal year. All District deposits in fiscal year 2025 were collateralized or insured. Collateral for deposits is held in the name of the District by the Federal Reserve and the Bank of New York in custodial accounts.

### District Retirement Funds

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, through its custodian firms, maintains cash and cash equivalent balances which are not required to be collateralized by statute or policy. The OPEB Fund cash, cash equivalents, and investments are uninsured, unregistered, and are held by the counterparty in the name of the Fund. As of September 30, 2025, the OPEB Fund had custodial credit risk exposure totaling \$63,674.

### Concentration of Credit Risk

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

### District of Columbia (Excluding Fiduciary Funds)

The District diversifies its investment portfolio by adhering to constraints specified in its investment policy, including caps on counterparty concentration, issuer type, and specific security issuance. As of September 30, 2025, the District was in compliance with this policy.

### District Retirement Funds

DCRB investment guidelines generally prohibit 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, 2025, DCRB was in compliance with this policy.

### OPEB Fund

In fiscal year 2025, the OPEB Fund had no significant concentrations of net exposure to credit risk that was not reduced by collateral and other offsets.

### 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 investment policy limits the District portfolio to specific maturities as a means of limiting its exposure to fair value losses resulting from rising interest rates.

### 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 debt investment 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 full price of the investment. Generally, the risk and return of the DCRB 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 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 tasked with managing risks within the scope of their mandate. The Fund also engages an independent consultant to examine how sensitive the underlying assets of the fixed income portfolios are to movements 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)

In accordance with its investment policy, the District does not invest in foreign currencies and therefore had no exposure in foreign currency risk.

### District Retirement Funds

As a general policy of DCRB, investment managers with authority to invest in issuers denominated in a foreign currency may reduce exposure to foreign 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. For the year ended September 30, 2025, total DCRB investments in foreign currencies totaled approximately \$409,000.

## NOTE 2. CASH AND INVESTMENTS

**Table N2-6** presents District Retirement Funds investments denominated in a currency other than the United States dollar as of September 30, 2025.

**Table N2-6**  
**District Retirement Funds: Investments Denominated in Foreign Currencies (\$000s)**

	Equity	Private Equity	Real Assets	Short-Term and Other	Total
<b>Foreign currency</b>					
Euro	\$ -	\$ 164,511	\$ 79,248	\$ 1,598	\$ 245,357
Canadian dollar	-	64,735	-	-	64,735
British pound sterling	-	98,820	-	-	98,820
Australian dollar	52	-	-	-	52
<b>Total foreign currency</b>	<b>\$ 52</b>	<b>\$ 328,066</b>	<b>\$ 79,248</b>	<b>\$ 1,598</b>	<b>\$ 408,964</b>

### OPEB Fund

During fiscal year 2025, the OPEB Fund, which does not have a formal policy for limiting its exposure to changes in exchange rates, held investments that were denominated in currencies other than U.S. dollars. **Table N2-7** presents OPEB Fund investments denominated in a currency other than the United States dollar as of September 30, 2025.

**Table N2-7**  
**OPEB Fund: Investments Denominated in Foreign Currencies (\$000s)**

	Short-Term and Cash	Convertible and Fixed Income	Total
International securities			
Canadian dollar	\$ -	\$ 56	\$ 56
Euro	(2)	283	281
Russian ruble	43	-	43
<b>Total international securities</b>	<b>\$ 41</b>	<b>\$ 339</b>	<b>\$ 380</b>

### District of Columbia Investments (Excluding Fiduciary Funds)

**Table N2-8** presents District investments measured at fair value as of September 30, 2025.

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

	September 30, 2025	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
<b>U.S. equity securities</b>	\$ 331	\$ 331	\$ -	\$ -
<b>Exchange traded funds</b>				
U.S. government bond funds	526	526	-	-
International equity funds	272	272	-	-
U.S. equity funds	351	351	-	-
Corporate bond funds	725	725	-	-
Commodity funds	94	94	-	-
<b>Total exchange traded funds</b>	<b>1,968</b>	<b>1,968</b>	<b>-</b>	<b>-</b>
<b>Non-exchange traded funds</b>				
Mortgage-backed securities	2,494	-	2,494	-
<b>Total non-exchange traded funds</b>	<b>2,494</b>	<b>-</b>	<b>2,494</b>	<b>-</b>
<b>Total investments measured at fair value</b>	<b>\$ 4,793</b>	<b>\$ 2,299</b>	<b>\$ 2,494</b>	<b>\$ -</b>

**NOTE 2. CASH AND INVESTMENTS**

**Investments Measured at Fair Value**

The following provides a summary of District investments measured at fair value, excluding Fiduciary Funds, as presented in **Table N2-8**.

**Investments – Fair Value Level 1**

*U.S. Equity Securities*

U.S. equity securities are valued using prices quoted in active markets.

*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. 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 either at NAV per

share at the end of the trading day or Intraday Value (market price) which fluctuates throughout the trading day. An ETF market price is generally maintained close to the ETF end-of-day NAV because of the arbitrage function inherent in the structure of the ETF.

**Investments – Fair Value Level 2**

*Non-Exchange Traded Funds*

Non-exchange traded investment funds are not freely bought and sold on a public exchange. Due to the illiquid nature of the assets, shares in these investments may not be readily redeemable.

*Mortgage-Backed Securities*

Mortgage-backed securities are valued using quoted market prices, recent market transactions and spread data for similar instruments.

**District Retirement Funds Investments**

**Table N2-9** presents District Retirement Funds investments measured at fair value as of September 30, 2025.

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

	September 30, 2025	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Domestic equity	\$ 198,449	\$ 184,824	\$ 1,140	\$ 12,485
International equity	213	-	-	213
Fixed income	811,964	-	357,575	454,389
Real assets	1,765,755	-	-	1,765,755
Private equity	1,860,789	-	-	1,860,789
<b>Total investments by fair value level</b>	<b>4,637,170</b>	<b>\$ 184,824</b>	<b>\$ 358,715</b>	<b>\$ 4,093,631</b>
<b>Investments measured at net asset value (NAV)</b>				
Domestic equity	3,431,296			
International equity	2,353,109			
Fixed income	2,584,750			
Real assets	383,619			
<b>Total investments measured at NAV</b>	<b>8,752,774</b>			
<b>Total investments</b>	<b>\$ 13,389,944</b>			

**Investments Measured at Fair Value**

The following provides a summary of District Retirement Funds investments measured at fair value as presented in **Table N2-9**.

**Investments – Fair Value Level 1**

*Equity Securities*

Equity securities are valued at the last sale price or official close price as of the close of trading on the

applicable exchange where the security is principally traded.

**Investments – Fair Value Level 2**

*Equity and Fixed Income Securities*

These securities 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

**NOTE 2. CASH AND INVESTMENTS**

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.

**Investments – Fair Value Level 3**

*Equity and Fixed Income Securities*

These securities are valued with last trade data having limited trading volume.

*Real Assets*

Investments in real assets are generally valued using the income approach undertaken by internal managers or independent external appraisers. 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.

*Private Equity*

The private equity program spans a range of underlying strategies including buyouts, growth equity/venture, private debt, secondaries, and fund-of-funds.

**Table N2-10** presents additional information about the nature of investments measured at NAV per share for the District Retirement Funds, which were fully funded, as of September 30, 2025.

**Table N2-10  
District Retirement Funds: Investments Measured at Net Asset Value (\$000s)**

	<u>September 30, 2025</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
<b>Investments measured at NAV</b>				
Domestic equity	\$ 3,431,296	\$ -	Daily, quarterly	0-5 days
International equity	2,353,109	-	Daily, monthly	1-10 days
Fixed income	2,584,750	-	Daily, monthly	0-30 days
Real assets	383,619	-	Daily, quarterly	0-45 days
<b>Total investments measured at NAV</b>	<u>\$ 8,752,774</u>	<u>\$ -</u>		

**Domestic and International Equities**

DCRB has investments in five funds with a domestic focus and four funds with an international focus in which the equity securities maintain market exposure; however, the level of market exposure may vary with 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 assets funds as part of its long-term asset allocation plan for private markets.

## NOTE 2. CASH AND INVESTMENTS

## OPEB Fund Investments

Table N2-11 presents OPEB Fund investments measured at fair value as of September 30, 2025.

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

	September 30, 2025	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
<b>Equity securities</b>				
<b>U.S. equities (by Industry)</b>				
Industrials	\$ 143,950	\$ 143,950	\$ -	\$ -
Consumer retail	110,144	110,144	-	-
Information technology	81,190	81,190	-	-
Financial institutions	125,907	125,907	-	-
Healthcare	63,071	63,071	-	-
Real estate investment trust securities	7,481	7,481	-	-
<b>International equities (by Industry)</b>				
Industrials	10,230	10,230	-	-
Consumer retail	19,669	19,669	-	-
Healthcare	18,919	18,919	-	-
Real estate investment trust securities	18,452	18,452	-	-
<b>Total equity securities</b>	<b>599,013</b>	<b>599,013</b>	<b>-</b>	<b>-</b>
<b>Debt securities</b>				
U.S. government issues	75,555	-	75,555	-
Corporate bonds	99,403	-	99,403	-
Mortgage-backed securities	38,764	-	38,764	-
Credit card/automotive receivables	7,229	-	7,229	-
U.S. state and local government bonds	1,516	-	1,516	-
<b>International debt securities</b>				
International government issues	1,843	-	1,843	-
Corporate bonds	39,669	-	39,669	-
Credit card/automotive receivables	718	-	718	-
Mortgage-backed securities	505	-	505	-
Mutual funds	34,007	34,007	-	-
<b>Total debt securities</b>	<b>299,209</b>	<b>34,007</b>	<b>265,202</b>	<b>-</b>
<b>Alternatives</b>				
Dover street XI l.p.-private equity	9,797	-	-	9,797
Harbourvest direct lending II l.p. – private debt	5,290	-	-	5,290
Metis real asset index	67,054	-	-	67,054
<b>Total alternatives</b>	<b>82,141</b>	<b>-</b>	<b>-</b>	<b>82,141</b>
<b>Total investments by fair value level</b>	<b>980,363</b>	<b>\$ 633,020</b>	<b>\$ 265,202</b>	<b>\$ 82,141</b>
<b>Investments measured at Net Asset Value (NAV)</b>				
SSgA emerging market index fund NL	72,931			
SSgA Russell 1000 growth fund NL	356,897			
SSgA Russell 2000 index fund NL	61,290			
SSgA U.S. aggregate bond index fund NL	377,038			
Baillie Gifford international growth equity	106,067			
Artisan international value equity	115,641			
Arrowstreet GL EQ ACWI TR	118,276			
SSgA S&P 500 index NL	169,217			
SSgA US Treasury index NL	128,589			
<b>Total investments measured at NAV</b>	<b>1,505,946</b>			
<b>Total investments</b>	<b>\$ 2,486,309</b>			
<b>Investment derivative instruments</b>				
Interest rate swaps	\$ 92	\$ -	\$ 92	\$ -
Foreign exchange forwards	(1)	-	(1)	-
<b>Total investment derivative instruments</b>	<b>\$ 91</b>	<b>\$ -</b>	<b>\$ 91</b>	<b>\$ -</b>

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**NOTE 2. CASH AND INVESTMENTS**

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**Investments Measured at Fair Value**

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

**Investments – Fair Value Level 1***Equity Securities*

These investments are valued using prices quoted in active markets for those securities. Equity securities include mutual funds and real estate investment trust securities that are actively traded.

**Investments – Fair Value Level 2***Debt Securities*

These investments are valued using market pricing and other observable market inputs for similar securities from several data providers, industry standards, or a broker quote in a non-active market. International government issues include structured debt which is valued using inflation-adjusted mid-evaluation.

Collateralized auto loan securities, which are included in collateralized debt obligations, are valued using consensus pricing.

*Investment Derivative Instruments*

OPEB Fund 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. Swaps and currency forwards are two types of derivative financial instruments held by the Fund. 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.

**Investments – Fair Value Level 3***Alternative Investments*

These investments consist of private equity and private debt limited partnerships and real assets.

*Limited Partnership - Private Equity*

Private equity holdings are valued at the income, cost, or market approach depending on the type of holding. All direct holdings are valued using unobservable inputs. The private equity limited partnership fund is focused on pursuing privately negotiated investments in the global secondary market and is primarily invested in global primary fund investments, secondary deal commitments, and direct co-investments.

*Limited Partnership - Private Debt*

The private debt limited partnership fund is a direct lending fund that aims to invest in sponsor-backed middle market companies. The fund has target investment sizes per transaction which will be made across first lien, unitranche, and second lien investments.

*Real Assets*

The Real Assets Index Portfolio consists of an equal weight allocation to five real estate and real assets indices. The portfolio seeks to achieve a correlation of at least 95% between the total return of its net assets and the total return of the underlying custom index. The portfolio may use futures, other derivatives, and exchange traded funds (ETFs) to manage short-term liquidity and/or substitute for comparable market positions.

**Investments Measured at NAV**

This investment category consists of nine funds that include relative return and absolute return type funds. The absolute return type funds employ dynamic trading strategies aimed at achieving a positive return. Certain investment funds do not redeem shares daily. The funds have varying restrictions on liquidity and transferability. The fair values of the investments in this type have been determined using NAV per share of the investments.

## NOTE 2. CASH AND INVESTMENTS

**Table N2-12** presents additional information about the nature of investments measured at NAV per share for the OPEB Fund as of September 30, 2025.

**Table N2-12**  
**OPEB Fund: Investments Measured at Net Asset Value (NAV) (\$000s)**

	September 30, 2025	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<b>Investments measured at NAV</b>				
SSgA emerging market index fund NL	\$ 72,931	\$ -	Monthly	5 days
SSgA Russell 1000 growth fund	356,897	-	Daily	N/A
SSgA Russell 2000 index fund	61,290	-	Daily	N/A
SSgA U.S. aggregate bond index fund NL	377,038	-	Daily	N/A
Baillie Gifford international growth equity	106,067	-	Monthly	5 days
Artisan international value equity	115,641	-	Monthly	5 days
Arrowstreet global equity ACWI TR	118,276	-	Daily	5 days
SSgA S&P 500 index NL	169,217	-	Daily	5 days
SSgA US Treasury index NL	128,589	-	Daily	2 days
<b>Total investments measured at NAV</b>	<b>\$ 1,505,946</b>	<b>\$ -</b>		

### **SSgA Emerging Market Index Fund**

This fund is managed using a “passive” or “indexing” investment approach, by which State Street Global Advisors (SSgA) attempts to match, before expenses, the performance of the Morgan Stanley Capital International (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 1000 Growth Fund**

This fund is managed using an “indexing” investment approach, by which SSgA attempts to match, before expenses, the performance of the Russell 1000 Growth Index over the long term. 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 purchase securities in their initial public offerings. 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. The strategy may at

times purchase or sell index futures contracts, options on those futures, or engage in other transactions involving the use of derivative instruments, in lieu of investing directly in the securities making up the Index.

### **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. 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,

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**NOTE 2. CASH AND INVESTMENTS**

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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 net assets at market value, at the time of purchase, in emerging markets. Currency hedging is used for defensive purposes and is 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 investment team seeks to invest in companies with histories of generating strong, free cash flow, and improving returns on capital and strong competitive positions in their industries. These criteria help to rule out businesses that are statistically cheap, but whose values are deteriorating over time. 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.

***Arrowstreet Global Equity ACWI TR***

The Arrowstreet fund utilizes a dynamic, quantitative, all-cap, core strategy that invests in emerging markets. The strategy is considered core and dynamic so it can react to market opportunities and generate alpha in both

value and growth markets. The fund seeks to maximize alpha while minimizing transaction costs. The strategy has mostly protected in down markets and participated in strong markets. The portfolio positioning of the fund is core, diversified with 300-800 securities and annual turnover around 200%; alpha and risk models allow for the portfolio to fluctuate slightly between over-weights to style factors, regions, and market caps.

***S&P 500 Index Fund***

The State Street S&P 500 Index Fund seeks to replicate the total return of the S&P 500 Index. The fund seeks to achieve its investment objective by investing substantially all of its investable assets in a corresponding portfolio. Under normal market conditions, at least 80% of its total assets will be invested in stocks in the S&P 500 Index in proportion to their weighting in the S&P 500 Index. The fund is not managed according to traditional methods of “active” investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Instead, the fund utilizes an “indexing” investment approach, attempting to replicate, before expenses, the investment performance of its benchmark (S&P 500 Index). The fund is non-lending.

***U.S. Treasury Index Fund***

The Strategy is managed using an “indexing” investment approach, by which SSgA attempts to approximate, before expenses, the performance of the Index over the long term. The Strategy will not necessarily own all of the securities included in the Index. The SSgA seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (Bloomberg U.S. Treasury Index), over the long term. The fund is non-lending.

**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 derivative instruments, such as mortgage-backed securities, asset-backed securities, and floating rate notes. Other common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, forward contracts, and future contracts.

**Table N2-13** presents the fair value balances and notional amounts of derivative instruments outstanding for the District as of September 30, 2025, classified by type, and the changes in fair value of such derivative instruments for the year then ended.

**Table N2-13  
District: Derivative Instruments Outstanding (\$000s)**

	Changes in Fair Value		Fair Value at September 30, 2025		Notional Amount
	Classification	Amount	Classification	Amount	
<b>Governmental Activities</b>					
Cash flow hedges:					
Floating to fixed interest rate swaps:					
2021B (formerly Series 2002-2008C, 2014B, then 2016C) Swap	Deferred inflows	\$ 89	Swap	\$ (88)	\$ 6,272
2021B (formerly Series 2002-2008C, 2014B, then 2016C) Swap	Deferred inflows	801	Swap	(795)	56,453
<b>Derivative instrument liabilities at end of year</b>				<b>\$ (883)</b>	
Floating to floating interest rate swaps:					
2001C/D Basis Swap	Investment revenue	\$ (299)	Swap	\$ 329	\$ 28,730
<b>Derivative instrument assets at end of year</b>				<b>\$ 329</b>	

**District of Columbia Investments (Excluding Fiduciary Funds)**

The District is a party to three interest rate swap agreements which are recorded in the financial statements in accordance with GAAP. Consistent with GAAP, all derivative instruments are to be reported in the Statement of Net Position at fair value, and all hedges are to 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 of these three swaps, as presented in **Table N2-13**, using guidance contained in GASB Statements No. 53 and 72. The District recorded the changes in the fair values of the interest rate swaps in accordance with GAAP based on the outcome of the testing and valuation performed.

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 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.

## NOTE 2. CASH AND INVESTMENTS

### Objectives and Terms of Hedging Derivative Instruments

**Table N2-14** presents the objectives and terms of the hedging derivative instruments outstanding for the District as of September 30, 2025, along with the credit rating of the associated counterparty.

**Table N2-14**  
**Objectives and Terms: District Hedging Derivative Instruments Outstanding**  
 (\$'000s)

Type	Objectives	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
<b>Pay-fixed interest rate swaps</b>						
2021B Swap	Hedge of changes in cash flows on the Series 2021B Bonds	\$ 6,272	10/15/2002	06/01/2027	Pay fixed rate of 3.615%; receive 67% of the Fallback for ICE LIBOR USD 1-month	A1/A-/A+
2021B Swap	Hedge of changes in cash flows on the Series 2021B Bonds	56,453	10/15/2002	06/01/2027	Pay fixed rate of 3.615%; receive 67% of the Fallback for ICE LIBOR USD 1-month	A1/A-/A+
<b>Pay floating basis swaps</b>						
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	28,730	06/02/2003	06/01/2029	Pay 67% of the Fallback for ICE LIBOR USD 1-month reset monthly; receive variable rate as a percentage of the Fallback for ICE LIBOR USD 1-month reset each month ranging from 60% to 90% of the Fallback for ICE LIBOR USD 1-month	A1/A/AA-

### Risks of Derivative Instruments

#### Credit Risk

The interest rate swaps mark-to-market values represent the obligation of the District to the respective counterparties at termination of the swap agreements. 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, 2025, were as presented in **Table N2-14**.

As of September 30, 2025, the District was not exposed to credit risk on the two floating to fixed swaps with an aggregate negative mark-to-market of \$883 because each of these swaps had a negative mark-to-market value. However, should interest rates change and the mark-to-market value of any of these swaps become

positive, the District would be exposed to credit risk in the amount of the positive mark-to-market value. The District was exposed to credit risk on the floating-to-floating interest rate swap with a positive mark-to-market value of \$329. Any positive mark-to-market value represents the approximate loss that would be recognized if the counterparty to the District failed to perform as contracted. In each of the District 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 Fallback for ICE LIBOR USD 1-month or the Securities Industry and Financial Markets Association (SIFMA) swap index decreases,

**NOTE 2. CASH AND INVESTMENTS**

net payment by the District 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, 2025, the notional amount of the 2001C/D Swap was \$28,730. The District pays the counterparty 67% of the Fallback for ICE LIBOR USD 1-month, and the counterparty pays the District a variable rate as a percentage of the Fallback for ICE LIBOR USD 1-month 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 on June 1, 2029. As of September 30, 2025, this interest rate swap had a fair value of \$329.

**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 2021B Bonds is based on a percentage of the Fallback for ICE LIBOR USD 1-month as is the variable swap rate received. Consequently, as of September 30, 2025, 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 hedging derivative instruments associated 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. 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 2025.

**District of Columbia Fiduciary Funds**

**District Retirement Funds Derivative Instruments**

During fiscal year 2025, the investment managers of the District Retirement Funds used various derivative instruments, in accordance with the investment policies of DCRB, to increase potential earnings and/or to hedge against potential losses.

The District Retirement Funds may hold derivative instruments directly via separately managed accounts or indirectly via pooled, commingled, or short-term funds. Information regarding risks associated with indirect holdings may not be disclosed.

**Table N2-15** presents a list of the derivative instruments held by the District Retirement Funds as of September 30, 2025.

**Table N2-15  
District Retirement Funds: Derivative Instruments (\$000s)**

<b>Type of Derivative Instruments</b>	<b>Fair Value at September 30, 2025</b>
Assets - forwards	\$ 74,469
Liabilities - forwards	(73,953)
Rights/warrants	7
Swaps	37,712
Liabilities - swaps	(35,291)
<b>Total</b>	<b>\$ 2,944</b>

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

**District of Columbia Retirement Board**  
900 7th Street, NW, 2nd Floor  
Washington, DC 20001  
Website: <https://dcrb.dc.gov>

## NOTE 2. CASH AND INVESTMENTS

### Other Postemployment Benefits Fund Derivative Instruments

In accordance with the OPEB Fund 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 fund. During fiscal year 2025, the OPEB Fund invested directly in forward currency contracts.

As of September 30, 2025, OPEB had two types of off-balance sheet derivative instruments outstanding: swaps and currency forwards. The swaps represent interest swaps which are used to hedge interest rate risks. Currency forwards represent foreign exchange contracts that 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 OPEB 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 counterparty may terminate the hedging derivative instrument. 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 a rating of "Aa1" for fiscal year 2025; therefore, no collateral had been required to be posted as of September 30, 2025. The net unrealized loss on foreign currency forward contracts for the year ended September 30, 2025 was \$1.

Table N2-16 presents a list of the OPEB Fund derivative instruments aggregated by type as of September 30, 2025.

**Table N2-16**  
**OPEB Fund: Derivative Instruments Investments Aggregated by Type (\$000s)**

Type of Derivative Instruments	Changes in Fair Value		Fair Value at September 30, 2025		Notional Amount
	Classification	Amount	Classification	Amount	
Fixed income futures long	Investment revenue	\$ (288)	Futures	\$ -	\$ -
Fixed income futures short	Investment revenue	133	Futures	-	-
Foreign exchange forwards	Investment revenue	96	Forwards	-	-
Foreign exchange forwards	Investment revenue	(96)	Forwards	(1)	883
Pay fixed interest rate swaps	Investment revenue	(19)	Swaps	-	-
Receive fixed interest rate swaps	Investment revenue	-	Swaps	92	-
<b>Total</b>		<b>\$ (174)</b>		<b>\$ 91</b>	

Additional information regarding OPEB Fund derivative investments is presented in separately issued audited financial statements obtainable from:

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

### 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 DCRB securities to qualified broker-dealers and banks pursuant to a loan agreement.

**NOTE 3. RESTRICTED ASSETS**

As of September 30, 2025, restricted assets of the primary government, fiduciary funds, and component units totaled \$25,363,312.

Table N3-1 presents a summary of District restricted assets as of September 30, 2025.

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

	Governmental Activities Governmental Funds					Total
	General	Federal and Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Funds	
Bond escrow accounts	\$ 527,062	\$ -	\$ -	\$ -	\$ -	\$ 527,062
Capital projects	-	-	-	163,198	18,323	181,521
Emergency cash reserves	213,891	-	-	-	-	213,891
Contingency cash reserves	427,781	-	-	-	-	427,781
Other	14,939	179,581	345,456	-	362,277	902,253
<b>Total</b>	<b>\$ 1,183,673</b>	<b>\$ 179,581</b>	<b>\$ 345,456</b>	<b>\$ 163,198</b>	<b>\$ 380,600</b>	<b>\$ 2,252,508</b>

	Business-Type Activities Proprietary Funds				
	Office of Lottery and Gaming	Unemployment Compensation	Total	Fiduciary Funds	Component Units
Bond escrow accounts	\$ -	\$ -	\$ -	\$ -	\$ 222,509
Unpaid prizes	15,109	-	15,109	-	-
University endowment	-	-	-	-	42,823
Benefits	-	378,568	378,568	22,087,574	-
Purpose restrictions	-	-	-	-	288,388
Other	-	-	-	-	75,833
<b>Total</b>	<b>\$ 15,109</b>	<b>\$ 378,568</b>	<b>\$ 393,677</b>	<b>\$ 22,087,574</b>	<b>\$ 629,553</b>

## NOTE 4. RECEIVABLES, INTERFUND TRANSFERS/BALANCES

### A. RECEIVABLES

Receivables are valued at their estimated collectible amounts. **Table N4-1** presents District receivables categorized in various funds as of September 30, 2025.

**Table N4-1**  
**Summary of Receivables (\$000s)**

	General	Federal and Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Office of Lottery and Gaming	Unemployment Compensation	Fiduciary Funds
<b>Gross Receivables</b>								
Taxes	\$ 594,533	\$ -	\$ -	\$ -	\$ 5,128	\$ -	\$ -	\$ -
Accounts and other	1,954,808	9,622	3,643	7,048	31,875	4,073	88,706	124,798
Lease receivable	326,743	16,357	-	-	-	-	-	-
Federal	4,041	1,273,516	-	140,354	-	-	6,101	4,749
<b>Total gross receivables</b>	<u>2,880,125</u>	<u>1,299,495</u>	<u>3,643</u>	<u>147,402</u>	<u>37,003</u>	<u>4,073</u>	<u>94,807</u>	<u>129,547</u>
Less: allowance for doubtful accounts	1,570,339	-	-	6,870	-	-	68,454	-
<b>Total net receivables</b>	<u>\$ 1,309,786</u>	<u>\$ 1,299,495</u>	<u>\$ 3,643</u>	<u>\$ 140,532</u>	<u>\$ 37,003</u>	<u>\$ 4,073</u>	<u>\$ 26,353</u>	<u>\$ 129,547</u>

**NOTE 4. RECEIVABLES, INTERFUND TRANSFERS/BALANCES**

**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, 2025.

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

Transfer From (Out)	Transfer To (In)					Total
	General	General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	Not-for-Profit Hospital Corporation	
<b>General Fund</b>						
Motor fuel taxes dedicated to the Highway Trust Fund	\$ -	\$ -	\$ 43,800	\$ 43,800	\$ -	\$ 43,800
Paygo - projects financed by the General Fund	-	30,251	-	30,251	-	30,251
Capital Improvements Fund	-	207,401	-	207,401	-	207,401
Operating subsidies	-	-	-	-	26,000	26,000
<b>Total General Fund</b>	-	237,652	43,800	281,452	26,000	307,452
<b>Federal and Private Resources</b>						
FEMA Public Assistance	19,294	-	-	19,294	-	19,294
American Rescue Plan Act (ARPA)	28,416	-	-	28,416	-	28,416
<b>Total Federal and Private Resources</b>	47,710	-	-	47,710	-	47,710
<b>General Capital Improvements</b>						
Unspent capital paygo transferred back to the General Fund	50,026	-	-	50,026	-	50,026
<b>Total General Capital Improvements</b>	50,026	-	-	50,026	-	50,026
<b>Nonmajor Governmental Funds</b>						
Excess collections above PILOT debt service requirements	19,335	-	-	19,335	-	19,335
Excess collections above TIF debt service requirements	27,379	-	-	27,379	-	27,379
Funds for baseball debt service payments	31,470	-	79,197	110,667	-	110,667
Paid Family Leave Fund transfer to General Fund	23,882	-	-	23,882	-	23,882
<b>Total Nonmajor Governmental Funds</b>	102,066	-	79,197	181,263	-	181,263
<b>Total Governmental Funds</b>	199,802	237,652	122,997	560,451	26,000	586,451
Office of Lottery and Gaming	32,500	-	-	32,500	-	32,500
<b>Total Interfund Transfers</b>	<b>\$ 232,302</b>	<b>\$ 237,652</b>	<b>\$ 122,997</b>	<b>\$ 592,951</b>	<b>\$ 26,000</b>	<b>\$ 618,951</b>

## 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, 2025. 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
<b>Major funds</b>				
General	\$ 19,236	\$ 20,418	\$ 1,048,847	\$ 13,936
Federal and private resources	-	1,850	38,274	670,792
Housing production trust	-	-	4,491	-
General capital improvements	-	7,005	-	330,792
<b>Nonmajor funds</b>				
Tax increment financing	-	1,857	2,589	22,605
PILOT special revenue	-	-	-	4,811
Baseball special revenue	665	-	1,786	31,470
Universal paid leave fund	-	-	-	8,473
<b>Proprietary funds</b>				
Unemployment compensation	-	-	1,320	14,428
<b>Component unit</b>				
Health benefit exchange authority	11	11,999	-	-
Washington convention and sports authority	21,009	7,064	-	-
Housing finance agency	790	-	-	-
University of the District of Columbia	9,320	838	-	-
<b>Total</b>	<u>\$ 51,031</u>	<u>\$ 51,031</u>	<u>\$ 1,097,307</u>	<u>\$ 1,097,307</u>

Note:

The above balances represent the impact of transactions among the funds and component units, which will be settled during fiscal year 2026.

**NOTE 5. CAPITAL ASSETS**

**A. CAPITAL OUTLAYS**

Capital outlays reported in the General Capital Improvements and Highway Trust Funds totaled \$2,143,441 during the fiscal year ended September 30, 2025. 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 capital assets by class for governmental activities of the primary government.

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

Asset class	Balance October 1, 2024	Additions	Transfers	Dispositions	CIP Transfers In (Out)	Balance September 30, 2025
<b>Non-depreciable capital assets</b>						
Land	\$ 1,013,910	\$ 18,484	\$ 8,100	\$ -	\$ -	\$ 1,040,494
Construction in progress	2,688,236	1,228,495	-	-	(851,923)	3,064,808
<b>Total non-depreciable capital assets</b>	<b>3,702,146</b>	<b>1,246,979</b>	<b>8,100</b>	<b>-</b>	<b>(851,923)</b>	<b>4,105,302</b>
<b>Depreciable/amortizable capital assets</b>						
Infrastructure	8,533,563	29,756	-	-	-	8,563,319
Buildings	12,454,525	62,776	93,022	-	820,404	13,430,727
Equipment	2,335,848	85,989	(2,728)	(136,182)	31,519	2,314,446
Right-to-use leased buildings	1,446,977	296,668	-	-	-	1,743,645
Right-to-use leased equipment	24,971	4,858	-	(324)	-	29,505
Right-to-use subscription assets	191,436	74,173	-	(16,976)	-	248,633
<b>Total depreciable/amortizable capital assets</b>	<b>24,987,320</b>	<b>554,220</b>	<b>90,294</b>	<b>(153,482)</b>	<b>851,923</b>	<b>26,330,275</b>
<b>Less accumulated depreciation/amortization</b>						
Infrastructure	(4,192,985)	(217,992)	-	-	-	(4,410,977)
Buildings	(3,615,962)	(248,069)	(74,880)	-	-	(3,938,911)
Equipment	(1,772,899)	(120,796)	2,728	111,406	-	(1,779,561)
Right-to-use leased buildings	(266,318)	(110,239)	-	-	-	(376,557)
Right-to-use leased equipment	(13,578)	(6,064)	-	168	-	(19,474)
Right-to-use subscription assets	(92,395)	(55,831)	-	11,332	-	(136,894)
<b>Total accumulated depreciation/amortization</b>	<b>(9,954,137)</b>	<b>(758,991)</b>	<b>(72,152)</b>	<b>122,906</b>	<b>-</b>	<b>(10,662,374)</b>
<b>Total depreciable/amortizable capital assets, net</b>	<b>15,033,183</b>	<b>(204,771)</b>	<b>18,142</b>	<b>(30,576)</b>	<b>851,923</b>	<b>15,667,901</b>
<b>Net governmental activities capital assets</b>	<b>\$ 18,735,329</b>	<b>\$ 1,042,208</b>	<b>\$ 26,242</b>	<b>\$ (30,576)</b>	<b>\$ -</b>	<b>\$ 19,773,203</b>

**C. GOVERNMENTAL ACTIVITIES: CAPITAL ASSETS BY FUNCTION**

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

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

Function	Balance October 1, 2024	Additions	Transfers	Dispositions	CIP Transfers In (Out)	Balance September 30, 2025
<b>Capital assets</b>						
Governmental direction and support	\$ 4,795,952	\$ 365,401	\$ 98,394	\$ (8,253)	\$ 9,452	\$ 5,260,946
Economic development and regulation	616,684	49	-	(45)	-	616,688
Public safety and justice	1,413,599	10,613	97	(734)	-	1,423,575
Public education system	8,428,088	44,212	-	(32,741)	453,473	8,893,032
Human support services	1,137,765	90,406	(97)	(5,555)	388,998	1,611,517
Operations and infrastructure	9,609,142	62,023	-	(106,154)	-	9,565,011
Construction in progress	2,688,236	1,228,495	-	-	(851,923)	3,064,808
<b>Total capital assets</b>	<b>\$ 28,689,466</b>	<b>\$ 1,801,199</b>	<b>\$ 98,394</b>	<b>\$ (153,482)</b>	<b>\$ -</b>	<b>\$ 30,435,577</b>

## NOTE 5. CAPITAL ASSETS

**D. GOVERNMENTAL ACTIVITIES: CAPITAL ASSETS ACCUMULATED DEPRECIATION/AMORTIZATION BY FUNCTION**

Table N5-3 presents the changes in accumulated depreciation and accumulated amortization by function for governmental activities of the primary government.

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

Function	Balance October 1, 2024	Additions	Transfers	Dispositions	Balance September 30, 2025
<b>Accumulated depreciation/amortization</b>					
Governmental direction and support	\$ 1,986,810	\$ 205,631	\$ 72,152	\$ (3,577)	\$ 2,261,016
Economic development and regulation	99,966	8,274	-	(33)	108,207
Public safety and justice	674,921	50,426	97	(1,124)	724,320
Public education system	2,071,587	185,893	-	(28,538)	2,228,942
Human support services	395,696	55,743	(97)	(5,404)	445,938
Operations and infrastructure	4,725,157	253,024	-	(84,230)	4,893,951
<b>Total accumulated depreciation/amortization</b>	<b>\$ 9,954,137</b>	<b>\$ 758,991</b>	<b>\$ 72,152</b>	<b>\$ (122,906)</b>	<b>\$ 10,662,374</b>

**E. BUSINESS-TYPE ACTIVITIES: CAPITAL ASSETS**

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

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

Asset class	Balance October 1, 2024	Additions	Adjustments/ Dispositions	Balance September 30, 2025
<b>Non-depreciable capital assets:</b>				
Land	\$ 8,100	\$ -	\$ (8,100)	\$ -
<b>Total non-depreciable capital assets</b>	<b>8,100</b>	<b>-</b>	<b>(8,100)</b>	<b>-</b>
<b>Depreciable/amortizable capital assets:</b>				
Buildings and improvements	90,294	-	(90,294)	-
Equipment	68,281	-	(66,638)	1,643
Right-to-use leased equipment	6,664	-	(1,568)	5,096
<b>Total depreciable/amortizable capital assets</b>	<b>165,239</b>	<b>-</b>	<b>(158,500)</b>	<b>6,739</b>
<b>Less accumulated depreciation/amortization for:</b>				
Buildings and improvements	(68,254)	(3,786)	72,040	-
Equipment	(65,320)	(3,073)	66,750	(1,643)
Right-to-use leased equipment	(5,552)	(1,112)	1,568	(5,096)
<b>Total accumulated depreciation/amortization</b>	<b>(139,126)</b>	<b>(7,971)</b>	<b>140,358</b>	<b>(6,739)</b>
<b>Total depreciable/amortizable capital assets, net</b>	<b>26,113</b>	<b>(7,971)</b>	<b>(18,142)</b>	<b>-</b>
<b>Total capital assets, net</b>	<b>\$ 34,213</b>	<b>\$ (7,971)</b>	<b>\$ (26,242)</b>	<b>\$ -</b>

## NOTE 5. CAPITAL ASSETS

## F. CONSTRUCTION IN PROGRESS

Table N5-5 presents the changes in construction in progress by function for governmental activities of the primary government.

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

Function and sub-function	Balance October 1, 2024	Additions/ Adjustments	CIP Transfers/ Dispositions	Balance September 30, 2025
<b>Primary government</b>				
<b>Governmental direction and support</b>				
Finance	\$ 64,069	\$ 453	\$ -	\$ 64,522
Legislative	1,342	782	-	2,124
Administrative	1,085,516	713,464	(847,268)	951,712
Executive	366	95	-	461
<b>Total</b>	<u>1,151,293</u>	<u>714,794</u>	<u>(847,268)</u>	<u>1,018,819</u>
<b>Economic development and regulation</b>				
Community development	195,802	218,586	-	414,388
Economic regulation	861	-	-	861
<b>Total</b>	<u>196,663</u>	<u>218,586</u>	<u>-</u>	<u>415,249</u>
<b>Public safety and justice</b>				
Police	14,868	43,467	-	58,335
Fire	1,967	12,169	-	14,136
Corrections	-	397	-	397
Protection	347	-	-	347
<b>Total</b>	<u>17,182</u>	<u>56,033</u>	<u>-</u>	<u>73,215</u>
<b>Public education system</b>				
Schools	2,571	(694)	-	1,877
Culture	34,030	21,499	(4,655)	50,874
Employment services	7,971	4,226	-	12,197
Recreation	3,395	92	-	3,487
<b>Total</b>	<u>47,967</u>	<u>25,123</u>	<u>(4,655)</u>	<u>68,435</u>
<b>Human support services</b>				
Health and welfare	57,489	13,839	-	71,328
<b>Total</b>	<u>57,489</u>	<u>13,839</u>	<u>-</u>	<u>71,328</u>
<b>Operations and infrastructure</b>				
Public works	1,217,642	200,120	-	1,417,762
<b>Total</b>	<u>1,217,642</u>	<u>200,120</u>	<u>-</u>	<u>1,417,762</u>
<b>Total construction in progress</b>	<u>\$ 2,688,236</u>	<u>\$ 1,228,495</u>	<u>\$ (851,923)</u>	<u>\$ 3,064,808</u>

## 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/amortization by entity.

Table N5-6

## Changes in Capital Assets by Asset Class: Discretely Presented Component Units (\$000s)

Asset class	Balance October 1, 2024	Additions	Transfers/ Dispositions	CIP Transfers In (Out)	Balance September 30, 2025
<b>Non-depreciable capital assets</b>					
Land	\$ 12,815	\$ -	\$ -	\$ -	\$ 12,815
Artwork	3,222	-	-	-	3,222
Construction in progress	65,095	25,049	(4,181)	(36,859)	49,104
<b>Total non-depreciable capital assets</b>	<b>81,132</b>	<b>25,049</b>	<b>(4,181)</b>	<b>(36,859)</b>	<b>65,141</b>
<b>Depreciable/amortizable capital assets</b>					
Buildings and improvements	1,485,193	29,440	78	36,191	1,550,902
Equipment	236,241	12,742	(23)	668	249,628
Right-to-use leased land	7,938	-	-	-	7,938
Right-to-use leased buildings	53,982	-	-	-	53,982
Right-to-use leased equipment	2,471	1,527	-	-	3,998
Right-to-use subscription assets	2,843	-	-	-	2,843
<b>Total depreciable/amortizable capital assets</b>	<b>1,788,668</b>	<b>43,709</b>	<b>55</b>	<b>36,859</b>	<b>1,869,291</b>
<b>Less accumulated depreciation/amortization</b>					
Buildings and improvements	(921,995)	(64,012)	534	-	(985,473)
Equipment	(195,814)	(8,614)	(5,935)	-	(210,363)
Right-to-use leased land	(420)	(140)	-	-	(560)
Right-to-use leased buildings	(26,409)	(7,510)	(536)	-	(34,455)
Right-to-use leased equipment	(1,528)	(1,104)	-	-	(2,632)
Right-to-use subscription assets	(1,424)	(467)	-	-	(1,891)
<b>Total accumulated depreciation/amortization</b>	<b>(1,147,590)</b>	<b>(81,847)</b>	<b>(5,937)</b>	<b>-</b>	<b>(1,235,374)</b>
<b>Total depreciable/amortizable capital assets, net</b>	<b>641,078</b>	<b>(38,138)</b>	<b>(5,882)</b>	<b>36,859</b>	<b>633,917</b>
<b>Net governmental activities capital assets</b>	<b>\$ 722,210</b>	<b>\$ (13,089)</b>	<b>\$ (10,063)</b>	<b>\$ -</b>	<b>\$ 699,058</b>

**NOTE 5. CAPITAL ASSETS**

**Table N5-7**

**Changes in Capital Assets and Accumulated Depreciation/Amortization: Discretely Presented Component Units (\$000s)**

Component Units	Capital Assets			Accumulated Depreciation/Amortization				Net Capital Assets				
	Balance October 1, 2024	Additions	Transfers/ Dispositions	Balance September 30, 2025	Balance October 1, 2024	Additions	Transfers/ Dispositions	Balance September 30, 2025	Balance October 1, 2024	Additions	Transfers/ Dispositions	Balance September 30, 2025
Health Benefit Exchange Authority	\$ 122,899	\$ -	\$ -	\$ 122,899	\$ (109,313)	\$ -	\$ (5,976)	\$ (115,289)	\$ 13,586	\$ -	\$ (5,976)	\$ 7,610
Washington Convention and Sports Authority	1,174,204	39,686	103	1,213,993	(754,170)	(39,738)	7	(793,901)	420,034	(52)	110	420,092
Green Finance Authority	1,650	9	-	1,659	(39)	(237)	(1)	(277)	1,611	(228)	(1)	1,382
Housing Finance Agency	7,364	638	(49)	7,953	(5,668)	(323)	33	(5,958)	1,696	315	(16)	1,995
University of the District of Columbia	563,683	28,425	(4,180)	587,928	(278,400)	(41,549)	-	(319,949)	285,283	(13,124)	(4,180)	267,979
<b>Total</b>	<b>\$ 1,869,800</b>	<b>\$ 68,758</b>	<b>\$ (4,126)</b>	<b>\$ 1,934,432</b>	<b>\$ (1,147,590)</b>	<b>\$ (81,847)</b>	<b>\$ (5,937)</b>	<b>\$ (1,235,374)</b>	<b>\$ 722,210</b>	<b>\$ (13,089)</b>	<b>\$ (10,063)</b>	<b>\$ 699,058</b>

**NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS**

The District participates in 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 reporting entity of the District. The District bears no responsibility for these obligations and debt 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 where 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 an economic incentive to construct, modernize, or enhance private entity facilities in the District, thereby supporting the District's economic base. As of September 30, 2025, the aggregate outstanding principal amount associated with the Industrial Revenue Bond Program was approximately \$6,496,285. Such amounts are not reflected as liabilities of the District in the accompanying government-wide Statement of Net Position as of September 30, 2025.

**B. ENTERPRISE ZONE FACILITY BONDS**

From January 1, 1998 to December 31, 2011, businesses located in the District Enterprise Zone were eligible to obtain up to \$15,000 of tax-exempt financing (except for eligible 501(c)(3) organizations which were allowed to borrow unlimited amounts) for projects that will contribute to the health, education, safety, welfare, or creation/preservation of jobs, for residents of the District, or to enhance economic development in the District. 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, 2025, the aggregate outstanding principal amount for Enterprise Zone Facility Bonds was \$7,375. Such amounts are not reflected as liabilities of the District in the accompanying government-wide Statement of Net Position as of September 30, 2025.

**C. TAX INCREMENT FINANCING NOTES**

Tax Increment Financing (TIF) is an economic development tool used to facilitate the funding 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. As of September 30, 2025, the aggregate outstanding principal amount for TIF Notes was \$34,792. Such 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, 2025.

**DC Arena L.P. Project**

In December 2007, the District issued \$50,000 in taxable financing notes to fund upgrades associated with the DC Arena L.P. Project at the Capital One Arena, formerly the 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 special limited obligations 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 on parity with other District TIF and PILOT debts where the Downtown TIF Area incremental tax revenues are pledged. As of September 30, 2025, the outstanding principal amount for the DC Arena L.P. Project was \$33,230.

**Great Streets Retail Priority Areas****Georgia Avenue Retail Project**

In September 2009, the Mayor executed the Georgia Avenue Retail Project, Series 2009, TIF Note which was the first Great Streets TIF, in the amount of \$1,935. The interest rate on the Note was 5.00%. The Note has a maturity date of June 1, 2035. As of September 30, 2025, the outstanding principal amount for the Georgia Avenue Retail Project was \$1,562.

## NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS

**Table N6-1** presents a summary of the original loan amounts, terms and outstanding balances of TIF Notes as of September 30, 2025.

**Table N6-1**  
**TIF Notes (\$000s)**

Issuance Date	Description	Original Amount	Terms	Outstanding at September 30, 2025
December 2007	DC Arena L.P. Project (Capital One Arena), Series 2007A and 2007B	\$ 50,000	Maturity dates: August 15, 2047 and August 15, 2027; interest rates: 6.73% and 6.58%, respectively	\$ 33,230
September 2009	Georgia Avenue Retail Project, Series 2009	1,935	Maturity date: June 1, 2035; interest rate: 5.00%	1,562

### 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 (DC Code § 1-201.01 et seq.), the Payment in Lieu of Taxes Act of 2004 (DC Law 15-293; DC Code § 1-308.01 et seq.), 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 and do not involve the full faith and credit or taxing power of the District. Such 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, 2025.

### Southeast Federal Center PILOT Program - Foundry Lofts Project

In August 2010, the Mayor executed the first PILOT Revenue 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. Previous shortfalls remain obligations which the District would pay to the development sponsor, without any penalty, interest, or premium, when the PILOT revenues become sufficient. As of September 30, 2025, the outstanding principal amount for the Foundry Lofts Project was \$3,632.

**Table N6-2** presents a summary of the original loan amounts, terms and outstanding balances of PILOT Revenue Notes as of September 30, 2025.

**Table N6-2**  
**PILOT Revenue Note (\$000s)**

Issuance Date	Description	Original Amount	Terms	Outstanding at September 30, 2025
August 2010	Foundry Lofts Project, Series 2010	\$ 5,660	Maturity date: January 1, 2038; interest rate: 5.16%	\$ 3,632

## NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS

### E. NONEXCHANGE FINANCIAL GUARANTEES

#### Credit Enhancement Facility Agreements

The District, through its Office of the State Superintendent of 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, 2025, the total outstanding guaranteed amount under credit enhancement facility agreements was \$5,000.

If a public charter school defaults on the monetary obligations associated with its credit enhancement facility agreement, the District may, at its sole discretion, cure the default on behalf of the school. 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 2025, 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, 2025, no liability was recorded in connection with these agreements.

Table N6-3 presents a summary of Credit Enhancement Facility Agreements provided by OSSE.

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

School	Type of Obligation Guaranteed	Beneficiary	Guarantee Amount	Effective Date	Termination Terms	Outstanding Guarantee Amount at September 30, 2025
<b>Breakthrough Montessori Public Charter School</b>	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	09/12/2018	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
<b>Lee Montessori Public Charter School</b>	Guarantee to finance principal amount of loan outstanding, interest due, fees, and cost and expenses under loan document	City First Bank of DC, N.A.	1,000	11/30/2022	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
<b>Mundo Verde Public Charter School</b>	Guarantee to finance leasehold improvements for the school building located at 30 P Street, NW, Washington, DC	United Bank	1,000	11/17/2022	Earlier of: (1) payment in full of all amounts owed to the lender under the credit enhancement agreement, or (2) the maturity date of the note	1,000
<b>Maya Stokes Public Charter School</b>	Guarantee to obtain leasehold interest in property located at 5600 East Capital Street, NE, Washington, DC	City First Bank of DC, N.A.	2,000	05/22/2024	Earlier of: (1) 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 guaranty	2,000
<b>Total outstanding guarantee amount</b>						<b>\$ 5,000</b>

**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 Downtown TIF Area to repay outstanding TIF Notes, if necessary.

**Table N6-4** presents the Downtown TIF Area project with nonexchange financial guarantee and estimated future outflows as of September 30, 2025.

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

<u>Project</u>	<u>Type of Financing</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Maximum Future Outflows at September 30, 2025</u>
Capital One Arena (formerly the Verizon Center)	TIF Notes	December 2007	08/15/2043	\$ 50,000	\$ 3,070
				<b>Total</b>	<b>\$ 3,070</b>

*Note:*  
Maximum future outflows represent the release of incremental tax revenues related to this 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 District 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 a Certified Business Enterprise certification, a designation granted by the District Department of Small and Local Business Development, and 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. If 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. As of September 30, 2025, the total outstanding guaranteed amount under the cash collateral agreements by DCCSP was \$6,445.

During fiscal year 2025, the District did not make any payments related to DCCSP. 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, 2025, no liability was recorded in connection with these cash collateral deposit agreements.

## NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS

Table N6-5 presents additional information regarding the nonexchange financial guarantees provided through the District of Columbia Collateral Support Program.

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

Borrower	Lender	Effective Date	Termination/ Maturity Date	Guarantee Amount	Outstanding Guarantee Amount at September 30, 2025
<b>Line of credit</b>					
Core Architecture + Design, Inc.	Sandy Spring Bank	03/04/2022	03/04/2026	\$ 200	\$ 200
First Choice Masonry, Inc.	Harbor Bank	08/18/2022	08/18/2028	1,000	1,000
Love First CDC	Industrial Bank	06/23/2023	06/23/2026	38	38
Renaissance Equity Partners, LLC	City First Bank of DC	07/07/2023	07/07/2026	25	25
Union Kitchen, LLC	Sandy Spring Bank	05/23/2024	05/23/2027	250	250
U Street Parking, Inc.	Capital Bank	07/08/2024	07/08/2027	1,000	1,000
AvDyne AeroServices LLC	Eagle Bank	02/06/2025	02/06/2028	1,000	1,000
One Kare Enterprises LLC	Capital Bank NA	09/09/2025	09/09/2028	250	250
<b>Term loan</b>					
Union Kitchen, LLC	Sandy Spring Bank	09/09/2021	08/20/2028	600	357
Push Studio LLC	City First Bank of DC	12/02/2021	12/02/2025	25	7
National Children's Museum	United Bank	08/19/2022	08/19/2029	1,700	1,221
Capital City Restaurant Group	Industrial Bank	12/21/2022	03/20/2028	50	34
Walter Reed MF Partners LLC	Main Street Bank	10/30/2024	11/01/2031	1,000	1,000
Cassava LLC D.B.A. Spot of Tea	City First Bank of DC	12/10/2024	11/11/2029	63	63
					<b>\$ 6,445</b>

Note:

Termination/Maturity Date: Some termination or maturity dates have been extended.

**NOTE 7. LONG-TERM LIABILITIES**

**A. LONG-TERM LIABILITIES**

**Table N7-1** presents long-term liabilities for the governmental activities and business-type activities of the District for the year ended September 30, 2025.

**Table N7-1  
Summary of Long-Term Liabilities Outstanding as of September 30, 2025 (\$000s)**

Series	Purpose	Interest Rate	Issue Date	Maturity Date	Issue Amount	Balance
<b>GOVERNMENTAL ACTIVITIES</b>						
<b>General obligation (GO) bonds</b>						
<b>Publicly offered:</b>						
<b>2015A</b>	Finance capital project expenditures	4.00% - 5.00%	06/24/2015	06/01/2040	\$ 500,000	\$ 70,320
<b>2015B</b>	Refund portion of GO Bond Series 2005B	5.00%	06/24/2015	06/01/2027	34,190	25,935
<b>2016A</b>	Finance capital project expenditures	1.75% - 5.00%	06/23/2016	06/01/2041	431,815	272,795
<b>2016D</b>	Finance capital project expenditures	3.00% - 5.00%	12/20/2016	06/01/2041	398,910	233,800
<b>2016E</b>	Advance Refund GO Bond Series 2007C	5.00%	12/20/2016	06/01/2033	190,635	44,935
<b>2017A</b>	Refund GO Bond Series 2007A and 2007B	3.00% - 5.00%	06/01/2017	06/01/2037	563,520	543,280
<b>2017D</b>	Finance capital project expenditures	4.00% - 5.00%	12/21/2017	06/01/2042	521,705	444,025
<b>2018A</b>	Finance capital project expenditures	5.00%	08/01/2018	06/01/2043	214,525	184,180
<b>2018B</b>	Refund GO Bond Series 2008E and 2008F	3.00% - 5.00%	08/01/2018	06/01/2033	301,160	129,195
<b>2019A</b>	Finance capital project expenditures and refund GO Bond Anticipation Notes Series 2018	4.00% - 5.00%	02/21/2019	10/15/2044	937,775	866,975
<b>2021D</b>	Finance capital project expenditures and refund GO Bond Anticipation Notes Series 2019	4.00% - 5.00%	11/30/2021	02/01/2046	401,715	389,940
<b>2021E</b>	Refund Income Tax Secured (ITS) Revenue Bond Series 2011A, 2011F-G, 2012A, 2012C, and 2012D	4.00% - 5.00%	11/30/2021	02/01/2037	251,430	194,840
<b>2023A</b>	Finance capital project expenditures and refund GO Bond Anticipation Notes Series 2022	5.00% - 5.25%	03/23/2023	01/01/2048	581,140	581,140
<b>2023B</b>	Refund GO Bond Series 2013A	5.00%	03/23/2023	06/01/2030	239,055	170,935
<b>2024A</b>	Finance capital project expenditures	5.00%	10/02/2024	08/01/2049	683,020	670,995
<b>2024B</b>	Refund GO Bond Series 2015A, 2016A, 2016D, and 2016E.	5.00%	10/02/2024	08/01/2041	316,450	316,450
<b>2024C</b>	Refund Income Tax Secured (ITS) Revenue Bond Series 2009E and 2010F	5.00%	10/02/2024	12/01/2035	589,085	577,705
<b>Total publicly offered</b>						<u>5,717,445</u>

## NOTE 7. LONG-TERM LIABILITIES

Series	Purpose	Interest Rate	Issue Date	Maturity Date	Issue Amount	Balance
<b>Direct placements:</b>						
<b>2017B</b>	Finance capital project expenditures	Adjusted SIFMA Rate (2.89% as of September 30, 2025)	11/21/2017	06/01/2042	100,000	99,970
<b>2017C</b>	Refund ITS Bond Series 2011E and 2014B	Adjusted SIFMA Rate (2.89% as of September 30, 2025)	11/21/2017	06/01/2033	99,935	30,930
<b>2021A</b>	Refund GO Bond Series 2016B	Adjusted SIFMA Rate (2.89% as of September 30, 2025)	11/12/2021	06/01/2039	170,610	139,785
<b>2021B</b>	Refund GO Bond Series 2016C	Adjusted SOFR (4.31% as of September 30, 2025)	11/12/2021	06/01/2027	174,675	62,725
<b>2025A</b>	Refund GO Bond Series 2021C	Adjusted SIFMA Rate (2.89% as of September 30, 2025)	06/02/2025	11/01/2046	348,000	348,000
<b>Total direct placements</b>						681,410
<b>Total general obligation bonds</b>						<b>\$ 6,398,855</b>
<b>Income tax secured revenue bonds</b>						
<b>2010D</b>	Finance costs of Qualified School Construction projects and pay for financing costs	5.00%	06/03/2010	12/01/2026	32,945	\$ 32,945
<b>2014A</b>	Current refund Certificate of Participation, Series 2003; advance refund Certificate of Participation, Series 2006; and pay the costs and expenses of issuing and delivering the Bonds	1.00% - 5.00%	09/10/2014	12/01/2025	155,665	16,310
<b>2019A</b>	Finance capital project expenditures and refund a portion of GO Commercial Paper Bond Anticipation Note, Series 2018	3.00% - 5.00%	12/04/2019	03/01/2044	718,945	659,440
<b>2019B</b>	Provide funds for New Communities Initiative; refund IT Secured Revenue Bond Anticipation Notes, Series 2019A; and pay the costs and expenses of delivering the Bonds	1.78% - 3.20%	12/04/2019	03/01/2039	60,000	45,265
<b>2019C</b>	Refund ITS Revenue Bonds Series 2009A, 2009B, 2009C, HPTF 2007A, GO 2007A, and pay the costs and expenses of delivering the Bonds	1.14% - 2.12%	12/04/2019	10/01/2036	583,395	362,635
<b>2020A</b>	Finance capital projects and refund GO Commercial Paper Bond Anticipation Note, Series 2019	2.63% - 5.00%	03/11/2020	03/01/2045	578,110	530,215

## NOTE 7. LONG-TERM LIABILITIES

Series	Purpose	Interest Rate	Issue Date	Maturity Date	Issue Amount	Balance
2020B	Current Refund and defease ITS Revenue Refunding Bonds Series 2010A and pay the costs and expenses of delivering the Bonds	5.00%	03/11/2020	10/01/2031	454,435	319,120
2020C	Finance capital projects, pay the costs and expenses of delivering the Bonds	4.00% - 5.00%	07/23/2020	05/01/2045	392,870	362,490
2020D	Refund a portion of ITS Bond Series 2010A, 2011A, 2011G, Deed Tax Revenue Bond Series 2010A, 2010B, and pay the costs and expenses of delivering the Bonds	0.35% - 2.34%	07/23/2020	12/01/2039	234,915	91,615
2022A	Finance capital project expenditures and pay the costs and expenses of delivering the Bonds	5.00%	07/27/2022	07/01/2047	648,860	648,860
2022B	Finance capital project expenditures and pay the costs and expenses of delivering the Bonds	3.42% - 3.86%	07/27/2022	07/01/2031	139,305	139,305
2022C	Defease a portion of ITS Bond Series 2012A, 2012B, 2012C, and 2012D, and pay the costs and expenses of issuing and delivering the Bonds	5.00%	09/07/2022	12/01/2037	635,330	516,810
2023A	Finance capital project expenditures and pay the costs and expenses of delivering the Bonds	5.00% - 5.25%	12/06/2023	05/01/2048	467,220	467,220
2023B	Finance capital project expenditures, defease the GO Bond Series 2015A, refund the ITS BANS, and pay the costs and expenses of delivering the Bonds	4.89% - 5.40%	12/06/2023	05/01/2037	250,345	229,990
2023C	Purchase Tender Offer Bonds and pay the costs and expenses of delivering the Bonds	5.00%	12/06/2023	10/01/2033	189,615	176,465
2024A	Refund GO Bond Series 2014C-D and pay the costs and expenses of delivering the Bonds	5.00%	03/13/2024	10/01/2037	276,750	276,750
2025A	Refund GO Commercial Paper BANs Series 2022A	5.00% - 5.25%	05/15/2025	06/01/2050	1,172,305	1,172,305
2025B	Refund ITS Bond Anticipation Note, Series 2024B	4.04% - 5.69%	05/15/2025	06/01/2050	301,110	301,110
<b>Total income tax secured revenue bonds</b>						<b>\$ 6,348,850</b>
<b>Tobacco settlement asset-backed bonds</b>						
2001	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	5.20% - 6.75%	02/01/2001	05/15/2040	521,105	\$ 132,245
2006	Pay the cash portion of the purchase price for the Residual Tobacco Assets, and pay certain costs of issuing the Bonds	6.25% - 7.25%	08/30/2006	06/15/2055	248,264	248,264
<b>Total tobacco settlement asset-backed bonds</b>						<b>\$ 380,509</b>

## NOTE 7. LONG-TERM LIABILITIES

Series	Purpose	Interest Rate	Issue Date	Maturity Date	Issue Amount	Balance
<b>Tax increment financing (TIF) bonds</b>						
<b>Publicly offered:</b>						
<b>City Market at O Street Project, Series 2011</b>	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	3.00% - 5.13%	11/17/2011	06/01/2041	38,650	\$ 28,905
<b>Gallery Place Project, Series 2012</b>	Refund the Gallery Place Project Tax Increment Revenue Bonds, Series 2002, and pay the costs and expenses of issuing and delivering the Bonds	3.00% - 5.00%	06/21/2012	06/01/2031	52,365	5,360
<b>Bryant Street Project, Series 2019</b>	Finance or reimburse certain costs incurred for development and financing of Bryant Street Project. Fund capitalized interest, pay the costs and expenses of issuing and delivering the Bonds	4.00% - 5.00%	10/31/2019	06/01/2043	17,300	15,690
<b>Total publicly offered</b>						49,955
<b>Direct placements:</b>						
<b>Skyland Town Center Project, Series 2018</b>	Financed with Capital One Public Funding, LLC, to reimburse Skyland Holdings, LLC and Skyland Associates, Inc. for eligible development costs associated with the phased development of Skyland Town Center	3.94%	05/31/2018	12/01/2038	17,400	14,505
<b>Reunion Square Project, Series 2022A</b>	Financed with U.S. Bank Trust Company, National Association to pay for a portion of the development costs, to fund capitalized interest and required reserves, and to pay costs of Issuance. Total cumulative drawdown as of September 30, 2025 is \$14,650.)	Lesser of (i) 12.00% per annum, and (ii) the maximum nonusurious rate of interest on the Bonds permitted by District law	06/29/2022	06/29/2026	15,100	14,650
<b>Union Market Project, Series 2021A</b>	Finance or reimburse certain costs incurred for development and financing of Union Market Project. Fund debt service reserve accounts, pay the costs and expenses of issuing and delivering the Bonds. Pay certain administrative expenses of the bonds	3.75% - 4.25%	09/29/2021	06/01/2046	14,778	14,778
<b>Union Market Project, Series 2024A</b>	Finance or reimburse certain costs incurred for development and financing of Union Market Project. Fund debt service reserve accounts, pay the costs and expenses of issuing and delivering the Bonds. Pay certain administrative expenses of the bonds	5.13%	05/16/2024	06/01/2034	18,380	18,380
<b>Union Market Project, Series 2024B</b>	Finance or reimburse certain costs incurred for development and financing of Union Market Project. Fund debt service reserve accounts, pay the costs and expenses of issuing and delivering the Bonds. Pay certain administrative expenses of the bonds	6.25%	05/16/2024	06/01/2049	27,778	27,778
<b>Total direct placements</b>						90,091
<b>Total tax increment financing (TIF) bonds</b>						<b>\$ 140,046</b>

## NOTE 7. LONG-TERM LIABILITIES

Series	Purpose	Interest Rate	Issue Date	Maturity Date	Issue Amount	Balance
<b>Ballpark revenue bonds</b>						
<b>2006A</b>	Finance a portion of the cost of construction of the District baseball stadium	5.96% - 6.17%	05/15/2006	02/01/2036	154,835	\$ 70,555
<b>Total ballpark revenue bonds</b>						<b>\$ 70,555</b>
<b>Federal highway grant anticipation revenue bonds (GARVEE)</b>						
<b>2011</b>	Finance a portion of the 11th Street Bridge Project, pay certain costs of issuing the Bonds and fund the Senior Lien Bonds Debt Service Reserve Subaccount	2.00% - 5.25%	02/16/2011	12/01/2025	82,610	\$ 7,580
<b>2012</b>	Finance Phase II of the 11th Street Bridge Project and pay costs of issuing the Bonds	2.00% - 5.00%	10/10/2012	12/01/2027	42,935	11,115
<b>2020</b>	Finance a portion of the South Capitol Street Bridge Project and pay certain costs of issuing the Bonds	5.00%	02/13/2020	12/01/2034	227,710	200,800
<b>Total federal highway grant anticipation revenue bonds (GARVEE)</b>						<b>\$ 219,495</b>
<b>Deed tax revenue bonds (Housing production trust fund program)</b>						
<b>2012A-B</b>	Fund portions of the New Communities Projects and fund deposit to the Debt Service Reserve Fund	3.00% - 5.00%	12/06/2012	06/01/2042	39,585	\$ 27,920
<b>Total deed tax revenue bonds (Housing production trust fund program)</b>						<b>\$ 27,920</b>
<b>Total bonds and notes</b>						<b>\$ 13,586,230</b>
<b>Other long-term liabilities</b>						
225 Virginia Avenue financing agreement						\$ 49,675
Premium on long-term debt						1,299,210
Bond anticipation notes						322,847
Accreted interest						606,596
Lease liability						1,500,569
SBITA liability						108,295
Long-term tax refunds						261,915
Compensated absences						482,430
Disability compensation						64,681
Grant disallowances						2,945
Claims and judgments						90,999
<b>Total other long-term liabilities</b>						<b>\$ 4,790,162</b>
<b>Total long-term liabilities – governmental activities</b>						<b>\$ 18,376,392</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Compensated absences						\$ 1,004
Malpractice claims reserve						8,972
<b>Total long-term liabilities – business-type activities</b>						<b>\$ 9,976</b>

## Notes:

All General Obligation Bonds were issued to pay for the costs and expenses of issuing and delivering the Bonds.

All Deed Tax Revenue Bonds were issued to pay for the costs and expenses of issuing and delivering the Bonds.

## NOTE 7. LONG-TERM LIABILITIES

## B. ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY

Table N7-2 through N7-17 present annual debt service requirements to maturity for the outstanding long-term liabilities of the District as of September 30, 2025.

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

Year Ending September 30	Principal	Interest	Total
2026	\$ 255,665	\$ 276,466	\$ 532,131
2027	256,620	263,303	519,923
2028	270,155	250,377	520,532
2029	292,610	236,708	529,318
2030	284,195	222,340	506,535
2031-2035	1,673,875	881,122	2,554,997
2036-2040	1,427,565	483,965	1,911,530
2041-2045	934,630	193,666	1,128,296
2046-2049	322,130	32,494	354,624
<b>Total</b>	<b>\$ 5,717,445</b>	<b>\$ 2,840,441</b>	<b>\$ 8,557,886</b>

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

Year Ending September 30	Principal	Interest	Total
2026	\$ 46,245	\$ 23,366	\$ 69,611
2027	48,120	21,849	69,969
2028	5,470	20,320	25,790
2029	7,300	20,258	27,558
2030	7,550	19,784	27,334
2031-2035	28,915	95,469	124,384
2036-2040	104,915	87,139	192,054
2041-2045	331,810	40,535	372,345
2046-2047	101,085	2,380	103,465
<b>Total</b>	<b>\$ 681,410</b>	<b>\$ 331,100</b>	<b>\$ 1,012,510</b>

**Table N7-4**  
Income Tax Secured Revenue Bonds (\$000s)

Year Ending September 30	Principal	Interest	Total
2026	\$ 292,435	\$ 305,572	\$ 598,007
2027	273,610	287,672	561,282
2028	267,280	274,594	541,874
2029	229,740	261,769	491,509
2030	259,780	250,891	510,671
2031-2035	1,596,255	1,036,330	2,632,585
2036-2040	1,440,495	657,604	2,098,099
2041-2045	1,278,440	360,574	1,639,014
2046-2050	710,815	97,955	808,770
<b>Total</b>	<b>\$ 6,348,850</b>	<b>\$ 3,532,961</b>	<b>\$ 9,881,811</b>

**Table N7-5**  
Tobacco Settlement Asset-Backed Bonds  
(\$000s)

Year Ending September 30	Principal	Interest	Total
2026	\$ 132,245	\$ 8,927	\$ 141,172
2046	159,733	1,697,592	1,857,325
2055	88,531	2,478,469	2,567,000
<b>Total</b>	<b>\$ 380,509</b>	<b>\$ 4,184,988</b>	<b>\$ 4,565,497</b>

**Table N7-6**  
TIF - City Market at O Street Bonds - Publicly Offered (\$000s)

Year Ending September 30	Principal	Interest	Total
2026	\$ 1,370	\$ 1,441	\$ 2,811
2027	1,440	1,373	2,813
2028	1,505	1,308	2,813
2029	1,570	1,240	2,810
2030	1,645	1,166	2,811
2031-2035	9,550	4,509	14,059
2036-2040	11,825	1,841	13,666
<b>Total</b>	<b>\$ 28,905</b>	<b>\$ 12,878</b>	<b>\$ 41,783</b>

**Table N7-7**  
TIF - Gallery Place Bonds - Publicly Offered (\$000s)

Year Ending September 30	Principal	Interest	Total
2026	\$ 3,215	\$ 268	\$ 3,483
2027	2,145	107	2,252
<b>Total</b>	<b>\$ 5,360</b>	<b>\$ 375</b>	<b>\$ 5,735</b>

**Table N7-8**  
TIF - Bryant Street Bonds - Publicly Offered (\$000s)

Year Ending September 30	Principal	Interest	Total
2026	\$ 590	\$ 653	\$ 1,243
2027	620	624	1,244
2028	650	593	1,243
2029	685	560	1,245
2030	720	526	1,246
2031-2035	4,045	2,174	6,219
2036-2040	4,930	1,297	6,227
2041-2043	3,450	280	3,730
<b>Total</b>	<b>\$ 15,690</b>	<b>\$ 6,707</b>	<b>\$ 22,397</b>

**NOTE 7. LONG-TERM LIABILITIES**

**Table N7-9  
TIF - Skyland Town Center Project - Direct Placements (\$000s)**

Year Ending September 30	Principal	Interest	Total
2026	\$ 796	\$ 556	\$ 1,352
2027	828	524	1,352
2028	860	491	1,351
2029	894	456	1,350
2030	929	420	1,349
2031-2035	5,226	1,510	6,736
2036-2039	4,972	401	5,373
<b>Total</b>	<b>\$ 14,505</b>	<b>\$ 4,358</b>	<b>\$ 18,863</b>

**Table N7-10  
TIF - Reunion Square Project - Direct Placements (\$000s)**

Year Ending September 30	Principal	Interest	Total
2026	\$ 14,650	\$ 490	\$ 15,140
<b>Total</b>	<b>\$ 14,650</b>	<b>\$ 490</b>	<b>\$ 15,140</b>

**Table N7-11  
TIF - Union Market Project 2021A - Direct Placements (\$000s)**

Year Ending September 30	Principal	Interest	Total
2026	\$ -	\$ 365	\$ 365
2027	503	814	1,317
2028	522	795	1,317
2029	540	776	1,316
2030	561	755	1,316
2031-2035	3,104	3,479	6,583
2036-2040	3,804	3,235	7,039
2041-2045	4,684	1,898	6,582
2046	1,060	257	1,317
<b>Total</b>	<b>\$ 14,778</b>	<b>\$ 12,374</b>	<b>\$ 27,152</b>

**Table N7-12  
TIF - Union Market Project 2024A - Direct Placements (\$000s)**

Year Ending September 30	Principal	Interest	Total
2026	\$ 190	\$ 942	\$ 1,132
2027	185	932	1,117
2028	945	923	1,868
2029	1,370	874	2,244
2030	1,905	804	2,709
2031-2034	13,785	1,937	15,722
<b>Total</b>	<b>\$ 18,380</b>	<b>\$ 6,412</b>	<b>\$ 24,792</b>

**Table N7-13  
TIF - Union Market Project 2024B - Direct Placements (\$000s)**

Year Ending September 30	Principal	Interest	Total
2035	\$ 1,705	\$ 2,574	\$ 4,279
2036-2040	8,969	11,832	20,801
2041-2045	8,811	9,882	18,693
2046-2049	8,293	7,965	16,258
<b>Total</b>	<b>\$ 27,778</b>	<b>\$ 32,253</b>	<b>\$ 60,031</b>

**Table N7-14  
Ballpark Revenue Bonds (\$000s)**

Year Ending September 30	Principal	Interest	Total
2026	\$ 3,695	\$ 4,224	\$ 7,919
2027	4,130	3,984	8,114
2028	4,595	3,715	8,310
2029	5,095	3,418	8,513
2030	5,630	3,088	8,718
2031-2035	37,650	9,208	46,858
2036	9,760	300	10,060
<b>Total</b>	<b>\$ 70,555</b>	<b>\$ 27,937</b>	<b>\$ 98,492</b>

**Table N7-15  
Federal Highway Grant Anticipation Revenue Bonds - GARVEE (\$000s)**

Year Ending September 30	Principal	Interest	Total
2026	\$ 17,340	\$ 10,551	\$ 27,891
2027	18,235	9,652	27,887
2028	19,170	8,717	27,887
2029	20,155	7,734	27,889
2030	21,190	6,700	27,890
2031-2035	123,405	16,042	139,447
<b>Total</b>	<b>\$ 219,495</b>	<b>\$ 59,396</b>	<b>\$ 278,891</b>

**Table N7-16  
Deed Tax Revenue Bonds - Housing Production Trust Fund (\$000s)**

Year Ending September 30	Principal	Interest	Total
2026	\$ 1,240	\$ 1,010	\$ 2,250
2027	1,290	960	2,250
2028	1,325	922	2,247
2029	1,370	882	2,252
2030	1,405	839	2,244
2031-2035	7,765	3,476	11,241
2036-2040	9,280	1,969	11,249
2041-2042	4,245	256	4,501
<b>Total</b>	<b>\$ 27,920</b>	<b>\$ 10,314</b>	<b>\$ 38,234</b>

**NOTE 7. LONG-TERM LIABILITIES**

**Table N7-17**  
**225 Virginia Avenue Financing Agreement**  
**(\$000s)**

Year Ending September 30	Principal	Interest	Total
2026	\$ 6,107	\$ 3,166	\$ 9,273
2027	6,533	2,741	9,274
2028	6,987	2,286	9,273
2029	7,474	1,800	9,274
2030	7,994	1,279	9,273
2031-2032	14,580	876	15,456
<b>Total</b>	<b>\$ 49,675</b>	<b>\$ 12,148</b>	<b>\$ 61,823</b>

instruments will vary. However, the amounts presented in the table below assume that current interest rates and the current reference rates of hedging derivative instruments will remain the same for their term. The District presents information on derivative instruments in Note 2 on page 108.

**Table N7-18**  
**Aggregate Debt Service Requirements and**  
**Net Receipts/Payments on Hedging Derivative**  
**Instruments (\$000s)**

Year Ending September 30	Principal	Interest	Hedging Derivative Instruments,	Total
			Net	
2026	\$ 30,725	\$ 2,151	\$ 16	\$ 32,892
2027	32,000	936	6	32,942
<b>Total</b>	<b>\$ 62,725</b>	<b>\$ 3,087</b>	<b>\$ 22</b>	<b>\$ 65,834</b>

**Table N7-18** presents aggregate debt service requirements and net receipts/payments on the associated hedging derivative instruments as of September 30, 2025. Interest payments on variable rate bonds and net receipts/payments on hedging derivative

**C. LONG-TERM DEBT ACTIVITY**

**Table N7-19** presents the long-term debt activity for the year ended September 30, 2025. The payments on the General Obligation Bonds and the Income Tax Secured Revenue Bonds that pertain to the District’s governmental activities are made by the District’s General Fund. Baseball Bonds are liquidated by the Debt Service Fund and payments related to the lease and SBITA liabilities are made by various funds.

**Table N7-19**  
**Long-Term Debt Activity (\$000s)**

	Balance October 1, 2024 as restated	Additions	Reductions	Balance September 30, 2025	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds - publicly offered	\$ 4,851,625	\$ 1,588,555	\$ (722,735)	\$ 5,717,445	\$ 255,665
General obligation bonds - direct placements	739,165	348,000	(405,755)	681,410	46,245
Qualified zone academy bonds (QZAB) - direct placements	276	-	(276)	-	-
Income tax secured revenue bonds	5,874,740	1,473,415	(999,305)	6,348,850	292,435
Tobacco settlement asset-backed bonds	405,339	-	(24,830)	380,509	132,245
Tax increment financing bonds - publicly offered	54,890	-	(4,935)	49,955	5,175
Tax increment financing bonds - direct placements	90,708	150	(767)	90,091	17,341
Ballpark revenue bonds	136,665	-	(66,110)	70,555	3,695
Federal highway grant anticipation revenue bonds (GARVEE)	235,970	-	(16,475)	219,495	17,340
Deed tax revenue bonds (housing production trust fund program)	29,110	-	(1,190)	27,920	1,240
PILOT revenue bonds - publicly offered	121,940	-	(121,940)	-	-
PILOT revenue bonds and notes - direct placements	12,772	-	(12,772)	-	-
225 Virginia Avenue financing agreement	55,385	-	(5,710)	49,675	6,107
Premium on long-term debt, net	1,192,317	106,893	-	1,299,210	138,564
Bond anticipation notes	91,365	732,302	(500,820)	322,847	-
Accreted interest	549,702	56,894	-	606,596	-
Lease liability	1,280,250	300,786	(80,467)	1,500,569	79,475
SBITA liability	95,855	62,192	(49,752)	108,295	52,279
Long-term tax refunds	264,247	-	(2,332)	261,915	-
Compensated absences	478,118	4,312	-	482,430	139,067
Disability compensation	66,665	-	(1,984)	64,681	-
Grant disallowances	2,945	-	-	2,945	-
Claims and judgments	97,338	55,253	(61,592)	90,999	-
Net pension liability	22,769	-	(22,769)	-	-
<b>Total long-term liabilities - governmental activities</b>	<b>\$ 16,750,156</b>	<b>\$ 4,728,752</b>	<b>\$ (3,102,516)</b>	<b>\$ 18,376,392</b>	<b>\$ 1,186,873</b>
<b>Business-Type Activities</b>					
Compensated absences	\$ 807	\$ 197	\$ -	\$ 1,004	\$ 255
Lease liability	1,113	-	(1,113)	-	-
Estimated third-party settlements	812	-	(812)	-	-
Malpractice claims reserve	3,712	8,972	(3,712)	8,972	-
<b>Total long-term liabilities - business-type activities</b>	<b>\$ 6,444</b>	<b>\$ 9,169</b>	<b>\$ (5,637)</b>	<b>\$ 9,976</b>	<b>\$ 255</b>

## NOTE 7. LONG-TERM LIABILITIES

The District finances its Capital Improvements Plan (CIP), the six-year capital budget which identifies the long-term capital projects of the District, through the issuance of General Obligation (GO) and Income Tax Secured (ITS) Revenue Bonds. The District also utilizes Bond Anticipation Notes as interim funding in anticipation of the issuance of long-term GO or ITS bonds. Each year the District adopts a resolution which authorizes the issuance of bonds and notes, specifying the types and amounts of debt to be issued to fund capital projects and other related expenses.

In addition to financing the CIP, the District issues other types of debt to fulfill other purposes. Tax Increment Financing (TIF) and Payment In Lieu of Taxes (PILOT) Bonds and Notes are issued 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 projects and construction of the HQ Hotel; 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 Anticipation Revenue Bonds and Tobacco Settlement Asset-Backed Bonds. As of September 30, 2025, total bonds and notes outstanding totaled \$13,586,230.

### Debt Limits

The District is subject to a debt limit that prohibits the issuance of bonds if the applicable annual debt service on the proposed bonds would cause the debt service on all bonds in the fiscal year in which the proposed bonds are issued, or in any of the five succeeding fiscal years, to exceed 12% of total expenditures in any applicable fiscal year. At September 30, 2025, the legal debt service cost limit was \$1,633,120, and the debt service cost applicable to the limit was \$1,356,666, which represents 83.07% of the limit. In addition, no additional long-term general obligation debt may be issued during any fiscal year that 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. At September 30, 2025, the legal debt service cost limit was \$2,168,560, and the debt service cost applicable to the limit was \$1,297,630, which represents 59.84% of the limit.

### 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 Bonds and Bond Anticipation Notes Act provides for the collection of Special Real Property Taxes, to satisfy debt service coming due on GO debt

each fiscal year. Revenue derived from Special Real Property Taxes is irrevocably pledged for the benefit of bondholders. Debt service on GO debt totaled \$585,877 in fiscal year 2025. As of September 30, 2025, the total GO Bonds outstanding was \$6,398,855.

### New General Obligation Bond Issuance

In October 2024, the District issued \$683,020 in Series 2024A General Obligation Bonds. The proceeds of the bonds were used to finance capital expenditures under the capital improvement plan of the District, and pay the costs and expenses of issuing and delivering the Series 2024A Bonds. Interest rates on the Series 2024A Bonds are fixed at 5.00%.

### New General Obligation Refunding Bonds

In October 2024, the District issued \$316,450 in Series 2024B General Obligation Refunding Bonds. The proceeds of the bonds were used to current refund the General Obligation Bonds Series 2015A, 2016A, 2016D, 2016E, and pay the costs and expenses of issuing and delivering the Series 2024B Bonds. Interest rates on the Series 2024B Bonds are fixed at 5.00%. The refunding created an aggregate reduction in debt service of \$44,605 and an economic gain of \$38,162. No principal payments were due during the fiscal year.

In October 2024, the District issued \$589,085 in Series 2024C General Obligation Refunding Bonds. The proceeds of the bonds were used to refund Income Tax Secured Revenue (Build America) Bonds Series 2009E and 2010F, and pay the costs and expenses of issuing and delivering the Series 2024C Bonds. Interest rates on the Series 2024C Bonds are fixed at 5.00%. The refunding created an aggregate reduction in debt service of \$6,076 and an economic gain of \$5,416.

### Capital Appreciation Bonds

Capital Appreciation Bonds (CABs) are original issue discount bonds with deferred debt service. The District has three CABs, two of which are Convertible CABs (CCABs): Tobacco Settlement Asset-Backed Bonds Series 2006, Union Market Tax Increment Revenue Bonds Series 2021A, and Union Market Tax Increment Revenue Bonds Series 2024B. The District of Columbia Tobacco Settlement Financing Corporation issued the Tobacco CABs in connection with a Master Settlement Agreement. The Tobacco CABs have deferred principal and interest payments. Interest on the Tobacco CABs is compounded semi-annually and accrues to full value at maturity in fiscal years 2046 and 2055. The Union Market TIF Series 2021A revenue bonds were issued on September 29, 2021, and the proceeds were used to fund the Union Market Project. These CCABs mature on June 1, 2031, and June 1, 2046, and the interest accrues semi-annually until the bonds convert to current interest bonds in fiscal year 2026. Similarly, the Union Market TIF Series 2024B revenue bonds were issued on May 16, 2024, and the proceeds were used to fund

## NOTE 7. LONG-TERM LIABILITIES

additional improvements at the Union Market Project. These CCABs mature on June 1, 2041, and June 1, 2049, and the interest accrues semi-annually until the bonds convert to current interest bonds in fiscal year 2034. For the CABs, accreted interest is calculated throughout the maturity periods of the bonds and is recorded in the government-wide financial statements.

### Income Tax Secured Revenue Bonds

The Income Tax Secured Bond Authorization Act of 2008, effective October 22, 2008 (D.C. Law 17-254; D.C. Official Code § 47-340.26 et. seq.), as amended, authorizes the District to issue up to \$15,561,503 of ITS Bonds to fund capital projects. Debt service on ITS Revenue Bond debt totaled \$525,553 in fiscal year 2025. As of September 30, 2025, the total ITS Revenue Bonds outstanding was \$6,348,850.

### New Income Tax Secured Revenue and Refunding Bonds

In May 2025, the District issued \$1,172,305 in Series 2025A Income Tax Secured Revenue and Refunding Bonds. The proceeds of the bonds were used to finance capital expenditures under the capital improvement plan of the District, partially current refund the General Obligation Bonds Series 2015A, and advance refund the Income Tax Secured Revenue Bonds Series 2020D, pay off outstanding General Obligation Commercial Paper balance, pay off outstanding Income Tax Secured Revenue Bond Anticipation Note balance, and pay the costs and expenses of issuing and delivering the Series 2025A Bonds. Interest rates on the Series 2025A Bonds are fixed between 5.00% and 5.25%. The refunding created an aggregate reduction in debt service of \$8,125 and an economic gain of \$12,960. No principal payments were due during the fiscal year.

Also, in May 2025 the District issued \$301,110 in Series 2025B Income Tax Secured Bonds. The proceeds of the bonds were used to repay taxable expenditures of the capital improvement plan of the District, refund the District's Income Tax Secured Bond Anticipation Note, Series 2024B, and pay the costs and expenses of issuing and delivering the Series 2025B Bonds. Interest rates on the Series 2025B Bonds are fixed between 4.04% and 5.69%.

### Pledged Tax Revenues for Debt Service on ITS Revenue Bonds

The ITS Bond Act pledges the income and business franchise taxes of the District. These taxes are used to pay principal and interest on ITS revenue bond debt. Pledged revenues are escrowed four months prior to an ITS bond debt service payment.

The ITS Bond debt service coverage ratio, pledged revenue divided by debt service, is an indication of the District's capacity to satisfy ITS debt service obligations with pledged revenue. In fiscal year 2025, the District

collected \$4,840,362 in pledged revenue and debt service on ITS bonds totaled \$525,553. The debt service coverage ratio was 9.21 to 1.

On September 30, 2025, pledged revenue in the amount of \$293,713 was held in escrow for the payment of debt service on the ITS revenue bonds. Payments were made on October 1, 2025, for \$119,687; November 1, 2025, for \$26,529; December 2, 2025, for \$100,884; and January 2, 2026, for \$19,097.

**Table N7-20** presents the pledged revenue held in bond escrow as of September 30, 2025.

**Table N7-20**  
**Debt Service Coverage Ratio**  
**Income Tax Secured Revenue Bonds (\$000s)**

Available Tax Revenues Collected in FY 2025	
Individual income	\$ 3,605,177
Business franchise	1,235,185
<b>Total</b>	<b>\$ 4,840,362</b>
Amount held in escrow for FY 2026 debt service (a)	293,713
ITS Debt Service Requirement (b)	266,197
Rate of coverage (c)=(a)/(b)	110.34%

### Tax Increment Financing and Payments in Lieu of Taxes

District law provides the District with the authority to issue TIF and 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. In June 2025, the District paid \$121,940 of principal on the Southwest Waterfront Project Revenue Bond (The Wharf Project, Series 2015) which fully redeemed its debt prior to the scheduled maturity. As of September 30, 2025, the TIF debt outstanding totaled \$140,046.

### 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, 2025, the Ballpark Revenue Bonds outstanding totaled \$70,555.

### Ballpark Revenue Bond Redemptions

In fiscal year 2025, the District paid \$48,055 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.

## NOTE 7. LONG-TERM LIABILITIES

### Federal Highway Grant Anticipation Revenue Bonds - GARVEE

The Transportation Infrastructure Improvement GARVEE Bonding 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, 2025, the GARVEE bonds outstanding totaled \$219,495.

### Deed Tax Revenue Bonds (Housing Production Trust Fund Program)

The Housing Production Trust Fund Act authorized the issuance of Deed Tax Revenue Housing Production Trust Fund bonds to fund the New Communities Initiatives and the comprehensive plan of the District for affordable housing infrastructure. Deed tax revenue 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 Revenue Bonds. As of September 30, 2025, Deed Tax Revenue Bonds outstanding totaled \$27,920.

### Bond Anticipation Notes

The District issues Bond Anticipation Notes (BANs) in the form of commercial paper (CP) and other notes to provide interim financing for capital project expenditures. CP notes mature between one and 270 days post issuance, pay interest at maturity, and pay principal with proceeds from newly issued CP notes, referred to as a rollover, or with proceeds from the issuance of long-term bonds. The revolving note facility agreement allows the District to issue Notes held by the credit provider. Interest due on outstanding Taxable Notes is based on a spread to the Secured Overnight Financing Rate ("SOFR") and is paid monthly. SOFR replaced the Bloomberg Short-Term Bank Yield (BSBY) index on the revolving note facility in June, 2025. Interest due on outstanding Tax Exempt Notes is based on a spread to the Securities Industry and Financial Markets Association (SIFMA) index. 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 March 2021, the District established a \$200,000 revolving credit facility with U.S. Bank National Association that was amended and increased in November 2022 to \$300,000. The facility was amended again in March 2024 and terminated in July 2025. A new facility was established in July 2025 in the amount of \$500,000 allowing the District to draw up to a maximum principal amount of \$500,000 in the form

of Income Tax Secured Revenue Bond Anticipation Notes. The \$500,000 facility expires in January 2027. As of September 30, 2025, \$184,133 in notes were outstanding.

In May 2022, the District established a direct pay letter of credit with Barclays Bank PLC. that allowed the District to issue up to a maximum principal amount of \$300,000 of GO CP BANs (2022 CP Notes). This facility was terminated in June 2025. The District established another facility in June 2025 with a maximum principal amount of \$500,000 that expires in June 2028. As of September 30, 2025, \$138,714 in notes were outstanding.

### 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, 2025, governmental activities included direct placements with investors for GO, QZAB, TIF, and PILOT bonds and notes. The District did not have any direct borrowings with any lenders as of September 30, 2025.

### General Obligation Bond Direct Placements

The District has five variable rate GO Bonds outstanding that were sold as direct placements: Series 2017B, Series 2017C, Series 2021A, Series 2021B, and Series 2025A. On June 2, 2025, the District issued \$348,000 in General Obligation Bonds, Series 2025A as a mandatory tender for purchase of the General Obligation Bonds, Series 2021C. The Purchase Price of the tendered 2021C Bonds was for the outstanding par amount of the 2021C Bonds plus accrued interest. The Series 2017B, Series 2017C, Series 2021A, and Series 2025A are SIFMA indexed variable rate bonds that pay the holder a floating index rate based on the SIFMA Municipal Swap Index plus spread. The Series 2021B Secured Overnight Financing Rate (SOFR) Index Bonds pay the holder a floating index rate based on daily compounded SOFR Index plus spread. As of September 30, 2025, the outstanding variable rate GO Bonds direct placements totaled \$681,410.

### Qualified Zone Academy Revenue Bonds

The District issued Qualified Zone Academy Revenue Bond (QZAB) as direct placements. Proceeds were used to rehabilitate, repair, and equip certain public schools in the District. QZABs are federal tax credit bonds that facilitate lending to investors. The bonds are secured by real property tax revenue on deposit in the QZAB Pledged Revenue Account. The QZABs had a final maturity date of December 1, 2024 and were paid off as of September 30, 2025.

## NOTE 7. LONG-TERM LIABILITIES

**TIF Bonds and PILOT Revenue Bonds and Notes  
Direct Placements**

The TIF Revenue Note Series 2018 (Skyland Town Center Project), the Reunion Square TIF Bond Series 2022A, the Union Market Project Series 2021A, and the Union Market Project Series 2024A and Series 2024B bonds were sold as direct placements. In fiscal year 2025, the District paid \$12,772 of principal on the Southeast Federal Center PILOT Revenue Note (The Yards Project, Series 2014) which fully redeemed its debt prior to the scheduled maturity. As of September 30, 2025, the outstanding balance for TIF Bonds issued as direct placements totaled \$90,091.

**Unused Lines of Credit**

The Reunion Square TIF Bond Series 2022 is funded through drawdown facilities. As of September 30, 2025, the Reunion Square Bond had unused lines of credit in the amount of \$450.

**E. EVENTS OF DEFAULT AND REMEDIES**

Failure by the District to pay the principal or interest on any debt when due or failure to observe and comply with any covenant, condition, agreement or provision in any indenture applicable to its varying 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 direct placements and credit agreements of the District, are supplemented by Continuing Covenants Agreements and Credit Agreements. Events of default can include, but are not necessarily limited to: payment defaults by the District; the failure by the District to observe certain covenants; District representations in bond documents prove to be incorrect; bankruptcy or insolvency of the District; the long-term GO bond or note rating of the District 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 12.00% per annum.

**F. COMPONENT UNITS****Washington Convention and Sports Authority**

On February 22, 2018, the Washington Convention and Sports Authority (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.

In May 2021, WCSA issued \$53,500 in Senior Lien Dedicated Tax Revenue Refunding Bonds, Series 2021A (Tax-Exempt), \$70,355 Senior Lien Dedicated Tax Revenue Refunding Bonds, Series 2021B (Tax-Exempt), and \$29,360 Senior Lien Dedicated Tax Revenue Refunding Bonds, Series 2021C (Federally Taxable).

The proceeds of the Series 2021A Bonds were used, together with certain other funds of the WCSA, to refund all the outstanding Series 2010A Bonds. The proceeds of the Series 2021B Bonds were used, together with certain other funds of the WCSA, to: (i) refund a portion of the outstanding Series 2010B Bonds; (ii) fund the reserve requirement for the Series 2021B Bonds; and (iii) pay the costs of issuance of the Series 2021B Bonds and the TIF Note. The proceeds of the Series 2021C Bonds were used to: (i) refund the remaining portion of the outstanding Series 2010B Bonds; (ii) refund a portion of the outstanding Series 2018A Bonds; (iii) fund the reserve requirement for the Series 2021C Bonds, and (iv) pay costs of issuance of the Series 2021A Bonds and Series 2021C Bonds.

The Series 2021A, 2021B, and 2021C bonds have final maturities ranging from October 1, 2029 to October 1, 2040. Interest rates on the bonds range from 0.56% to 5.00%. The refundings produced an aggregate difference in debt service of \$29,363 and an economic gain of \$28,456.

**Table N7-21** presents the debt service requirements to maturity for the outstanding bonds for WCSA as of September 30, 2025.

**Table N7-21**  
**Washington Convention and Sports Authority**  
**Debt Service Requirements to Maturity (\$000s)**

Year Ending September 30	Principal	Interest	Total
2026	\$ 16,285	\$ 7,340	\$ 23,625
2027	32,545	14,124	46,669
2028	34,190	12,671	46,861
2029	36,525	11,130	47,655
2030	33,730	9,486	43,216
2031-2035	87,015	28,549	115,564
2036-2040	80,320	12,754	93,074
2041	12,315	509	12,824
<b>Subtotal</b>	<b>332,925</b>	<b>96,563</b>	<b>429,488</b>
Add:			
Unamortized bond premium	52,061	-	52,061
<b>Total</b>	<b>\$ 384,986</b>	<b>\$ 96,563</b>	<b>\$ 481,549</b>

**NOTE 7. LONG-TERM LIABILITIES**

For more information on the long-term debt activity of WCSA, refer to the separately issued financial statements for fiscal year 2025. WCSA contact information can be found in Note 1 on page 75.

**Housing Finance Agency**

The Housing Finance Agency (HFA) issues bonds primarily to finance District 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 HFA from investments, mortgage loans, and mortgage-backed securities in connection with the related developments.

Bonds issued by HFA are special obligations payable from the revenues 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 multi-family projects financed to date have been issued by HFA as standalone pass-through financings, with no direct economic recourse to HFA 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, in whole or in part, at the option of HFA or the borrower 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**

During fiscal years 2010 through 2025, HFA issued certain multi-family revenue bonds in a drawdown mode. Consequently, out of the total amount of bonds closed, only a portion may get drawn during any given reporting period.

**Table N7-22** presents the debt service requirements to maturity for principal and interest on HFA outstanding bonds as of September 30, 2025.

**Table N7-22  
Housing Finance Agency  
Debt Service Requirements to Maturity (\$000s)**

<b>Year Ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 3,403	\$ 15,025	\$ 18,428
2027	3,406	14,760	18,166
2028	27,648	14,668	42,316
2029	3,906	13,841	17,747
2030	4,124	13,718	17,842
2031-2035	22,687	66,453	89,140
2036-2040	78,990	60,352	139,342
2041-2045	138,620	43,071	181,691
2046-2050	111,687	7,072	118,759
2051-2055	5,435	1,369	6,804
2056-2060	3,225	214	3,439
<b>Subtotal</b>	<b>403,131</b>	<b>250,543</b>	<b>653,674</b>
Less:			
Unamortized bond discount	(428)	-	(428)
<b>Total</b>	<b>\$ 402,703</b>	<b>\$ 250,543</b>	<b>\$ 653,246</b>

For more information on the long-term debt activity of HFA, refer to the separately issued financial statements for fiscal year 2025. HFA contact information can be found in Note 1 on page 75.

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**NOTE 7. LONG-TERM LIABILITIES**

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**Tobacco Settlement Asset-Backed Bonds**

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 (MSA) 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 \$380,509 in bonds outstanding as of September 30, 2025.

**Events of Default and Remedies**

Events of default under the indenture of the Tobacco Corporation can include, but are not necessarily limited to: payment defaults by the Tobacco Corporation; failure by the Tobacco Corporation to observe certain provisions of the indenture that are not remedied within 30 days after receiving written notice of failure from the Trustee of the Tobacco Corporation; bankruptcy or insolvency of the Tobacco Corporation; failure by the District to pay the Tobacco Corporation any pledged Tobacco Settlement Revenue (TSR); or consent or acquiescence by the District in an amendment or modification of the MSA that materially reduces the amount of Tobacco Settlement Revenue payable under the MSA.

The indenture provides that in the event of default the Tobacco Corporation 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

##### 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, 2025, there were 494 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](http://www.opm.gov).

##### Funding Policy

Employees participating in CSRS contribute 7.00% or 7.50% of their base pay. The District matches the contributions made by employees. Contribution requirements are established and amended by OPM. The District contributed 100% of the required amount to the CSRS which amounted to \$3,915 for the year ended September 30, 2025.

#### Social Security System

##### Plan Description

The District also contributes to the Social Security System, a federal 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 income earned by District employees, up to but not exceeding the applicable social security wage base, which was \$176,100 (not in thousands)

for 2025, plus the matching contribution by the District of 6.20% FICA taxes. The District also pays a 1.45% payroll tax for Medicare with an additional 1.45% being withheld from the gross income earned as the employee portion of the Medicare tax.

Additional Medicare Tax applies to individual Medicare wages that exceed a threshold amount, ranging from \$125,000 to \$250,000 (not in thousands), based on the taxpayer filing status. Employers, including the District, are responsible for withholding the 0.90% Additional Medicare Tax on individual 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 that the 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 year ended September 30, 2025 was \$142,943. In addition, District contributions for Medicare for fiscal year 2025 was \$54,941.

#### District Retirement Funds

##### General Information about the Pension Plans

##### Plan Description

DCRB administers the District Retirement Funds (DC Code § 1-711 et seq.), which consist of two single-employer defined benefit pension plans: the District of Columbia Teachers' Retirement Fund (TRF) for the District teachers and the District of Columbia Police Officers and Fire Fighters' Retirement Fund (POFRF) for the District police officers and firefighters. 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 DC Code (DC Code § 38-2021.01 et seq.) assigns the authority to establish and amend benefit provisions to the Council for the TRF. Retirement and disability benefit provisions for POFRF are established by the Policemen and Firemen's Retirement and Disability Act (DC Code § 5-701 et seq.).

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 employees of the District public day schools are automatically enrolled in the TRF on their date of employment. Certain 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% 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% 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% 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 or 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% 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 apply.

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% 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 average base pay of the member. 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 capped at 3%. Members with a service-related disability receive a disability retirement benefit of 70% of base pay multiplied by the percentage of disability.

**NOTE 8. RETIREMENT PROGRAMS**

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, 2025.

**Table N8-1  
District Retirement Funds  
Plan Members Covered by Benefit Terms**

	<b>2025</b>
<b>Teachers' Retirement Fund</b>	
Inactive plan members	4,044
Active plan members	6,583
Vested terminations	2,013
Nonvested terminations	1,664
<b>Total</b>	<b>14,304</b>
<b>Police Officers and Fire Fighters' Retirement Fund</b>	
Inactive plan members	4,853
Active plan members	5,041
Vested terminations	437
Nonvested terminations	304
<b>Total</b>	<b>10,635</b>

Notes:

Plan members: Numbers are not expressed in thousands.

Inactive plan members: Retirees and survivors receiving benefits for service earned post June 30, 1997

**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, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act effective on September 18, 1998. The amount of District contributions for fiscal years 2025 and 2024 were equal to the amounts computed by the independent actuary of DCRB. Plan members contribute by salary deductions at rates established by DC Code § 5-706. Members contribute 7.00% (or 8.00% for teachers hired on or after November 1, 1996 and for police officers and firefighters hired on or after November 10, 1996) 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 DC Code § 5-706 and requirements for District contributions to the District Retirement Funds are established by DC Code § 1-907.02, which may be amended by the Council.

**Table N8-2** presents required amounts contributed by the District to the District Retirement Funds for fiscal year 2025.

**Table N8-2  
District Retirement Funds  
District Contributions (\$000s)**

Year Ended September 30	Teachers' Retirement Fund	Police Officers and Fire Fighters' Retirement Fund
2025	\$ 80,981	\$ 143,454

**Net Pension Liability**

The District net pension liability (asset) was measured as of September 30, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of September 30, 2025. **Table N8-3** presents the aggregate amounts of the District Retirement Funds as of September 30, 2025.

**Table N8-3  
District Retirement Funds  
Aggregate Amounts (\$000s)**

	Teachers' Retirement Fund	Police Officers and Fire Fighters' Retirement Fund	Total
Total pension liabilities	\$ 3,681,144	\$ 8,345,555	\$ 12,026,699
Pension net position	3,753,242	9,710,683	13,463,925
Deferred outflows of resources	109,549	337,381	446,930
Deferred inflows of resources	267,338	777,723	1,045,061
Pension expense	35,285	(82,538)	(47,253)
Net pension liabilities (assets)	(72,098)	(1,365,128)	(1,437,226)

## NOTE 8. RETIREMENT PROGRAMS

## Actuarial Assumptions

The total pension liability was determined based on an actuarial valuation as of September 30, 2025, using actuarial assumptions presented in **Table N8-4**. The assumptions were applied to all periods included in the measurement as of September 30, 2025.

Table N8-4

## District Retirement Funds: Summary of Actuarial Assumptions Used to Determine Total Pension Liability as of September 30, 2025

	Teachers' Retirement Fund	Police Officers and Fire Fighters' Retirement Fund
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Asset valuation method	5-year smoothed fair value	5-year smoothed fair value
Inflation	3.00 %	3.00 %
Salary increases	4.00% - 7.10%	4.24% - 7.80%
Investment rate of return	6.25%, net of pension plan investment expense	6.25%, net of pension plan investment expense
Mortality	<p>Healthy: Pub-2010 General Employee and Healthy Retiree Mortality with generational projection using MP-2021 improvement scale</p> <p>Disabled: Pub-2010 General Disabled Retiree Mortality with generational projection using MP-2021 improvement scale</p>	<p>Healthy: Pub-2010 Public Safety Employee and Healthy Retiree Mortality with males set forward 1 year, with generational projection using MP-2021 improvement scale</p> <p>Disabled: Pub-2010 Public Safety Disabled Retiree Mortality with generational projection using MP-2021 improvement scale</p>
Cost of living adjustments	3.25% for members hired before November 10, 1996 and 2.75% for members hired on or after November 10, 1996	3.25% for members hired before November 10, 1996 and 2.75% for members hired on or after November 10, 1996

The actuarial assumptions used in the September 30, 2025 valuation were based on the results of the most recent actuarial experience investigation for the period July 1, 2015 to June 30, 2020, dated October 12, 2021. Demographic information was collected as of June 30, 2025.

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.

**NOTE 8. RETIREMENT PROGRAMS**

**Table N8-5** presents a summary of target asset allocation and best estimates of the geometric real rate of return for each major asset class for the District Retirement Funds.

**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	25.00%	5.60%
International developed equity	11.00	5.80
Emerging market equity	5.00	5.80
U.S. core fixed income	7.00	2.50
U.S. long-term government bonds	3.00	2.90
Treasury inflation-protected securities	5.00	2.00
Bank loans	1.50	4.00
Emerging market debt	2.00	4.00
High yield bonds	1.50	4.30
Foreign bonds	2.00	1.20
Private equity	13.00	8.30
Private credit	7.00	6.20
Real estate	8.00	5.60
Infrastructure	6.00	6.30
Natural resources	2.00	6.30
Cash	1.00	0.40
<b>Total</b>	<b>100.00%</b>	

**Discount Rate**

The discount rate used to measure the total pension liability was 6.25% for both fiscal years 2025 and 2024. 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 DCRB funding policy adopted in 2012 and revised

in 2021. Based on those assumptions, the fiduciary net position of the pension plan 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.

## NOTE 8. RETIREMENT PROGRAMS

Table N8-6 presents changes in the District net pension liability (asset) for the year ended September 30, 2025.

**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)
<b>Balances at September 30, 2024</b>	\$ 3,409,385	\$ 3,386,616	\$ 22,769	\$ 7,708,727	\$ 8,877,390	\$ (1,168,663)
Adjustment for final assets-beginning	-	(174)	174	-	(455)	455
<b>Changes for the year</b>						
Service cost	96,794	-	96,794	205,759	-	205,759
Interest	215,412	-	215,412	486,805	-	486,805
Difference between expected and actual experience	38,355	-	38,355	8,835	-	8,835
Changes of assumptions	40,384	-	40,384	186,630	-	186,630
Contributions - employer	-	80,981	(80,981)	-	143,454	(143,454)
Contributions - employees	-	61,044	(61,044)	-	50,365	(50,365)
Net investment income	-	348,797	(348,797)	-	903,235	(903,235)
Benefit payments, including refunds of employee contributions	(119,186)	(119,186)	-	(251,201)	(251,201)	-
Administrative expenses	-	(5,840)	5,840	-	(14,704)	14,704
Other income	-	1,004	(1,004)	-	2,599	(2,599)
<b>Net Changes</b>	<u>271,759</u>	<u>366,800</u>	<u>(95,041)</u>	<u>636,828</u>	<u>833,748</u>	<u>(196,920)</u>
<b>Balances at September 30, 2025</b>	<u>\$ 3,681,144</u>	<u>\$ 3,753,242</u>	<u>\$ (72,098)</u>	<u>\$ 8,345,555</u>	<u>\$ 9,710,683</u>	<u>\$ (1,365,128)</u>

### 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 6.25%, as well as each plan's net pension liability (asset), calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) 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 (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Teachers' retirement fund	\$ 601,875	\$ (72,098)	\$ (604,832)
Police officers and fire fighters' retirement fund	17,218	(1,365,128)	(2,471,848)

### Pension Plans Fiduciary Net Position

Detailed information about the TRF and POFRF plans fiduciary net position is available in the separately issued District Retirement Funds financial statements and required supplementary information issued by the DCRB.

### Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the District recognized pension expenses of \$35,285 for Teachers' Retirement Fund and negative pension expenses of \$82,538 for the Police Officers and Fire Fighters' Retirement Fund.

**NOTE 8. RETIREMENT PROGRAMS**

**Table N8-8** presents deferred outflows of resources and deferred inflows of resources related to pensions as of September 30, 2025.

**Table N8-8  
District Retirement Funds  
Deferred Outflows of Resources and Deferred Inflows of Resources (\$000s)**

	Teachers' Retirement Fund		Police Officers and Fire Fighters' Retirement Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,261	\$ 3,301	\$ 188,077	\$ 86,654
Changes of assumptions	30,288	-	149,304	16,249
Net difference between projected and actual earnings on plan investments	-	264,037	-	674,820
<b>Total</b>	<b>\$ 109,549</b>	<b>\$ 267,338</b>	<b>\$ 337,381</b>	<b>\$ 777,723</b>

**Table N8-9** presents deferred outflows and deferred inflows of resources that will be recognized in the District Retirement Funds pension expense in future periods.

**Table N8-9  
District Retirement Funds  
Schedule of Net Amortization of Deferred Outflows and Deferred Inflows of Resources (\$000s)**

Year ending September 30	Teachers' Retirement Fund	Police Officers and Fire Fighters' Retirement Fund
2026	\$ 55,359	\$ 16,111
2027	(109,174)	(243,665)
2028	(75,773)	(166,798)
2029	(28,201)	(45,990)

**Payable to the Pension Plans**

District contributions for fiscal years 2025 and 2024 were equal to the recommendation by the independent actuary; therefore, there were no outstanding amounts due to the plans as of September 30, 2025.

**B. DEFINED CONTRIBUTION PENSION PLAN**

**Plan Description**

Under the provisions of DC 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, 2025, there were 20,771 active 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. Forfeitures amounted to \$1,466 for the fiscal year ended September 30, 2025. These contributions are not considered assets of the District, and the District has no further liability to this plan. For the fiscal year ended September 30, 2025 District contributions to the plan was \$97,583.

This plan also covers employees of the D.C. Housing Authority and the Health Benefit Exchange Authority, while employees of the Washington Convention and Sports Authority, District of Columbia Green Finance Authority, Housing Finance Agency, University of the District of Columbia, and the Not-for-Profit Hospital Corporation (a blended component unit) are covered under separate defined contribution plans.

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**NOTE 8. RETIREMENT PROGRAMS**

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**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 eligible employees 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 \$23,500 (not in thousands) of their annual compensation for calendar year 2025. 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 \$7,500 (not in thousands) in 2025. As of September 30, 2025, there were 3,412 employees participating in the Section 403(b) plan. District employees contributed \$27,148 to this annuity plan in fiscal year 2025. Contributions vest immediately and are not assets of the District.

**Internal Revenue Code Section 457 Plan**

The District offers its employees a deferred compensation plan (DC Code § 47-3601) created in accordance with IRC Section 457. Employees, including teachers, were able to defer the lesser of \$23,500 (not in thousands) or 100% of includable compensation in calendar year 2025. An additional deferral of \$7,500 (not in thousands) is available to participants who are at least 50 years old before the end of the calendar year. Further, a special three-year pre-retirement 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. If this provision is selected, employees may defer the lesser of: (a) twice the annual contribution limit, \$47,000 (not in thousands); or (b) the annual contribution limit for the year plus underutilized amounts from prior taxable years.

As described in the Legislative Branch Employee Retirement Benefits Match Amendment Act of 2017 (DC Law 22-33, Section 1112), 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 DC Code § 1-626.05(2), the District shall contribute each pay period an amount equal to the employee contribution for that pay period pursuant to DC Code § 1-626.09; provided, that the District contribution on behalf of the employee shall not exceed 3.00% of his or her 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, 2025, there were 24,846 active employees participating in the Section 457 plan. District employees contributed \$147,443 to this plan in fiscal year 2025. Contributions are not assets of the District and the District has no further liability to the plan.

## NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

### General Information About the Other Postemployment Benefits Plan (OPEB)

#### 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 where assets are accumulated and benefits are paid in accordance with the substantive plan. Eligible participants in the OPEB Plan include employees who were hired after September 30, 1987; retired under the TRF or POFRF plan; or met the eligibility requirements to receive retirement benefits under the Social Security Act. This plan provides medical care and life insurance benefits to eligible employees:

DC Code § 1-621.09 authorizes the Mayor to determine the amount of the District 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 850W  
Washington, DC 20024

Northern Trust Company serves as the Master Custodian for the OPEB Plan. As the Master Custodian, Northern Trust Company provides information on investment transactions from an independent source and can confirm or dispute information provided by the investment managers of the plan.

#### Benefits Provided

##### Medical Care – Health Insurance Benefits

Cost-sharing arrangements for annuitants vary depending on whether the retired eligible employee was a General Employee, Teacher, Police Officer or Firefighter.

##### General Employees and Teachers

Annuitants with at least 10 years 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 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 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 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 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. Family members of an annuitant with 30 or more years of creditable District service pay up to 60% of the cost of the selected health benefit plan.

##### Police Officers and Firefighters

Annuitants with at least 10 years 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 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 officers and firefighters who were hired before November 10, 1996.

Covered family members of Police Officer and Firefighter annuitants with at least 10 years 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 contribution of the District 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.

##### Life Insurance

Participants pay a monthly rate of \$0.0939 per thousand dollars of life insurance coverage for the 75% reduction option. Participants can also elect a 50% or 0% reduction of life insurance benefits, which require additional contributions.

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS**

**Table N9-1** presents the number of OPEB plan members that were covered by the benefit terms as of September 30, 2025.

For fiscal year 2025, contribution amounts were equal to amounts computed by an independent actuary retained by the District.

**Table N9-2** presents required amounts contributed by the District to the OPEB plan for fiscal year 2025.

**Table N9-1  
OPEB: Plan Members Covered by Benefit Terms**

**Table N9-2  
OPEB: District Contributions (\$000s)**

	<u>2025</u>
Inactive OPEB plan members	4,131

<u>Year ended September 30</u>	<u>Amount</u>
2025	\$ 63,900

Notes:  
Plan members: Numbers are not expressed in thousands.  
Inactive plan members - Retirees and survivors receiving benefits

**Contributions**

In accordance with the provisions of DC 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.

**Net OPEB Liability (Asset)**

The net OPEB liability (asset) was measured as of September 30, 2025, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of September 30, 2024 and rolled forward to the measurement date.

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of September 30, 2024, then updated using actuarial assumptions applied to all periods included in the measurement and rolled forward to the measurement date as of September 30, 2025.

**Table N9-3** presents the actuarial assumptions used to determine the total OPEB liability.

**Table N9-3  
Summary of Actuarial Assumptions Used to Determine Total OPEB Liability as of September 30, 2025**

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay
Remaining amortization period	15-year layers beginning with fiscal year end 2025
Asset valuation method	5-year smoothed Actuarial Value
Investment rate of return	6.50%
Discount rate	6.50%
Salary increase rate	3.50% (plus merit scale)
Medical inflation rate	Non-Medicare: 7.0% grading down to 4.14%; Medicare: 7.0% grading down to 4.14% Assumption utilizes the Society of Actuaries Getzen Medical Trend Model, and reaches the ultimate medical inflation rate in 2044.
Mortality	General and Teachers - Healthy: The Pub-2010 General Healthy Headcount-weighted Mortality Table Weighted 120% for General retirees, 100% for all others with the MP-2021 Improvement Scale, fully generational. General and Teachers - Disabled: Pub-2010 General Disabled Retiree Headcount-weighted Mortality Table with the MP-2021 Improvement Scale, fully generational. Fire and Police - Healthy: The Pub-2010 Safety Healthy Headcount-weighted Mortality Table with male ages set forward 1 year, projected with the MP-2021 Improvement Scale, fully generational. Pub-2010 Safety Contingent Survivor tables for spouses and survivors. Fire and Police - Disabled: Pub-2010 Safety Disabled Retiree Headcount-weighted Mortality Table with the MP-2021 Improvement Scale, fully generational.

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS**

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 real rates of return for each major asset class as of September 30, 2025.

**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 %
Fixed income	32.00%	2.10%
Private debt	5.00	5.50
Private equity	5.00	5.70
Public equities	50.00	2.40
Real assets	8.00	2.78
<b>Total</b>	<b>100.00%</b>	

**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 contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan fiduciary net

position was determined 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 net OPEB liability (asset) for the year ended September 30, 2025.

**Table N9-5  
Changes in Net OPEB Liability (Asset) (\$000s)**

	Increase (Decrease)		
	OPEB		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
<b>Balances at September 30, 2024</b>	\$ 2,111,257	\$ 2,285,178	\$ (173,921)
<b>Changes for the year</b>			
Service cost	66,834	-	66,834
Interest	135,862	-	135,862
Difference between expected and actual experience	78,728	-	78,728
Changes in assumptions	13,123	-	13,123
Benefit payments, including refunds of employee contributions	(42,810)	-	(42,810)
Contributions - employer and annuitants	-	65,951	(65,951)
Net investment income	-	227,854	(227,854)
Insurance carrier premiums, net of retiree contributions	-	(44,862)	44,862
Administrative expenses	-	(1,879)	1,879
<b>Net changes</b>	251,737	247,064	4,673
<b>Balances at September 30, 2025</b>	<b>\$ 2,362,994</b>	<b>\$ 2,532,242</b>	<b>\$ (169,248)</b>

## NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

### 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, as well as what the District net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one 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)	\$ 202,306	\$ (169,248)	\$ (468,490)

### 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, as well as what the District net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00% decreasing to 3.00%) or one percentage point higher (8.00% decreasing to 5.00%) 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 (6.00% decreasing to 3.00%)	Healthcare Cost Trend Rates (7.00% decreasing to 4.00%)	1% Increase (8.00% decreasing to 5.00%)
Net OPEB liability (asset)	\$ (506,227)	\$ (169,248)	\$ 260,555

### OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan fiduciary net position is available in the separately issued OPEB financial statements and required supplementary information issued by the OPEB plan administrators.

### OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the District recognized an OPEB expense of \$25,614. **Table N9-8** presents deferred outflows of resources and deferred inflows of resources related to OPEB as of September 30, 2025.

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	\$ 134,627	\$ 18,182
Changes of assumptions	60,074	141,380
Net difference between projected and actual earnings on plan investments	-	159,946
<b>Total</b>	<b>\$ 194,701</b>	<b>\$ 319,508</b>

**NOTE 9. OTHER POSTEMPLOYMENT BENEFITS**

**Table N9-9** presents deferred outflows and deferred inflows of resources that will be recognized in OPEB’s pension expense in future periods.

**Payable to the OPEB Plan**

District contributions for fiscal years 2025 was equal to recommendations from the independent actuary. Therefore, there were no amounts due to the OPEB pension plan as of September 30, 2025.

**Table N9-9  
OPEB: Schedule of Net Amortization of  
Deferred Outflows and Deferred Inflows of  
Resources (\$000s)**

Year Ended September 30	OPEB Expense Amount
2026	\$ 20,347
2027	(85,912)
2028	(70,310)
2029	(16,315)
2030	4,779
Thereafter	22,604

## NOTE 10. FUND BALANCE / NET POSITION

## A. FUND BALANCE

Table N10-1 presents the District fund balances as of September 30, 2025.

**Table N10-1**  
**Schedule of Fund Balances (\$000s)**

	General Fund	Federal and Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>						
<b>Nonspendable</b>						
Inventories	\$ 11,412	\$ 29,815	\$ -	\$ -	\$ -	\$ 41,227
Prepays	12,971	3,076	-	-	-	16,047
<b>Total nonspendable fund balance</b>	<u>24,383</u>	<u>32,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,274</u>
<b>Restricted for:</b>						
Emergency cash reserve	213,891	-	-	-	-	213,891
Contingency cash reserve	427,781	-	-	-	-	427,781
Debt service - bond escrow	527,062	-	-	-	-	527,062
Purpose restrictions	126,376	-	-	-	-	126,376
Payment in lieu of taxes	-	-	-	-	12,986	12,986
Tobacco settlement	-	-	-	-	73,114	73,114
Tax increment financing program	14,352	-	-	-	51,926	66,278
Housing production trust	-	-	325,805	-	-	325,805
Highway projects	-	-	-	-	12,644	12,644
Baseball project	-	-	-	-	12,231	12,231
Universal paid leave	-	-	-	-	169,065	169,065
<b>Total restricted fund balance</b>	<u>1,309,462</u>	<u>-</u>	<u>325,805</u>	<u>-</u>	<u>331,966</u>	<u>1,967,233</u>
<b>Committed to:</b>						
Cash flow reserve	1,289,492	-	-	-	-	1,289,492
Fiscal stabilization reserve	305,446	-	-	-	-	305,446
Subsequent years expenditures	1,671,873	-	-	-	-	1,671,873
Budget support act	56,854	-	-	-	-	56,854
Dedicated taxes	13,256	-	-	-	-	13,256
Revised revenue funding	51,522	-	-	-	-	51,522
Other special purposes	102,979	-	-	-	-	102,979
<b>Total committed fund balance</b>	<u>3,491,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,491,422</u>
<b>Unassigned fund balance (deficit)</b>	<u>-</u>	<u>(455,476)</u>	<u>-</u>	<u>(341,564)</u>	<u>-</u>	<u>(797,040)</u>
<b>Total fund balances (deficits)</b>	<u>\$ 4,825,267</u>	<u>\$ (422,585)</u>	<u>\$ 325,805</u>	<u>\$ (341,564)</u>	<u>\$ 331,966</u>	<u>\$ 4,718,889</u>

## 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, 2025.

**Table N10-2**  
**Schedule of Net Position of the Proprietary and Fiduciary Funds (\$000s)**

	Office of Lottery and Gaming	Unemployment Compensation Fund	Not-for-Profit Hospital Corporation	Fiduciary Funds
<b>NET POSITION</b>				
Restricted	\$ 5,479	\$ 332,547	\$ -	\$ 22,143,795
Unrestricted	-	-	3,891	-
<b>Total net position</b>	<u>\$ 5,479</u>	<u>\$ 332,547</u>	<u>\$ 3,891</u>	<u>\$ 22,143,795</u>

**NOTE 11. TAX ABATEMENTS**

**Tax Abatements**

DC § Codes 47-1001 et seq. and 47-4601 et seq. allow the District to provide tax abatements under the Special Tax Incentives Program. 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 Office of Tax and Revenue (OTR).

GASB Statement No. 77, *Tax Abatement Disclosures*, defines a 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. This 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. Most of the tax expenditure programs provided by the District, however, require individuals or entities to perform certain activities and subsequently apply for the tax reduction, which is either approved or denied by the District. Many of 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 following programs meet the tax abatement criteria established by GASB Statement No. 77.

**Real Property Tax Abatements**

Real property tax abatements are designed to encourage the construction, improvement, and development of housing units, including affordable housing, as well as commercial and retail centers in the District. 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 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. 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 increase this tax thereafter or return paid possessory interest tax as a grant to the developer.

For the fiscal year ended September 30, 2025, the District abated real property taxes and possessory interest taxes totaling \$8,135.

**Table N11-1** presents the amount of real property taxes and possessory interest taxes abated in fiscal year 2025.

**Table N11-1  
Tax Abatement Programs (\$000s)**

	Year Ended September 30, 2025
<b>Special tax incentives program</b>	
Real property tax	\$ 7,376
Possessory interest tax	759
<b>Total</b>	<b>\$ 8,135</b>

## 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 commitment or obligation by the District to provide financial assistance to WMATA is established by annual appropriations, as approved by Congress. The District places the amounts to be provided to WMATA in an escrow account until such time when the funds are to be drawn down for use by WMATA. Operating grants may be in the form of operating and interest subsidies. WMATA records the operating grants from the District as advanced contributions when received and as non-operating revenues when the related expenses are incurred. WMATA recognizes the capital grants from the District 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 from the District during the fiscal year ended September 30, 2025.

**Table N12-1**  
Summary of Grants Provided to WMATA from the District (\$000s)

	Local	Capital
Operating grants	\$ 703,701	\$ -
School transit subsidy	15,758	-
Capital grants	-	338,384
<b>Total</b>	<b>\$ 719,459</b>	<b>\$ 338,384</b>

WMATA issues separate audited financial statements which can be requested from:

**Washington Metropolitan Area Transit Authority**

Vice President and Comptroller  
Office of Accounting  
PO Box 23768  
Washington, DC 20026

**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 most recent audited financial statements of WMATA as of and for the year ended June 30, 2025.

**Table N12-2**  
Summary of Financial Statements for WMATA as of and for the year ended June 30, 2025 (\$000s)

<b>FINANCIAL POSITION</b>	
Total assets	\$ 20,268,166
Total deferred outflows of resources	999,546
Total liabilities	(9,538,814)
Total deferred inflows of resources	(1,224,352)
<b>Net position</b>	<b>\$ 10,504,546</b>
<b>OPERATING RESULTS</b>	
Operating revenues	\$ 568,781
Operating expenses	(4,279,511)
Nonoperating revenues (expenses), net	1,874,778
Revenue from capital contributions	1,485,128
<b>Change in net position</b>	<b>\$ (350,824)</b>
<b>CHANGE IN NET POSITION</b>	
Net position, beginning of year, as restated	\$ 10,855,370
Change in net position	(350,824)
<b>Net position, end of year</b>	<b>\$ 10,504,546</b>

### B. SIGNIFICANT TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

During fiscal year 2025, the most significant transactions between the District and its discretely presented component units were in the form of subsidies. The subsidies, including capital contributions paid by the District to its component units were as follows: Washington Convention and Sports Authority, \$205,536; District of Columbia Green Finance Authority, \$1,470; and the University of the District of Columbia \$101,109. The District did not provide subsidies to the District of Columbia Health Benefit Exchange Authority and the District of Columbia Housing Finance Agency.

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**NOTE 13. TRANSACTIONS WITH THE FEDERAL GOVERNMENT**

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**A. FEDERAL CONTRIBUTIONS**

In accordance with the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33, as amended by Public Laws 105-277 and 108-489), the District annually receives 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, 2025 totaled \$843,134, which comprises \$683,513 in on-behalf payments to the Civil Service Retirement System (the DC Federal Pension Fund) and \$139,621 in other contributions to cover costs imposed by the federal government.

**B. EMERGENCY PREPAREDNESS**

As the nation's capital, the District serves as the command post and the source of first response for any national threat or terrorist act against the nation. In fiscal year 2002, the District received \$155,900 in federal funding for purposes of emergency preparedness. This funding was provided by the federal government to assist the District in responding to potential terrorist threats or other attacks. Since 2002, the District has expended a total of \$152,262 or 98.00% of the federal funding received for this purpose. No additional amounts were expended from this funding in fiscal year 2025.

**C. GRANTS**

The District participates in 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.

**Supplemental Nutrition Assistance Program**

The District participates in the Supplemental Nutrition Assistance Program (SNAP), a federal program designed to increase the food purchasing power of economically disadvantaged residents. In fiscal year 2025, SNAP expenditures totaled \$326,098.

## NOTE 14. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

### A. LEASE RECEIVABLE

The District has entered into contractual agreements as a lessor for various facilities and parcels of land within the District of Columbia. The longest lease for facility space currently extends up to a maximum of 152 years. Some contractual agreements include options to extend the duration of the lease. Those options deemed reasonably certain to be exercised have been factored into the determination of lease receivable. Contractual agreements may also contain variable payments. Variable payments are only included in the calculation of lease receivable at fiscal year end if those payments depend on an index or a rate, such as the Consumer Price Index, or are fixed in substance. Otherwise, variable payments that are based on future performance of the District or usage of the underlying asset are not included in the measurement of the lease receivable but are recognized as inflows of resources.

The District recognized \$22,972 and \$5,141 in lease revenue and interest revenue, respectively, during the fiscal year ended September 30, 2025.

As of September 30, 2025, lease receivable amounted to \$343,100 and the deferred inflows of resources balance totaled \$327,291.

### B. LEASE LIABILITY

The District has entered into contractual agreements as a lessee for buildings and facility space in addition to equipment such as copiers, printers, and heavy machinery. Certain agreements include options to extend and those deemed reasonably certain to be exercised have been factored into the determination of lease liability. Lease agreements, with the District as lessee, currently have terms that do not extend beyond November, 2049, within fiscal year 2050. Also, these leases do not contain any termination penalties. Facility agreements contain non-lease payments such as real estate taxes and operational expenses. Leases pertaining to office equipment and vehicles contain non-lease payments such as maintenance and additional usage service fees. Non-lease payments are not included in the calculation of the lease liability reported at the end of the fiscal year.

As of September 30, 2025, lease liability totaled \$1,500,569. The value of the right-to-use leased assets for governmental and business-type activities was \$1,778,246 with an accumulated amortization of \$401,127 as of September 30, 2025. Refer to Note 5 starting on page 116 for additional information on the right-to-use leased assets.

**Table N14-1** presents the expected future minimum principal and interest lease payments of the District for fiscal year ending September 30, 2025.

**Table N14-1**  
**Schedule of Future Minimum Lease Commitments (\$000s)**

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2026	\$ 79,475	\$ 48,765	\$ 128,240
2027	84,478	46,645	131,123
2028	86,015	44,304	130,319
2029	83,576	41,909	125,485
2030	80,623	39,514	120,137
2031-2035	432,994	158,107	591,101
2036-2040	332,481	90,244	422,725
2041-2045	303,753	30,882	334,635
2046-2050	17,174	1,062	18,236
<b>Total</b>	<b>\$ 1,500,569</b>	<b>\$ 501,432</b>	<b>\$ 2,002,001</b>

**NOTE 14. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

**C. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

The District has entered into several Subscription-Based Information Technology Arrangements (SBITAs) for downloadable or remotely available software licenses and cloud-based data storage. The related SBITA obligations are recorded at the present value of future SBITA payments, payable during the remaining SBITA term. The District recognized a SBITA liability and the corresponding right-to-use subscription assets on the government-wide Statement of Net Position.

The District has a variety of variable payment clauses within its SBITAs, including variable payments based on future performance, usage of the underlying asset, or number of software licenses. Such amounts are recognized as expenditures in the period in which the obligation for those payments is incurred. Components of variable payments that are fixed in substance are included in the measurement of the SBITA liability. Non-subscription payments, such as maintenance and support services, are not included in the calculation of the SBITA liability. As of September 30, 2025, the District reported no losses from impairments of SBITAs or payments for arrangements that have not yet commenced.

As of September 30, 2025, the SBITA liability totaled \$108,295. The value of the right-to-use subscription assets for governmental activities was \$248,633 with an accumulated amortization of \$136,894 as of September 30, 2025. Refer to Note 5 starting on page 116 for additional information on the right-to-use subscription assets.

**Table N14-2** presents the expected future minimum principal and interest payments required for SBITAs, as of September 30, 2025.

**Table N14-2  
Schedule of Future SBITA Commitments  
(\$000s)**

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2026	\$ 49,045	\$ 3,234	\$ 52,279
2027	28,652	1,890	30,542
2028	14,183	994	15,177
2029	9,073	538	9,611
2030	2,721	274	2,995
2031 - 2035	4,621	243	4,864
<b>Total</b>	<b>\$ 108,295</b>	<b>\$ 7,173</b>	<b>\$ 115,468</b>

## NOTE 15. COMMITMENTS, CERTAIN RISKS AND CONTINGENCIES

### A. RISK MANAGEMENT

The District is exposed to risks of losses associated with: torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries; 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 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 conditioned 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, 2025. As a result, information regarding potential disallowances arising from noncompliance with applicable grant agreements and other federal requirements is not available for fiscal year 2025. However, based on prior experience and resolutions reached with grantor agencies, the District determined that as of September 30, 2025, probable cumulative expenses that may be disallowed by grantor agencies totaled \$2,945. Accordingly, an accrual for such expenses has been recorded in the government-wide financial statements.

### C. CONTINGENCIES RELATED TO DERIVATIVE INSTRUMENTS

All derivative instruments of the District include provisions that require the District to post collateral in the event its credit rating falls below Aa as issued by Moody's Investors Service or AA as issued by Standard & Poor's Global Ratings and Fitch Ratings. 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 counterparty may terminate the hedging derivative instrument. As of September 30, 2025, the aggregate fair value of all hedging derivative instruments (floating to fixed interest rate swaps) with collateral posting provisions was negative \$883 as indicated in **Table N2-13** on page 108. The GO credit ratings of the District by Moody's, Standard & Poor's, and Fitch are Aa1, AA+ and AA+, respectively. No collateral had been posted as of September 30, 2025.

### 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 vigorously defends 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, 2025.

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 were reasonably possible which were not accrued was estimated to be \$71,200.

In fiscal year 2025, there was a \$15,211 net decrease 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.

**Table N15-1**  
Summary of Changes in Claims and  
Judgments Accrual (\$000s)

	<u>2025</u>
<b>Liability at October 1</b>	<b>\$ 97,338</b>
<b>Claims incurred</b>	
Lawsuits	12,393
Property tax appeals	42,860
<b>Claims payments/ adjustments</b>	
Lawsuits	(33,943)
Property tax appeals	(27,649)
<b>Liability at September 30</b>	<b>\$ 90,999</b>

**NOTE 15. COMMITMENTS, CERTAIN RISKS AND CONTINGENCIES**

**E. DISABILITY COMPENSATION**

Pursuant to DC Code § 1-623.01 et seq., the District, through its Office of Risk Management, administers a disability compensation program under the Comprehensive Merit Personnel Act of 1978. This program covers all District employees, as specified in DC Code §1-623.01(1) and 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)**

	<u>2025</u>
<b>Liability at October 1</b>	<b>\$ 66,665</b>
Claims/adjustments	11,690
Benefit payments	(13,674)
<b>Liability at September 30</b>	<b>\$ 64,681</b>

## **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)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 80,981	\$ 50,224	\$ 47,835	\$ 75,060	\$ 70,478	\$ 58,888	\$ 53,343	\$ 59,046	\$ 56,781	\$ 44,469
Contributions in relation to actuarially determined contribution	80,981	50,224	47,835	75,060	70,478	58,888	53,343	59,046	56,781	44,469
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>									
Covered payroll	\$ 728,095	\$ 636,961	\$ 624,500	\$ 575,288	\$ 538,565	\$ 490,756	\$ 466,792	\$ 470,749	\$ 447,762	\$ 438,079
Contributions as a percentage of covered payroll	11.12%	7.88%	7.66%	13.05%	13.09%	12.00%	11.43%	12.54%	12.68%	10.15%

Notes:  
*Valuation Date: Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year. 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 2025:*  
 Actuarial cost method: Entry age normal  
 Amortization method: Level dollar, closed  
 Remaining amortization period: 20 years  
 Asset valuation method: 5-year smoothed fair value  
 Inflation: 3.00%  
 Salary increases: 4.00% to 7.10%; includes wage inflation of 3.00%  
 Investment rate of return: 6.25%, net of pension plan investment expense  
 Mortality: Pre-retirement and post-retirement mortality rates were based on the Pub - 2010 General Employee and Healthy Retiree Mortality Table. Post-disability mortality rates were based on the Pub - 2010 General Disabled Retiree Mortality Table.  
 Cost of living adjustments: Increases at the rate of 3.25% per year for members hired prior to November 10, 1996, and 2.75% per year for members hired after November 10, 1996.

**Exhibit RSI-2  
Schedule of Employer Contributions - Police Officers and Fire Fighters' Retirement Fund  
Last Ten Fiscal Years (\$000s)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 143,454	\$ 79,883	\$ 77,508	\$ 108,965	\$ 109,933	\$ 93,061	\$ 91,284	\$ 105,596	\$ 145,631	\$ 136,115
Contributions in relation to actuarially determined contribution	143,454	79,883	77,508	108,965	109,933	93,061	91,284	105,596	145,631	136,115
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>									
Covered payroll	\$ 546,226	\$ 501,375	\$ 512,498	\$ 528,910	\$ 516,881	\$ 473,513	\$ 460,686	\$ 454,209	\$ 441,904	\$ 438,114
Contributions as a percentage of covered payroll	26.26%	15.93%	15.12%	20.60%	21.27%	19.65%	19.81%	23.25%	32.96%	31.07%

Notes:  
Valuation Date: Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year. 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 2025:  
 Actuarial cost method: Entry age normal  
 Amortization method: Level dollar, closed  
 Remaining amortization period: Plan surplus is amortized over 30 years  
 Asset valuation method: 5-year smoothed fair value  
 Inflation: 3.00%  
 Salary increases: 4.25% to 7.80%; includes wage inflation of 3.00%  
 Investment rate of return: 6.25%, net of pension plan investment expense  
 Mortality: Pre-retirement and post-retirement mortality rates were based on the Pub - 2010 Public Safety Employee and Healthy Retiree Mortality with males set forward 1 year, with generational projection using MP-2021 improvement scale. Post-disability mortality rates were based on the Pub - 2010 Public Safety Disabled Retiree Mortality with generational projections using MP-2021 improvement scale.  
 Cost of living adjustments: Increases at the rate of 3.25% per year for members hired prior to November 10, 1996 and 2.75% per year for members hired on or after November 10, 1996.

**Exhibit RSI-3**  
**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Teachers' Retirement Fund**  
**Last Ten Fiscal Years (\$'000s)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ 96,794	\$ 102,043	\$ 90,372	\$ 88,666	\$ 87,984	\$ 80,242	\$ 72,429	\$ 67,877	\$ 65,911	\$ 61,599
Interest	215,412	198,299	176,035	165,520	168,636	159,186	144,165	137,704	131,657	124,370
Differences between expected and actual experience	38,355	(6,601)	201,979	19,354	(16,580)	(2,364)	103,719	(19,505)	(37,230)	2,656
Changes in assumptions	40,384	-	-	-	(89,404)	-	-	-	14,106	-
Benefit payments, including refunds of employee contributions	(119,186)	(114,284)	(110,028)	(100,588)	(92,821)	(90,552)	(87,889)	(84,556)	(78,235)	(75,298)
Net change in total pension liability	271,759	179,457	358,358	172,952	57,815	146,512	232,424	101,520	96,209	113,327
Total pension liability-beginning	3,409,385	3,229,928	2,871,570	2,698,618	2,640,803	2,494,291	2,261,867	2,160,347	2,064,138	1,950,811
<b>Total pension liability-ending (a)</b>	<b>\$ 3,681,144</b>	<b>\$ 3,409,385</b>	<b>\$ 3,229,928</b>	<b>\$ 2,871,570</b>	<b>\$ 2,698,618</b>	<b>\$ 2,640,803</b>	<b>\$ 2,494,291</b>	<b>\$ 2,261,867</b>	<b>\$ 2,160,347</b>	<b>\$ 2,064,138</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 80,981	\$ 50,224	\$ 47,835	\$ 75,060	\$ 70,478	\$ 58,888	\$ 53,343	\$ 59,046	\$ 56,781	\$ 44,469
Contributions - employees	61,044	58,497	58,691	46,914	45,689	42,356	40,432	40,324	34,364	33,591
Net investment income (loss)	348,797	512,809	316,072	(389,391)	513,322	138,924	85,047	94,129	239,554	152,262
Benefit payments including refunds of employee contributions	(119,186)	(114,284)	(110,028)	(100,588)	(92,821)	(90,552)	(87,889)	(84,556)	(78,235)	(75,298)
Administrative expenses	(5,840)	(5,494)	(2,565)	(4,488)	(4,127)	(3,511)	(3,440)	(4,474)	(4,721)	(4,746)
Other	1,004	969	965	871	953	803	883	1,038	907	1,033
Net change in plan fiduciary net position	366,800	502,721	310,970	(371,622)	533,494	146,908	88,376	105,507	248,650	151,311
Plan fiduciary net position-beginning	3,386,616	2,884,232	2,573,262	2,944,884	2,411,390	2,264,482	2,176,106	2,070,599	1,821,949	1,670,638
Adjustment for final asset-beginning	(174)	(337)	-	-	-	-	-	-	-	-
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 3,753,242</b>	<b>\$ 3,386,616</b>	<b>\$ 2,884,232</b>	<b>\$ 2,573,262</b>	<b>\$ 2,944,884</b>	<b>\$ 2,411,390</b>	<b>\$ 2,264,482</b>	<b>\$ 2,176,106</b>	<b>\$ 2,070,599</b>	<b>\$ 1,821,949</b>
<b>District's net pension liability (asset) (a)-(b)</b>	<b>\$ (72,098)</b>	<b>\$ 22,769</b>	<b>\$ 345,696</b>	<b>\$ 298,308</b>	<b>\$ (246,266)</b>	<b>\$ 229,413</b>	<b>\$ 229,809</b>	<b>\$ 85,761</b>	<b>\$ 89,748</b>	<b>\$ 242,189</b>
Plan fiduciary net position as a percentage of total pension liability (b)/(a)	101.96%	99.33%	89.30%	89.61%	109.13%	91.31%	90.79%	96.21%	95.85%	88.27%
Covered payroll	\$ 728,095	\$ 636,961	\$ 624,500	\$ 575,288	\$ 538,565	\$ 490,756	\$ 466,792	\$ 470,749	\$ 447,762	\$ 438,079
Net pension liability (asset) as a percentage of covered payroll	(9.90)%	3.57%	55.36%	51.85%	(45.73)%	46.75%	49.23%	18.22%	20.04%	55.28%

## Notes:

No benefit changes since the prior valuation.

**Exhibit RSI-4  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Police Officers and Fire Fighters' Retirement Fund  
Last Ten Fiscal Years (\$'000s)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ 205,759	\$ 211,027	\$ 195,420	\$ 203,080	\$ 217,495	\$ 209,411	\$ 180,928	\$ 182,641	\$ 196,629	\$ 198,020
Interest	486,805	452,695	408,414	380,658	386,386	359,706	338,288	318,719	300,626	282,285
Differences between expected and actual experience	8,835	(82,546)	324,730	55,933	(189,740)	(8,567)	(57,642)	(84,452)	(188,549)	(106,840)
Changes in assumptions	186,630	-	-	-	(97,495)	-	-	-	67,256	-
Benefit payments, including refunds of employee contributions	(251,201)	(231,144)	(208,993)	(182,161)	(158,875)	(141,280)	(122,875)	(108,374)	(94,184)	(81,316)
Net change in total pension liability	636,828	350,032	719,571	457,510	157,771	419,270	338,699	308,534	281,778	292,149
Total pension liability-beginning	7,708,727	7,358,695	6,639,124	6,181,614	6,023,843	5,604,573	5,265,874	4,957,340	4,675,562	4,383,413
<b>Total pension liability-ending (a)</b>	<b>\$ 8,345,555</b>	<b>\$ 7,708,727</b>	<b>\$ 7,358,695</b>	<b>\$ 6,639,124</b>	<b>\$ 6,181,614</b>	<b>\$ 6,023,843</b>	<b>\$ 5,604,573</b>	<b>\$ 5,265,874</b>	<b>\$ 4,957,340</b>	<b>\$ 4,675,562</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 143,454	\$ 79,883	\$ 77,508	\$ 108,965	\$ 109,933	\$ 93,061	\$ 91,284	\$ 105,596	\$ 145,631	\$ 136,115
Contributions - employees	50,365	40,875	44,249	36,997	37,433	37,880	38,243	34,478	33,424	32,785
Net investment income	903,235	1,345,441	855,245	(1,044,735)	1,391,936	381,607	232,987	316,842	655,310	415,157
Benefit payments including refunds of employee contributions	(251,201)	(231,144)	(208,993)	(182,161)	(158,875)	(141,280)	(122,875)	(108,374)	(94,184)	(81,316)
Administrative expenses	(14,704)	(14,394)	(16,832)	(12,047)	(11,208)	(9,648)	(9,481)	(11,570)	(12,838)	(12,918)
Other	2,599	2,544	2,563	2,338	2,585	2,207	2,435	2,356	2,468	2,810
Net change in plan fiduciary net position	833,748	1,223,205	753,740	(1,090,643)	1,371,804	363,827	232,593	339,328	729,811	492,633
Plan fiduciary net position-beginning	8,877,390	7,655,091	6,901,351	7,991,994	6,620,190	6,256,363	6,023,770	5,684,442	4,954,631	4,461,998
Adjustment for final asset-beginning	(455)	(906)	-	-	-	-	-	-	-	-
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 9,710,683</b>	<b>\$ 8,877,390</b>	<b>\$ 7,655,091</b>	<b>\$ 6,901,351</b>	<b>\$ 7,991,994</b>	<b>\$ 6,620,190</b>	<b>\$ 6,256,363</b>	<b>\$ 6,023,770</b>	<b>\$ 5,684,442</b>	<b>\$ 4,954,631</b>
<b>District's net pension asset (a)-(b)</b>	<b>\$ (1,365,128)</b>	<b>\$ (1,168,663)</b>	<b>\$ (296,396)</b>	<b>\$ (262,227)</b>	<b>\$ (1,810,380)</b>	<b>\$ (596,347)</b>	<b>\$ (651,790)</b>	<b>\$ (757,896)</b>	<b>\$ (727,102)</b>	<b>\$ (279,069)</b>
Plan fiduciary net position as a percentage of										
total pension liability (b)/(a)	116.36%	115.16%	104.03%	103.95%	129.29%	109.90%	111.63%	114.39%	114.67%	105.97%
Covered payroll	\$ 546,226	\$ 501,375	\$ 512,498	\$ 528,910	\$ 516,881	\$ 473,513	\$ 460,686	\$ 454,209	\$ 441,904	\$ 438,114
Net pension asset as a percentage of covered payroll	(249.92)%	(233.09)%	(57.83)%	(49.58)%	(350.25)%	(125.94)%	(141.48)%	(166.86)%	(164.54)%	(63.70)%

Notes:  
No benefit changes since the prior valuation.

**Exhibit RSI-5  
Schedule of Employer Contributions - OPEB  
Last Ten Fiscal Years (\$'000s)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 63,900	\$ 72,700	\$ 41,500	\$ 53,000	\$ 53,600	\$ 47,300	\$ 46,000	\$ 44,500	\$ 31,000	\$ 29,000
Contributions in relation to actuarially determined contribution	63,900	72,700	41,500	53,000	53,600	47,300	46,000	44,500	31,000	29,000
<b>Contribution excess</b>	<b>\$ -</b>									
Covered payroll	\$ 2,762,437	\$ 2,653,194	\$ 2,416,783	\$ 2,439,212	\$ 2,331,262	\$ 2,173,454	\$ 2,038,767	\$ 1,940,801	\$ 1,820,046	\$ 1,771,335
Contributions as a percentage of covered payroll	2.31%	2.74%	1.72%	2.17%	2.30%	2.18%	2.26%	2.29%	1.70%	1.64%

Notes:

Valuation Date: Actuarially determined contribution rates are calculated based on the actuarial valuation performed one year prior to the start of the fiscal year.

Methods and assumptions used to determine contribution rates for fiscal year 2025:

Actuarial cost method: Entry Age Normal, Level Percent of Pay, Layered

Amortization method: Level Percent of Pay

Remaining amortization period: 15-year Layers beginning with fiscal year end 2025

Asset valuation method: 5-year smoothed Actuarial Value

Investment rate of return: 6.50%

Discount rate: 6.50%

Salary increase rate: 3.50% (plus merit scale)

Medical inflation rate: Non-Medicare: 7.0% grading down to 4.14%; Medicare: 7.0% grading down to 4.14% Assumption utilizes the Society of Actuaries Getzen Medical Trend Model, and reaches the ultimate medical inflation rate in 2044.

Mortality: General and Teachers: Healthy: The Pub-2010 General Healthy Headcount-weighted Mortality Table Weighted 120% for General retirees, 100% for all others with the MP-2021 Improvement Scale, fully generational. Disabled: Pub-2010 General Disabled Retiree Headcount-weighted Mortality Table with the MP-2021 Improvement Scale, fully generational.

Fire and Police: Healthy: The Pub-2010 Safety Healthy Headcount-weighted Mortality Table with male ages set forward 1 year, projected with the MP-2021 Improvement Scale, fully generational. Pub-2010 Safety Contingent Survivor tables for spouses and survivors. Disabled: Pub-2010 Safety Disabled Retiree Headcount-weighted Mortality Table with the MP- 2021 Improvement Scale, fully generational.

**Exhibit RSI-6**  
**Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios**  
**Last Nine Fiscal Years (\$000s)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>TOTAL OPEB LIABILITY</b>									
Service cost	\$ 66,834	\$ 65,922	\$ 59,505	\$ 60,548	\$ 58,067	\$ 54,832	\$ 50,106	\$ 52,835	\$ 49,610
Interest	135,862	129,886	117,487	110,365	104,625	94,484	89,812	79,095	72,123
Differences between expected and actual experience	78,728	38,922	(29,091)	35,532	12,737	30,163	1,627	(729)	(539)
Changes in assumptions	13,123	(103,025)	77,454	(66,664)	(60,919)	-	(49,000)	50,940	-
Insurance carrier premiums net of retiree contributions	(42,810)	(36,805)	(32,478)	(28,008)	(24,437)	(22,547)	(18,844)	(15,740)	(12,370)
Net change in total OPEB liability	251,737	94,900	192,877	111,773	90,073	156,932	73,701	166,401	108,824
Total OPEB liability-beginning	2,111,257	2,016,357	1,823,480	1,711,707	1,621,634	1,464,702	1,391,001	1,224,600	1,115,776
<b>Total OPEB liability-ending (a)</b>	<b>\$ 2,362,994</b>	<b>\$ 2,111,257</b>	<b>\$ 2,016,357</b>	<b>\$ 1,823,480</b>	<b>\$ 1,711,707</b>	<b>\$ 1,621,634</b>	<b>\$ 1,464,702</b>	<b>\$ 1,391,001</b>	<b>\$ 1,224,600</b>
<b>OPEB PLAN FIDUCIARY NET POSITION</b>									
Contributions - employer and annuitants	\$ 65,951	\$ 74,439	\$ 43,039	\$ 54,280	\$ 54,516	\$ 48,189	\$ 46,834	\$ 45,206	\$ 31,522
Net investment income (loss)	227,854	407,648	185,520	(398,893)	355,888	107,412	20,647	67,386	150,515
Insurance carrier premiums (benefits payments)	(44,862)	(38,544)	(34,017)	(29,288)	(25,353)	(23,437)	(19,678)	(16,447)	(12,892)
Administrative expenses	(1,879)	(1,847)	(1,347)	(874)	(671)	(585)	(730)	(397)	(304)
Net change in plan fiduciary net position	247,064	441,696	193,195	(374,775)	384,380	131,579	47,073	95,748	168,841
Plan fiduciary net position-beginning	2,285,178	1,843,482	1,650,287	2,025,062	1,640,682	1,509,103	1,462,030	1,366,282	1,197,441
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 2,532,242</b>	<b>\$ 2,285,178</b>	<b>\$ 1,843,482</b>	<b>\$ 1,650,287</b>	<b>\$ 2,025,062</b>	<b>\$ 1,640,682</b>	<b>\$ 1,509,103</b>	<b>\$ 1,462,030</b>	<b>\$ 1,366,282</b>
<b>District's net OPEB liability (asset) (a)-(b)</b>	<b>\$ (169,248)</b>	<b>\$ (173,921)</b>	<b>\$ 172,875</b>	<b>\$ 173,193</b>	<b>\$ (313,355)</b>	<b>\$ (19,048)</b>	<b>\$ (44,401)</b>	<b>\$ (71,029)</b>	<b>\$ (141,682)</b>
Plan fiduciary net position as a percentage of total OPEB liability (b)/(a)	107.16%	108.24%	91.43%	90.50%	118.31%	101.17%	103.03%	105.11%	111.57%
Covered payroll	\$ 2,762,437	\$ 2,653,194	\$ 2,416,783	\$ 2,439,212	\$ 2,331,262	\$ 2,173,454	\$ 2,038,767	\$ 1,940,801	\$ 1,820,046
Net OPEB liability (asset) as a percentage of covered payroll	(6.13)%	(6.56)%	7.15%	7.10%	(13.44)%	(0.88)%	(2.18)%	(3.66)%	(7.78)%

Note:  
 This schedule is intended to present information for 10 years. Future years will be included as data becomes 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 - Pension (and Other Employee Benefit) Trust 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, 2025  
(With Summarized Totals at September 30, 2024)  
(\$000s)**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,091,969	\$ 2,493,438
Receivables (net of allowances for doubtful accounts):		
Intergovernmental	4,041	777
Lease receivable	326,743	422,186
Taxes	594,533	574,258
Accounts	384,469	158,237
Due from component units	19,236	9,704
Interfund	1,048,847	2,130,116
Inventories	11,412	13,784
Prepays	12,971	-
Other current assets	53,193	37,403
Cash and cash equivalents (restricted)	1,181,179	961,933
Investments (restricted)	2,494	2,504
Total current assets	<u>6,731,087</u>	<u>6,804,340</u>
Long-term assets	54,756	90,368
<b>Total assets</b>	<u><b>\$ 6,785,843</b></u>	<u><b>\$ 6,894,708</b></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 508,146	\$ 575,276
Compensation payable:		
Salaries and wages	248,389	263,199
Employee benefits	3,280	2,647
Payroll taxes	2,445	969
Other deductions	12,506	3,506
Interfund	13,936	24,991
Due to component units	20,418	24,888
Unearned revenue	33,086	51,645
Accrued liabilities:		
Medicaid	262,406	72,673
Tax refunds	71,898	83,832
Other current liabilities	74,759	80,263
<b>Total liabilities</b>	<u>1,251,269</u>	<u>1,183,889</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues:		
Property taxes	210,860	167,073
Lease related	327,916	422,130
Others	170,531	198,654
<b>Total deferred inflows of resources</b>	<u>709,307</u>	<u>787,857</u>
<b>FUND BALANCE</b>		
Nonspendable	24,383	13,784
Restricted	1,309,462	1,122,974
Committed	3,491,422	3,786,204
<b>Total fund balance</b>	<u>4,825,267</u>	<u>4,922,962</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u><b>\$ 6,785,843</b></u>	<u><b>\$ 6,894,708</b></u>

The notes to financial statements are an integral part of this schedule.

Exhibit A-2

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**General Fund**  
**For the Year Ended September 30, 2025**  
**(With Summarized Totals for the Year Ended September 30, 2024)**  
**(\$000s)**

	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>		
Taxes	\$ 10,911,297	\$ 10,034,227
Fines and forfeitures	279,782	238,958
Licenses and permits	168,558	162,722
Charges for services:		
Public	633,601	287,665
Intergovernmental	2,249	4,703
Miscellaneous:		
Public	640,945	674,373
Investment income	119,803	195,764
<b>Total revenues</b>	<u>12,756,235</u>	<u>11,598,412</u>
<b>EXPENDITURES</b>		
Current:		
Governmental direction and support	1,545,706	1,702,059
Economic development and regulation	440,248	474,019
Public safety and justice	1,679,668	1,513,937
Public education system	3,713,348	3,424,203
Human support services	2,899,692	2,733,861
Operations and infrastructure	745,370	759,246
Public transportation	719,459	506,462
Debt service:		
Principal	678,763	613,670
Interest	618,867	561,688
Fiscal charges	17,376	8,867
<b>Total expenditures</b>	<u>13,058,497</u>	<u>12,298,012</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(302,262)</u>	<u>(699,600)</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Debt issuance	15,268	10,486
Refunding debt issuance	1,984,725	595,858
Premium on sale of bonds	126,438	53,950
Payment to refunded bond escrow agent	(2,105,360)	(649,808)
Leases (as lessee)	253,643	399,412
Transfers in	232,302	811,432
Transfers out	(307,451)	(515,673)
Sale of capital assets	5,002	-
<b>Total other financing sources</b>	<u>204,567</u>	<u>705,657</u>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	(97,695)	6,057
Fund Balance as of October 1	4,922,962	4,916,905
<b>Fund Balance as of September 30</b>	<u>\$ 4,825,267</u>	<u>\$ 4,922,962</u>

The notes to financial statements are an integral part of this schedule.

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, 2025**  
**(With Summarized Totals for the Year Ended September 30, 2024)**  
**(\$000s)**

Function and Subfunction	Personnel Services	Contractual Services	Supplies	Occupancy	Miscellaneous	Totals	
						2025	2024
<b>Governmental direction and support</b>							
Legislative	\$ 43,924	\$ 4,127	\$ 86	\$ 654	\$ 1,457	\$ 50,248	\$ 66,255
Executive	132,846	76,079	559	9,357	16,901	235,742	230,118
Finance	149,709	63,914	525	240	222,582	436,970	463,307
Personnel	20,307	2,037	68	6	658	23,076	22,834
Administrative	151,304	137,097	226	249,589	241,688	779,904	897,489
Elections	14,040	4,098	78	1	1,549	19,766	22,055
<b>Total</b>	<b>512,130</b>	<b>287,352</b>	<b>1,542</b>	<b>259,847</b>	<b>484,835</b>	<b>1,545,706</b>	<b>1,702,058</b>
<b>Economic development and regulation</b>							
Community development	46,548	17,148	72	774	355,034	419,576	452,569
Economic regulation	13,502	3,132	45	1,223	2,770	20,672	21,450
<b>Total</b>	<b>60,050</b>	<b>20,280</b>	<b>117</b>	<b>1,997</b>	<b>357,804</b>	<b>440,248</b>	<b>474,019</b>
<b>Public safety and justice</b>							
Police	687,843	67,890	5,597	5	249,475	1,010,810	898,783
Fire	262,768	10,420	7,325	120	20,470	301,103	277,341
Corrections	205,772	84,406	6,311	44	32,789	329,322	303,576
Protection	21,376	3,184	289	35	2,021	26,905	22,603
Law	10,444	574	11	1	59	11,089	10,963
Judicial	97	335	3	4	-	439	671
<b>Total</b>	<b>1,188,300</b>	<b>166,809</b>	<b>19,536</b>	<b>209</b>	<b>304,814</b>	<b>1,679,668</b>	<b>1,513,937</b>
<b>Public education system</b>							
Schools	1,262,494	148,320	13,856	46,856	1,705,781	3,177,307	2,843,641
Culture	105,616	26,360	618	354	202,373	335,321	363,907
Employment benefits	58,752	8,015	911	543	9,535	77,756	82,053
Employment services	60,066	19,085	135	6,223	37,455	122,964	134,604
<b>Total</b>	<b>1,486,928</b>	<b>201,780</b>	<b>15,520</b>	<b>53,976</b>	<b>1,955,144</b>	<b>3,713,348</b>	<b>3,424,205</b>
<b>Human support services</b>							
Health and welfare	434,768	173,599	3,389	34,003	2,144,017	2,789,776	2,614,489
Human relations	11,205	5,795	19	-	28,997	46,016	46,672
Employment benefits	-	-	-	-	63,900	63,900	72,700
<b>Total</b>	<b>445,973</b>	<b>179,394</b>	<b>3,408</b>	<b>34,003</b>	<b>2,236,914</b>	<b>2,899,692</b>	<b>2,733,861</b>
<b>Operations and infrastructure</b>							
Public transportation	-	-	-	-	719,459	719,459	506,462
Debt service	-	-	-	-	1,315,006	1,315,006	1,184,225
Net financing sources	-	-	-	-	(204,567)	(204,567)	(705,657)
<b>Total expenditures and net uses</b>	<b>\$ 4,108,209</b>	<b>\$ 1,087,571</b>	<b>\$ 45,345</b>	<b>\$ 398,756</b>	<b>\$ 7,214,049</b>	<b>\$ 12,853,930</b>	<b>\$ 11,592,356</b>

The notes to financial statements are an integral part of this schedule.

Notes:

The miscellaneous column includes transfers, subsidies and other payments, the major components of which are listed below:

Government Direction and Support:

- Transfer to Washington Convention Center [\$208,836]
- Payment for Department of General Services [\$202,058]
- Payment for Office of the Attorney General [\$8,735]
- Payment for Mayor's Office on Latino Affairs [\$5,078]
- Payment for Office of the Chief Financial Officer [\$13,740]
- Payment for Office of the Chief Technology Officer [\$33,546]
- Payment for Office of LGBTQ Affairs [\$ 6,510]

Economic Development and Regulation:

- Payment for Deputy Mayor for Planning and Economic Development [\$31,272]
- Transfer to Housing Authority Subsidy [\$187,770]
- Payment for Commission on Arts and Humanities [\$38,986]
- Payment for Business Improvement Districts [\$39,682]
- Payment for Department of Small and Local Business Development [\$16,236]
- Payment for Department of Housing and Community Development [\$38,811]

*Public Safety and Justice:*

*Payment for Police Officers' and Fire Fighters' Retirement System [\$143,454]*  
*Payment for Office of Victim Services and Justice Grants [\$84,269]*  
*Payment for Fire and Emergency Medical Services [\$20,470]*  
*Payment for Neighborhood Safety and Engagement [\$7,775]*  
*Payment for Department of Youth Rehabilitation Services [\$31,785]*  
*Payment for Office of the Deputy Mayor for Public Safety and Justice [\$10,970]*

*Public Education System:*

*Transfer to Public Charter Schools [\$1,391,028]*  
*Transfer to UDC Subsidy [\$101,109]*  
*Payment for Office of the State Superintendent of Education (OSSE) [\$197,680]*  
*Payment for Teachers' Retirement System [\$80,609]*  
*Payment for Office for Non-Public Tuition [\$55,433]*  
*Payment for Department of Employment Services [\$37,455]*  
*Payment for District of Columbia Public Schools [\$47,451]*  
*Payment for Office of the Deputy Mayor for Education [\$27,118]*

*Human Support Services:*

*Payment for Department of Health Care Finance [\$1,204,296]*  
*Payment for Department of Human Services [\$566,489]*  
*Payment for Department of Behavioral Health [\$134,769]*  
*Payment for Department on Disability Services [\$129,152]*  
*Payment for Child and Family Services Agency [\$79,476]*  
*Payment for District Retiree Health Contribution [\$63,900]*  
*Payment for Department of Health [\$31,330]*  
*Payment for Department of Aging and Community Living [\$28,997]*

*Operations and Infrastructure and Public Transportation:*

*Payment for Mass Transit Subsidies [\$719,458]*  
*Payment for Department of Energy and Environment [\$29,156]*

## Exhibit A-4

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF LOCAL SOURCE REVENUES**  
**Budget and Actual (Budgetary Basis)**  
**General Fund**  
**Year Ended September 30, 2025**  
**(\$000s)**

Source	Local Source			
	Original Budget	Revised Budget	Actual	Variance
<b>Taxes:</b>				
Property:				
Real	\$ 2,745,487	\$ 2,806,415	\$ 2,856,618	\$ 50,203
Personal	84,158	87,012	86,793	(219)
Public space rental	44,475	39,294	36,620	(2,674)
<b>Total</b>	<b>2,874,120</b>	<b>2,932,721</b>	<b>2,980,031</b>	<b>47,310</b>
Sales and use:				
General	1,967,419	2,028,160	2,032,121	3,961
Alcoholic beverages	7,100	7,140	6,966	(174)
Cigarette	9,394	8,273	7,941	(332)
Motor vehicles	58,670	42,262	45,333	3,071
Motor fuel tax	19,847	26,523	23,261	(3,262)
<b>Total</b>	<b>2,062,430</b>	<b>2,112,358</b>	<b>2,115,622</b>	<b>3,264</b>
Income and franchise:				
Individual income	3,291,520	3,491,658	3,605,177	113,519
Corporation franchise	936,975	997,781	1,017,960	20,179
Unincorporated business	162,170	215,270	217,225	1,955
<b>Total</b>	<b>4,390,665</b>	<b>4,704,709</b>	<b>4,840,362</b>	<b>135,653</b>
Gross receipts:				
Public utility	106,277	116,851	117,067	216
Toll telecommunication	33,349	33,280	32,411	(869)
Insurance companies	90,615	96,487	95,897	(590)
Health care providers	168,694	164,275	164,231	(44)
Health care related incomes	78,023	78,282	73,948	(4,334)
Private sports wagering	1,148	18,734	19,382	648
Games of skill	74	135	129	(6)
<b>Total</b>	<b>478,180</b>	<b>508,044</b>	<b>503,065</b>	<b>(4,979)</b>
Other:				
Deed recordation	193,186	195,279	181,687	(13,592)
Deed transfers	131,843	154,368	149,535	(4,833)
Inheritance and estate	40,880	41,355	44,518	3,163
Economic interests	19,277	20,142	19,838	(304)
<b>Total</b>	<b>385,186</b>	<b>411,144</b>	<b>395,578</b>	<b>(15,566)</b>
<b>Total taxes</b>	<b>10,190,581</b>	<b>10,668,976</b>	<b>10,834,658</b>	<b>165,682</b>
<b>Licenses and permits:</b>				
Business licenses	114,575	106,385	112,349	5,964
Nonbusiness permits	45,871	32,160	30,277	(1,883)
<b>Total</b>	<b>160,446</b>	<b>138,545</b>	<b>142,626</b>	<b>4,081</b>
<b>Fines and forfeitures</b>	<b>335,584</b>	<b>281,549</b>	<b>271,410</b>	<b>(10,139)</b>
<b>Charges for services</b>	<b>397,066</b>	<b>401,732</b>	<b>429,407</b>	<b>27,675</b>
<b>Miscellaneous:</b>				
Interest	115,470	120,405	109,604	(10,801)
Other	179,319	80,958	40,287	(40,671)
<b>Total</b>	<b>294,789</b>	<b>201,363</b>	<b>149,891</b>	<b>(51,472)</b>
<b>Total local revenues</b>	<b>11,378,466</b>	<b>11,692,165</b>	<b>11,827,992</b>	<b>135,827</b>
<b>Other sources:</b>				
General obligation bonds	11,000	11,000	7,664	(3,336)
Fund balance released from restrictions	854,685	1,201,194	1,201,194	-
Transfer in	158,945	215,842	208,422	(7,420)
Sale of capital assets	-	-	2	2
<b>Total other sources</b>	<b>1,024,630</b>	<b>1,428,036</b>	<b>1,417,282</b>	<b>(10,754)</b>
<b>Total local revenues and other sources</b>	<b>\$ 12,403,096</b>	<b>\$ 13,120,201</b>	<b>\$ 13,245,274</b>	<b>\$ 125,073</b>

The notes to financial statements are an integral part of this schedule.

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS REVENUES AND EXPENDITURES BY SOURCE OF FUNDS**  
**General Fund**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Local Source				Other Source				Totals			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>REVENUES</b>												
Taxes:												
Property taxes	\$ 2,874,120	\$ 2,932,721	\$ 2,980,031	\$ 47,310	\$ -	\$ -	\$ -	\$ -	\$ 2,874,120	\$ 2,932,721	\$ 2,980,031	\$ 47,310
Sales and use taxes	2,062,430	2,112,358	2,115,622	3,264	-	-	-	-	2,062,430	2,112,358	2,115,622	3,264
Income and franchise taxes	4,390,665	4,704,709	4,840,362	135,653	-	-	-	-	4,390,665	4,704,709	4,840,362	135,653
Gross receipts and other taxes	863,366	919,188	898,643	(20,545)	-	-	-	-	863,366	919,188	898,643	(20,545)
Total taxes	10,190,581	10,668,976	10,834,658	165,682	-	-	-	-	10,190,581	10,668,976	10,834,658	165,682
Licenses and permits	160,446	138,545	142,626	4,081	-	-	-	-	160,446	138,545	142,626	4,081
Fines and forfeitures	335,584	281,549	271,410	(10,139)	-	-	-	-	335,584	281,549	271,410	(10,139)
Charges for services	397,066	401,732	429,407	27,675	-	-	-	-	397,066	401,732	429,407	27,675
Miscellaneous	294,789	201,363	149,891	(51,472)	-	-	-	-	294,789	201,363	149,891	(51,472)
Other sources	-	-	-	-	791,812	951,087	952,302	1,215	791,812	951,087	952,302	1,215
<b>Total revenues</b>	<b>11,378,466</b>	<b>11,692,165</b>	<b>11,827,992</b>	<b>135,827</b>	<b>791,812</b>	<b>951,087</b>	<b>952,302</b>	<b>1,215</b>	<b>12,170,278</b>	<b>12,643,252</b>	<b>12,780,294</b>	<b>137,042</b>
<b>EXPENDITURES</b>												
Governmental direction and support	1,368,838	1,330,416	1,308,217	22,199	117,500	111,284	109,746	1,538	1,486,338	1,441,700	1,417,963	23,737
Economic development and regulation	411,484	378,418	374,270	4,148	72,516	67,049	67,049	-	484,000	445,467	441,319	4,148
Public safety and justice	1,579,103	1,511,578	1,485,833	25,745	43,396	195,773	195,773	-	1,622,499	1,707,351	1,681,606	25,745
Public education system	3,601,567	3,187,357	3,155,639	31,718	96,058	79,582	79,580	2	3,697,625	3,266,939	3,235,219	31,720
Public education AY26 expenditure	-	495,383	495,383	-	-	-	-	-	-	495,383	495,383	-
Human support services	2,804,041	2,907,477	2,896,275	11,202	61,606	47,263	47,263	-	2,865,647	2,954,740	2,943,538	11,202
Operations and infrastructure	1,159,736	1,187,997	1,171,528	16,469	366,604	298,739	297,123	1,616	1,526,340	1,486,736	1,468,651	18,085
Debt service	1,250,121	1,080,423	1,079,500	923	9,098	9,098	9,098	-	1,259,219	1,089,521	1,088,598	923
<b>Total expenditures</b>	<b>12,174,890</b>	<b>12,079,049</b>	<b>11,966,645</b>	<b>112,404</b>	<b>766,778</b>	<b>808,788</b>	<b>805,632</b>	<b>3,156</b>	<b>12,941,668</b>	<b>12,887,837</b>	<b>12,772,277</b>	<b>115,560</b>
<b>Excess of revenues over expenditures</b>	<b>(796,424)</b>	<b>(386,884)</b>	<b>(138,653)</b>	<b>248,231</b>	<b>25,034</b>	<b>142,299</b>	<b>146,670</b>	<b>4,371</b>	<b>(771,390)</b>	<b>(244,585)</b>	<b>8,017</b>	<b>252,602</b>
<b>OTHER FINANCING SOURCES (USES)</b>												
Bond proceeds	11,000	11,000	7,664	(3,336)	-	-	-	-	11,000	11,000	7,664	(3,336)
Transfer in	158,945	215,842	208,422	(7,420)	-	-	-	-	158,945	215,842	208,422	(7,420)
Transfer out	(224,698)	(232,012)	(232,012)	-	(58,732)	(48,963)	(48,963)	-	(283,430)	(280,975)	(280,975)	-
Sale of capital assets	-	-	2	2	-	-	5,000	5,000	-	-	5,002	5,002
<b>Total other financing sources (uses)</b>	<b>(54,753)</b>	<b>(5,170)</b>	<b>(15,924)</b>	<b>(10,754)</b>	<b>(58,732)</b>	<b>(48,963)</b>	<b>(43,963)</b>	<b>5,000</b>	<b>(113,485)</b>	<b>(54,133)</b>	<b>(59,887)</b>	<b>(5,754)</b>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<b>(851,177)</b>	<b>(392,054)</b>	<b>(154,577)</b>	<b>237,477</b>	<b>(33,698)</b>	<b>93,336</b>	<b>102,707</b>	<b>9,371</b>	<b>(884,875)</b>	<b>(298,718)</b>	<b>(51,870)</b>	<b>246,848</b>
Use of fund balance	854,685	1,201,194	154,577	(1,046,617)	49,536	93,186	-	(93,186)	904,221	1,294,380	154,577	(1,139,803)
<b>Excess after use of fund balance</b>	<b>\$ 3,508</b>	<b>\$ 809,140</b>	<b>\$ -</b>	<b>\$ (809,140)</b>	<b>\$ 15,838</b>	<b>\$ 186,522</b>	<b>\$ 102,707</b>	<b>\$ (83,815)</b>	<b>\$ 19,346</b>	<b>\$ 995,662</b>	<b>\$ 102,707</b>	<b>\$ (892,955)</b>

The notes to financial statements are an integral part of this schedule.

## Exhibit A-6

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS REVENUES AND EXPENDITURES**  
**General Fund**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Original Budget	Revisions	Revised Budget	Actual	Variance (Actual To Original Budget)
<b>REVENUES</b>					
Taxes:					
Property taxes	\$ 2,874,120	\$ 58,601	\$ 2,932,721	\$ 2,980,031	\$ 105,911
Sales and use taxes	2,062,430	49,928	2,112,358	2,115,622	53,192
Income and franchise taxes	4,390,665	314,044	4,704,709	4,840,362	449,697
Gross receipts and other taxes	863,366	55,822	919,188	898,643	35,277
Total taxes	10,190,581	478,395	10,668,976	10,834,658	644,077
Licenses and permits	160,446	(21,901)	138,545	142,626	(17,820)
Fines and forfeitures	335,584	(54,035)	281,549	271,410	(64,174)
Charges for services	397,066	4,666	401,732	429,407	32,341
Miscellaneous	294,789	(93,426)	201,363	149,891	(144,898)
Other sources	791,812	159,275	951,087	952,302	160,490
<b>Total revenues</b>	<b>12,170,278</b>	<b>472,974</b>	<b>12,643,252</b>	<b>12,780,294</b>	<b>610,016</b>
<b>EXPENDITURES</b>					
Governmental direction and support	1,486,338	(44,638)	1,441,700	1,417,963	68,375
Economic development and regulation	484,000	(38,533)	445,467	441,319	42,681
Public safety and justice	1,622,499	84,852	1,707,351	1,681,606	(59,107)
Public education system	3,697,625	(430,686)	3,266,939	3,235,219	462,406
Public education AY26 expenditure	-	495,383	495,383	495,383	(495,383)
Human support services	2,865,647	89,093	2,954,740	2,943,538	(77,891)
Operations and infrastructure	1,526,340	(39,604)	1,486,736	1,468,651	57,689
Debt service	1,259,219	(169,698)	1,089,521	1,088,598	170,621
<b>Total expenditures</b>	<b>12,941,668</b>	<b>(53,831)</b>	<b>12,887,837</b>	<b>12,772,277</b>	<b>169,391</b>
<b>Excess of revenues over expenditures</b>	<b>(771,390)</b>	<b>526,805</b>	<b>(244,585)</b>	<b>8,017</b>	<b>779,407</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	11,000	-	11,000	7,664	(3,336)
Transfer in	158,945	56,897	215,842	208,422	49,477
Transfer out	(283,430)	2,455	(280,975)	(280,975)	2,455
Sale of capital assets	-	-	-	5,002	5,002
<b>Total other financing sources (uses)</b>	<b>(113,485)</b>	<b>59,352</b>	<b>(54,133)</b>	<b>(59,887)</b>	<b>53,598</b>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<b>(884,875)</b>	<b>586,157</b>	<b>(298,718)</b>	<b>(51,870)</b>	<b>833,005</b>
Use of fund balance	904,221	390,159	1,294,380	154,577	(749,644)
<b>Excess after use of fund balance</b>	<b>\$ 19,346</b>	<b>\$ 976,316</b>	<b>\$ 995,662</b>	<b>\$ 102,707</b>	<b>\$ 83,361</b>

The notes to financial statements are an integral part of this schedule.

## 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 Fund**, a blended component unit, is used to account for the tobacco litigation settlement activities of the District.

The **Payment in Lieu of Taxes (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 **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 benefit payments to covered employees.

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.

#### 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, 2025  
(With Summarized Totals at September 30, 2024)  
(\$000s)**

	Special Revenue Funds					Debt Service Fund	Capital Project Fund Highway Trust	Totals	
	Tax Increment Financing Program	Tobacco Settlement Financing Corporation	PILOT	Universal Paid Leave	Baseball Project			2025	2024
<b>ASSETS</b>									
Current assets:									
Receivables (net of allowances for doubtful accounts):									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,498	\$ -	\$ 2,630	\$ 5,128	\$ 5,430
Accounts	17	21,670	-	10,188	-	-	-	31,875	31,031
Due from other funds	2,589	-	-	-	1,786	-	-	4,375	7,737
Due from component units	-	-	-	-	665	-	-	665	665
Other current assets	-	14	-	-	-	-	-	14	14
Restricted cash and cash equivalents	73,782	51,430	17,801	177,446	41,818	-	18,323	380,600	528,692
<b>Total assets</b>	<b>\$ 76,388</b>	<b>\$ 73,114</b>	<b>\$ 17,801</b>	<b>\$ 187,634</b>	<b>\$ 46,767</b>	<b>\$ -</b>	<b>\$ 20,953</b>	<b>\$ 422,657</b>	<b>\$ 573,569</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>									
Current liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ 5,343	\$ -	\$ -	\$ 5,955	\$ 11,298	\$ 16,973
Compensation payable	-	-	-	-	-	-	1,223	1,223	1,020
Due to other funds	22,605	-	4,811	8,473	31,470	-	-	67,359	35,003
Due to component units	1,857	-	-	-	-	-	-	1,857	2,203
Other current liabilities	-	-	4	4,753	1	-	1,125	5,883	6,797
Accrued liabilities	-	-	-	-	677	-	6	683	377
<b>Total liabilities</b>	<b>24,462</b>	<b>-</b>	<b>4,815</b>	<b>18,569</b>	<b>32,148</b>	<b>-</b>	<b>8,309</b>	<b>88,303</b>	<b>62,373</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenues	-	-	-	-	2,388	-	-	2,388	2,708
<b>FUND BALANCES</b>									
Restricted	51,926	73,114	12,986	169,065	12,231	-	12,644	331,966	508,488
<b>Total fund balances</b>	<b>51,926</b>	<b>73,114</b>	<b>12,986</b>	<b>169,065</b>	<b>12,231</b>	<b>-</b>	<b>12,644</b>	<b>331,966</b>	<b>508,488</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 76,388</b>	<b>\$ 73,114</b>	<b>\$ 17,801</b>	<b>\$ 187,634</b>	<b>\$ 46,767</b>	<b>\$ -</b>	<b>\$ 20,953</b>	<b>\$ 422,657</b>	<b>\$ 573,569</b>

The notes to financial statements are an integral part of this schedule.

**DISTRICT OF COLUMBIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2025**  
**(With Summarized Totals for the Year Ended September 30, 2024)**  
**(\$000s)**

	Special Revenue Funds					Debt Service Fund	Capital Project Fund	Totals	
	Tax Increment Financing Program	Tobacco Settlement Financing Corporation	PILOT	Universal Paid Leave	Baseball Project		Highway Trust	2025	2024
<b>REVENUES</b>									
Property taxes	\$ 15,371	\$ -	\$ 19,417	\$ -	\$ -	\$ -	\$ -	\$ 34,788	\$ 51,600
Sales and use taxes	26,038	-	13,463	-	19,125	-	-	58,626	67,282
Gross receipts taxes	-	-	-	-	56,748	-	-	56,748	60,904
Charge for services	-	-	-	150,549	-	-	-	150,549	157,448
Interest	2,258	2,181	4,335	5,091	684	-	302	14,851	16,670
Tobacco settlement revenue	-	33,144	-	-	-	-	-	33,144	33,137
Other	-	-	-	-	6,131	-	-	6,131	6,131
<b>Total revenues</b>	<b>43,667</b>	<b>35,325</b>	<b>37,215</b>	<b>155,640</b>	<b>82,688</b>	<b>-</b>	<b>302</b>	<b>354,837</b>	<b>393,172</b>
<b>EXPENDITURES</b>									
Governmental direction and support	25,032	240	1,005	-	2,345	-	-	28,622	64,600
Economic development and regulation	-	-	-	144,107	-	-	-	144,107	131,640
Capital outlay	-	-	-	-	-	-	34,652	34,652	44,100
Bond principal payment	5,701	24,830	134,712	-	-	66,110	-	231,353	92,506
Interest	4,636	10,603	6,182	-	-	7,479	-	28,900	32,965
Fiscal charges	-	-	-	-	-	5,608	-	5,608	462
<b>Total expenditures</b>	<b>35,369</b>	<b>35,673</b>	<b>141,899</b>	<b>144,107</b>	<b>2,345</b>	<b>79,197</b>	<b>34,652</b>	<b>473,242</b>	<b>366,273</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,298</b>	<b>(348)</b>	<b>(104,684)</b>	<b>11,533</b>	<b>80,343</b>	<b>(79,197)</b>	<b>(34,350)</b>	<b>(118,405)</b>	<b>26,899</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Bond issuance	150	-	-	-	-	-	-	150	61,182
Premium (discount) on sale of bonds	-	-	-	-	-	-	-	-	(89)
Transfers in	-	-	-	-	-	79,197	43,800	122,997	90,037
Transfers out	(27,379)	-	(19,335)	(23,882)	(110,668)	-	-	(181,264)	(111,988)
<b>Total other financing sources (uses)</b>	<b>(27,229)</b>	<b>-</b>	<b>(19,335)</b>	<b>(23,882)</b>	<b>(110,668)</b>	<b>79,197</b>	<b>43,800</b>	<b>(58,117)</b>	<b>39,142</b>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	<b>(18,931)</b>	<b>(348)</b>	<b>(124,019)</b>	<b>(12,349)</b>	<b>(30,325)</b>	<b>-</b>	<b>9,450</b>	<b>(176,522)</b>	<b>66,041</b>
Fund Balances as of October 1	70,857	73,462	137,005	181,414	42,556	-	3,194	508,488	442,447
<b>Fund Balances as of September 30</b>	<b>\$ 51,926</b>	<b>\$ 73,114</b>	<b>\$ 12,986</b>	<b>\$ 169,065</b>	<b>\$ 12,231</b>	<b>\$ -</b>	<b>\$ 12,644</b>	<b>\$ 331,966</b>	<b>\$ 508,488</b>

The notes to financial statements are an integral part of this schedule.



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## FIDUCIARY FUNDS - PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

### (Combining Statements)

Pension (and Other Employee Benefit) Trust Funds are used to account for assets held by the District in a trustee capacity. These assets cannot be used to support the District programs. Combining statements are presented for the Pension (and Other Employee Benefit) Trust Funds.

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, the District, and federal government at amounts determined by an annual actuarial study.

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 **401(a) Defined Contributions Plan** is used to account for the contributions made by the District and the associated benefit payments. The District contributes 5% of eligible employees' base salary for all employees, except detention officers. The District contributes 5.5% of the base salary of detention officers. Participants do not make any contributions to the Plan.

The **457(b) Deferred Compensation Plan** is used to account for tax deferred compensation. The contributions are made by eligible employees towards their retirement and the associated benefit payments. The Plan's assets are held in trust by the District for the exclusive benefit of Plan members and their beneficiaries.

The **403(b) Tax Sheltered Annuity Plan** is used to account for contributions made by eligible District of Columbia Public Schools (DCPS) employees towards their retirement and the associated benefit payments. 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.

Exhibit C-1

**DISTRICT OF COLUMBIA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
Pension (and Other Employee Benefit) Trust Funds  
September 30, 2025  
(With Summarized Totals at September 30, 2024)  
(\$000s)**

	Pension Trust Funds		Other Employee Benefit Trust Funds				Totals	
	Police Officers and Fire Fighters	Teachers	Other Postemployment Benefits (OPEB)	401(a) Defined Contribution Plan	457(b) Deferred Compensation Plan	403(b) Tax-Sheltered Annuity Plan	2025	2024
<b>ASSETS</b>								
Cash and cash equivalents	\$ 64,084	\$ 24,749	\$ 63,674	\$ -	\$ -	\$ -	\$ 152,507	\$ 201,669
Investments								
Equities	4,316,179	1,666,887	1,599,333	1,864,740	1,474,813	432,081	11,354,033	10,288,613
Fixed income securities	2,450,387	946,327	810,125	26,435	53,430	24,192	4,310,896	3,315,614
Real estate	1,550,557	598,818	67,054	-	-	117	2,216,546	1,865,329
Private equity	1,342,372	518,417	9,797	-	-	-	1,870,586	1,799,923
Money market funds	-	-	-	125,880	323,751	-	449,631	435,265
Total investments	9,659,495	3,730,449	2,486,309	2,017,055	1,851,994	456,390	20,201,692	17,704,744
Receivables								
Loan receivable	-	-	-	-	-	3,488	3,488	2,977
Benefit contributions receivable	2,777	4,099	-	1,786	54,024	-	62,686	60,016
Other receivables	8,752	3,380	8,863	173	48	-	21,216	1,148,628
Due from federal government	781	302	-	-	-	-	1,083	888
Total receivables	12,310	7,781	8,863	1,959	54,072	3,488	88,473	1,212,509
Depreciable and amortizable capital assets, net	4,519	1,745	-	-	-	-	6,264	7,427
<b>Total assets</b>	<b>9,740,408</b>	<b>3,764,724</b>	<b>2,558,846</b>	<b>2,019,014</b>	<b>1,906,066</b>	<b>459,878</b>	<b>20,448,936</b>	<b>19,126,349</b>
<b>LIABILITIES</b>								
Accounts payable	6,183	2,388	26,604	-	-	-	35,175	32,620
Due to federal government	464	180	-	-	-	-	644	800
Other current liabilities	16,893	6,525	-	4,715	2,054	-	30,187	653,378
Other long-term liabilities	6,185	2,389	-	-	-	-	8,574	8,454
<b>Total liabilities</b>	<b>29,725</b>	<b>11,482</b>	<b>26,604</b>	<b>4,715</b>	<b>2,054</b>	<b>-</b>	<b>74,580</b>	<b>695,252</b>
<b>NET POSITION</b>								
Restricted for:								
Pensions	9,710,683	3,753,242	-	-	-	-	13,463,925	12,264,006
Other postemployment benefits	-	-	2,532,242	-	-	-	2,532,242	2,285,178
Other employee benefit	-	-	-	2,014,299	1,904,012	459,878	4,378,189	3,881,913
<b>Net position restricted for pension, other employee benefit, and other purposes</b>	<b>\$ 9,710,683</b>	<b>\$ 3,753,242</b>	<b>\$ 2,532,242</b>	<b>\$ 2,014,299</b>	<b>\$ 1,904,012</b>	<b>\$ 459,878</b>	<b>\$ 20,374,356</b>	<b>\$ 18,431,097</b>

The notes to financial statements are an integral part of this schedule.

**DISTRICT OF COLUMBIA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Pension (and Other Employee Benefit) Trust Funds**  
**For the Year Ended September 30, 2025**  
**(With Summarized Totals for the Year Ended September 30, 2024)**  
**(\$000s)**

	Pension Trust Funds		Other Employee Benefit Trust Funds				Totals	
	Police Officers and Fire Fighters	Teachers	Other Postemployment Benefits (OPEB)	401(a) Defined Contribution Plan	457(b) Deferred Compensation Plan	403(b) Tax-Sheltered Annuity Plan	2025	2024
<b>ADDITIONS</b>								
Contributions:								
Employer	\$ 143,454	\$ 80,981	\$ 63,900	\$ 100,556	\$ -	\$ -	\$ 388,891	\$ 299,764
Plan members	50,365	61,044	2,051	-	162,761	33,159	309,380	288,899
Total contributions	193,819	142,025	65,951	100,556	162,761	33,159	698,271	588,663
Investment earnings:								
Net increase in fair value of investments	851,123	328,743	205,165	215,218	168,719	37,508	1,806,476	2,832,941
Other Investment Income	25,198	9,712	(300)	-	-	-	34,610	42,108
Interest and dividends	59,640	22,980	29,421	9,942	30,369	2,960	155,312	144,070
Total investment gain	935,961	361,435	234,286	225,160	199,088	40,468	1,996,398	3,019,119
Less: investment expenses	(32,725)	(12,639)	(6,431)	(5,130)	(6,834)	-	(63,759)	(54,853)
Net investment earnings	903,236	348,796	227,855	220,030	192,254	40,468	1,932,639	2,964,266
Other	2,599	1,004	-	-	3,614	700	7,917	6,299
<b>Total additions</b>	<b>1,099,654</b>	<b>491,825</b>	<b>293,806</b>	<b>320,586</b>	<b>358,629</b>	<b>74,327</b>	<b>2,638,827</b>	<b>3,559,228</b>
<b>DEDUCTIONS</b>								
Benefits	251,201	119,186	44,862	92,040	122,775	38,862	668,926	581,273
Administrative expenses	14,704	5,840	1,880	1,054	525	404	24,407	23,513
Other	-	-	-	641	798	167	1,606	2,179
<b>Total deductions</b>	<b>265,905</b>	<b>125,026</b>	<b>46,742</b>	<b>93,735</b>	<b>124,098</b>	<b>39,433</b>	<b>694,939</b>	<b>606,965</b>
Change in net position	833,749	366,799	247,064	226,851	234,531	34,894	1,943,888	2,952,263
Net position as of October 1, as reported	8,877,390	3,386,617	2,285,178	1,787,448	1,669,481	424,984	18,431,098	15,478,834
Restatement (See Note 1Z)	(456)	(174)	-	-	-	-	(630)	-
<b>Net position as of September 30</b>	<b>\$ 9,710,683</b>	<b>\$ 3,753,242</b>	<b>\$ 2,532,242</b>	<b>\$ 2,014,299</b>	<b>\$ 1,904,012</b>	<b>\$ 459,878</b>	<b>\$ 20,374,356</b>	<b>\$ 18,431,097</b>

The notes to financial statements are an integral part of this schedule.



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## 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.

Exhibit D-1

**DISTRICT OF COLUMBIA  
SCHEDULE OF BUDGETARY BASIS EXPENDITURES  
For the Year Ended September 30, 2025  
(\$000s)**

	Budget		Actual	Variance
	Original	Revised		
<b>Governmental direction and support</b>				
Board of elections	\$ 15,061	\$ 16,788	\$ 16,682	\$ 106
Board of ethics and government accountability	4,067	4,094	4,032	62
Captive insurance agency	11,372	9,602	9,198	404
Contract appeals board	1,973	1,944	1,893	51
Council of the District of Columbia	37,223	33,323	33,323	-
Department of human resources	21,940	20,464	20,167	297
Department of general services	407,271	458,486	455,176	3,310
Employees' compensation fund	18,906	17,387	17,387	-
Executive office of the mayor	21,814	21,146	20,093	1,053
Inaugural expenses	47,000	47,432	47,417	15
Mayor's office of legal counsel	1,835	1,718	1,704	14
Metropolitan washington council of governments	1,097	1,097	1,097	-
Office of advisory neighborhood commissions	2,532	2,684	2,682	2
Office of campaign finance	7,840	5,279	5,093	186
Office of contracting and procurement	30,205	29,382	28,485	897
Office of disability rights	2,054	1,907	1,907	-
Office of employee appeals	2,540	2,396	2,395	1
Office of finance and resource management	31,682	31,465	31,050	415
Office of labor relations and collective bargaining	3,657	3,074	2,898	176
Office of LGBTQ Affairs	2,294	7,294	7,181	113
Office of risk management	4,677	4,582	4,463	119
Office of the attorney general for the District of Columbia	161,017	152,185	148,043	4,142
Office of the chief financial officer	231,739	204,550	204,469	81
Office of the chief technology officer	105,463	122,933	121,904	1,029
Office of the city administrator	10,344	8,286	7,767	519
Office of the District of Columbia auditor	7,967	7,095	7,095	-
Office of the inspector general	24,010	20,471	19,836	635
Office of the secretary	5,334	5,440	5,438	2
Office of the senior advisor	1,394	1,394	1,262	132
Office of veterans' affairs	1,247	1,246	1,018	228
Office on asian and pacific islander affairs	1,562	1,369	1,150	219
Office on latino affairs	6,362	6,103	6,007	96
Public employee relations board	1,421	1,231	1,203	28
Statehood initiatives	267	291	260	31
Tax revision commission	-	53	49	4
Uniform law commission	65	65	58	7
Settlements and judgments	21,025	40,303	40,222	81
John A. Wilson building fund	5,516	5,516	5,355	161
Convention center transfer	199,943	208,836	208,836	-
Emergency planning and security fund	50,000	55,000	47,355	7,645
Workforce investments account	103,249	-	-	-
Non-departmental account	10,369	1,513	-	1,513
<b>Total governmental direction and support</b>	<u>1,625,334</u>	<u>1,565,424</u>	<u>1,541,650</u>	<u>23,774</u>

Exhibit D-1

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS EXPENDITURES**  
**For the Year Ended September 30, 2025**  
**(\$000s)**

	Budget		Actual	Variance
	Original	Revised		
<b>Economic development and regulation</b>				
Business improvement districts transfer	57,600	39,682	39,682	-
Commission on the arts and humanities	48,178	46,167	46,167	-
Department of housing and community development	92,234	85,850	81,657	4,193
Department of small and local business development	24,782	23,444	23,436	8
Housing authority subsidy	187,770	187,770	187,770	-
Housing production trust fund subsidy	21,000	-	-	-
Office of cable television, film, music, and entertainment	14,898	13,348	12,837	511
Office of planning	15,110	15,120	15,043	77
Office of the deputy mayor for planning and economic development	47,901	66,706	65,615	1,091
Office of the tenant advocate	4,176	4,543	4,468	75
Office of zoning	4,286	4,069	3,982	87
Real property tax appeals commission	2,020	2,023	2,008	15
Rental housing commission	1,363	1,354	1,352	2
Housing production trust fund	79,997	262,943	239,769	23,174
<b>Total economic development and regulation</b>	<u>601,315</u>	<u>753,019</u>	<u>723,786</u>	<u>29,233</u>
<b>Public safety and justice</b>				
Commission on judicial disabilities and tenure	974	739	739	-
Corrections information council	1,289	1,120	1,081	39
Criminal code reform commission	890	738	654	84
Criminal justice coordinating council	4,582	5,167	4,900	267
Department of corrections	221,435	231,595	224,294	7,301
Department of forensic sciences	36,058	35,630	33,228	2,402
Department of youth rehabilitation services	92,740	104,521	100,722	3,799
District of Columbia national guard	20,068	21,960	21,858	102
District of Columbia sentencing commission	1,793	1,592	1,445	147
Fire and emergency medical services department	369,338	316,639	300,472	16,167
Homeland security and emergency management agency	187,544	102,568	101,918	650
Judicial nomination commission	337	347	335	12
Metropolitan police department	572,949	650,655	650,519	136
Office of administrative hearings	12,059	11,830	11,242	588
Office of human rights	9,956	8,433	8,151	282
Office of neighborhood safety and engagement	25,714	22,195	18,295	3,900
Office of police complaints	3,309	3,072	2,677	395
Office on returning citizen affairs	2,917	2,383	2,133	250
Office of the chief medical examiner	15,701	15,797	15,394	403
Office of the deputy mayor for public safety and justice	16,549	14,370	14,023	347
Office of unified communications	63,666	56,584	55,810	774
Office of victim services and justice grants	109,093	96,423	93,922	2,501
Police officers' and fire fighters' retirement system	143,454	143,454	143,454	-
<b>Total public safety and justice</b>	<u>1,912,415</u>	<u>1,847,812</u>	<u>1,807,266</u>	<u>40,546</u>

Exhibit D-1

**DISTRICT OF COLUMBIA  
SCHEDULE OF BUDGETARY BASIS EXPENDITURES  
For the Year Ended September 30, 2025  
(\$000s)**

	Budget		Actual	Variance
	Original	Revised		
<b>Public education system</b>				
Department of employment services	196,990	205,614	163,115	42,499
Department of parks and recreation	79,478	74,619	73,275	1,344
District of Columbia public charter school board	16,576	14,686	14,686	-
District of Columbia public charter schools	1,354,438	904,579	904,416	163
AY26 public charter school advance appropriations	-	486,762	486,762	-
District of Columbia public schools	1,428,381	1,415,180	1,391,045	24,135
AY26 public school advance appropriations	-	8,621	8,621	-
District of Columbia public library	78,466	77,412	76,219	1,193
District of Columbia state athletics commission	1,708	1,641	1,639	2
Non-public tuition	50,772	58,172	58,154	18
Office of the deputy mayor for education	37,049	36,139	35,784	355
Office of the state superintendent of education	653,803	597,340	561,444	35,896
Special education transportation	130,760	139,200	137,334	1,866
State board of education	3,747	3,700	3,696	4
Teachers' retirement system	80,981	80,981	80,609	372
Unemployment compensation fund	5,480	5,480	4,733	747
University of the District of Columbia subsidy account	102,152	101,109	101,109	-
<b>Total public education system</b>	<u>4,220,781</u>	<u>4,211,235</u>	<u>4,102,641</u>	<u>108,594</u>
<b>Human support services</b>				
Child and family services agency	224,371	224,036	223,041	995
Department of aging and community living	65,015	57,340	55,191	2,149
Department of behavioral health	386,503	404,218	383,887	20,331
Department of health	310,029	282,349	282,016	333
Department of health care finance	4,867,809	4,417,909	4,411,633	6,276
Department of human services	883,180	998,929	942,034	56,895
Department on disability services	206,693	198,353	198,341	12
Not-for-profit hospital corporation subsidy	17,200	26,000	26,000	-
Office of the deputy mayor for health and human services	2,451	2,402	1,816	586
Office of the ombudsperson for children	1,247	1,247	849	398
Office for the deaf, deafblind, and hard of hearing	1,722	1,688	1,646	42
District retiree health contribution	63,900	63,900	63,900	-
<b>Total human support services</b>	<u>7,030,120</u>	<u>6,678,371</u>	<u>6,590,354</u>	<u>88,017</u>

Exhibit D-1

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS EXPENDITURES**  
**For the Year Ended September 30, 2025**  
**(\$000s)**

	Budget		Actual	Variance
	Original	Revised		
<b>Operations and infrastructure</b>				
Alcoholic beverage regulation administration	14,822	12,010	11,385	625
Department of buildings	65,134	58,322	57,494	828
Department of licensing and consumer protection	38,817	35,330	34,710	620
Department of energy and environment	319,023	229,601	174,312	55,289
Department of for-hire vehicles	22,856	16,383	15,147	1,236
Department of insurance, securities and banking	36,395	32,086	32,056	30
Department of motor vehicles	72,385	68,788	66,342	2,446
Department of public works	186,143	197,428	196,720	708
District department of transportation	185,309	183,993	172,730	11,263
Office of the deputy mayor for operations and infrastructure	1,350	1,320	1,090	230
Office of people's counsel	13,971	12,849	12,822	27
Public service commission	20,811	19,097	19,097	-
Washington metropolitan area transit commission	178	178	178	-
Washington metropolitan area transit authority	723,917	722,362	721,283	1,079
<b>Total operations and infrastructure</b>	<u>1,701,111</u>	<u>1,589,747</u>	<u>1,515,366</u>	<u>74,381</u>
<b>Debt service - issuance costs</b>				
Repayment of loans and interest	1,252,587	1,075,889	1,063,263	12,626
Repayment of revenue bonds	2,257	2,257	2,247	10
Debt service - issuance costs	11,000	11,000	10,244	756
Commercial paper program	7,500	14,500	14,411	89
<b>Total debt service</b>	<u>1,273,344</u>	<u>1,103,646</u>	<u>1,090,165</u>	<u>13,481</u>
<b>Transfer out</b>				
Highway transportation fund - transfers	41,037	43,800	43,800	-
Pay-as-you-go capital fund	242,393	237,175	237,175	-
<b>Total transfer out</b>	<u>283,430</u>	<u>280,975</u>	<u>280,975</u>	<u>-</u>
<b>Total</b>	<u>\$ 18,647,850</u>	<u>\$ 18,030,229</u>	<u>\$ 17,652,203</u>	<u>\$ 378,026</u>

The notes to financial statements are an integral part of this schedule.



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**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Local Source				Other Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>Governmental direction and support</b>								
Board of elections	\$ 14,561	\$ 14,809	\$ 14,703	\$ 106	\$ -	\$ -	\$ -	\$ -
Board of ethics and government accountability	3,938	3,795	3,733	62	129	299	299	-
Captive insurance agency	10,522	9,347	8,943	404	850	255	255	-
Contract appeals board	1,973	1,944	1,893	51	-	-	-	-
Council of the District of Columbia	37,223	33,323	33,323	-	-	-	-	-
Department of human resources	13,142	12,770	12,473	297	8,798	7,694	7,694	-
Department of general services	405,002	452,918	449,608	3,310	2,269	5,568	5,568	-
Employees' compensation fund	18,906	17,387	17,387	-	-	-	-	-
Executive office of the mayor	17,483	18,289	17,248	1,041	-	-	-	-
Inaugural expenses	-	-	-	-	-	-	-	-
Mayor's office of legal counsel	1,835	1,718	1,704	14	-	-	-	-
Metropolitan washington council of governments	1,097	1,097	1,097	-	-	-	-	-
Office of advisory neighborhood commissions	2,532	2,684	2,682	2	-	-	-	-
Office of campaign finance	7,840	5,279	5,093	186	-	-	-	-
Office of contracting and procurement	27,612	25,146	24,249	897	2,593	4,220	4,220	-
Office of disability rights	1,426	1,319	1,319	-	-	-	-	-
Office of employee appeals	2,540	2,396	2,395	1	-	-	-	-
Office of finance and resource management	31,459	31,309	30,894	415	223	156	156	-
Office of labor relations and collective bargaining	3,657	3,074	2,898	176	-	-	-	-
Office of LGBTQ Affairs	2,294	7,294	7,181	113	-	-	-	-
Office of risk management	4,677	4,582	4,463	119	-	-	-	-
Office of the attorney general for the District of Columbia	99,416	97,428	93,321	4,107	31,356	28,873	28,848	25
Office of the chief financial officer	175,987	175,387	175,306	81	54,074	28,655	28,655	-
Office of the chief technology officer	91,106	88,544	87,515	1,029	12,656	32,276	32,276	-
Office of the city administrator	10,344	8,286	7,767	519	-	-	-	-
Office of the District of Columbia auditor	7,967	7,095	7,095	-	-	-	-	-
Office of the inspector general	19,497	17,638	17,003	635	1,600	510	510	-
Office of the secretary	4,334	4,241	4,239	2	1,000	1,199	1,199	-
Office of the senior advisor	1,394	1,394	1,262	132	-	-	-	-
Office of veterans' affairs	1,180	1,180	952	228	67	66	66	-
Office on asian and pacific islander affairs	1,562	1,369	1,150	219	-	-	-	-
Office on latino affairs	6,362	6,103	6,007	96	-	-	-	-
Public employee relations board	1,421	1,231	1,203	28	-	-	-	-
Statehood initiatives	267	267	236	31	-	-	-	-
Tax revision commission	-	53	49	4	-	-	-	-
Uniform law commission	65	65	58	7	-	-	-	-
Settlements and judgments	21,025	40,303	40,222	81	-	-	-	-
John A. Wilson building fund	5,516	5,516	5,355	161	-	-	-	-
Convention center transfer	199,943	208,836	208,836	-	-	-	-	-
Emergency planning and security fund	-	15,000	7,355	7,645	-	-	-	-
Workforce investments account	103,249	-	-	-	-	-	-	-
Non-departmental account	8,484	-	-	-	1,885	1,513	-	1,513
<b>Total governmental direction and support</b>	<b>1,368,838</b>	<b>1,330,416</b>	<b>1,308,217</b>	<b>22,199</b>	<b>117,500</b>	<b>111,284</b>	<b>109,746</b>	<b>1,538</b>

Exhibit D-2

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
 Year Ended September 30, 2025  
 (\$000s)

	Private Grants				Federal Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>Governmental direction and support</b>								
Board of elections	\$ -	\$ 229	\$ 229	\$ -	\$ 500	\$ 1,750	\$ 1,750	\$ -
Board of ethics and government accountability	-	-	-	-	-	-	-	-
Captive insurance agency	-	-	-	-	-	-	-	-
Contract appeals board	-	-	-	-	-	-	-	-
Council of the District of Columbia	-	-	-	-	-	-	-	-
Department of human resources	-	-	-	-	-	-	-	-
Department of general services	-	-	-	-	-	-	-	-
Employees' compensation fund	-	-	-	-	-	-	-	-
Executive office of the mayor	-	70	70	-	4,331	2,787	2,775	12
Inaugural expenses	-	-	-	-	47,000	47,432	47,417	15
Mayor's office of legal counsel	-	-	-	-	-	-	-	-
Metropolitan washington council of governments	-	-	-	-	-	-	-	-
Office of advisory neighborhood commissions	-	-	-	-	-	-	-	-
Office of campaign finance	-	-	-	-	-	-	-	-
Office of contracting and procurement	-	16	16	-	-	-	-	-
Office of disability rights	-	-	-	-	628	588	588	-
Office of employee appeals	-	-	-	-	-	-	-	-
Office of finance and resource management	-	-	-	-	-	-	-	-
Office of labor relations and collective bargaining	-	-	-	-	-	-	-	-
Office of LGBTQ Affairs	-	-	-	-	-	-	-	-
Office of risk management	-	-	-	-	-	-	-	-
Office of the attorney general for the District of Columbia	725	768	758	10	29,520	25,116	25,116	-
Office of the chief financial officer	-	-	-	-	1,678	508	508	-
Office of the chief technology officer	-	445	445	-	1,701	1,668	1,668	-
Office of the city administrator	-	-	-	-	-	-	-	-
Office of the District of Columbia auditor	-	-	-	-	-	-	-	-
Office of the inspector general	-	-	-	-	2,913	2,323	2,323	-
Office of the secretary	-	-	-	-	-	-	-	-
Office of the senior advisor	-	-	-	-	-	-	-	-
Office of veterans' affairs	-	-	-	-	-	-	-	-
Office on asian and pacific islander affairs	-	-	-	-	-	-	-	-
Office on latino affairs	-	-	-	-	-	-	-	-
Public employee relations board	-	-	-	-	-	-	-	-
Statehood initiatives	-	24	24	-	-	-	-	-
Tax revision commission	-	-	-	-	-	-	-	-
Uniform law commission	-	-	-	-	-	-	-	-
Settlements and judgments	-	-	-	-	-	-	-	-
John A. Wilson building fund	-	-	-	-	-	-	-	-
Convention center transfer	-	-	-	-	-	-	-	-
Emergency planning and security fund	-	-	-	-	50,000	40,000	40,000	-
Workforce investments account	-	-	-	-	-	-	-	-
Non-departmental account	-	-	-	-	-	-	-	-
<b>Total governmental direction and support</b>	<b>725</b>	<b>1,552</b>	<b>1,542</b>	<b>10</b>	<b>138,271</b>	<b>122,172</b>	<b>122,145</b>	<b>27</b>

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Local Source				Other Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>Economic development and regulation</b>								
Business improvement districts transfer	2,600	2,600	2,600	-	55,000	37,082	37,082	-
Commission on the arts and humanities	47,201	45,229	45,229	-	-	-	-	-
Department of housing and community development	53,989	51,124	48,842	2,282	4,200	2,525	2,525	-
Department of small and local business development	24,112	22,891	22,883	8	-	-	-	-
Housing authority subsidy	187,770	187,770	187,770	-	-	-	-	-
Housing production trust fund subsidy	21,000	-	-	-	-	-	-	-
Office of cable television, film, music, and entertainment	7,571	6,579	6,068	511	7,327	6,769	6,769	-
Office of planning	14,434	14,359	14,282	77	50	9	9	-
Office of the deputy mayor for planning and economic development	41,632	36,483	35,392	1,091	5,269	20,058	20,058	-
Office of the tenant advocate	3,506	3,937	3,862	75	670	606	606	-
Office of zoning	4,286	4,069	3,982	87	-	-	-	-
Real property tax appeals commission	2,020	2,023	2,008	15	-	-	-	-
Rental housing commission	1,363	1,354	1,352	2	-	-	-	-
Housing production trust fund	-	-	-	-	-	-	-	-
<b>Total economic development and regulation</b>	<b>411,484</b>	<b>378,418</b>	<b>374,270</b>	<b>4,148</b>	<b>72,516</b>	<b>67,049</b>	<b>67,049</b>	<b>-</b>
<b>Public safety and justice</b>								
Commission on judicial disabilities and tenure	376	388	388	-	-	-	-	-
Corrections information council	1,289	1,120	1,081	39	-	-	-	-
Criminal code reform commission	890	738	654	84	-	-	-	-
Criminal justice coordinating council	2,057	1,817	1,614	203	-	-	-	-
Department of corrections	203,229	212,859	205,566	7,293	17,653	18,125	18,125	-
Department of forensic sciences	34,674	34,120	31,718	2,402	-	-	-	-
Department of youth rehabilitation services	92,740	104,521	100,722	3,799	-	-	-	-
District of Columbia national guard	5,860	5,906	5,804	102	30	30	30	-
District of Columbia sentencing commission	1,793	1,592	1,445	147	-	-	-	-
Fire and emergency medical services department	300,371	148,071	146,443	1,628	1,800	153,701	153,701	-
Homeland security and emergency management agency	6,180	11,064	10,414	650	-	-	-	-
Judicial nomination commission	37	62	50	12	-	-	-	-
Metropolitan police department	561,636	642,925	642,796	129	6,428	2,659	2,659	-
Office of administrative hearings	11,759	11,707	11,126	581	-	-	-	-
Office of human rights	9,555	8,348	8,082	266	-	-	-	-
Office of neighborhood safety and engagement	25,714	22,195	18,295	3,900	-	-	-	-
Office of police complaints	3,309	3,072	2,677	395	-	-	-	-
Office on returning citizen affairs	2,917	2,383	2,133	250	-	-	-	-
Office of the chief medical examiner	15,383	15,329	14,926	403	318	263	263	-
Office of the deputy mayor for public safety and justice	16,549	14,370	14,023	347	-	-	-	-
Office of unified communications	46,953	35,604	34,830	774	16,608	20,980	20,980	-
Office of victim services and justice grants	92,378	89,933	87,592	2,341	559	15	15	-
Police officers' and fire fighters' retirement system	143,454	143,454	143,454	-	-	-	-	-
<b>Total public safety and justice</b>	<b>1,579,103</b>	<b>1,511,578</b>	<b>1,485,833</b>	<b>25,745</b>	<b>43,396</b>	<b>195,773</b>	<b>195,773</b>	<b>-</b>

Exhibit D-2

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Private Grants				Federal Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>Economic development and regulation</b>								
Business improvement districts transfer	-	-	-	-	-	-	-	-
Commission on the arts and humanities	-	-	-	-	977	938	938	-
Department of housing and community development	-	-	-	-	34,045	32,201	30,290	1,911
Department of small and local business development	-	-	-	-	670	553	553	-
Housing authority subsidy	-	-	-	-	-	-	-	-
Housing production trust fund subsidy	-	-	-	-	-	-	-	-
Office of cable television, film, music, and entertainment	-	-	-	-	-	-	-	-
Office of planning	-	50	50	-	626	702	702	-
Office of the deputy mayor for planning and economic development	-	-	-	-	1,000	10,165	10,165	-
Office of the tenant advocate	-	-	-	-	-	-	-	-
Office of zoning	-	-	-	-	-	-	-	-
Real property tax appeals commission	-	-	-	-	-	-	-	-
Rental housing commission	-	-	-	-	-	-	-	-
Housing production trust fund	-	-	-	-	-	-	-	-
<b>Total economic development and regulation</b>	-	50	50	-	37,318	44,559	42,648	1,911
<b>Public safety and justice</b>								
Commission on judicial disabilities and tenure	-	-	-	-	598	351	351	-
Corrections information council	-	-	-	-	-	-	-	-
Criminal code reform commission	-	-	-	-	-	-	-	-
Criminal justice coordinating council	-	-	-	-	2,525	3,350	3,286	64
Department of corrections	-	87	87	-	553	524	516	8
Department of forensic sciences	929	516	516	-	455	994	994	-
Department of youth rehabilitation services	-	-	-	-	-	-	-	-
District of Columbia national guard	-	-	-	-	14,178	16,024	16,024	-
District of Columbia sentencing commission	-	-	-	-	-	-	-	-
Fire and emergency medical services department	-	-	-	-	67,167	14,867	328	14,539
Homeland security and emergency management agency	-	1	1	-	181,364	91,503	91,503	-
Judicial nomination commission	-	-	-	-	300	285	285	-
Metropolitan police department	-	84	84	-	4,885	4,987	4,980	7
Office of administrative hearings	-	-	-	-	300	123	116	7
Office of human rights	-	-	-	-	401	85	69	16
Office of neighborhood safety and engagement	-	-	-	-	-	-	-	-
Office of police complaints	-	-	-	-	-	-	-	-
Office on returning citizen affairs	-	-	-	-	-	-	-	-
Office of the chief medical examiner	-	-	-	-	-	205	205	-
Office of the deputy mayor for public safety and justice	-	-	-	-	-	-	-	-
Office of unified communications	-	-	-	-	105	-	-	-
Office of victim services and justice grants	-	-	-	-	16,156	6,475	6,315	160
Police officers' and fire fighters' retirement system	-	-	-	-	-	-	-	-
<b>Total public safety and justice</b>	929	688	688	-	288,987	139,773	124,972	14,801

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Local Source				Other Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>Public education system</b>								
Department of employment services	70,918	69,725	67,402	2,323	70,007	58,533	58,532	1
Department of parks and recreation	77,424	72,136	70,795	1,341	2,054	2,483	2,482	1
District of Columbia public charter school board	2,150	2,150	2,150	-	14,426	12,536	12,536	-
District of Columbia public charter schools	1,354,438	904,579	904,416	163	-	-	-	-
AY26 public charter school advance appropriations	-	486,762	486,762	-	-	-	-	-
District of Columbia public schools	1,358,413	1,382,809	1,358,675	24,134	7,189	4,213	4,213	-
AY26 public school advance appropriations	-	8,621	8,621	-	-	-	-	-
District of Columbia public library	75,842	75,148	73,955	1,193	1,350	1,014	1,014	-
District of Columbia state athletics commission	1,488	1,488	1,486	2	220	153	153	-
Non-public tuition	50,172	58,172	58,154	18	-	-	-	-
Office of the deputy mayor for education	36,799	35,864	35,509	355	-	-	-	-
Office of the state superintendent of education	260,803	256,186	255,607	579	812	650	650	-
Special education transportation	120,760	137,830	137,343	487	-	-	-	-
State board of education	3,747	3,700	3,696	4	-	-	-	-
Teachers' retirement system	80,981	80,981	80,609	372	-	-	-	-
Unemployment compensation fund	5,480	5,480	4,733	747	-	-	-	-
University of the District of Columbia subsidy account	102,152	101,109	101,109	-	-	-	-	-
<b>Total public education system</b>	<b>3,601,567</b>	<b>3,682,740</b>	<b>3,651,022</b>	<b>31,718</b>	<b>96,058</b>	<b>79,582</b>	<b>79,580</b>	<b>2</b>
<b>Human support services</b>								
Child and family services agency	173,682	169,504	169,064	440	1,000	-	-	-
Department of aging and community living	48,588	48,079	45,953	2,126	-	-	-	-
Department of behavioral health	296,752	330,686	330,190	496	18,631	14,065	14,065	-
Department of health	92,329	93,626	93,293	333	24,405	18,899	18,899	-
Department of health care finance	1,283,520	1,293,459	1,287,183	6,276	7,008	3,446	3,446	-
Department of human services	680,127	733,570	733,077	493	180	180	180	-
Department on disability services	142,523	143,316	143,304	12	10,382	10,673	10,673	-
Not-for-profit hospital corporation subsidy	17,200	26,000	26,000	-	-	-	-	-
Office of the deputy mayor for health and human services	2,451	2,402	1,816	586	-	-	-	-
Office of the ombudsperson for children	1,247	1,247	849	398	-	-	-	-
Office for the deaf, deafblind, and hard of hearing	1,722	1,688	1,646	42	-	-	-	-
District retiree health contribution	63,900	63,900	63,900	-	-	-	-	-
<b>Total human support services</b>	<b>2,804,041</b>	<b>2,907,477</b>	<b>2,896,275</b>	<b>11,202</b>	<b>61,606</b>	<b>47,263</b>	<b>47,263</b>	<b>-</b>

Exhibit D-2

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Private Grants				Federal Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>Public education system</b>								
Department of employment services	1,221	240	194	46	54,844	77,116	36,987	40,129
Department of parks and recreation	-	-	-	-	-	-	(2)	2
District of Columbia public charter school board	-	-	-	-	-	-	-	-
District of Columbia public charter schools	-	-	-	-	-	-	-	-
AY26 public charter school advance appropriations	-	-	-	-	-	-	-	-
District of Columbia public schools	7,362	7,253	7,253	-	55,417	20,905	20,904	1
AY26 public school advance appropriations	-	-	-	-	-	-	-	-
District of Columbia public library	17	-	-	-	1,257	1,250	1,250	-
District of Columbia state athletics commission	-	-	-	-	-	-	-	-
Non-public tuition	-	-	-	-	600	-	-	-
Office of the deputy mayor for education	250	275	275	-	-	-	-	-
Office of the state superintendent of education	307	1,693	1,693	-	391,881	338,811	303,494	35,317
Special education transportation	-	-	-	-	10,000	1,370	(9)	1,379
State board of education	-	-	-	-	-	-	-	-
Teachers' retirement system	-	-	-	-	-	-	-	-
Unemployment compensation fund	-	-	-	-	-	-	-	-
University of the District of Columbia subsidy account	-	-	-	-	-	-	-	-
<b>Total public education system</b>	<b>9,157</b>	<b>9,461</b>	<b>9,415</b>	<b>46</b>	<b>513,999</b>	<b>439,452</b>	<b>362,624</b>	<b>76,828</b>
<b>Human support services</b>								
Child and family services agency	85	81	81	-	49,604	54,451	53,896	555
Department of aging and community living	-	-	-	-	16,427	9,261	9,238	23
Department of behavioral health	388	165	165	-	70,732	59,302	39,467	19,835
Department of health	750	270	270	-	192,545	169,554	169,554	-
Department of health care finance	-	-	-	-	3,577,281	3,121,004	3,121,004	-
Department of human services	-	359	351	8	202,873	264,820	208,426	56,394
Department on disability services	-	-	-	-	53,788	44,364	44,364	-
Not-for-profit hospital corporation subsidy	-	-	-	-	-	-	-	-
Office of the deputy mayor for health and human services	-	-	-	-	-	-	-	-
Office of the ombudsperson for children	-	-	-	-	-	-	-	-
Office for the deaf, deafblind, and hard of hearing	-	-	-	-	-	-	-	-
District retiree health contribution	-	-	-	-	-	-	-	-
<b>Total human support services</b>	<b>1,223</b>	<b>875</b>	<b>867</b>	<b>8</b>	<b>4,163,250</b>	<b>3,722,756</b>	<b>3,645,949</b>	<b>76,807</b>

Exhibit D-2

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Local Source				Other Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>Operations and infrastructure</b>								
Alcoholic beverage regulation administration	1,371	1,369	744	625	13,451	10,641	10,641	-
Department of buildings	48,894	44,791	43,963	828	16,240	13,531	13,531	-
Department of licensing and consumer protection	13,486	13,211	12,605	606	25,331	22,119	22,105	14
Department of energy and environment	27,305	26,820	26,728	92	147,474	114,631	113,144	1,487
Department of for-hire vehicles	10,101	6,213	4,977	1,236	12,755	10,170	10,170	-
Department of insurance, securities and banking	296	-	-	-	36,099	31,964	31,963	1
Department of motor vehicles	61,771	59,174	56,745	2,429	10,614	9,614	9,597	17
Department of public works	172,843	189,738	189,033	705	13,300	7,658	7,658	-
District department of transportation	134,198	154,550	145,938	8,612	21,229	15,213	15,116	97
Office of the deputy mayor for operations and infrastructure	1,350	1,320	1,090	230	-	-	-	-
Office of people's counsel	1,026	909	882	27	12,945	11,940	11,940	-
Public service commission	-	-	-	-	20,166	18,620	18,620	-
Washington metropolitan area transit commission	178	178	178	-	-	-	-	-
Washington metropolitan area transit authority	686,917	689,724	688,645	1,079	37,000	32,638	32,638	-
<b>Total operations and infrastructure</b>	<b>1,159,736</b>	<b>1,187,997</b>	<b>1,171,528</b>	<b>16,469</b>	<b>366,604</b>	<b>298,739</b>	<b>297,123</b>	<b>1,616</b>
<b>Debt service - issuance costs</b>								
Repayment of loans and interest	1,229,364	1,052,666	1,052,598	68	9,098	9,098	9,098	-
Repayment of revenue bonds	2,257	2,257	2,247	10	-	-	-	-
Debt service - issuance costs	11,000	11,000	10,244	756	-	-	-	-
Commercial paper program	7,500	14,500	14,411	89	-	-	-	-
<b>Total debt service</b>	<b>1,250,121</b>	<b>1,080,423</b>	<b>1,079,500</b>	<b>923</b>	<b>9,098</b>	<b>9,098</b>	<b>9,098</b>	<b>-</b>
<b>Transfer out</b>								
Highway transportation fund - transfers	19,847	23,261	23,261	-	21,190	20,539	20,539	-
Pay-as-you-go capital fund	204,851	208,751	208,751	-	37,542	28,424	28,424	-
<b>Total transfer out</b>	<b>224,698</b>	<b>232,012</b>	<b>232,012</b>	<b>-</b>	<b>58,732</b>	<b>48,963</b>	<b>48,963</b>	<b>-</b>
<b>Total</b>	<b>\$ 12,399,588</b>	<b>\$ 12,311,061</b>	<b>\$ 12,198,657</b>	<b>\$ 112,404</b>	<b>\$ 825,510</b>	<b>\$ 857,751</b>	<b>\$ 854,595</b>	<b>\$ 3,156</b>

Exhibit D-2

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Private Grants				Federal Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>Operations and infrastructure</b>								
Alcoholic beverage regulation administration	-	-	-	-	-	-	-	-
Department of buildings	-	-	-	-	-	-	-	-
Department of licensing and consumer protection	-	-	-	-	-	-	-	-
Department of energy and environment	3,127	375	375	-	141,117	87,775	34,065	53,710
Department of for-hire vehicles	-	-	-	-	-	-	-	-
Department of insurance, securities and banking	-	2	2	-	-	120	91	29
Department of motor vehicles	-	-	-	-	-	-	-	-
Department of public works	-	-	-	-	-	32	29	3
District department of transportation	-	-	-	-	29,882	14,230	11,676	2,554
Office of the deputy mayor for operations and infrastructure	-	-	-	-	-	-	-	-
Office of people's counsel	-	-	-	-	-	-	-	-
Public service commission	14	-	-	-	631	477	477	-
Washington metropolitan area transit commission	-	-	-	-	-	-	-	-
Washington metropolitan area transit authority	-	-	-	-	-	-	-	-
<b>Total operations and infrastructure</b>	<u>3,141</u>	<u>377</u>	<u>377</u>	<u>-</u>	<u>171,630</u>	<u>102,634</u>	<u>46,338</u>	<u>56,296</u>
<b>Debt service - issuance costs</b>								
Repayment of loans and interest	-	-	-	-	14,125	14,125	1,567	12,558
Repayment of revenue bonds	-	-	-	-	-	-	-	-
Debt service - issuance costs	-	-	-	-	-	-	-	-
Commercial paper program	-	-	-	-	-	-	-	-
<b>Total debt service</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,125</u>	<u>14,125</u>	<u>1,567</u>	<u>12,558</u>
<b>Transfer out</b>								
Highway transportation fund - transfers	-	-	-	-	-	-	-	-
Pay-as-you-go capital fund	-	-	-	-	-	-	-	-
<b>Total transfer out</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 15,175</u>	<u>\$ 13,003</u>	<u>\$ 12,939</u>	<u>\$ 64</u>	<u>\$ 5,327,580</u>	<u>\$ 4,585,471</u>	<u>\$ 4,346,243</u>	<u>\$ 239,228</u>

The notes to financial statements are an integral part of this schedule.

Exhibit D-3

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGET REVISIONS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Local Source			Other Sources		
	Original Budget	Revisions	Revised Budget	Original Budget	Revisions	Revised Budget
<b>REVENUES</b>						
Taxes:						
Property taxes	\$ 2,874,120	\$ 58,601	\$ 2,932,721	\$ -	\$ -	\$ -
Sales and use taxes	2,062,430	49,928	2,112,358	-	-	-
Income and franchise taxes	4,390,665	314,044	4,704,709	-	-	-
Gross receipts and other taxes	863,366	55,822	919,188	-	-	-
Total taxes	10,190,581	478,395	10,668,976	-	-	-
Licenses and permits	160,446	(21,901)	138,545	-	-	-
Fines and forfeitures	335,584	(54,035)	281,549	-	-	-
Charges for services	397,066	4,666	401,732	-	-	-
Miscellaneous	294,789	(93,426)	201,363	-	-	-
Other sources	-	-	-	791,812	159,275	951,087
Federal contributions	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
<b>Total revenues</b>	<b>11,378,466</b>	<b>313,699</b>	<b>11,692,165</b>	<b>791,812</b>	<b>159,275</b>	<b>951,087</b>
<b>EXPENDITURES</b>						
Governmental direction and support	1,368,838	(38,422)	1,330,416	117,500	(6,216)	111,284
Economic development and regulation	411,484	(33,066)	378,418	72,516	(5,467)	67,049
Public safety and justice	1,579,103	(67,525)	1,511,578	43,396	152,377	195,773
Public education system	3,601,567	(414,210)	3,187,357	96,058	(16,476)	79,582
Public education AY26 expenditure	-	495,383	495,383	-	-	-
Human support services	2,804,041	103,436	2,907,477	61,606	(14,343)	47,263
Operations and infrastructure	1,159,736	28,261	1,187,997	366,604	(67,865)	298,739
Debt service	1,250,121	(169,698)	1,080,423	9,098	-	9,098
<b>Total expenditures</b>	<b>12,174,890</b>	<b>(95,841)</b>	<b>12,079,049</b>	<b>766,778</b>	<b>42,010</b>	<b>808,788</b>
<b>Excess of revenues over expenditures</b>	<b>(796,424)</b>	<b>409,540</b>	<b>(386,884)</b>	<b>25,034</b>	<b>117,265</b>	<b>142,299</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond proceeds	11,000	-	11,000	-	-	-
Transfer in	158,945	56,897	215,842	-	-	-
Transfer out	(224,698)	(7,314)	(232,012)	(58,732)	9,769	(48,963)
<b>Total other financing sources (uses)</b>	<b>(54,753)</b>	<b>49,583</b>	<b>(5,170)</b>	<b>(58,732)</b>	<b>9,769</b>	<b>(48,963)</b>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<b>(851,177)</b>	<b>459,123</b>	<b>(392,054)</b>	<b>(33,698)</b>	<b>127,034</b>	<b>93,336</b>
Use of fund balance	854,685	346,509	1,201,194	49,536	43,650	93,186
<b>Excess after use of fund balance</b>	<b>\$ 3,508</b>	<b>\$ 805,632</b>	<b>\$ 809,140</b>	<b>\$ 15,838</b>	<b>\$ 170,684</b>	<b>\$ 186,522</b>

Exhibit D-3

**DISTRICT OF COLUMBIA  
SCHEDULE OF BUDGET REVISIONS  
Year Ended September 30, 2025  
(\$000s)**

	Private Grant and Contributions			Federal Resources		
	Original Budget	Revisions	Revised Budget	Original Budget	Revisions	Revised Budget
<b>REVENUES</b>						
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	-	-	-	-	-	-
Federal contributions	-	-	-	163,547	(25,838)	137,709
Operating grants	15,175	(2,172)	13,003	5,164,033	(716,271)	4,447,762
<b>Total revenues</b>	<u>15,175</u>	<u>(2,172)</u>	<u>13,003</u>	<u>5,327,580</u>	<u>(742,109)</u>	<u>4,585,471</u>
<b>EXPENDITURES</b>						
Governmental direction and support	725	827	1,552	138,271	(16,099)	122,172
Economic development and regulation	-	50	50	37,318	7,241	44,559
Public safety and justice	929	(241)	688	288,987	(149,214)	139,773
Public education system	9,157	304	9,461	513,999	(74,547)	439,452
Public education AY26 expenditure	-	-	-	-	-	-
Human support services	1,223	(348)	875	4,163,250	(440,494)	3,722,756
Operations and infrastructure	3,141	(2,764)	377	171,630	(68,996)	102,634
Debt service	-	-	-	14,125	-	14,125
<b>Total expenditures</b>	<u>15,175</u>	<u>(2,172)</u>	<u>13,003</u>	<u>5,327,580</u>	<u>(742,109)</u>	<u>4,585,471</u>
<b>Excess of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond proceeds	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Use of fund balance	-	-	-	-	-	-
<b>Excess after use of fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit D-3

**DISTRICT OF COLUMBIA  
SCHEDULE OF BUDGET REVISIONS  
Year Ended September 30, 2025  
(\$000s)**

	Housing Production Trust		
	Original Budget	Revisions	Revised Budget
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-
Income and franchise taxes	-	-	-
Gross receipts and other taxes	48,997	-	48,997
Total taxes	48,997	-	48,997
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Miscellaneous	31,000	-	31,000
Other sources	-	-	-
Federal contributions	-	-	-
Operating grants	-	-	-
<b>Total revenues</b>	79,997	-	79,997
<b>EXPENDITURES</b>			
Governmental direction and support	-	-	-
Economic development and regulation	79,997	182,946	262,943
Public safety and justice	-	-	-
Public education system	-	-	-
Public education AY26 expenditure	-	-	-
Human support services	-	-	-
Operations and infrastructure	-	-	-
Debt service	-	-	-
<b>Total expenditures</b>	79,997	182,946	262,943
<b>Excess of revenues over expenditures</b>	-	(182,946)	(182,946)
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond proceeds	-	-	-
Transfer in	-	-	-
Transfer out	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-
<b>Excess of revenues and other sources over expenditures and other uses</b>	-	(182,946)	(182,946)
Use of fund balance	-	-	-
<b>Excess after use of fund balance</b>	\$ -	\$ (182,946)	\$ (182,946)

The notes to financial statements are an integral part of this schedule.

Exhibit E-1

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**MAJOR FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	General Capital Improvements			
	Original Budget	Revised Budget	Actual	Variance
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 10	\$ 10
Miscellaneous	-	-	2,419	2,419
Investment earnings	-	-	596	596
Operating grants	375,978	1,418,569	275,337	(1,143,232)
<b>Total revenues</b>	<u>375,978</u>	<u>1,418,569</u>	<u>278,362</u>	<u>(1,140,207)</u>
<b>EXPENDITURES</b>				
<b>Capital outlays</b>				
<b>Governmental direction and support</b>				
Board of elections	-	515	463	52
Captive insurance agency	-	(4,549)	-	(4,549)
Council of the District of Columbia	-	11,990	2,009	9,981
Department of general services	1,157,571	2,165,027	782,171	1,382,856
Office of contracting and procurement	-	4,125	2,287	1,838
Office of the attorney general for the District of Columbia	-	5,656	-	5,656
Office of the chief financial officer	7,000	60,159	19,137	41,022
Office of the chief technology officer	27,913	72,372	26,818	45,554
Office of the city administrator	-	134	95	39
<b>Total governmental direction and support</b>	<u>1,192,484</u>	<u>2,315,429</u>	<u>832,980</u>	<u>1,482,449</u>
<b>Economic development and regulation</b>				
Housing authority subsidy	50,774	95,220	38,950	56,270
Office of cable television, film, music, and entertainment	-	123	100	23
Office of planning	-	213	-	213
Office of the deputy mayor for planning and economic development	388,107	612,960	242,644	370,316
Office of zoning	204	259	98	161
<b>Total economic development and regulation</b>	<u>439,085</u>	<u>708,775</u>	<u>281,792</u>	<u>426,983</u>
<b>Public safety and justice</b>				
Department of forensic sciences	500	5,521	1,551	3,970
Department of youth rehabilitation services	528	1,327	349	978
District of Columbia sentencing commission	-	277	115	162
Fire and emergency medical services department	35,380	115,106	15,268	99,838
Metropolitan police department	29,495	34,996	15,786	19,210
Office of human rights	-	801	92	709
Office of neighborhood safety and engagement	124	115	116	(1)
Office of the chief medical examiner	1,468	2,650	753	1,897
Office of unified communications	16,097	36,909	14,027	22,882
<b>Total public safety and justice</b>	<u>83,592</u>	<u>197,702</u>	<u>48,057</u>	<u>149,645</u>
<b>Public education system</b>				
Department of employment services	18,000	30,505	10,105	20,400
Department of parks and recreation	1,061	38,061	11,540	26,521
District of Columbia public schools	9,626	23,836	4,449	19,387
District of Columbia public library	17,869	73,047	22,073	50,974
Office of the deputy mayor for education	2,256	3,284	2,658	626
Office of the state superintendent of education	4,188	7,113	3,340	3,773
Special education transportation	2,796	22,364	5,817	16,547
University of the District of Columbia capital subsidy	31,500	113,076	24,063	89,013
<b>Total public education system</b>	<u>87,296</u>	<u>311,286</u>	<u>84,045</u>	<u>227,241</u>
<b>Human support services</b>				
Child and family services agency	5,037	18,493	10,168	8,325
Department of aging and community living	-	12,240	63	12,177
Department of behavioral health	7,280	22,377	2,617	19,760
Department of health	256	752	158	594
Department of health care finance	-	165,472	50,274	115,198
Department of human services	-	94,441	-	94,441
<b>Total human support services</b>	<u>12,573</u>	<u>313,775</u>	<u>63,280</u>	<u>250,495</u>

Exhibit E-1

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**MAJOR FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	General Capital Improvements			
	Original Budget	Revised Budget	Actual	Variance
<b>Operations and infrastructure</b>				
Department of buildings	2,448	4,540	3,017	1,523
Department of licensing and consumer protection	-	3,784	2,529	1,255
Department of energy and environment	18,836	113,927	20,755	93,172
Department of for-hire vehicles	207	1,807	89	1,718
Department of motor vehicles	3,200	8,677	5,988	2,689
Department of public works	56,407	131,709	22,748	108,961
District department of transportation	794,455	2,230,922	408,133	1,822,789
Washington metropolitan area transit authority	338,365	481,117	338,384	142,733
<b>Total operations and infrastructure</b>	<u>1,213,918</u>	<u>2,976,483</u>	<u>801,643</u>	<u>2,174,840</u>
Debt services	-	-	27,890	(27,890)
Total transfer out	-	-	27,890	(27,890)
Total expenditures	<u>3,028,948</u>	<u>6,823,450</u>	<u>2,139,687</u>	<u>4,683,763</u>
<b>Excess of revenues over expenditures</b>	<u>(2,652,970)</u>	<u>(5,404,881)</u>	<u>(1,861,325)</u>	<u>3,543,556</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	2,410,577	4,856,137	2,142,280	(2,713,857)
Premium on sale of bonds	-	-	170,150	170,150
Transfer in	242,393	567,518	237,651	(329,867)
Transfer out	-	-	(28,969)	(28,969)
Total other financing sources (uses)	<u>2,652,970</u>	<u>5,423,655</u>	<u>2,521,112</u>	<u>(2,902,543)</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>18,774</u>	<u>659,787</u>	<u>641,013</u>
<b>Excess after use of fund balance</b>	<u>\$ -</u>	<u>\$ 18,774</u>	<u>\$ 659,787</u>	<u>\$ 641,013</u>

The notes to financial statements are an integral part of this schedule.

Exhibit E-2

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**NONMAJOR FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Tax Increment Financing Program				Debt Service Fund			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>REVENUES</b>								
Property taxes	\$ 15,061	\$ 15,061	\$ 15,371	\$ 310	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	30,731	30,731	26,038	(4,693)	-	-	-	-
Gross receipts and other taxes	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Investment earnings	-	-	2,258	2,258	-	-	-	-
<b>Total revenues</b>	<u>45,792</u>	<u>45,792</u>	<u>43,667</u>	<u>(2,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>								
Governmental direction and support	33,866	31,998	22,439	9,559	-	-	-	-
Economic development and regulation	-	-	-	-	-	-	-	-
Operations and infrastructure	-	-	-	-	-	-	-	-
Debt service	11,926	11,926	10,337	1,589	47,244	47,244	79,198	(31,954)
<b>Total expenditures</b>	<u>45,792</u>	<u>43,924</u>	<u>32,776</u>	<u>11,148</u>	<u>47,244</u>	<u>47,244</u>	<u>79,198</u>	<u>(31,954)</u>
<b>Excess of revenues over expenditures</b>	<u>-</u>	<u>1,868</u>	<u>10,891</u>	<u>9,023</u>	<u>(47,244)</u>	<u>(47,244)</u>	<u>(79,198)</u>	<u>(31,954)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Bond proceeds	-	-	150	150	-	-	-	-
Transfer in	-	-	-	-	47,244	47,244	79,198	31,954
Transfer out	-	(16,242)	(27,379)	(11,137)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(16,242)</u>	<u>(27,229)</u>	<u>(10,987)</u>	<u>47,244</u>	<u>47,244</u>	<u>79,198</u>	<u>31,954</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>(14,374)</u>	<u>(16,338)</u>	<u>(1,964)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Use of fund balance	-	15,965	15,965	-	-	-	-	-
<b>Excess after use of fund balance</b>	<u>\$ -</u>	<u>\$ 1,591</u>	<u>\$ (373)</u>	<u>\$ (1,964)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**NONMAJOR FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Repayment of PILOT Financing				Universal Paid Leave			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>REVENUES</b>								
Property taxes	\$ 38,621	\$ 19,425	\$ 19,417	\$ (8)	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	26,494	15,625	13,463	(2,162)	-	-	-	-
Gross receipts and other taxes	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	137,800	166,221	150,549	(15,672)
Miscellaneous	-	-	-	-	-	-	-	-
Investment earnings	-	-	4,335	4,335	-	-	5,091	5,091
<b>Total revenues</b>	<u>65,115</u>	<u>35,050</u>	<u>37,215</u>	<u>2,165</u>	<u>137,800</u>	<u>166,221</u>	<u>155,640</u>	<u>(10,581)</u>
<b>EXPENDITURES</b>								
Governmental direction and support	51,196	12,694	416	12,278	-	-	-	-
Economic development and regulation	-	-	-	-	137,800	166,221	144,108	22,113
Operations and infrastructure	-	-	-	-	-	-	-	-
Debt service	13,919	147,952	140,894	7,058	-	-	-	-
<b>Total expenditures</b>	<u>65,115</u>	<u>160,646</u>	<u>141,310</u>	<u>19,336</u>	<u>137,800</u>	<u>166,221</u>	<u>144,108</u>	<u>22,113</u>
<b>Excess of revenues over expenditures</b>	<u>-</u>	<u>(125,596)</u>	<u>(104,095)</u>	<u>21,501</u>	<u>-</u>	<u>-</u>	<u>11,532</u>	<u>11,532</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Bond proceeds	-	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-	-
Transfer out	-	-	(19,336)	(19,336)	-	-	(23,882)	(23,882)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(19,336)</u>	<u>(19,336)</u>	<u>-</u>	<u>-</u>	<u>(23,882)</u>	<u>(23,882)</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>(125,596)</u>	<u>(123,431)</u>	<u>2,165</u>	<u>-</u>	<u>-</u>	<u>(12,350)</u>	<u>(12,350)</u>
Use of fund balance	-	125,596	125,596	-	-	-	-	-
<b>Excess after use of fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,165</u>	<u>\$ 2,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,350)</u>	<u>\$ (12,350)</u>

Exhibit E-2

**DISTRICT OF COLUMBIA**  
**SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS**  
**NONMAJOR FUNDS**  
**Year Ended September 30, 2025**  
**(\$000s)**

	Ballpark Revenue Fund				Highway Trust Fund			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	16,499	16,150	19,125	2,975	41,037	125,879	-	(125,879)
Gross receipts and other taxes	54,752	58,493	56,748	(1,745)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	9,522	6,130	6,131	1	-	-	-	-
Investment earnings	-	-	684	684	-	-	302	302
<b>Total revenues</b>	<u>80,773</u>	<u>80,773</u>	<u>82,688</u>	<u>1,915</u>	<u>41,037</u>	<u>125,879</u>	<u>302</u>	<u>(125,577)</u>
<b>EXPENDITURES</b>								
Governmental direction and support	-	-	1,542	(1,542)	-	-	-	-
Economic development and regulation	-	-	-	-	-	-	-	-
Operations and infrastructure	-	-	-	-	41,037	125,879	34,652	91,227
Debt service	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>1,542</u>	<u>(1,542)</u>	<u>41,037</u>	<u>125,879</u>	<u>34,652</u>	<u>91,227</u>
<b>Excess of revenues over expenditures</b>	<u>80,773</u>	<u>80,773</u>	<u>81,146</u>	<u>373</u>	<u>-</u>	<u>-</u>	<u>(34,350)</u>	<u>(34,350)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Bond proceeds	-	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	43,800	43,800
Transfer out	(80,773)	(80,773)	(32,275)	48,498	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(80,773)</u>	<u>(80,773)</u>	<u>(32,275)</u>	<u>48,498</u>	<u>-</u>	<u>-</u>	<u>43,800</u>	<u>43,800</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>-</u>	<u>48,871</u>	<u>48,871</u>	<u>-</u>	<u>-</u>	<u>9,450</u>	<u>9,450</u>
Use of fund balance	-	-	-	-	-	-	-	-
<b>Excess after use of fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,871</u>	<u>\$ 48,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,450</u>	<u>\$ 9,450</u>

The notes to financial statements are an integral part of this schedule.

# 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 operations of the District. 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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## FINANCIAL TRENDS

These schedules provide trend information, which may be used to better understand how the financial performance and well-being of the District have changed over time.

**Exhibit S-1A  
Net Position by Component - Last Ten Fiscal Years  
Accrual Basis of Accounting (\$000s)**

<b>NET POSITION</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 2,835,463	\$ 3,204,028	\$ 3,467,965	\$ 3,571,065	\$ 3,232,889	\$ 3,944,820	\$ 3,138,401	\$ 3,540,003	\$ 4,082,178	\$ 3,626,703
Restricted	1,440,889	1,538,687	1,727,770	1,803,748	1,891,026	2,374,782	2,341,832	1,763,997	1,881,774	3,247,902
Unrestricted (deficit)	170,315	132,888	(44,334)	698,133	1,210,924	889,510	2,766,679	2,705,987	1,676,308	582,789
<b>Total governmental activities net position</b>	<b>4,446,667</b>	<b>4,875,603</b>	<b>5,151,401</b>	<b>6,072,946</b>	<b>6,334,839</b>	<b>7,209,112</b>	<b>8,246,912</b>	<b>8,009,987</b>	<b>7,640,260</b>	<b>7,457,394</b>
<b>Business-type activities</b>										
Net investment in capital assets	330	79,700	72,469	68,849	70,136	62,610	49,487	41,335	33,101	-
Restricted	364,237	416,373	459,203	503,431	90,550	45,158	165,212	334,712	364,008	338,026
Unrestricted	4,184	11,185	4,240	13,711	6,530	11,036	16,028	16,643	17,143	3,891
<b>Total business-type activities net position</b>	<b>368,751</b>	<b>507,258</b>	<b>535,912</b>	<b>585,991</b>	<b>167,216</b>	<b>118,804</b>	<b>230,727</b>	<b>392,690</b>	<b>414,252</b>	<b>341,917</b>
<b>Primary government</b>										
Net investment in capital assets	2,835,793	3,283,728	3,540,434	3,639,914	3,303,025	4,007,430	3,187,888	3,581,338	4,115,279	3,626,703
Restricted	1,805,126	1,955,060	2,186,973	2,307,179	1,981,576	2,419,940	2,507,044	2,098,709	2,245,782	3,585,928
Unrestricted (deficit)	174,499	144,073	(40,094)	711,844	1,217,454	900,546	2,782,707	2,722,630	1,693,451	586,680
<b>Total primary government net position</b>	<b>\$ 4,815,418</b>	<b>\$ 5,382,861</b>	<b>\$ 5,687,313</b>	<b>\$ 6,658,937</b>	<b>\$ 6,502,055</b>	<b>\$ 7,327,916</b>	<b>\$ 8,477,639</b>	<b>\$ 8,402,677</b>	<b>\$ 8,054,512</b>	<b>\$ 7,799,311</b>

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)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>GOVERNMENTAL ACTIVITIES</b>										
<b>Expenses</b>										
Governmental direction and support	\$ 1,228,553	\$ 1,085,592	\$ 1,164,181	\$ 1,157,810	\$ 1,297,717	\$ 1,412,671	\$ 1,654,463	\$ 1,566,494	\$ 1,697,573	\$ 1,732,747
Economic development and regulation	548,314	591,861	724,404	700,346	574,303	722,913	858,316	1,003,128	891,952	962,851
Public safety and justice	1,799,670	1,594,081	1,623,766	1,673,214	2,009,076	1,880,627	2,242,005	2,365,404	2,206,241	2,105,061
Public education system	2,271,561	2,602,658	2,834,186	2,949,935	3,346,895	3,400,015	3,933,866	4,412,973	4,386,680	4,449,701
Human support services	4,507,123	4,863,087	4,799,268	5,148,903	5,287,152	6,041,025	6,759,631	7,022,388	7,050,677	7,259,180
Operations and infrastructure	701,559	758,431	812,726	860,918	1,279,342	1,338,065	1,531,347	1,516,730	1,635,636	1,656,423
Public transportation	359,097	368,014	419,198	425,753	424,271	458,346	447,069	479,610	506,462	719,459
Interest on long-term debt	392,638	446,621	435,006	425,812	430,752	424,627	367,790	503,930	537,974	554,348
<b>Total governmental activities expenses</b>	<b>11,808,515</b>	<b>12,310,345</b>	<b>12,812,735</b>	<b>13,342,691</b>	<b>14,649,508</b>	<b>15,678,289</b>	<b>17,794,487</b>	<b>18,870,657</b>	<b>18,913,195</b>	<b>19,439,770</b>
<b>Program revenues</b>										
Charges for services, fees, fines, and forfeitures:										
Economic development and regulation	172,898	180,307	181,857	268,190	490,046	324,049	364,051	168,541	175,374	174,173
Operations and infrastructure	183,592	185,842	191,000	229,398	153,533	290,497	353,234	388,741	372,738	386,922
Others	242,257	228,173	235,193	372,156	248,010	210,174	231,482	220,874	313,352	699,317
Operating grants and contributions	3,577,091	3,832,821	3,674,019	3,916,440	4,826,314	5,870,607	6,941,860	6,701,581	6,204,691	5,673,795
Capital grants and contributions	167,948	219,751	261,450	258,500	278,833	309,217	209,696	219,345	245,368	275,337
<b>Total governmental activities program revenues</b>	<b>4,343,786</b>	<b>4,646,894</b>	<b>4,543,519</b>	<b>5,044,684</b>	<b>5,996,736</b>	<b>7,004,544</b>	<b>8,100,323</b>	<b>7,699,082</b>	<b>7,311,523</b>	<b>7,209,544</b>
<b>Net expenses</b>	<b>(7,464,729)</b>	<b>(7,663,451)</b>	<b>(8,269,216)</b>	<b>(8,298,007)</b>	<b>(8,652,772)</b>	<b>(8,673,745)</b>	<b>(9,694,164)</b>	<b>(11,171,575)</b>	<b>(11,601,672)</b>	<b>(12,230,226)</b>
<b>General revenues</b>										
Taxes:										
Property taxes	2,504,617	2,651,688	2,713,310	2,888,245	3,061,745	3,152,529	2,876,250	3,049,854	3,099,740	3,121,075
Sales and use taxes	1,451,441	1,527,120	1,597,940	1,707,745	1,317,113	1,310,154	1,814,079	2,011,790	2,084,662	2,184,263
Income and franchise taxes	2,417,206	2,479,847	2,666,690	2,969,289	3,021,673	3,486,898	4,102,718	4,157,773	4,248,527	4,842,694
Gross receipts taxes	365,305	364,791	368,446	397,684	374,112	373,421	407,580	409,178	425,297	563,651
Other taxes	498,161	502,117	508,151	583,429	489,988	585,257	738,184	433,162	375,079	455,390
Investment earnings	11,601	9,288	36,273	53,941	30,176	8,289	40,787	241,249	220,136	157,162
Miscellaneous	510,330	527,920	500,442	610,479	616,477	675,149	733,696	725,465	761,154	861,711
Transfers in (out)	53,287	29,616	12,080	8,740	3,381	(43,679)	18,670	(101,550)	17,350	32,742
<b>Total governmental activities general revenues and transfers</b>	<b>7,811,948</b>	<b>8,092,387</b>	<b>8,403,332</b>	<b>9,219,552</b>	<b>8,914,665</b>	<b>9,548,018</b>	<b>10,731,964</b>	<b>10,926,921</b>	<b>11,231,945</b>	<b>12,218,688</b>
<b>Change in net position - governmental activities</b>	<b>\$ 347,219</b>	<b>\$ 428,936</b>	<b>\$ 134,116</b>	<b>\$ 921,545</b>	<b>\$ 261,893</b>	<b>\$ 874,273</b>	<b>\$ 1,037,800</b>	<b>\$ (244,654)</b>	<b>\$ (369,727)</b>	<b>\$ (11,538)</b>

(Continued)

**Exhibit S-1B  
Changes in Net Position - Last Ten Fiscal Years  
Accrual Basis of Accounting (\$'000s)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>BUSINESS-TYPE ACTIVITIES</b>										
<b>Expenses</b>										
Office of lottery and gaming	\$ 174,882	\$ 173,241	\$ 161,397	\$ 168,454	\$ 176,987	\$ 218,086	\$ 234,895	\$ 258,014	\$ 290,273	\$ 179,697
Unemployment compensation	114,633	143,942	131,764	120,010	1,568,065	1,497,798	39,994	89,251	110,701	199,111
Not-for-profit hospital corporation	-	134,104	149,194	149,736	160,055	150,034	142,883	125,713	123,826	70,834
<b>Total business-type activities expenses</b>	<b>289,515</b>	<b>451,287</b>	<b>442,355</b>	<b>438,200</b>	<b>1,905,107</b>	<b>1,865,918</b>	<b>417,772</b>	<b>472,978</b>	<b>524,800</b>	<b>449,642</b>
<b>Program revenues</b>										
Charges for services, fees, fines, and forfeitures:										
Office of lottery and gaming	228,183	218,732	210,264	213,072	214,933	266,308	274,794	289,927	328,504	210,754
Not-for-profit hospital	-	123,679	96,925	110,335	98,474	93,030	109,191	94,285	93,457	24,001
Operating grants and contributions	12,028	25,217	20,789	18,319	1,025,633	1,267,261	25,264	14,186	10,410	33,253
<b>Total business-type activities program revenues</b>	<b>240,211</b>	<b>367,628</b>	<b>327,978</b>	<b>341,726</b>	<b>1,339,040</b>	<b>1,626,599</b>	<b>409,249</b>	<b>398,398</b>	<b>432,371</b>	<b>268,008</b>
<b>Net expenses</b>	<b>(49,304)</b>	<b>(83,659)</b>	<b>(114,377)</b>	<b>(96,474)</b>	<b>(566,067)</b>	<b>(239,319)</b>	<b>(8,523)</b>	<b>(74,580)</b>	<b>(92,429)</b>	<b>(181,634)</b>
<b>General revenues</b>										
Other taxes	145,887	143,728	144,068	142,877	139,833	145,775	136,267	127,721	119,617	127,401
Investment earnings	8,532	9,645	11,043	12,416	10,840	1,453	2,849	7,272	11,724	14,153
Transfers	(53,287)	(29,616)	(12,080)	(8,740)	(3,381)	43,679	(18,670)	101,550	(17,350)	(32,742)
<b>Total business-type activities general revenues and transfers</b>	<b>101,132</b>	<b>123,757</b>	<b>143,031</b>	<b>146,553</b>	<b>147,292</b>	<b>190,907</b>	<b>120,446</b>	<b>236,543</b>	<b>113,991</b>	<b>108,812</b>
<b>Change in net position - business-type activities</b>	<b>\$ 51,828</b>	<b>\$ 40,098</b>	<b>\$ 28,654</b>	<b>\$ 50,079</b>	<b>\$ (418,775)</b>	<b>\$ (48,412)</b>	<b>\$ 111,923</b>	<b>\$ 161,963</b>	<b>\$ 21,562</b>	<b>\$ (72,822)</b>
<b>PRIMARY GOVERNMENT</b>										
Expenses	\$ 12,098,030	\$ 12,761,632	\$ 13,255,090	\$ 13,780,891	\$ 16,554,615	\$ 17,544,207	\$ 18,212,259	\$ 19,343,635	\$ 19,437,995	\$ 19,889,412
Program revenues	4,583,997	5,014,522	4,871,497	5,386,410	7,335,776	8,631,143	8,509,572	8,097,480	7,743,894	7,477,552
<b>Net expenses</b>	<b>(7,514,033)</b>	<b>(7,747,110)</b>	<b>(8,383,593)</b>	<b>(8,394,481)</b>	<b>(9,218,839)</b>	<b>(8,913,064)</b>	<b>(9,702,687)</b>	<b>(11,246,155)</b>	<b>(11,694,101)</b>	<b>(12,411,860)</b>
General revenues	7,913,080	8,216,144	8,546,363	9,366,105	9,061,957	9,738,925	10,852,410	11,163,464	11,345,936	12,327,500
<b>Change in net position - primary government</b>	<b>\$ 399,047</b>	<b>\$ 469,034</b>	<b>\$ 162,770</b>	<b>\$ 971,624</b>	<b>\$ (156,882)</b>	<b>\$ 825,861</b>	<b>\$ 1,149,723</b>	<b>\$ (82,691)</b>	<b>\$ (348,165)</b>	<b>\$ (84,360)</b>

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)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>General Fund</b>										
Nonspendable	\$ 11,631	\$ 14,969	\$ 8,270	\$ 10,303	\$ 47,769	\$ 42,809	\$ 47,652	\$ 15,402	\$ 13,784	\$ 24,383
Restricted	1,030,895	1,120,068	1,105,718	1,132,630	1,018,627	1,043,425	1,064,506	1,121,654	1,122,974	1,309,462
Committed	1,325,895	1,541,254	1,635,148	2,041,133	2,193,438	2,463,172	3,780,147	3,779,849	3,786,204	3,491,422
Assigned	20,668	-	27,247	69,250	-	49,300	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total general fund</b>	<u>\$ 2,389,089</u>	<u>\$ 2,676,291</u>	<u>\$ 2,776,383</u>	<u>\$ 3,253,316</u>	<u>\$ 3,259,834</u>	<u>\$ 3,598,706</u>	<u>\$ 4,892,305</u>	<u>\$ 4,916,905</u>	<u>\$ 4,922,962</u>	<u>\$ 4,825,267</u>
<b>All other governmental funds</b>										
Nonspendable	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,431	\$ 44,147	\$ 30,454	\$ 32,891
Restricted	754,029	675,825	639,734	704,749	1,127,035	973,735	1,308,057	1,083,899	992,293	657,771
Unassigned	(228,870)	(642,032)	(522,345)	(378,421)	(38,538)	(728,182)	(358,081)	(766,511)	(1,432,549)	(797,040)
<b>Total all other governmental funds</b>	<u>\$ 525,161</u>	<u>\$ 33,793</u>	<u>\$ 117,389</u>	<u>\$ 326,328</u>	<u>\$ 1,088,497</u>	<u>\$ 245,553</u>	<u>\$ 974,407</u>	<u>\$ 361,535</u>	<u>\$ (409,802)</u>	<u>\$ (106,378)</u>

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)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>REVENUES</b>										
Taxes	\$ 7,283,128	\$ 7,523,653	\$ 7,824,560	\$ 8,506,017	\$ 8,289,764	\$ 8,867,025	10,061,876	\$ 10,053,179	\$ 10,261,276	\$ 11,121,271
Fines and forfeitures	202,314	176,351	168,486	202,194	158,030	145,147	169,382	166,825	238,958	279,782
Licenses and permits	123,029	127,546	133,938	172,493	141,007	141,467	156,512	165,931	162,722	168,558
Charges for services	273,404	290,425	305,626	377,699	580,623	578,968	625,205	449,185	463,201	794,713
Miscellaneous	457,163	470,392	514,926	591,665	585,022	669,761	806,130	735,118	767,613	759,008
Investment earnings	11,601	14,039	36,273	53,944	30,176	8,289	40,786	241,249	220,136	157,160
Federal contributions	521,828	535,131	528,300	556,431	920,806	1,307,786	1,614,737	1,834,494	1,327,797	843,134
Operating grants	3,223,211	3,517,441	3,407,169	3,594,143	3,967,059	4,791,855	5,367,902	5,080,654	5,184,649	5,200,605
<b>Total revenues</b>	<b>12,095,678</b>	<b>12,654,978</b>	<b>12,919,278</b>	<b>14,054,586</b>	<b>14,672,487</b>	<b>16,510,298</b>	<b>18,842,530</b>	<b>18,726,635</b>	<b>18,626,352</b>	<b>19,324,231</b>
<b>EXPENDITURES</b>										
Governmental direction and support	1,068,253	1,070,683	1,095,013	1,111,281	1,241,170	1,343,298	2,626,317	1,544,315	1,832,741	1,697,147
Economic development and regulation	560,365	578,242	665,315	708,236	523,294	646,196	748,133	867,767	888,811	863,866
Public safety and justice	1,671,804	1,596,144	1,621,278	1,649,122	2,016,966	2,063,113	2,113,334	2,232,250	2,156,385	2,285,631
Public education system	2,309,778	2,500,267	2,735,135	2,789,110	3,143,611	3,321,561	3,738,340	4,191,245	4,203,910	4,290,887
Human support services	4,514,647	4,814,189	4,758,686	5,089,527	5,208,828	5,996,673	6,619,640	6,922,955	7,003,560	7,286,675
Operations and infrastructure	365,437	390,741	418,694	461,413	610,507	624,524	760,269	770,881	803,516	791,801
Public transportation	359,097	368,014	419,198	425,753	424,271	458,346	447,069	479,610	506,462	719,459
Debt service:										
Principal	361,375	333,305	402,532	440,980	481,987	422,540	530,259	668,472	732,294	939,971
Interest	449,347	470,307	477,632	481,189	540,051	543,675	553,771	605,402	622,051	663,239
Fiscal charges	3,732	7,849	7,322	6,368	19,525	2,317	13,155	6,306	9,329	22,984
Total debt service	814,454	811,461	887,486	928,537	1,041,563	968,532	1,097,185	1,280,180	1,363,674	1,626,194
Subtotal expenditures	11,663,835	12,129,741	12,600,805	13,162,979	14,210,210	15,422,243	18,150,287	18,289,203	18,759,059	19,561,660
Capital outlay	1,107,239	1,233,004	1,445,192	1,420,756	1,808,426	1,742,521	1,615,696	1,817,853	1,840,381	2,143,441
<b>Total expenditures</b>	<b>12,771,074</b>	<b>13,362,745</b>	<b>14,045,997</b>	<b>14,583,735</b>	<b>16,018,636</b>	<b>17,164,764</b>	<b>19,765,983</b>	<b>20,107,056</b>	<b>20,599,440</b>	<b>21,705,101</b>
<b>Deficiency of revenues under expenditures</b>	<b>(675,396)</b>	<b>(707,767)</b>	<b>(1,126,719)</b>	<b>(529,149)</b>	<b>(1,346,149)</b>	<b>(654,466)</b>	<b>(923,453)</b>	<b>(1,380,421)</b>	<b>(1,973,088)</b>	<b>(2,380,870)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Debt issuance	431,815	398,911	1,157,635	1,048,405	1,645,737	193,073	1,524,920	564,395	740,619	2,157,698
Refunding debt issuance	95,575	1,168,615	401,095	290,000	1,647,745	-	1,377,969	359,059	595,858	1,984,725
Premium on sale of bonds	84,235	177,402	163,318	157,045	663,009	-	349,969	92,978	89,275	296,588
Payment to refunded bond escrow agent	(95,120)	(1,287,378)	(444,960)	(290,000)	(1,850,494)	-	(1,522,911)	(380,024)	(649,808)	(2,105,360)
Leases (as lessee)	-	-	-	-	-	-	1,179,451	257,291	413,516	260,761
Equipment financing program	11,368	-	-	-	-	-	-	-	-	-
Transfers in	460,462	358,002	342,751	385,159	497,905	771,572	1,549,713	2,059,239	1,352,755	592,951
Transfers out	(407,175)	(312,402)	(330,671)	(376,419)	(494,523)	(815,251)	(1,531,043)	(2,160,789)	(1,335,405)	(586,451)
Sale of capital assets	15,800	451	21,239	831	5,457	1,000	17,838	-	998	5,002
<b>Total other financing sources</b>	<b>596,960</b>	<b>503,601</b>	<b>1,310,407</b>	<b>1,215,021</b>	<b>2,114,836</b>	<b>150,394</b>	<b>2,945,906</b>	<b>792,149</b>	<b>1,207,808</b>	<b>2,605,914</b>
<b>Net change in fund balances</b>	<b>\$ (78,436)</b>	<b>\$ (204,166)</b>	<b>\$ 183,688</b>	<b>\$ 685,872</b>	<b>\$ 768,687</b>	<b>\$ (504,072)</b>	<b>\$ 2,022,453</b>	<b>\$ (588,272)</b>	<b>\$ (765,280)</b>	<b>\$ 225,044</b>
Total capitalized expenditures	\$ 936,960	\$ 1,031,265	\$ 1,197,775	\$ 1,235,887	\$ 1,297,730	\$ 1,164,815	\$ 1,432,478	\$ 1,267,272	\$ 1,593,293	\$ 1,801,199
Total debt service excluding fiscal charges as a percentage of non-capital expenditures	6.85%	6.52%	6.85%	6.91%	6.94%	6.04%	5.91%	6.76%	7.13%	8.05%

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)**

Fiscal Year	Property Tax			Total	Sales and Use	Income and Franchise	Gross Receipts	Other Taxes	Total
	Real	Personal	Rental						
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
2020	2,869,204	77,698	56,716	3,003,618	1,317,112	3,104,933	374,112	489,989	8,289,764
2021	2,949,356	80,479	61,974	3,091,809	1,310,269	3,506,271	373,420	585,256	8,867,025
2022	2,849,757	82,885	61,077	2,993,719	1,814,080	4,108,313	407,580	738,184	10,061,876
2023	2,876,153	83,902	64,460	3,024,515	2,011,790	4,174,533	409,178	433,162	10,053,178
2024	2,953,558	83,354	67,373	3,104,285	2,084,662	4,271,954	425,297	375,078	10,261,276
2025	2,928,487	86,793	62,327	3,077,607	2,184,262	4,840,361	563,651	455,390	11,121,271

Source:

Total 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		Total Taxable	Tax Exempt	Total Value	Total Direct Tax Rate	Tax Exempt as a % of Total Value
	Commercial Property	Residential Property					
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
2020	95,678,551	133,008,766	228,687,317	108,517,588	337,204,905	1.29	32.18
2021	112,714,515	131,700,420	244,414,935	110,856,650	355,271,585	1.40	31.20
2022	102,668,201	146,094,307	248,762,508	106,983,246	355,745,754	1.44	30.07
2023	101,175,637	153,433,839	254,609,476	106,833,726	361,443,202	1.43	29.56
2024	100,569,312	159,463,976	260,033,288	110,275,180	370,308,468	1.43	29.78
2025	100,661,286	164,302,827	264,964,113	113,907,653	378,871,766	1.43	30.06

Notes:

Assessed value is 100% of estimated market value.

Residential Property: After Homestead Deductions and other credits were applied against tax for 2016 - 2025; Does not reflect the 2016 - 2025 Cap Assessment of 10% for Class 01 with Homestead Deductions; 2025 reflects Taxable Assessed Value.

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)**

Fiscal Year	Direct Property Tax Rate		Total Direct
	Basic Rate	General Obligation Debt Service	
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
2020	1.12	0.17	1.29
2021	1.24	0.16	1.40
2022	1.28	0.16	1.44
2023	1.25	0.18	1.43
2024	1.23	0.20	1.43
2025	1.22	0.21	1.43

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**

Fiscal Year	Property (per \$100 of assessed value)							Personal
	Residential			Commercial			Unimproved	
	Owner occupied	Tenant occupied	Unimproved	Hotels	Improved	Unimproved		
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	
2020	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	
2021	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	
2022	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	
2023	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	
2024	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	
2025	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	

Fiscal Year	Sales and Use			Income and Franchise		Gross Receipts	
	General	Cigarette	Motor Fuel	Individual	Business	Public Utility	
						Commercial	Residential
2016	0.0575	2.91/3.63	0.24	0.04-0.09	0.09	0.11	0.10
2017	0.0575	2.92	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
2020	0.0600	4.98	0.24	0.04-0.09	0.08	0.11	0.10
2021	0.0600	5.00	0.29	0.04-0.09	0.08	0.11	0.10
2022	0.0600	5.01	0.29	0.04-0.1075	0.08	0.11	0.10
2023	0.0600	5.02	0.34	0.04-0.1075	0.08	0.11	0.10
2024	0.0600	5.03	0.35	0.04-0.1075	0.08	0.11	0.10
2025	0.0600	5.03	0.36	0.04-0.1075	0.08	0.11	0.10

Notes:

Property (per \$100 of assessed value):

Residential: \$0.85 per \$100 of assessed value, properties 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: Properties 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 - FY 2025, \$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 valued above \$10 million.

Commercial Unimproved: For FY 2016 - FY 2018 properties reverted to their native Class and rate.

Sales and Use Tax:

General: Of sales value

Cigarette: FY 2017 - FY 2025, 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)**

	2025			2016		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
1100 15th Street LLC	\$ 739,281	1	0.28%	***	****	****
CC Owner LLC	681,489	2	0.26	\$ 746,505	1	0.39%
555 12th REIT LLC	597,875	3	0.23	530,513	5	.28
655 New York LLC	536,390	4	0.20	***	****	****
CARR CRHP Properties LLC	535,740	5	0.20	632,596	3	0.33
Romano, Nunziata L	507,740	6	0.19	***	****	****
2000 L Owner LLC	489,385	7	0.18	***	****	****
United Brotherhood of Carpenters and Joiners of America	452,586	8	0.17	505,735	6	.27
District of Columbia (Land Only)	445,281	9	0.17	***	****	****
13th & F Associates LP & WMATA	441,551	10	0.17	421,919	9	.22

Notes:  
 \*\*\* Taxable assessed value not available as property square and lot were not active in 2016  
 \*\*\*\* 2016 exact rank cannot be determined.

Source:  
 Office of Tax and Revenue

**Exhibit S-2E  
Ten Highest Assessed Values for Tax-Exempt Properties  
Current Year (\$000s)**

	Value
International Bank for Reconstruction & Development	\$ 719,032
Inter-American Development Bank	679,798
International Finance Corporation	634,084
Protestant Episcopal Cathedral Foundation DC	579,246
Howard University (Land Only)	525,018
Gallaudet University	472,295
Catholic University of America	431,035
International Monetary Fund	352,151
International Monetary Fund	351,233
Georgetown University	321,568

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)**

Fiscal Year	Current Levy			Prior Years			Total		
	Levy	Collections	Percent Collected	Outstanding Balances Billed	Collections	Percent Collected	Billed	Collections	Percent Collected
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
2020	2,844,258	2,725,243	95.82	158,155	102,544	64.84	3,002,413	2,827,787	94.18
2021	3,011,545	2,868,380	95.25	271,394	60,971	22.47	3,282,939	2,929,351	89.23
2022	2,938,299	2,818,101	95.91	253,930	129,490	50.99	3,192,229	2,947,591	92.34
2023	2,942,475	2,821,602	95.89	412,485	113,236	27.45	3,354,960	2,934,838	87.48
2024	2,982,628	2,873,193	96.33	502,702	152,307	30.30	3,485,330	3,025,500	86.81
2025	3,035,485	2,902,247	95.61	542,935	154,449	28.45	3,578,420	3,056,696	85.42

Source:  
Office of Tax and Revenue

Notes:  
Approximately 45% of real property tax collections are deposited with fiscal agents, such as commercial banks, to pay off matured bonds and interest.

Current year tax levy amounts include new billings for prior year penalties and interest. Subsequent year collections relate to collections on prior year levies.

**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	
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	6.38
2020	8.95	1,000,000	1,000,000	1,000,000	6.29
2021	8.95	1,000,000	1,000,000	1,000,000	6.81
2022	10.75	1,000,000	1,000,000	1,000,000	6.87
2023	10.75	1,000,000	1,000,000	1,000,000	7.08
2024	10.75	1,000,000	1,000,000	1,000,000	6.89
2025	10.75	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.  
 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**

	2025				2016			
	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	117,935	33.40%	\$ 2,194,925,316	85.24%	74,216	20.35%	\$ 1,356,772,718	75.40%
\$75,001 - \$100,000	39,485	11.18	167,913,333	6.52	32,524	8.92	149,634,186	8.32
\$50,001 - \$75,000	54,838	15.53	137,224,699	5.33	54,545	14.95	153,940,756	8.55
\$25,001 - \$50,000	63,748	18.06	67,127,741	2.61	86,325	23.67	114,535,395	6.37
\$10,001 - \$25,000	42,104	11.92	7,118,228	0.28	67,518	18.51	23,268,220	1.29
\$10,000 and lower	34,980	9.91	621,966	0.02	49,611	13.60	1,275,572	0.07
<b>Total</b>	<b>353,090</b>	<b>100.00%</b>	<b>\$ 2,574,931,283</b>	<b>100.00%</b>	<b>364,739</b>	<b>100.00%</b>	<b>\$ 1,799,426,847</b>	<b>100.00%</b>

Note:  
 Amounts not expressed in thousands

Source:  
 Office of Tax and Revenue

## DEBT CAPACITY

These schedules present information about the current levels of outstanding debt of the District and the 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)**

<b>Fiscal Year</b>	<b>General Obligation (GO) Bonds</b>	<b>Unamortized Premiums</b>	<b>Outstanding GO Bonds, Net of Related Premiums</b>	<b>Actual Value of Taxable Property</b>	<b>GO Bonds as a Percentage of Actual Value of Taxable Property %</b>	<b>GO Debt Per Capita</b>
<b>2016</b>	\$ 3,829,305	\$ 287,639	\$ 4,116,944	\$ 189,102,606	2.18%	\$ 5,988
<b>2017</b>	4,078,160	430,941	4,509,101	201,570,364	2.24	6,469
<b>2018</b>	4,827,105	542,610	5,369,715	211,381,458	2.54	7,626
<b>2019</b>	5,611,815	649,007	6,260,822	220,126,032	2.84	8,840
<b>2020</b>	5,396,870	596,131	5,993,001	228,687,317	2.62	8,933
<b>2021</b>	5,202,750	544,789	5,747,539	244,414,935	2.35	8,588
<b>2022</b>	6,002,310	640,834	6,643,144	248,762,508	2.67	9,817
<b>2023</b>	6,329,085	656,571	6,985,656	254,609,476	2.74	10,164
<b>2024</b>	5,590,790	553,617	6,144,407	260,033,288	2.36	8,750
<b>2025</b>	6,398,855	654,824	7,053,679	264,964,113	2.66	N/A

**Notes:**

The net position restricted for debt services, as presented in Exhibit 1-a, did not include any amount restricted for principal payment of the general obligation debt.

The amount restricted for GO debt service covers interest payments for the 6 months following the fiscal year-end.

N/A: Population data issued by the U.S. Census Bureau is usually updated annually as of July 1 of each year. However, such data has not been updated and released for 2025, therefore per capita data is not available for 2025.

**Exhibit S-3B  
Pledged-Revenue Coverage  
Last Ten Fiscal Years (\$000s)**

Fiscal Year	Tax Increment Financing Debts					Income Tax Secured Revenue Bonds				
	Sales	Real Property	Debt Service		Coverage %	Individual	Business	Debt Service		Coverage %
	Tax Increment	Tax Increment	Principal	Interest		Income Tax	Franchise Tax	Principal	Interest	
2016	\$ 8,203	\$ 10,132	\$ 4,073	\$ 6,839	168.03%	\$ 1,907,862	\$ 556,468	\$ 88,155	\$ 179,702	674.16%
2017	10,686	8,953	4,136	6,852	178.73	1,958,277	554,245	119,300	200,542	920.02
2018	10,630	7,678	7,180	6,860	130.40	2,066,842	574,745	154,505	193,535	785.55
2019	9,865	11,072	4,284	7,629	175.75	2,299,326	642,656	159,030	186,052	758.99
2020	6,025	8,075	4,398	7,919	114.48	2,377,236	727,697	149,970	207,163	852.55
2021	3,101	14,185	6,099	6,582	136.31	2,643,213	863,057	131,285	231,220	869.41
2022	6,360	8,396	18,397	5,237	62.44	3,116,991	991,322	154,265	213,358	967.23
2023	24,664	15,198	4,849	4,239	438.62	3,048,229	1,126,304	232,560	229,030	1,117.53
2024	29,080	15,254	15,017	4,002	233.10	3,138,951	1,133,003	262,100	246,968	904.38
2025	26,038	15,371	5,701	4,636	400.59	3,605,177	1,235,185	273,808	251,745	921.00

Note:

Details regarding the outstanding debt of the District can be found in the Notes to the Basic Financial Statements (Note 7 presented on pages 126 through 139).

**Exhibit S-3C**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years (\$'000s, Except Per Capita)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental Activities</b>										
General obligation bonds	\$ 4,116,944	\$ 4,509,101	\$ 5,369,715	\$ 6,260,822	\$ 5,993,001	\$ 5,747,539	\$ 6,643,174	\$ 6,985,656	\$ 6,144,407	\$ 7,053,679
Income tax secured revenue bonds	4,399,700	4,124,380	3,836,706	3,664,404	5,635,204	5,364,137	5,631,421	5,310,005	6,184,751	6,667,882
TIF bonds	100,443	95,885	108,702	104,037	119,385	127,531	109,898	104,913	147,591	141,803
Qualified zone academy bonds	3,845	3,155	2,466	2,012	1,558	1,105	829	552	276	-
Bond anticipation notes	-	-	275,000	375,000	-	163,665	132,060	113,219	91,365	322,847
Capital leases	1,837	-	-	-	-	-	-	-	-	-
Lease liability	-	-	-	-	-	-	1,104,597	1,141,572	1,280,250	1,500,569
SBITA liability	-	-	-	-	-	-	-	89,490	95,855	108,295
Ballpark revenue bonds	374,514	336,406	287,022	230,864	186,963	183,400	179,351	174,773	136,670	70,555
HPTF bonds	114,994	112,109	109,104	105,965	38,535	36,144	33,642	31,031	29,810	28,551
PILOT revenue bonds	214,213	205,696	219,698	198,678	197,791	174,196	156,274	146,327	134,712	-
GARVEE bonds	104,634	96,201	87,560	78,661	356,937	336,486	315,609	294,286	272,464	250,113
Tobacco bonds	598,710	581,533	559,559	537,395	515,360	486,924	487,139	430,042	405,150	380,421
<b>Total Debt</b>	<b>\$ 10,029,834</b>	<b>\$ 10,064,466</b>	<b>\$ 10,855,532</b>	<b>\$ 11,557,838</b>	<b>\$ 13,044,734</b>	<b>\$ 12,621,127</b>	<b>\$ 14,793,994</b>	<b>\$ 14,821,866</b>	<b>\$ 14,923,301</b>	<b>\$ 16,524,715</b>
Personal income	\$ 52,344,000	\$ 54,495,700	\$ 56,933,800	\$ 57,621,100	\$ 62,004,200	\$ 65,260,400	\$ 68,384,300	\$ 72,782,000	\$ 76,501,700	N/A
Total debt percentage of personal income	19.16%	18.47%	19.07%	20.06%	21.04%	19.34%	21.63%	20.36%	19.51%	N/A
Total debt per capita	\$ 14,587	\$ 14,438	\$ 15,417	\$ 16,319	\$ 19,443	\$ 18,858	\$ 21,861	\$ 21,565	\$ 21,251	N/A
Total "tax supported debt" per capita	\$ 13,564	\$ 13,466	\$ 14,498	\$ 15,449	\$ 18,143	\$ 17,628	\$ 20,675	\$ 20,511	\$ 20,286	N/A

**Notes:**  
 Beginning with fiscal years 2022 and 2023, respectively, the District implemented the requirements of GASB Statement No. 87 - Leases and GASB Statement No. 96 - Subscription-Based Information Technology Arrangements (SBITAs). Further details regarding the outstanding liabilities for leases and SBITAs can be found in the notes to the financial statements.

Outstanding debt was updated to show amounts net of related premiums 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.

SBITA liability: Subscription-Based Information Technology Arrangements  
 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 presentation of prior years' data has been updated to reflect totals revised as of the third quarter of calendar year 2024. Prior years' debt per capita amounts were updated to reflect U.S. Census Bureau population estimates.  
 N/A: Population data issued by the U.S. Census Bureau is usually updated annually as of July 1 of each year. However, such data has not been updated and released for 2025. Personal Income data for 2025 has not been updated and released. Therefore per capita data and debt percentage of personal income is not available for 2025.

**Exhibit S-3D  
Legal Debt Margin Information  
Last Ten Fiscal Years (\$000s)**

**Debt Service Cost Margin Calculation for Fiscal Year 2025:**

General fund revenue	\$ 12,756,235
Debt service cost limitation (17% of general fund revenue)	\$ 2,168,560
Debt expenditure applicable to limit:	
Principal	\$ 678,763
Interest	618,867
Subtotal for current year	1,297,630
Highest debt service cost	-
Total debt service cost subject to the limitation	1,297,630
<b>Debt service cost margin</b>	<b>\$ 870,930</b>

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt service cost limitation	\$ 1,372,556	\$ 1,412,132	\$ 1,472,209	\$ 1,612,296	\$ 1,562,922	\$ 1,666,929	\$ 1,891,551	\$ 1,918,073	\$ 1,971,730	\$ 2,168,560
Highest debt service cost	591,653	644,703	704,403	726,519	846,056	846,056	919,308	1,134,003	1,175,358	1,297,630
Debt service cost margin	\$ 780,903	\$ 767,429	\$ 767,806	\$ 885,777	\$ 716,866	\$ 820,873	\$ 972,243	\$ 784,070	\$ 796,372	\$ 870,930
Total debt service cost subject to the limit as a percentage of debt service cost limit	43.11%	45.65%	47.85%	45.06%	54.13%	50.76%	48.60%	59.12%	59.61%	59.84%
Debt limit ratio	7.33%	7.76%	8.13%	7.66%	9.20%	8.63%	8.26%	10.05%	10.13%	0.00%

*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 cost divided by the total general fund revenue.

**Exhibit S-3E  
Limitation on Borrowing (\$000s)**

General fund expenditures (1):	\$ 13,058,497	
General fund transfers out (1):	307,451	
Adjustment for transfer to component unit (UDC) (1):	39,739	
Adjustment for TIF and PILOT bonds and notes debt service transfers (1):	173,430	
Adjustment for ballpark revenue bond debt service transfers (1):	24,970	
Adjustment for convention center hotel debt service transfers (1):	5,249	
<b>Total (a)</b>	<b>\$ 13,609,336</b>	
Limitation on borrowing (12%):		\$ 1,633,120
FY 2025 debt service cost (b):		1,356,666
<b>Margin on limitation:</b>		<b>\$ 276,454</b>
FY 2025 debt service percentage (b/a):		9.97%

**Debt Service Expenditures by Fiscal Year**

Long-Term Debt	2025			2026			2027			2028		
	Principal	Interest	Total									
General obligation bonds (2)	\$ 283,930	\$ 301,947	\$ 585,877	\$ 301,910	\$ 299,832	\$ 601,742	\$ 304,740	\$ 285,152	\$ 589,892	\$ 275,625	\$ 270,697	\$ 546,322
QZAB	276	-	276	-	-	-	-	-	-	-	-	-
Income tax secured revenue bonds (2)	273,808	251,745	525,553	292,435	305,572	598,007	273,610	287,672	561,282	267,280	274,594	541,874
TIF bonds (3)	5,701	4,636	10,337	6,161	4,711	10,872	6,163	5,106	11,269	4,947	4,820	9,767
TIF notes (4)	17,486	4,332	21,818	10,314	3,888	14,202	3,398	3,693	7,091	3,622	3,572	7,194
Ballpark revenue bonds	18,055	6,915	24,970	3,695	4,224	7,919	4,130	3,984	8,114	4,595	3,715	8,310
HPTF revenue bonds	1,190	1,057	2,247	1,240	1,010	2,250	1,290	960	2,250	1,325	922	2,247
PILOT bonds (5)	134,712	6,165	140,877	-	-	-	-	-	-	-	-	-
PILOT notes (6)	203	195	398	213	185	398	224	174	398	236	162	398
225 Virginia Avenue lease	5,710	3,564	9,274	6,107	3,166	9,273	6,533	2,741	9,274	6,987	2,286	9,273
Bond anticipation notes	-	6,069	6,069	-	17,675	17,675	-	17,675	17,675	-	17,675	17,675
Washington convention and sports authority	13,570	15,400	28,970	16,285	7,340	23,625	32,545	14,124	46,669	34,190	12,671	46,861
<b>Total</b>	<b>\$ 754,641</b>	<b>\$ 602,025</b>	<b>\$ 1,356,666</b>	<b>\$ 638,360</b>	<b>\$ 647,603</b>	<b>\$ 1,285,963</b>	<b>\$ 632,633</b>	<b>\$ 621,281</b>	<b>\$ 1,253,914</b>	<b>\$ 598,807</b>	<b>\$ 591,114</b>	<b>\$ 1,189,921</b>

- 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 3.50%.
  - (3) TIF Bonds include Gallery Place, City Market at O Street, Skyland Town Center, Bryant Street, Reunion Square, and Union Market projects. Adjustments were made to TIF notes in fiscal year 2025 to reflect actual principal prepayments. Union Market bonds were issued in fiscal year 2021 as convertible capital appreciation bonds and in fiscal year 2024 as current interest and capital appreciation bonds. Reunion Square was issued as a variable rate draw down bond in fiscal year 2022 with a deferred interest period; fiscal years 2026, 2027 and 2028 estimates assume no further draws and interest payments only until refinancing to a fixed rate in fiscal year 2026.
  - (4) TIF Notes include Georgia Avenue CVS, Capital One Arena, and the Convention Center Hotel. Adjustments are made to TIF Notes to reflect actual principal prepayment in fiscal years 2024 and 2025.
  - (5) PILOT Bonds include the Yards and the Wharf.
  - (6) PILOT Notes include only the Foundry Lofts project.

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 financial activities of the District 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**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>Employment</b>	<b>Unemployment Rate %</b>	<b>Claims Accepted</b>	<b>Claims Rejected</b>
2016	687,576	\$ 52,344,000	\$ 77,571	33.90	774,800	6.30%	24,320	3,265
2017	697,079	54,495,700	79,953	34.00	782,700	6.20	25,132	3,455
2018	704,147	56,933,800	83,004	33.90	791,300	5.80	23,981	2,996
2019	708,253	57,621,100	83,768	34.30	796,000	5.60	24,943	3,624
2020	670,917	62,004,200	92,449	N/A	762,100	7.20	99,247	58,535
2021	669,256	65,260,400	97,498	34.80	728,200	7.30	51,692	53,991
2022	676,725	68,384,300	101,762	34.90	757,700	5.10	42,579	21,581
2023	687,324	72,782,000	107,040	34.90	765,100	4.70	24,128	5,708
2024	702,250	76,501,700	111,232	34.90	768,700	5.20	19,775	6,364
2025	N/A	N/A	N/A	N/A	766,500	5.70	32,771	8,238

**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 ACFR tables from previous years.

N/A: Not available

*Population: Source: U.S. Census Bureau. Population data is based on estimates as of July 1 each year. Presentation of prior years' data is adjusted for Census updates. Population data for 2025 has not been released.*

*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 2024. Quarterly estimates for 2016-2024 reflect unpublished monthly population estimates available. Personal Income amounts are presented in thousands. Personal income data for 2025 has not been released.*

*Per Capita Income: Source: U.S. Bureau of Economic Analysis. Presentation of prior years' data has been revised.*

*Median Age: Source: 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 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 DC Department of Employment Services, Office of Labor Market Research and Performance (OLMRP).

**Exhibit S-4B  
Principal Employers  
Current Year and Ten Years Ago**

	2025			2015		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Georgetown University	*	1	*	*	1	*
Children's National Medical Center	*	2	*	*	4	*
Washington Hospital Center	*	3	*	*	3	*
George Washington University	*	4	*	*	2	*
Georgetown University Hospital	*	5	*	*	6	*
Universal Protection Service LLC	*	6	*	*	3,863	*
American University	*	7	*	*	5	*
Booz Allen & Hamilton Inc	*	8	*	*	9	*
Howard University	*	9	*	*	7	*
Medstar Medical Group LLC	*	10	*	*	544	*
Insperty Peo Services LP	*	11	*	*	22	*
Sibley Memorial Hospital	*	12	*	*	15	*
George Washington University Hospital	*	13	*	*	13	*
Red Coats	*	14	*	*	11	*
Justworks Employment Group LLC	*	15	*	*	2,304	*
<b>Total</b>	<b>57,931</b>		<b>11.17</b>	<b>48,946</b>		<b>9.69</b>

Notes:

\* This data is produced through the Quarterly Covered Employment and Wage (QCEW) Program, a U.S. 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, only rank and total employment information is presented for the top fifteen principal employers.

Source:

Data was compiled by D.C. Department of Employment Services, Office of Labor Market Research and Performance (OLMRP).



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## OPERATING INFORMATION

These schedules contain service and infrastructure data designed to help readers better understand how the information in the financial reports of the District relate to the services it provides and the activities it performs.

**Exhibit S-5A  
Operating Indicators by Function/Program  
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>GOVERNMENTAL DIRECTION AND SUPPORT (1)</b>										
<b>General obligation bonds</b>										
Bond rating by Moody's Investors Service	Aa1	Aa1	Aaa	Aa1						
Bond rating by Standard & Poor's Global Ratings	AA	AA	AA+							
Bond rating by Fitch Ratings	AA	AA	AA+							
<b>Income tax secured revenue bonds</b>										
Bond rating by Moody's Investors Service	Aa1									
Bond rating by Standard & Poor's Global Ratings	AAA									
Bond rating by Fitch Ratings	AA+									
<b>ECONOMIC DEVELOPMENT AND REGULATION (2)</b>										
Taxable sales and use (\$ millions)	\$ 15,270	\$ 16,654	\$ 17,190	\$ 18,231	\$ 16,102	\$ 16,529	\$ 21,695	\$ 23,454	\$ 24,304	\$ 24,666
Commercial construction units	125	179	222	197	147	116	39	32	31	83
Commercial construction value (\$000s)	\$ 1,701,364	\$ 2,448,918	\$ 2,649,201	\$ 3,240,162	\$ 2,427,201	\$ 2,358,144	\$ 2,133,632	\$ 2,047,745	\$ 1,958,554	\$ 2,491,355
Residential construction units	1,304	1,227	1,183	1,539	1,374	1,173	1,230	1,089	978	1,084
Residential construction value (\$000s)	\$ 433,979	\$ 445,223	\$ 404,858	\$ 449,587	\$ 482,369	\$ 462,807	\$ 556,648	\$ 593,742	\$ 418,362	\$ 1,642,408
<b>HOUSING FINANCE AGENCY (3)</b>										
Number of single-family units financed	205	199	106	69	245	277	176	128	66	44
Amount of single-family financing provided (\$000s)	\$ 62,902	\$ 52,538	\$ 34,662	\$ 22,444	\$ 86,531	\$ 103,698	\$ 59,125	\$ 30,964	\$ 19,340	\$ 15,851
Number of multi-family units financed	2,090	899	1,653	1,635	1,689	966	1,160	2,695	475	718
Amount of multi-family financing provided (\$000s)	\$ 294,735	\$ 168,960	\$ 325,440	\$ 301,210	\$ 317,547	\$ 245,368	\$ 294,569	\$ 683,377	\$ 200,224	\$ 239,937
Total number of housing units financed	2,295	1,098	1,759	1,704	1,934	1,243	1,336	2,823	541	762
Total amount of housing financing provided (\$000s)	\$ 357,637	\$ 221,498	\$ 360,102	\$ 323,654	\$ 404,078	\$ 349,066	\$ 353,694	\$ 714,341	\$ 219,564	\$ 255,788
<b>PUBLIC SAFETY AND JUSTICE (4)</b>										
<b>Police</b>										
Crime index offenses	35,714	34,774	33,031	33,902	29,639	27,836	27,875	32,842	29,775	27,053
Number of police officers	3,737	3,821	3,855	3,810	3,799	3,580	3,460	3,337	3,282	3,187
<b>Fire and EMS</b>										
Number of operational personnel	1,875	1,892	1,927	1,939	1,848	1,855	1,863	1,938	1,994	1,960
Total number of incidents	205,988	201,404	207,492	212,459	201,130	190,561	196,151	209,895	210,773	220,867
Total number of fire/rescue incidents	34,840	35,712	39,390	39,454	37,132	37,184	40,575	43,900	46,220	49,710
Number of medical incidents	171,148	165,692	168,102	173,005	163,998	153,377	155,576	165,995	164,553	171,156
Total number of transports	92,695	55,078	53,322	54,725	45,346	41,724	46,801	54,546	52,310	64,373
Number of inspections	11,814	12,181	10,931	10,579	9,976	12,273	12,170	10,901	13,029	17,216
<b>PUBLIC LIBRARY (5)</b>										
Number of volumes	1,304,305	1,055,037	1,023,079	965,471	1,038,742	997,369	1,160,472	1,204,557	1,288,952	996,217

**Exhibit S-5A  
Operating Indicators by Function/Program  
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>PUBLIC EDUCATION SYSTEM</b>										
<b>D.C. Public School System (6)</b>										
Number of school teachers	3,999	3,996	4,121	4,320	4,522	4,639	4,479	4,747	4,729	4,806
Number of school students	48,757	48,555	48,144	49,056	51,060	49,890	50,131	51,293	52,036	52,030
Number of high school graduates	2,764	2,844	2,273	2,170	2,180	2,063	2,062	2,373	2,379	2,777
<b>University of the District of Columbia (7)</b>										
Number of teachers	237	235	232	230	236	232	202	200	213	241
Number of students	5,118	4,604	4,527	4,500	4,456	3,953	3,476	3,577	3,855	4,202
Number of graduates	852	817	702	782	839	761	728	785	706	814
<b>OPERATIONS AND INFRASTRUCTURE (8)</b>										
Street resurfaced (miles)	30	33	40	84	132	100	75	70	45	55
Potholes repaired	75,417	15,799	31,570	62,509	27,768	20,526	25,064	17,222	10,455	12,739
Refuse collected (tons per day)	386	328	369	363	377	370	234	258	272	298
Recyclables collected (tons per day)	96	115	102	102	105	101	68	94	98	84
Tons of bulk trash removed	3,612	2,977	2,603	2,130	2,403	1,803	1,930	2,197	2,564	2,535
Tons of leaves removed	7,221	6,110	5,803	7,497	8,001	6,657	5,312	8,468	7,228	6,222
<b>DEPARTMENT OF MOTOR VEHICLES (9)</b>										
Number of motor vehicle registrations (1/1 - 12/31)	309,332	310,031	310,334	307,479	301,768	298,400	290,261	281,117	273,757	268,585
Number of operator licenses issued (1/1 - 12/31)	125,901	139,587	134,504	148,270	130,399	125,801	129,269	132,009	133,119	127,759
Number of operator licenses outstanding (1/1 - 12/31)	466,293	475,834	482,808	487,293	451,343	435,445	445,864	452,643	454,712	438,562
<b>CONVENTION CENTER (10)</b>										
Conferences held	217	184	167	151	57	24	N/A	117	114	114
Attendees	1,465,820	1,163,753	1,563,622	1,066,175	569,524	118,119	N/A	702,051	677,702	717,613

**Notes:**

For some statistics in Exhibit S-5A, applicable updates are made each year to prior year numbers. Therefore, prior year numbers may not match the numbers in ACFR tables from previous years.

Operations and Infrastructure formerly known as Public Works prior to 2020

Street resurfaced (miles): Includes reconstruction, regular cover, and pavement restorations

N/A: Not available

**Sources:**

- (1) Office of Finance and Treasury
- (2) Office of Tax and Revenue
- (3) District of Columbia Housing Finance Agency
- (4) Metropolitan Police Department and Fire and Emergency Medical Services Department
- (5) District of Columbia Public Library
- (6) District of Columbia Public Schools
- (7) University of the District of Columbia
- (8) District Department of Transportation and Department of Public Works
- (9) Department of Motor Vehicles
- (10) Washington Convention and Sports Authority

**Exhibit S-5B  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Police (1)</b>										
Police stations including satellites	11	11	10	10	10	10	10	10	10	10
Number of police vehicles	1,240	1,245	1,240	1,250	1,257	1,258	1,263	1,289	1,294	1,266
<b>Fire (2)</b>										
Number of fire and EMS stations	34	34	34	34	34	34	34	34	34	34
Number of front-line emergency vehicles	114	168	168	168	168	168	168	168	168	168
<b>EMS (2)</b>										
Number of ambulances	88	96	100	100	92	85	91	100	96	96
<b>D.C. Public School System (3)</b>										
Number of schools	115	115	116	116	117	117	117	117	117	117
Number of school buses	626	808	743	639	664	809	677	674	667	611
<b>Public Library (4)</b>										
Number of main and branch buildings	26	26	26	26	26	26	26	26	26	26
<b>Parks and Recreation (5)</b>										
Acreage	931	931	931	931	931	931	931	851	851	851
Number of recreation and community centers	74	73	74	74	74	75	75	78	79	80
Number of day camps	84	119	113	130	58	101	461	540	507	559
Number of outdoor swimming pools	23	21	22	22	22	22	23	23	23	23
Number of indoor swimming pools	15	11	11	11	11	11	11	11	12	13
<b>Operations and Infrastructure (6)</b>										
Number of refuse collection trucks	74	81	102	102	103	126	141	141	120	147
Primary street miles	134	134	134	135	134	134	135	135	135	137
Secondary street miles	1,117	1,117	1,018	1,018	1,018	1,019	1,022	1,022	1,023	1,025
Number of street lights	69,708	74,188	75,703	75,875	76,335	77,328	77,328	77,795	77,043	76,957
Number of signalized intersections	1,403	1,528	1,535	1,685	1,692	1,710	1,723	1,728	1,618	1,592
Number of trees	150,288	148,726	156,763	164,878	167,134	175,631	185,589	189,103	192,919	195,162
<b>DC Water (7)</b>										
Miles of water mains	1,300	1,350	1,350	1,350	1,300	1,300	1,305	1,299	1,299	1,298
Miles of sewer mains	1,800	1,800	1,900	1,900	1,900	1,900	1,963	1,942	1,944	1,944

Notes:

For some statistics in Exhibit S-5B, applicable updates are made each year to prior year numbers. Therefore, prior year numbers may not match the numbers in ACFR tables from previous years. Operations and Infrastructure formerly known as Public Works prior to 2020

Sources:

(1) Metropolitan Police Department; (2) Fire and Emergency Medical Services Department; (3) District of Columbia Public Schools; (4) District of Columbia Public Library; (5) Department of Parks and Recreation; (6) District Department of Transportation and Department of Public Works; (7) DC Water

**Exhibit S-5C**  
**Budgeted Full-Time Equivalent District Government Employees by Function - General Operating Funds**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Governmental direction and support	3,191	3,252	3,369	3,447	3,485	3,592	3,735	3,967	3,871	3,881
Economic development and regulation	1,363	1,493	1,596	1,709	1,769	424	433	453	457	456
Public safety and justice	8,308	8,653	8,935	9,095	9,233	9,884	9,777	9,924	9,755	9,980
Public education system	9,499	9,530	9,943	9,894	10,422	12,301	12,507	13,411	13,581	13,563
Human support services	4,208	4,498	4,456	4,788	4,798	3,370	3,436	3,627	3,502	3,516
Operations and infrastructure	2,414	2,437	2,530	2,490	2,594	3,422	3,667	4,098	4,099	4,087
<b>Total</b>	<b>28,983</b>	<b>29,863</b>	<b>30,829</b>	<b>31,423</b>	<b>32,301</b>	<b>32,993</b>	<b>33,555</b>	<b>35,480</b>	<b>35,265</b>	<b>35,483</b>

Note:  
 Operations and Infrastructure formerly known as Public Works prior to 2020

Source:  
 Office of Budget and Planning



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**GOVERNMENT OF THE  
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**PHOTOS**

Ernest Grant

OCFO, Office of the Chief Information Officer

YEAR ENDED SEPTEMBER 30, 2025