

MURIEL BOWSER
MAYOR

JEFFREY S. DEWITT
CHIEF FINANCIAL OFFICER

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

YEAR ENDED SEPTEMBER 30, 2017

2017

CITIZEN'S FINANCIAL REPORT

February 9, 2018

Dear Citizens of the District of Columbia:

We are pleased to present the Citizen's Financial Report on the financial condition of the Government of the District of Columbia (District) for the year ended September 30, 2017. The purpose of this report, which is referred to as the Popular Annual Financial Report (PAFR), is to summarize the financial information presented in the District's Fiscal Year 2017 Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with U.S. generally accepted accounting principles (GAAP) and is independently audited. This PAFR is intended to simplify but not replace the CAFR.

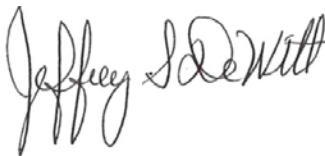
This is the District's fifteenth publication of the Citizen's Financial Report. In the previous fourteen fiscal years, the Government Finance Officers Association (GFOA) honored the District with the prestigious "Award for Outstanding Achievement in Popular Annual Financial Reporting." It is expected that this report will also conform to the Popular Annual Financial Reporting requirements of the GFOA.

Our goal is to present information in a meaningful and useful way. For that reason, we welcome any feedback regarding the contents of this report. If you desire more information concerning the District of Columbia Government and its various departments and agencies, please visit our website at: www.dc.gov.

Respectfully submitted,



Muriel Bowser
Mayor



Jeffrey S. DeWitt
Chief Financial Officer



Bill Slack
Deputy CFO and Controller





Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

District of Columbia

For its Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrell

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the District of Columbia for its Popular Annual Financial Report, for the fiscal year ended September 30, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a governmental unit must publish a Popular Annual Financial Report, the contents of which conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The District of Columbia has received this award for the last fourteen consecutive fiscal years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and it will be submitted to GFOA for consideration.

District of Columbia Citizen's Financial Report



Fiscal Year Ended September 30, 2017

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Boats docked at the District Wharf on the S.W. Waterfront.

This Popular Annual Financial Report (PAFR) is a report for the District's citizens. It provides information about the District of Columbia government's financial condition without overwhelming detail and technical accounting terminology. The information provided is derived from the District's Comprehensive Annual Financial Report (CAFR), which is prepared in accordance with U.S. generally accepted accounting principles (GAAP).

A copy of the District's Fiscal Year (FY) 2017 CAFR and PAFR may be obtained from:

Office of the Chief Financial Officer
Office of Financial Operations & Systems
1100 4th Street, S.W., 8th Floor
Washington, D.C. 20024
(202) 442-8200

The FY 2017 CAFR and PAFR may also be viewed on the District of Columbia's Chief Financial Officer's website at:
www.cfo.dc.gov.

Introduction

Washington, D.C., commonly referred to as Washington, “the District” or simply D.C., is the capital of the United States (U.S.). It is located in the Mid-Atlantic East Coast region of the U.S. with a total area of 68.3 square miles, of which 61.4 square miles are land and 6.9 square miles are water. It is bordered by Montgomery County, Maryland, to the northwest; Prince George’s County, Maryland, to the east; and Arlington and Alexandria, Virginia, to the south and west.

The centers of all three branches of the federal government of the United States are in the District: the legislative branch (Congress), the executive branch (President), and the judiciary branch (Supreme Court). In 1973, Congress passed the District of Columbia Home Rule Act, which provides for a locally elected Mayor and a 13-member council. However, Congress maintains authority over the city and may overturn local laws. District residents also elect a non-voting, at-large Congressional Delegate to the U.S. House of Representatives but the District has no representation in the U.S. Senate.

The fiscal year of the District begins on October 1 and ends on September 30. This report presents financial information for the District’s fiscal year ended September 30, 2017. It provides a comprehensive view of the District’s financial activities (both governmental and business-type activities). Such activities include those reported in the general fund, special revenue funds, capital projects fund, and three proprietary funds which issue audited financial statements separately from the District: (1) Lottery and Games Fund, (2) Not-for-Profit Hospital Corporation, and (3) Unemployment Compensation Fund. This view, which is more comprehensive than just focusing on the general fund, gives the full financial picture of the District in a way that is similar to how investors and bond rating agencies view the District. For more detailed information, such as general fund or other fund financial statements or budgetary reports, please refer to the District’s much broader Comprehensive Annual Financial Report (CAFR), which may be found at: www.cfo.dc.gov.

The financial reporting entity of the District includes all of the government’s agencies and its four discretely presented component units. The District also reports two blended component units whose operations are intertwined with the District’s financial statements. For more information or to obtain the audited financial statements of these entities, please contact their offices or access the websites shown below:

Discretely Presented Component Units

Health Benefit Exchange Authority
(202) 715-7576
<https://hbx.dc.gov>

Housing Finance Agency
(202) 777-1600
<http://www.dchfa.org>

University of the District of Columbia
(202) 274-5000
<https://www.udc.edu>

Washington Convention and Sports Authority
(Events DC)
(202) 249-3000
<http://eventsdc.com>

Blended Component Units

District of Columbia Tobacco Settlement
Financing Corporation
(202) 727-6055

Not-for-Profit Hospital Corporation
(United Medical Center)
(202) 574-6000
<http://www.united-medicalcenter.com>

Elected Officials as of September 30, 2017



Muriel Bowser
Mayor



Karl A. Racine
Attorney General



U.S. House of Representatives
Eleanor Holmes Norton
Congresswoman/D.C. Delegate

D.C. Council

(Composed of a Chairman, 4 At-Large members, and a member from each of the District's 8 Wards)



Phil Mendelson
Chairman



Anita Bonds
At-Large



David Grosso
At-Large



Elissa Silverman
At-Large



Robert C. White, Jr.
At-Large



Brianne Nadeau
Ward 1



Jack Evans
Ward 2



Mary M. Cheh
Ward 3



Brandon T. Todd
Ward 4



Kenyan McDuffie
Ward 5



Charles Allen
Ward 6



Vincent C. Gray
Ward 7

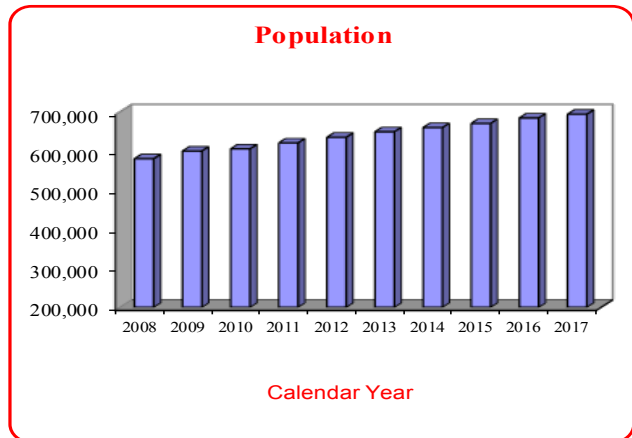


Trayon White, Sr.
Ward 8



Population Trends

Population estimates are published each year by the U.S. Census Bureau. In July of each year, new estimates are released and estimates for earlier years are revised. On July 1, 2017, the U.S. Census Bureau estimated that there were 693,972 residents in the District. This represents an increase of 9,636, or 1.4% from the revised July 1, 2016 estimate of 684,336.



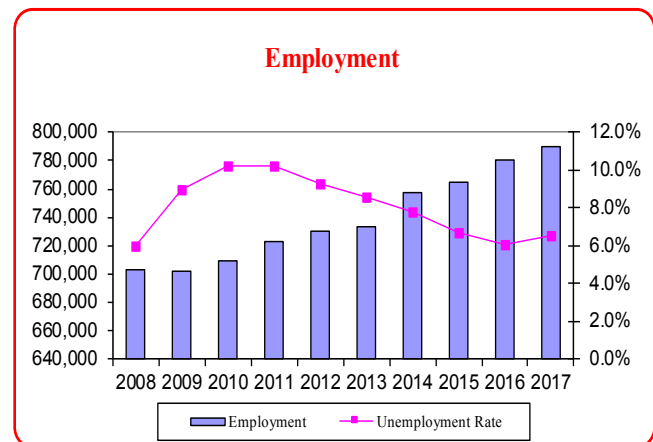
Source: U.S. Census Bureau

Employment Trends

Total employment within the District increased to 789,500 as of September 2017 from the revised 784,000 as of September 2016.

The September 2017 unemployment rate was 6.5% (seasonally adjusted), an increase from the revised rate of 5.9% a year ago.

As the nation's capital, Washington, D.C. is the headquarters for most federal government departments and agencies. The September 2017 federal workforce in the Washington metropolitan area totaled 365,100, with approximately 197,400 federal employees located in Washington, D.C. and 167,700 additional federal employees who worked elsewhere in the Washington metropolitan area.



Source: D.C. Department of Employment Services

Minimum Wage

District of Columbia Minimum Wage

Effective July 1, 2017

\$12.50 per hour

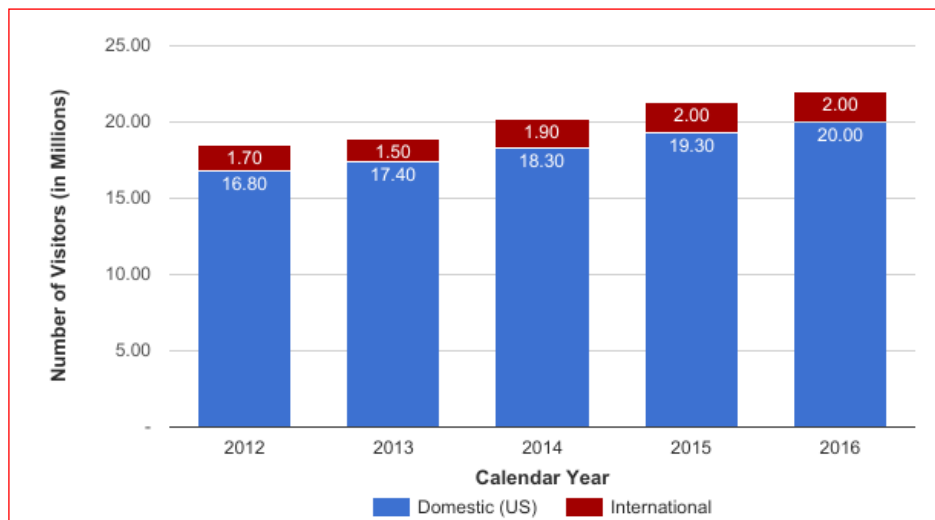
July 1, 2017 marked the first increase to D.C.'s minimum wage under the Fair Shot Minimum Wage Act (**#Fightfor15** legislation) that the Mayor introduced in 2016. Effective July, 1, 2017, the minimum wage for District workers increased from \$11.50 per hour to \$12.50 per hour. Also, the minimum wage for tipped workers increased from \$2.77 per hour to \$3.33 per hour, the first raise for tipped workers in the last 12 years.

Tourism and Hospitality

Washington, D.C. is a world-class city that has evolved into a premier destination for cultural, culinary, and entertainment experiences. Millions of U.S. citizens and international tourists visit the District's more than 400 museums, war memorials, foreign embassies, and other historical landmarks each year. The hospitality industry is one of D.C.'s strongest sectors, supporting more than 80,000 jobs in D.C. as of May 2017 – up nearly 6% from 2016. This diverse sector includes roughly 130 hotels with 31,000+ rooms, 2,000+ restaurants, and 45 performing arts venues with more than 27,000 seats.

- In calendar year 2016, approximately 20.0 million domestic visitors and 2.0 million international visitors traveled to the District.
- During calendar year 2016, the District was the eighth most visited destination in the U.S. for international travelers.
- Visitors spent approximately \$7.3 billion in 2016. Visitor spending increased by \$219.0 million, or 3.1%, over the prior year.
- Travel and tourism supported 74,654 jobs in the District, generating approximately \$4.0 billion in wages.

Total Visitation to the District (2012 – 2016)*



*Tourism data for calendar year 2017 is not yet available.

Source: Destination D.C.



The Museum of the Bible, a museum which documents the narrative, history and impact of the Bible, opened on November 17, 2017. Located at 400 4th Street S.W., the 430,000 square-foot building is just two blocks from the National Mall and three blocks from the U.S. Capitol. It is privately owned and operated by the Museum of the Bible, Inc., a non-profit entity. Admission is free but donations are welcomed.

D.C. Major Tax Rates

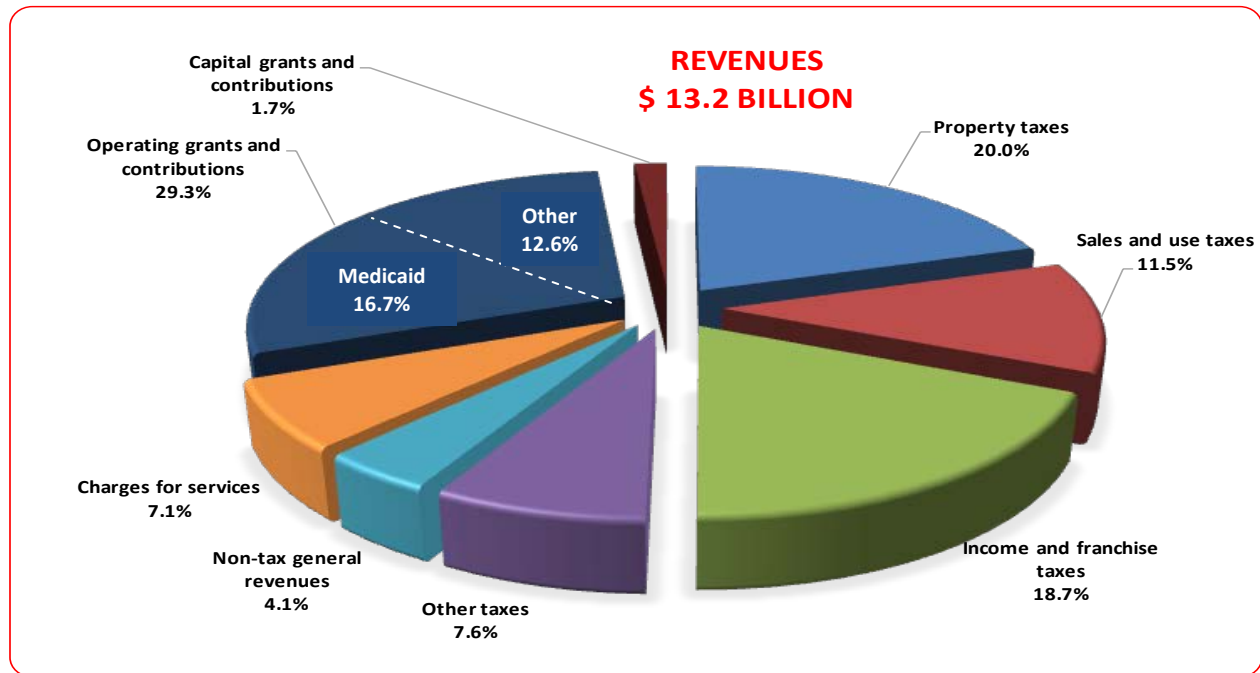
Sales and Use Tax	
General rate	5.75%
Alcoholic beverages	10%
Restaurant meals	10%
Cigarette	\$2.94 (rate per 20 cigarettes)
Medical marijuana	6%
Hotel (transient accommodations)	14.5%
Parking motor vehicles in commercial lots	18%
Motor Vehicle Fuel	23.5 cents per gallon
Real Property Tax	(per \$100 assessed value)
Residential	\$0.85
Commercial	\$1.65 (rate for the first \$3M)
Commercial	\$1.85 (rate for incremented values in excess of \$3M)
Vacant	\$5.00
Blighted	\$10.00
Individual Income	4% - 8.95%

Source: D.C. Office of Tax and Revenue

FY 2017 Financial Summary

- ❖ The District again earned an unmodified or “clean” audit opinion on its financial statements and achieved its 21st consecutive balanced budget.
- ❖ The District ended the year with a net position of \$5.4 billion, a \$469.0 million increase over last year.
- ❖ The District’s general obligation bond ratings remained strong: *Fitch* at AA; *Moody’s Investors* at Aa1; and *Standard & Poor’s* at AA.
- ❖ The District has set aside \$413.9 million in emergency and contingency cash reserves and \$778.1 million in fiscal stabilization and cash flow reserves for a total of \$1.2 billion. This amount is considered sufficient to fund 54 days of government operations, 6 days short of the District’s goal and the GFOA’s recommendation of 60 days of operating reserves.
- ❖ Property taxes earned were \$2.7 billion compared to \$2.5 billion in FY 2016.
- ❖ Sales and use taxes earned were \$1.5 billion, a \$76 million increase from FY 2016 due to a strong growth in the hospitality sector.
- ❖ Single family home sales for the three-month period ended September 2017 were up 2.5% from a year ago, however, the average selling price was down by 0.1%.
- ❖ For the three-month period ended September 2017, condominium sales were up 0.8%, while the average price was 2.2% lower.
- ❖ District resident employment in the three months ended September 2017 was 5,036, (1.4%) more than 2016.

Where The Money Comes From



District revenues include amounts accounted for in all funds - *governmental* (general fund, special revenue funds, capital projects fund) and *proprietary funds* (Lottery and Charitable Games, Unemployment Compensation, and Not-for-Profit Hospital Corporation). These revenues do not include the discretely presented component units shown on page 2, which totaled \$505.2 million in FY 2017.

The major sources of the District's revenues are taxes and operating grants and contributions.

Taxes earned in FY 2017 represented 57.8% of total revenues.

Revenues received from the federal government and other sources include:

- *Operating grants and contributions:* Amounts received from grantors/donors, which may be used to support the District's day-to-day operations, programs and activities. These include federal funding received for Medicaid which totaled \$2.2 billion in FY 2017.
- *Capital grants and contributions:* Amounts received from grantors/donors to support

the acquisition of property and equipment, and the construction of buildings or other infrastructure.

- *Charges for services:* Fees assessed in exchange for a service that is rendered (e.g., driver license fees, motor vehicle tag renewal fees, parking fees, etc.).
- *Non-tax general revenues:* Other sources of revenue which are generated by the government's operations (e.g., investment earnings, etc.).

\$ in Billions

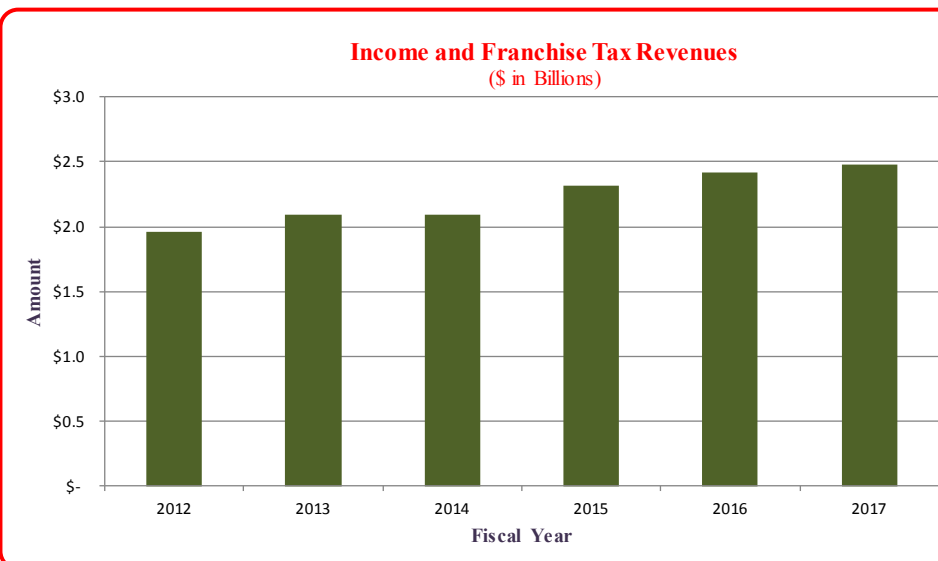
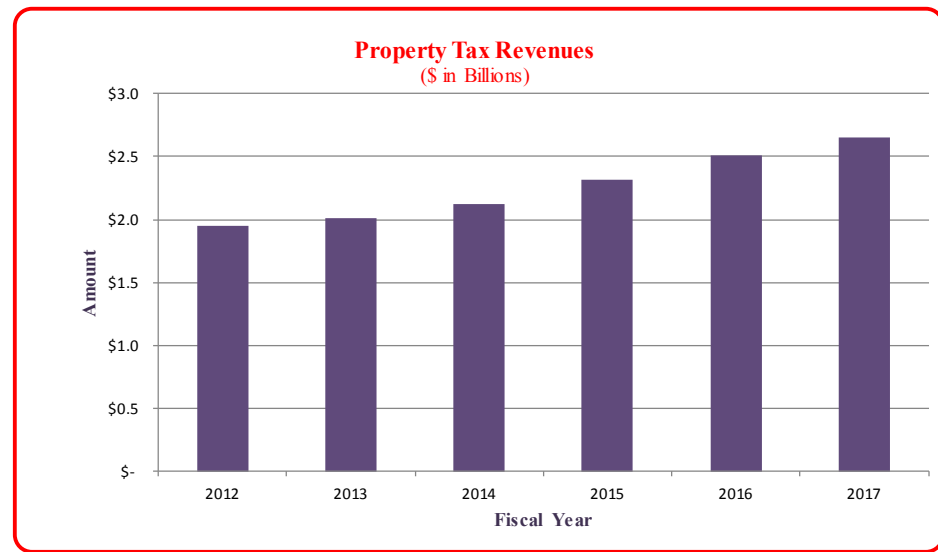
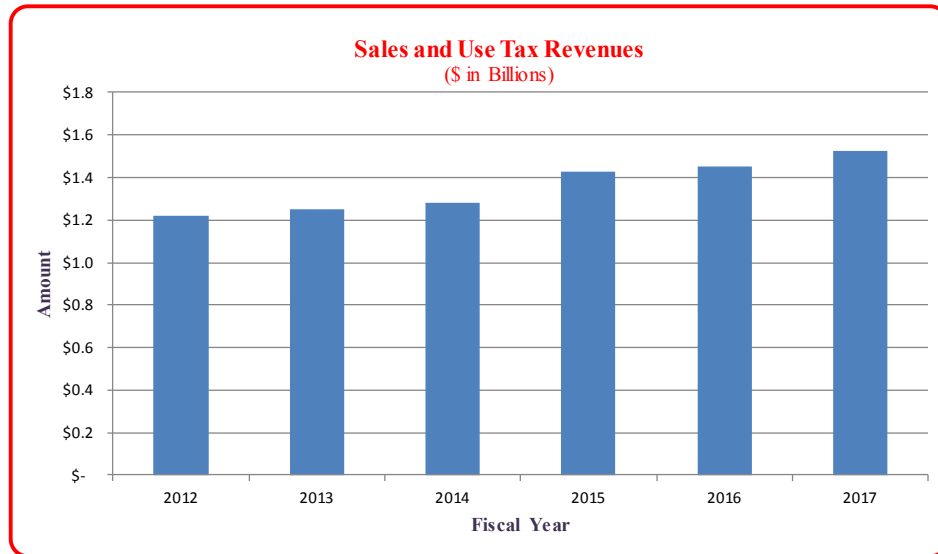
Tax Revenue Earned in FY 2017

Property Taxes	\$ 2.7
Sales & Use Taxes	\$ 1.5
Income & Franchise Taxes	\$ 2.5
Other Taxes	\$ 1.0
Total Tax Revenues	\$ 7.7

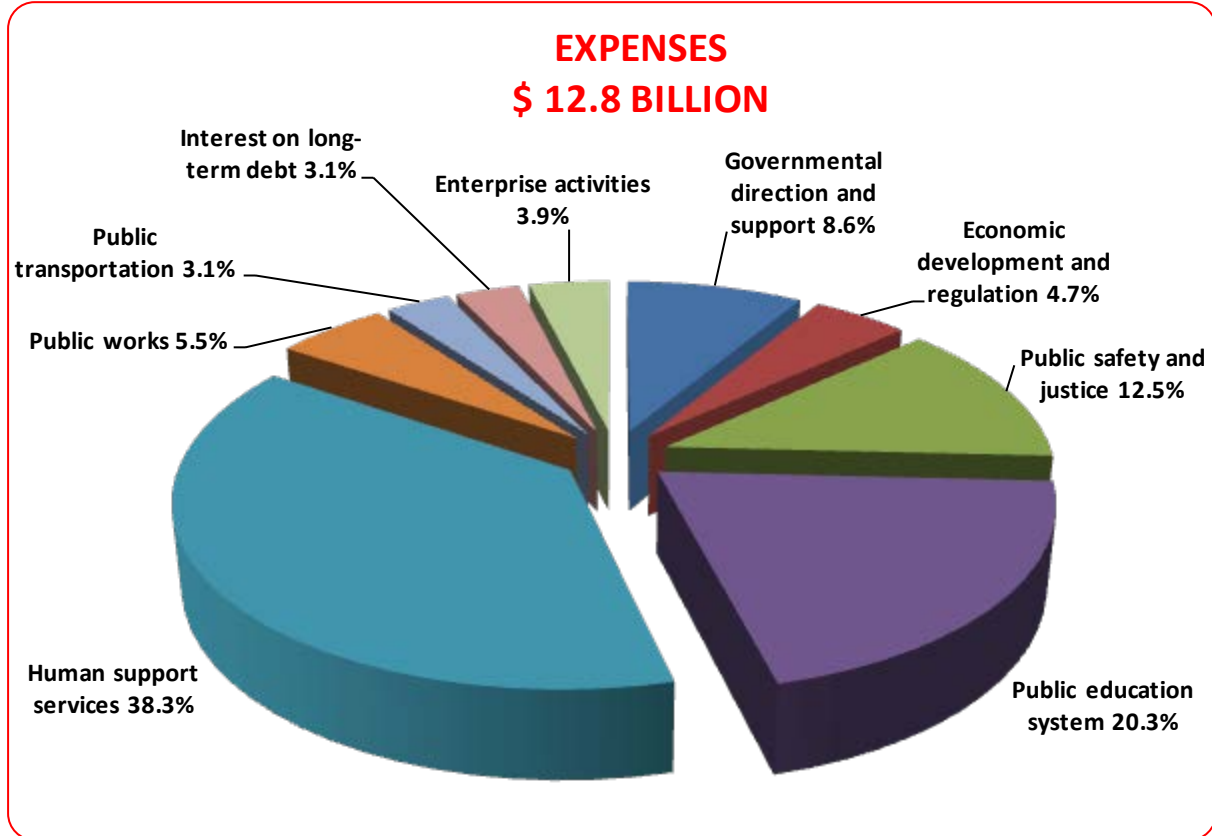
Non-Tax Revenue Earned in FY 2017

Operating Grants & Contributions	\$ 3.9
Medicaid = \$ 2.2 Other = \$ 1.7	
Capital Grants & Contributions	\$ 0.2
Charges for Services	\$ 0.9
Non-Tax General Revenues	\$ 0.5
Total Non-Tax Revenues	\$ 5.5

TOTAL FY 2017 REVENUES	\$ 13.2
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Where The Money Goes



The District provides a broad range of services to its residents, including those normally provided by states and counties. These services include police, fire and emergency medical services, human support and welfare services, public education, and recreational activities. The District is also responsible for the construction and maintenance of highways, streets, buildings, parks, and other amenities. In FY 2017, the District's total expenses were \$12.8 billion.

Human Support Services represents the highest percentage at 38.3%. These services are provided by Medicaid, Medicare, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), and other programs promoting health and wellness, which benefit the District's residents.

Expenses	\$ in Billions
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Governmental direction & support	\$ 1.1
Economic development & regulation	0.6
Public safety & justice	1.6
Public education system	2.6
Human support services	4.9
Public works	0.7
Public transportation	0.4
Interest on long-term debt	0.4
Enterprise activities	0.5

Total Expenses	\$ 12.8
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Debt Management

Short-Term Debt

The District issues short-term debt, such as Tax Revenue Anticipation Notes (TRANS), primarily to finance seasonal cash flow needs. By law, the District must repay any short-term debt in its entirety by September 30 of the fiscal year in which the debt was incurred. Due to the District's improved cash management practices and the build-up of reserves, the use of short-term borrowing in the manner described was not required in FY 2017. Accordingly, the District did not issue any TRANS in FY 2017.

Long-Term Debt

Long-term debt, such as bonds, and other obligations are reported as liabilities in the government-wide financial statements.

The District's general obligation bonds are authorized and issued primarily to provide funds for certain capital projects and improvements.

All general obligation bonds are backed by the full faith and credit of the District.

The District also issues income tax secured revenue bonds. The payment of principal and interest on these bonds comes from pledged tax revenues. Income tax secured revenue bonds are not backed by the full faith and credit of the District.

On a less frequent basis, the District issues other types of long-term debt, including tax increment financing bonds, housing production trust bonds, and qualified zone academy bonds.

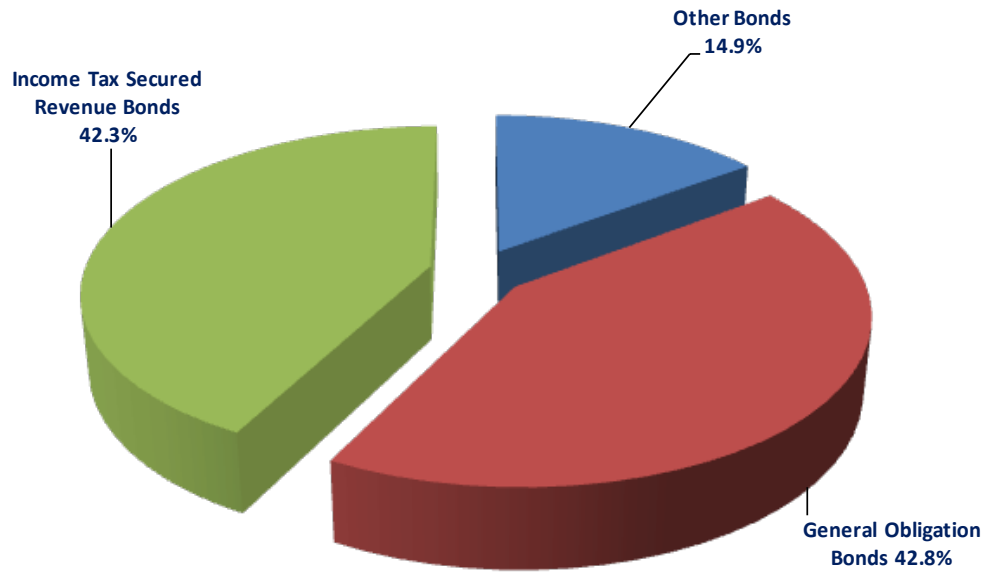
As of September 30, 2017, the District had a total of \$9.5 billion in outstanding bonds. This represents a decrease of \$38.8 million over the prior year.

Outstanding Bonds as of September 30, 2017 and 2016

(\$ in 000's)

Type of Bonds	2017	2016	Dollar Variance	Percentage Variance
General obligation bonds	\$ 4,078,160	\$ 3,829,305	\$ 248,855	6.50%
Income tax secured revenue bonds	4,030,695	4,240,155	(209,460)	-4.94%
Other bonds:				
Qualified zone academy bonds (QZAB)	3,155	3,845	(690)	-17.95%
Tobacco bonds	583,434	600,974	(17,540)	-2.92%
Tax increment financing (TIF) bonds	92,686	96,822	(4,136)	-4.27%
Ballpark bonds	334,005	371,305	(37,300)	-10.05%
Federal highway grant anticipation revenue bonds (GARVEE)	90,170	97,420	(7,250)	-7.44%
Housing production trust fund (HPTF) bonds	110,240	112,965	(2,725)	-2.41%
Payment in lieu of taxes (PILOT) revenue bonds	205,696	214,213	(8,517)	-3.98%
Total	\$ 9,528,241	\$ 9,567,004	\$ (38,763)	-0.41%

OUTSTANDING BONDS \$9.5 BILLION



District Bond Ratings

Rating agencies assess the credit quality of municipal issuers and assign a credit rating based on their analyses. The three primary rating agencies that rate municipal debt are: (1) Fitch Ratings; (2) Moody's Investors Service; and (3) Standard & Poor's Rating Service. Each time the District issues new debt, the bond rating agencies assess the District's financial condition and underlying credit worthiness and change their rating as warranted. See the glossary on page 20 for the rating agencies' complete rating scales.

Below are the District's general obligation bond ratings and the income tax secured revenue bond ratings for the past five fiscal years. All ratings remained steady and strong in FY 2017.

	General Obligation Bonds				
	2013	2014	2015	2016	2017
Fitch Ratings	AA-	AA	AA	AA	AA
Moody's Investors Service	Aa2	Aa2	Aa1	Aa1	Aa1
Standard & Poor's Rating Service	AA-	AA	AA	AA	AA

	Income Tax Secured Revenue Bonds				
	2013	2014	2015	2016	2017
Fitch Ratings	AA+	AA+	AA+	AA+	AA+
Moody's Investors Service	Aa1	Aa1	Aa1	Aa1	Aa1
Standard & Poor's Rating Service	AAA	AAA	AAA	AAA	AAA

Financial Statements

The government-wide financial statements focus on all of the District's economic resources.

The *Statement of Net Position* presents information on all of the District's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, with the difference between the two reported as *net position*.

The *Statement of Activities* summarizes both the gross and net cost of the governmental activities, business-type activities, and component units activities. Governmental activities show the District's basic functional services, while business-type activities reflect enterprise operations where fees for services are expected to cover all or most of the costs of operations.

The Statement of Net Position and Statement of Activities tables show comparative data for governmental activities and business-type activities, and the totals for these two types of activities.

- Total assets increased by \$1.1 billion mainly because of an increase in net pension assets related to the police officers and firefighters retirement fund and the District's continued investments in capital assets.
- The increase of \$48.4 million in total liabilities resulted primarily from increases in compensation payable and accrued interest payable.
- The combined total net position for the governmental activities and business-type activities increased by 9.6% over the previous year.

- The increase of \$267.6 million in operating grants and contributions was due primarily to an increase in federal funding received in support of programs and services in the areas of governmental direction and support, human support services, and public education.
- Driven by significant increases in property taxes, sales and use taxes, and income and franchise taxes, general revenues increased by \$303.1 million as a result of:
 - Higher assessed property values
 - Improvement in business conditions
 - Increased profitability within the District
- The increase of \$548.0 million in expenses was mainly due to increased spending in human support services and public education, which increased by \$366.0 million and \$331.1 million, respectively. Human support services expenses increased as a result of higher costs associated with contractual services to support various programs which benefit the District's most vulnerable residents. The increase in public education expenses was mainly due to increases in student enrollment and Medicaid costs.
- Each year, the D.C. Office of Lottery and Charitable Games transfers substantially all of its net income to the District. In FY 2017, it transferred \$45.6 million of its income, which was a \$7.7 million decrease from the prior year's transfer of \$53.3 million.

Statement of Net Position as of September 30, 2017
(\$ in 000's)

	Governmental activities		Business-type activities		Totals	
	2017	2016	2017	2016 *	2017	2016 *
Current and other assets	\$5,342,804	\$4,891,340	\$505,503	\$473,949	\$5,848,307	\$5,365,289
Capital assets	13,020,369	12,431,889	79,737	68,475	13,100,106	12,500,364
Total assets	18,363,173	17,323,229	585,240	542,424	18,948,413	17,865,653
Deferred outflows of resources	368,872	459,144	-	-	368,872	459,144
Long-term liabilities	11,302,441	11,385,624	9,120	14,088	11,311,561	11,399,712
Other liabilities	1,818,626	1,689,766	68,862	61,176	1,887,488	1,750,942
Total liabilities	13,121,067	13,075,390	77,982	75,264	13,199,049	13,150,654
Deferred inflows of resources	735,375	260,316	-	-	735,375	260,316
Net position:						
Net investment in capital assets	3,204,028	2,835,463	79,700	68,319	3,283,728	2,903,782
Restricted	1,538,687	1,440,889	416,373	388,097	1,955,060	1,828,986
Unrestricted	132,888	170,315	11,185	10,744	144,073	181,059
Total net position	\$4,875,603	\$4,446,667	\$507,258	\$467,160	\$5,382,861	\$4,913,827

Statement of Activities for the Year Ended September 30, 2017
(\$ in 000's)

	Governmental activities		Business-type activities		Totals	
	2017	2016	2017	2016 *	2017	2016 *
Revenues:						
Program revenues:						
Charges for services	\$594,322	\$598,747	\$342,411	\$346,805	\$936,733	\$945,552
Operating grants and contributions	3,832,821	3,577,091	25,217	13,328	3,858,038	3,590,419
Capital grants and contributions	219,751	167,948	-	20,113	219,751	188,061
General revenues:						
Property taxes	2,651,688	2,504,617	-	-	2,651,688	2,504,617
Sales and use taxes	1,527,120	1,451,441	-	-	1,527,120	1,451,441
Income and franchise taxes	2,479,847	2,417,206	-	-	2,479,847	2,417,206
Other taxes	866,908	863,466	143,728	145,887	1,010,636	1,009,353
Non-tax revenues	537,208	521,931	9,645	8,532	546,853	530,463
Total revenues	12,709,665	12,102,447	521,001	534,665	13,230,666	12,637,112
Expenses	12,310,345	11,798,515	451,287	415,104	12,761,632	12,213,619
Increase in net position before transfers	399,320	303,932	69,714	119,561	469,034	423,493
Transfers in (out)	29,616	43,287	(29,616)	(43,287)	-	-
Change in net position	428,936	347,219	40,098	76,274	469,034	423,493
Net position - Oct 1, as restated	4,446,667	4,099,448	467,160	390,886	4,913,827	4,490,334
Net position - Sept 30	\$4,875,603	\$4,446,667	\$507,258	\$467,160	\$5,382,861	\$4,913,827

* The FY 2016 amounts for the Business-type activities were restated due to the blending of the Not-for-Profit Hospital Corporation with the Business-type activities in accordance with a new Governmental Accounting Standards Board (GASB) pronouncement. The discretely presented component units (listed on page 2) are not included.

Ongoing Initiatives

Washington, D.C. Named First LEED Platinum City in the World – On August 31, 2017, D.C. was named the first LEED Platinum certified city in the world. The Mayor was presented this honor by the President and CEO of the U.S. Green Building Council (USGBC), at an event on the steps of Dunbar High School – the highest rated LEED-certified school in the United States.



LEED (Leadership in Energy and Environmental Design) is the most widely used green building rating system in the world and is designed to help buildings achieve high performance in key areas of human and environmental health. LEED for Cities was launched last year and enables cities to measure and communicate performance, focusing on outcomes from ongoing sustainability efforts across an array of metrics, including energy, water, waste, transportation, and human experience.

Throughout the current Mayor's tenure, Washington, D.C. has served as a leading city on issues of sustainability. Over the past two and a half years, the Administration has released Climate Ready DC, entered into one of the largest municipal onsite solar projects in the U.S., completed the largest wind power purchase agreement deal of its kind ever entered into by an American city, launched Sustainable DC 2.0, and, most recently, signed a Mayor's Order pledging to uphold the commitments in the Paris Climate Accord. Today, 65 percent of D.C. neighborhoods are walkable, 58 percent of commuter trips are by bike, walking, or public transit, and the D.C. Government is 100 percent powered by renewable energy. D.C. is on track to derive at least one-half of the entire city's electricity from renewable resources by 2032.

RiverSmart - The Department of Energy and Environment (DOEE) offers RiverSmart programs to help reduce stormwater runoff that harms the District's waterways



and the Chesapeake Bay. RiverSmart programs provide financial incentives to District property owners to help install green infrastructure such as rain barrels, green roofs, rain gardens, permeable pavers, shade trees, and more. No matter how large or small your green infrastructure project is, there is a RiverSmart program for you. Explore DOEE's many RiverSmart programs at: www.doe.dc.gov.

DC Bag Law - The *Anacostia River Clean Up and Protection Act of 2009* requires that all District businesses selling food or alcohol charge five cents for each disposable paper or plastic carryout bag. Businesses keep 1 cent (or 2 cents if a rebate is offered when customers bring their own bag), and the remaining 3 or 4 cents goes to the Anacostia River Protection Fund. The proceeds from this fund are used to clean and protect the Anacostia River and other local waterways.



DC Bag Law Fees Collected (Last 3 fiscal years)

FY 2017	\$2.5 million
FY 2016	\$2.3 million
FY 2015	\$2.2 million

Foam Free DC



The *Sustainable DC Omnibus Amendment Act of 2014* bans the use of disposable food service ware made of expanded polystyrene, commonly known as foam or Styrofoam™, and other products that cannot be recycled or composted. The ban on foam began on January 1, 2016 and requirements became effective on January 1, 2017.

**Text to 911
Is Now Available in
Washington, D.C.**



Launched in June 2017, Text to 911 is a new service that allows residents to request emergency services through texting. In an emergency, a voice call to 911 is preferred. However, for those instances when you are unable to call, you can now send a Text to 911.

Text to 911 is intended for use in three emergency scenarios:

- If a person is the victim of a crime and the perpetrator is still in the area, such as an assault, robbery, or a domestic violence incident.
- For someone who is deaf, hard of hearing, or has a speech disability and needs to reach 911.
- In situations where a person has sustained an injury that prevents him/her from speaking.

The Best City for Amazon HQ2? Obviously, Washington, D.C. - On September 7, 2017, the tech giant, Amazon, announced that it would be building its second headquarters in North America, with plans to grow 50,000 jobs and invest over \$5 billion in construction. In response to the announcement, the Office of the Deputy Mayor for Planning and Economic Development in collaboration with the D.C. Office of Planning analyzed the city to identify potential locations that check the boxes of Amazon's Request For Proposal. On September 14, 2017, in a video at: www.obviouslydc.com, the Mayor officially announced that Washington D.C. would submit a bid to attract Amazon's second headquarters to the city. The video highlights Washington, D.C. as a global capital city with a thriving tech sector, vibrant and creative neighborhoods, and a growing and expanding business community. On January 18, 2018, it was announced that Washington D.C. made the list of 20 finalists for possible contenders for the HQ2 location. Amazon will make its final decision in late 2018.



**4 Sites Proposed for
Amazon HQ2**

**Anacostia Riverfront
NoMa-Union Station
Capitol Hill East
Shaw-Howard University**

To see detailed information on these sites please visit www.obviouslydc.com.

District Wharf Grand Opening

The grand opening of Phase I of the District Wharf, a \$2.5 billion waterfront site, was held on October 12, 2017. The District Wharf is a mile-long, mixed-use development comprised of residential, hotel, office, retail and entertainment space on the Potomac River in Southwest, D.C.

Phase I consists of 3.2 million square feet of new residences, offices, hotels, shops, restaurants, marina and public use spaces including 10 acres of parks, promenades, piers and docks.

Phase II will feature an additional 1.15 million square feet of office, residential, marina, and retail space. The groundbreaking for Phase II will take place in mid-2018, with an expected completion date in 2022.



The District Wharf view from Maine Avenue.

D.C. United Soccer Stadium

Since the official groundbreaking in February 2017, the construction of a new world-class stadium for the Major League Soccer Team, D.C. United, has been well underway. The 20,000-seat stadium is being built at 32-60 R Street, S.W., just across South Capitol Street near the Nationals Park baseball stadium. It was announced that a multi-year deal has been made with Audi for the stadium naming rights. Audi is reportedly paying \$4 million a year for 10 to 15 years. The \$300 million, state-of-the-art facility is a public-private partnership that will help revitalize a neighborhood on the banks of the Anacostia River, create nearly 900 job opportunities for District residents, and strengthen a commitment to community and fan engagement. The District has agreed to spend up to \$150 million to acquire the stadium footprint and to prepare the land for development, while D.C. United will finance vertical construction of the stadium. The stadium is scheduled to open in June 2018.



Audi Field



Audi Field will be the new home for D.C. United.

D.C. United is the most decorated franchise in U.S. soccer history and the most championed professional team in the District of Columbia.

Opening in 2018, it will also host a variety of other sporting and cultural events, community activities, and concerts.

The state-of-the-art urban facility has a capacity to accommodate 20,000 fans and will feature 31 luxury suites, a bike valet, and 500,000 total square feet of mixed-use retail and residential space on site, making it a 365-day destination for fans and D.C. residents alike.

Miscellaneous Statistics

	FY 2017	FY 2016
Number of police officers	3,821	3,737
Number of police patrol cars	1,245	1,240
Police crime index offenses	34,774	35,714
Number of fire fighters & EMS personnel	1,892	1,875
Number of fire & EMS stations	34	34
Number of front-line emergency vehicles	168	114
Total number of fire/rescue incidents	35,712	34,840
Number of D.C. Public School teachers	3,996	3,999
Number of D.C. Public School students	48,555	48,757
Number of D.C. Public School high school graduates	2,844	2,764
Number of University of D.C. instructors	235	237
Number of University of D.C. students	4,537	4,585
Convention Center conventions held	184	217
Convention Center attendees	1,163,753	1,465,820
Number of refuse collection trucks	81	74
Refuse collected (tons per day)	328	386
Recyclables collected (tons per day)	115	96

Outlook For FY 2018

The U.S. economy continued to grow at a modest pace in FY 2017, and most forecasts anticipate that growth will be similar in FY 2018. D.C. revenues increased by about 2.5% in FY 2017, but are expected to grow by only 0.4% in FY 2018 due primarily to full implementation of legislation cutting individual income and business income tax rates. The revenue estimate for FY 2018 may change when analysis of the new federal tax law—the Tax Cuts and Jobs Act of 2017—is completed. Increases in population and private sector jobs continue to add to the District's economy and tax base.

- The District's population continued to grow in FY 2017, demonstrating its continued attraction as a place to live.
- Federal employment in D.C. began to decrease during FY 2017 and this appears likely to continue in FY 2018.
- The private sector accounted for all of the net increase in job growth in the District during FY 2017, and the percentage gains in private sector growth have recently been similar to those for the nation as a whole. The biggest private sector gains in D.C. are in food services, education, and professional services.
- Despite the uncertainty surrounding federal fiscal policy, federal government expenditures continue to add some stability to the District's economy.
- Investments in economic development are attracting new retail establishments and housing in all neighborhoods of the city.

Glossary

Blended Component Unit	<p>A legally separate organization which functions as an integral part of the primary government and whose data is blended with those of the primary government.</p> <p>The District currently has two blended component units:</p> <ol style="list-style-type: none">1) District of Columbia Tobacco Settlement Financing Corporation2) Not-for-Profit Hospital Corporation
Business-type Activities	<p>Financed in whole or in part by fees charged to external parties for goods or services. The District reports Lottery and Charitable Games, Unemployment Compensation Fund, and Not-for-Profit Hospital Corporation as Business-type activities.</p>
Capital Assets	<p>Assets (infrastructure, land, buildings, equipment) used in operations that have initial useful lives extending beyond a fiscal year.</p>
Component Unit	<p>A legally separate organization for which the primary government is financially accountable and is included as part of its financial reporting entity.</p> <p>The District currently has four discretely presented component units:</p> <ol style="list-style-type: none">1) Health Benefit Exchange Authority2) Housing Finance Agency3) University of the District of Columbia4) Washington Convention and Sports Authority
Comprehensive Annual Financial Report (CAFR)	<p>An annual report issued by state and local governmental entities. A CAFR has three major sections: introductory, financial and statistical.</p>
DDOT	<p>District Department of Transportation</p>
Debt Service	<p>Cash required in a given period, usually one year, for payment of interest and principal on outstanding debt.</p>
Deferred Inflows of Resources	<p>An acquisition of net position by the government that is applicable to a future reporting period.</p>
Deferred Outflows of Resources	<p>A consumption (use) of net position by the government that is applicable to a future reporting period.</p>
Economic Resources	<p>All inflows, outflows, and balances affecting or reflecting a governmental entity's net position.</p>
Fiscal Year (FY)	<p>A financial reporting period of twelve months. The District's fiscal year commences October 1 and ends September 30.</p>
Fund	<p>A separate fiscal and accounting entity used to segregate and account for resources related to a specific activity.</p>

Glossary

General Fund	The chief operating fund of the government. This fund is used to account for all financial resources except those required to be accounted for in other funds.
General Obligation Bonds	Municipal bonds that are secured by a state or local government's pledge to use legally available resources, including tax revenues, to repay bond holders. Most general obligation pledges at the local government level include a pledge to levy a property tax to meet debt service requirements.
General Revenues	All revenues not reported as program revenues in the government-wide statement of activities.
Generally Accepted Accounting Principles (GAAP)	The conventions, rules, and procedures that serve as the standard for the fair presentation of financial statements.
Government-wide Financial Statements	Financial statements that report governmental activities and business-type activities rather than funds or fund types.
Income Tax Secured Revenue Bonds	Bonds in which the repayment is to be made from amounts derived from the collection of income taxes.
Net Investment in Capital Assets	One of three components of net position that must be reported in government-wide and proprietary fund financial statements. It consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvement of those assets.
Net Pension Asset	The excess of a pension plan's fiduciary net position over its total pension liability.
Net Position	The residual of all other elements presented in a statement of financial position. The difference between assets + deferred outflows of resources, on one hand, and liabilities + deferred inflows of resources, on the other, constitutes net position, the last of the financial statement elements.
Popular Annual Financial Report (PAFR)	An annual report issued by state and local governmental entities that extracts information from their published Comprehensive Annual Financial Report (CAFR) designed to be readily accessible and easily understandable by the general public.
Program Revenues	Revenues that derive directly from a government's programs (fees and charges) or from sources outside the reporting government's tax base, which are directly related to a specific related program.
Proprietary Fund	A business-like fund of a state or local government. Proprietary funds provide goods or services to the general public for a fee.

Glossary

Rating Agencies

Independent sources of information and analysis for capital markets and debt instruments. These agencies are private and for-profit entities that assist investors by providing rating and detailed research on credit factors. These factors determine the credit worthiness of municipalities, governments, and business entities.

The three primary Rating Agencies that rate municipal debt are: Fitch Ratings; Moody's Investors Service; and Standard & Poor's Rating Services.

The rating scale (shown to the right) represents a consistent framework for ranking and comparing the relative risks of different debt issues. Each agency has developed its own set of easily recognizable symbols to grade all debt consistently.

Fitch and Standard & Poor's may use + or – to modify some ratings. Moody's uses the numerical modifiers 1 (highest), 2, and 3 in the range from Aa1 through Ca3.

Explanation of municipal bond ratings	RATING SERVICE		
	Fitch	Moody's	Standard & Poor's
Highest quality	AAA	Aaa	AAA
High quality	AA	Aa	AA
Upper medium grade	A	A	A
Medium grade	BBB	Baa	BBB
Predominantly speculative	BB	Ba	BB
Speculative, low grade	B	B	B
Poor to default	CCC	Caa	CCC
Highest speculation	CC	Ca	CC
Lowest quality, no interest	C	C	C
In default	DDD		DDD
In arrears	DD		DD
Questionable value	D		D

Restricted Net Position

One of three components of net position that must be reported in government-wide and proprietary fund financial statements. It consists of restricted assets (those limited to a specific purpose or use) reduced by liabilities and deferred inflows of resources related to those assets.

Unmodified or "Clean" Audit Opinion

A written report issued by an independent public accountant which states that the financial statements for the government present fairly its financial position and results of operations.

Unrestricted Net Position

One of three components of net position that must be reported in government-wide and proprietary fund financial statements. It is the difference between total net position and its two other components (net investment in capital assets and restricted net position).



