

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2018

(Dollar amounts expressed in thousands)

The following is a discussion and analysis of the District of Columbia's (the District's) financial performance for the fiscal year ended September 30, 2018, which includes a narrative overview and analysis of the District's financial activities. This information should be read in conjunction with the letter of transmittal, located in the Introductory Section of this report, and the District's basic financial statements and notes to the basic financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

- As of September 30, 2018, the District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$5,687,313. During the fiscal year, the District's net investment in capital projects and infrastructure improvements increased by \$256,706. (See **Table MDA-1**)
- Total District revenues increased by \$187,194, mostly as a result of increases in all general revenue categories during fiscal year 2018. Revenues from income and franchise taxes, sales and use taxes, and property taxes, increased by \$186,843, \$70,820, and \$61,622, respectively. This increase in total revenues was caused mainly by certain favorable economic factors such as: growth in the District's tax base and increases in salary and wage levels; higher assessed values of real property; improvement in business conditions and an increase in the District's population. The increase in general revenues was partially offset by a decrease in operating grants and contributions. (See **Table MDA-2**)
- District expenses increased by \$493,458 during fiscal year 2018 as a result of significant increases in spending in Public Education, Economic Development and Regulation, and Governmental Direction and Support. Some of the increases were offset by a decline in expenses in the Human Support Services area during fiscal year 2018. (See **Table MDA-2**)
- The District's total net position increased by \$304,452 (5.66% over prior year) during fiscal year 2018 mainly as a result of increases in revenues from income and franchise taxes, sales and use taxes, and property taxes. Increases in these general revenue categories were attributed to favorable economic and business conditions. Although expenses also increased between fiscal years 2017 and 2018, total revenues exceeded expenses, which remained below budgeted levels due to prudent and effective management of District resources. In addition, an adjustment to the beginning net position due to the implementation of a new accounting standard contributed to the increase in total net position. (See **Table MDA-2**)
- The District's total long-term liabilities increased by \$803,629, or 7.10%, during fiscal year 2018. This increase is mainly due to the issuance of General Obligation Bonds during fiscal year 2018 to finance capital improvement projects. (See **Table MDA-1**)
- As of September 30, 2018, the District reported an increase in fund balance in its General Fund of \$100,092 to \$2,776,383. Total governmental funds reported combined ending fund balances of \$2,893,772, an increase of \$183,688, or 6.78%, in comparison with the prior year. The overall increase in the fund balance of the governmental funds resulted mainly from an increase in fund balance of the General Capital Improvements Fund and the General Fund. During fiscal year 2018, capital projects were financed through the use of debt proceeds and short-term advances from the General Fund. This financing strategy allowed the District to optimize the timing of the issuance of new debt to finance capital projects and reimburse internal financing resources. (See **Table MDA-3**)

OVERVIEW OF THE FINANCIAL STATEMENTS

Basic Financial Statements

In general, the purpose of financial reporting is to provide users of financial statements with information that will help them make decisions or reach conclusions about a reporting entity. Many parties use the District's financial statements; however, they

do not always use them for the same purpose. In order to address the needs of as many financial statement users as possible, the District, in accordance with generally accepted accounting principles (GAAP) presents: (1) government-wide financial statements;

(2) fund financial statements; and (3) notes to the basic financial statements.

Government – Wide Financial Statements

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

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

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

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

The District's government-wide financial statements are presented on pages 46 and 47 of this report.

Fund Financial Statements

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

Financial Statements of the Governmental Funds

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

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

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

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

The financial statements of the District's governmental funds are presented on pages 48 through 51 of this report.

Financial Statements of the Proprietary Funds

Financial statements of the proprietary funds consist of a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows. These statements are prepared using the full accrual basis of accounting similar to that used to prepare the government-wide financial statements.

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

The financial statements of the District's proprietary funds present the changes in financial position and condition of these three major proprietary funds. The financial statements of the District's proprietary funds are presented on pages 52 through 54 of this report.

Financial Statements of the Fiduciary Funds

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

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

The financial statements of the District's fiduciary funds are presented on pages 55 and 56 of this report.

Component Units

Combining financial statements, presented on pages 57 and 58, report the financial data for the District's discretely presented component units.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements, which begin on page 59, 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 supplementary information concerning the District's progress toward funding its obligation to provide pension and other postemployment benefits to District employees. Required supplementary information can be found on pages 141 through 147 of this report.

Financial statements of individual funds, combining statements (including nonmajor governmental funds), and supporting schedules are presented in the other supplementary information section presented on pages 149 through 179 of this report.

OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AND OPERATIONS

The District's overall financial position improved as a result of the fiscal year's activities. The District's financial position and operations for the past two fiscal years are summarized in **Tables MDA-1** and **MDA-2**. The fiscal year 2018 beginning net position for the governmental activities is restated due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for*

Postemployment Benefits Other Than Pensions, which required the District to recognize a net OPEB asset related to the District's Other Postemployment Benefits Plan. The information for fiscal years 2017 and 2018 is based on the government-wide financial statements presented on pages 46 and 47 of this report.

Table MDA-1
Net Position as of September 30, 2018 (\$000s)

	Governmental activities		Business-type activities		Totals	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 5,600,915	\$ 5,342,804	\$ 542,985	\$ 505,503	\$ 6,143,900	\$ 5,848,307
Capital assets	13,762,660	13,020,369	72,469	79,737	13,835,129	13,100,106
Total assets	19,363,575	18,363,173	615,454	585,240	19,979,029	18,948,413
Deferred outflows of resources	330,497	368,872	-	-	330,497	368,872
Liabilities						
Long-term liabilities	12,107,920	11,302,441	7,270	9,120	12,115,190	11,311,561
Other liabilities	1,823,683	1,818,626	72,272	68,862	1,895,955	1,887,488
Total liabilities	13,931,603	13,121,067	79,542	77,982	14,011,145	13,199,049
Deferred inflows of resources	611,068	735,375	-	-	611,068	735,375
Net position:						
Net investment in capital assets	3,467,965	3,204,028	72,469	79,700	3,540,434	3,283,728
Restricted	1,727,770	1,538,687	459,203	416,373	2,186,973	1,955,060
Unrestricted	(44,334)	132,888	4,240	11,185	(40,094)	144,073
Total net position	\$ 5,151,401	\$ 4,875,603	\$ 535,912	\$ 507,258	\$ 5,687,313	\$ 5,382,861

Table MDA-2
Change in Net Position for the year ended September 30, 2018 (\$000s)

	Governmental activities		Business-type activities		Totals		Variance
	2018	2017	2018	2017	2018	2017	
Revenues:							
Program revenues:							
Charges for services	\$ 608,050	\$ 594,322	\$ 307,189	\$ 342,411	\$ 915,239	\$ 936,733	\$ (21,494)
Operating grants and contributions	3,674,019	3,832,821	20,789	25,217	3,694,808	3,858,038	(163,230)
Capital grants and contributions	261,450	219,751	-	-	261,450	219,751	41,699
General revenues:							
Property taxes	2,713,310	2,651,688	-	-	2,713,310	2,651,688	61,622
Sales and use taxes	1,597,940	1,527,120	-	-	1,597,940	1,527,120	70,820
Income and franchise taxes	2,666,690	2,479,847	-	-	2,666,690	2,479,847	186,843
Other taxes	876,597	866,908	144,068	143,728	1,020,665	1,010,636	10,029
Non-tax revenues	536,715	537,208	11,043	9,645	547,758	546,853	905
Total revenues	12,934,771	12,709,665	483,089	521,001	13,417,860	13,230,666	187,194
Expenses:							
Governmental direction and support	1,164,181	1,085,592	-	-	1,164,181	1,085,592	78,589
Economic development and regulation	724,404	591,861	-	-	724,404	591,861	132,543
Public safety and justice	1,623,766	1,594,081	-	-	1,623,766	1,594,081	29,685
Public education system	2,834,186	2,602,658	-	-	2,834,186	2,602,658	231,528
Human support services	4,799,268	4,863,087	-	-	4,799,268	4,863,087	(63,819)
Public works	812,726	758,431	-	-	812,726	758,431	54,295
Public transportation	419,198	368,014	-	-	419,198	368,014	51,184
Interest on long-term debt	435,006	446,621	-	-	435,006	446,621	(11,615)
Lottery and games	-	-	161,397	173,241	161,397	173,241	(11,844)
Unemployment compensation	-	-	131,764	143,942	131,764	143,942	(12,178)
Not-for-profit hospital corporation	-	-	149,194	134,104	149,194	134,104	15,090
Total expenses	12,812,735	12,310,345	442,355	451,287	13,255,090	12,761,632	493,458
Increase in net position before transfers	122,036	399,320	40,734	69,714	162,770	469,034	(306,264)
Transfers in (out)	12,080	29,616	(12,080)	(29,616)	-	-	-
Change in net position	134,116	428,936	28,654	40,098	162,770	469,034	(306,264)
Net position - October 1, as restated (See Note 1Y)	5,017,285	4,446,667	507,258	467,160	5,524,543	4,913,827	610,716
Net position - September 30	\$ 5,151,401	\$ 4,875,603	\$ 535,912	\$ 507,258	\$ 5,687,313	\$ 5,382,861	\$ 304,452

Please refer to Note 1W - Reconciliation of Government-Wide and Fund Financial Statements, on page 78 for additional information on the differences between the two bases of accounting that the District used in this report.

Financial Analysis of the Government as a Whole

The District's combined net position (governmental and business-type activities) increased by \$304,452, or 5.66%, from \$5,382,861 in fiscal year 2017 to \$5,687,313 in fiscal year 2018. Revenues increased by \$187,194 while expenses increased by \$493,458. Program revenues, which were approximately 36.31% of the District's total revenues in fiscal year 2018, decreased by \$143,025, or 2.85%. This decrease was due primarily to decreases in operating grants and contributions. Operating grants and contributions related to Medicaid, Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) decreased as a result of decreases in expenditures in the Human Support Services that support those programs. Capital grants and contributions, which were used for Public Works-related capital projects increased during the fiscal year.

General revenues, derived primarily from taxes, represented approximately 63.69% of the District's total revenues in fiscal year 2018. Such revenues increased by \$330,219, or 4.02%, mostly due to increases in income and franchise taxes in fiscal year 2018. Increased income and franchise taxes resulted from improvement in business conditions and profitability within the District, causing corporate income taxes to rise. In addition, improving economic conditions and higher assessed values of properties in the District contributed to the increase in general revenues.

The most significant increases in expenses were in Public Education System and Economic Development and Regulation, which grew by \$231,528, or 8.90%, and \$132,543, or 22.39%, respectively. Public Education System expenses increased primarily

due to an increase in the Uniform Per Student Funding rate, an increase in student enrollment, and a retroactive payment made to members of the Washington Teachers' Union (WTU) and the District of Columbia Public Schools (DCPS) bargaining unit in fiscal year 2018. The increase in Economic Development and Regulation expenses was mainly due to increased costs associated with programs designed to increase and preserve the supply and quality of affordable housing benefiting low-income residents.

Restricted net position represents assets that are subject to use constraints imposed either: (a) externally by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments; or (b) by law, through constitutional provisions or enabling legislation. Restricted net position totaled \$2,186,973 in fiscal year 2018 and \$1,955,060 in fiscal year 2017, representing an increase of \$231,913, or 11.86%. The most significant increase in restricted net position was related to reserves for pensions and OPEB benefits.

Unrestricted net position decreased by \$184,167 to negative \$40,094 in fiscal year 2018 compared to \$144,073 in fiscal year 2017. The decrease in unrestricted net position occurred mostly as a result of increases in net investment in capital assets which was offset by the effect of current year's revenues exceeding expenditures.

The Office of Lottery and Charitable Games (Lottery), a proprietary fund of the primary government, transfers substantially all of its net income to the District at the end of each fiscal year. In fiscal years 2018 and 2017, the Lottery transferred \$49,500 and \$45,600 to the District's General Fund, respectively.

Chart MDA-1 graphically depicts the District’s sources of revenues in its governmental activities as presented in Table MDA-2, Change in Net Position for the year ended September 30, 2018, found on page 28.

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

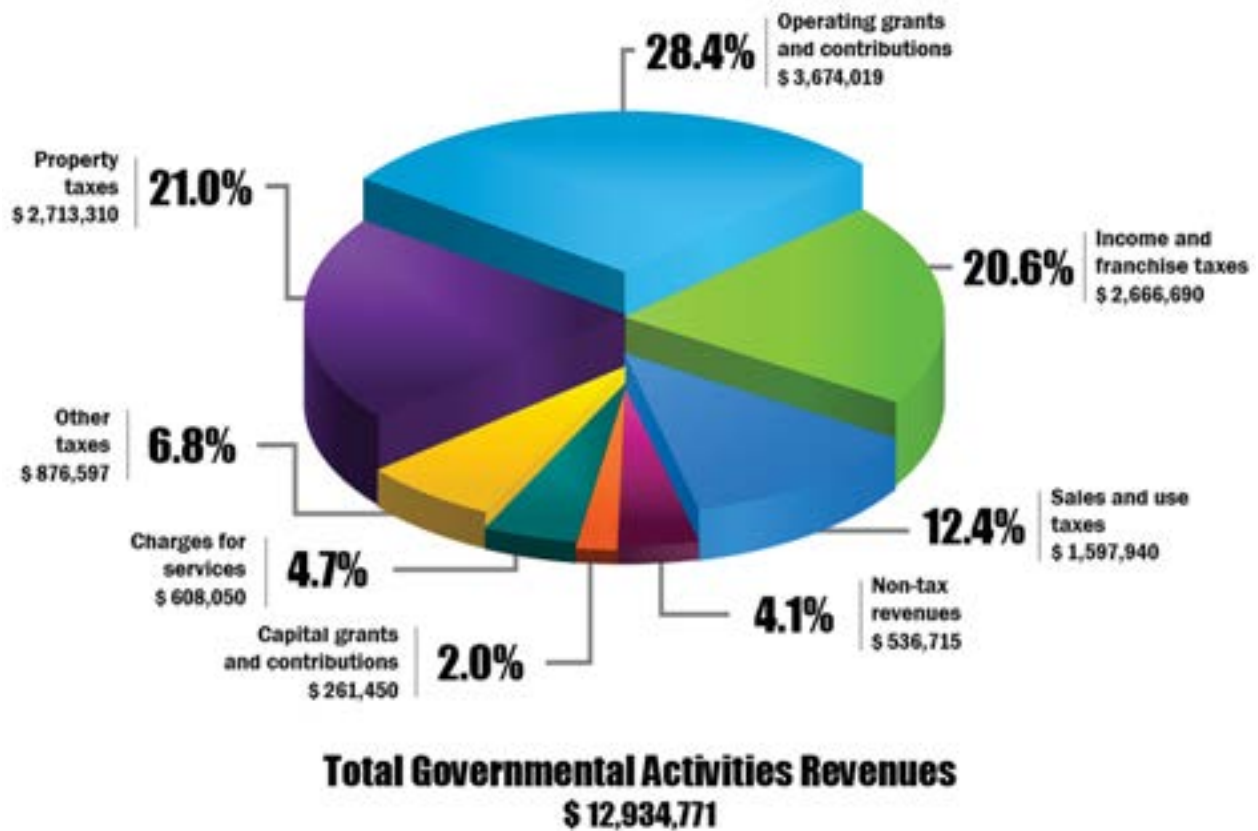
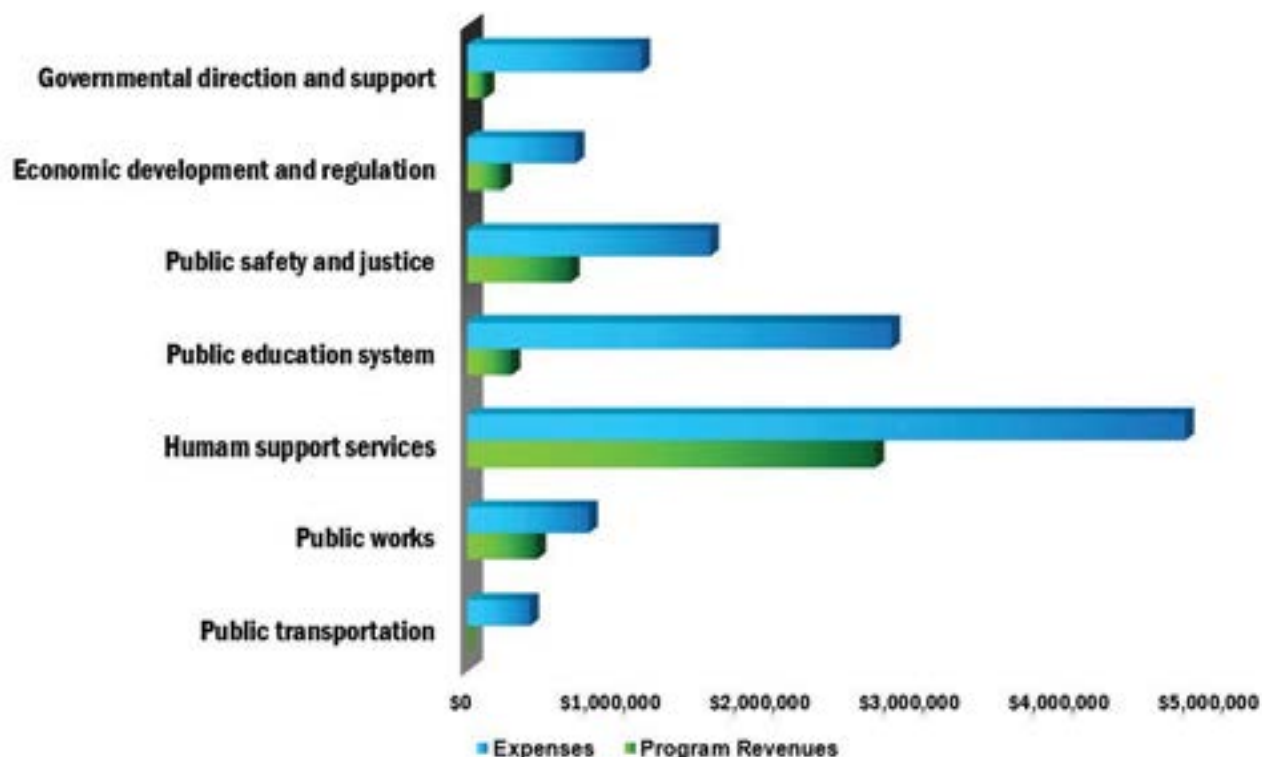


Chart MDA-2 displays both expenses and program revenues of the governmental activities for fiscal year 2018. The governmental activities are: Governmental Direction and Support, Economic Development

and Regulation, Public Safety and Justice, Public Education System, Human Support Services, Public Works, and Public Transportation.

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



Total net position of governmental activities was \$5,151,401 in fiscal year 2018, which was \$275,798 or 5.66% higher than the amount in the prior year. This increase mainly resulted from increases in revenues from income and franchise taxes, sales and use taxes, and property taxes. Although total program revenues decreased during fiscal year 2018, capital grants and contributions increased compared to the prior year.

Net position of the business-type activities increased by \$28,654 or 5.65%, between fiscal year 2017 and 2018. Net position increased due to lower benefit payments resulting from lower unemployment. As a result, there was a surplus of \$39,487 in the Unemployment Compensation Fund, of which, \$10,347 was derived from interest income. The increase in net position from business-type activities generated by the Lottery and the Unemployment Compensation Fund was offset by a \$10,896 decrease in net position from the Not-for-Profit Hospital Corporation. The Hospital’s net position decreased as a result of increases in its operating expenses and decreases in its operating revenues during fiscal year 2018.

Reporting on the District’s Most Significant Funds

Fund financial statements focus on major funds, instead of fund types. Other than the General Fund, which is always classified as a major fund, any other governmental or proprietary fund is classified as a major fund if the fund has revenues, expenditures/expenses, assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources that are at least 10% of the corresponding totals for all governmental or proprietary funds and at least 5% of the aggregate amount for all governmental and proprietary funds for the same item. Major funds, as required by generally accepted accounting principles (GAAP), are presented individually while nonmajor funds are combined in a single column. Detailed information for individual nonmajor governmental funds can be found in Other Supplementary Information, Exhibits B-1 and B-2, presented on pages 160 and 161 of this report.

Governmental Funds

The District's governmental funds provide information that is useful when assessing the District's financing needs, such as data pertaining to near-term inflows, outflows, and balances of spendable resources. Most basic services are reported in the governmental funds, which are further classified as General, Federal and Private Resources, Housing Production Trust, General Capital Improvements, and Nonmajor Governmental Funds. Please refer to Exhibits 2-a and 2-b presented on pages 48 and 49 for more detailed information about these funds.

Fund Balances

The governmental funds reported a combined fund balance of \$2,893,772 in fiscal year 2018 and \$2,710,084 in fiscal year 2017, which represents an increase of \$183,688, or 6.78%, from the prior year. The components of the combined fund balances of the governmental funds are presented in **Table MDA-3**.

Table MDA-3
Comparison of FY 2018 and FY 2017 Fund Balance (\$000s)

Governmental fund	2018	2017	Dollar Variance	Percentage Variance
General	\$ 2,776,383	\$ 2,676,291	\$ 100,092	3.74%
Federal and private resources	133,067	133,129	(62)	-0.05%
Housing production trust	167,397	236,988	(69,591)	-29.36%
General capital improvements	(522,345)	(642,032)	119,687	18.64%
Nonmajor governmental funds	339,270	305,708	33,562	10.98%
Total fund balance	\$ 2,893,772	\$ 2,710,084	\$ 183,688	6.78%

Fund balance in the Federal and Private Resources Fund decreased by \$62, or 0.05%, between fiscal years 2017 and 2018. This decrease in fund balance was mainly due to decreases in Human Support Services revenues generated through operating grants that were reimbursable in nature. Human Support Services expenditures decreased by \$155,587 between fiscal years 2017 and 2018. This decrease was due to lower spending in the Temporary Assistance for Needy Families (TANF) program and the Supplemental Nutrition Assistance Program (SNAP) as well as decreases in personnel costs. Because the associated operating grant revenues depend upon the amount of reimbursable expenditures incurred, the decline in expenditures resulted in a decrease in operating grants, which contributed to the decrease in total Federal and Private Resources revenues of \$162,306. The decrease in total revenues in this Fund resulted in the decrease in this Fund's fund balance.

Fund balance in the Housing Production Trust Fund decreased by \$69,591, or 29.36%, between fiscal years 2017 and 2018. This decrease was due primarily to increased expenditures in fiscal year 2018 related to the Mayor's initiative to preserve and/or

increase the supply of quality affordable housing for low-income families in the District. The Department of Housing and Community Development, which administers this initiative, had more housing projects in its pipeline for completion.

The negative fund balance of \$642,032 in General Capital Improvements Fund at September 30, 2017, improved by \$119,687 or 18.64% during fiscal year 2018. This increase was due to the issuance of bonds, the proceeds of which were used to fund capital projects. As a result of this increase, at September 30, 2018, fund balance in the General Capital Improvements Fund was negative \$522,345.

The second most significant fund balance increase within the governmental funds, which totaled \$100,092, was in the General Fund, the District's primary operating fund. A more detailed discussion of the District's General Fund follows.

Revenues

General Fund revenues increased by \$353,393 in fiscal year 2018. **Table MDA-4** presents the most significant variances in General Fund revenues.

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

Revenue category	2018	2017	Dollar Variance	Percentage Variance
Property taxes	\$ 2,663,794	\$ 2,571,517	\$ 92,277	3.59%
Sales and use taxes	1,537,378	1,477,254	60,124	4.07%
Income and franchise taxes	2,641,586	2,512,522	129,064	5.14%
Total	\$ 6,842,758	\$ 6,561,293	\$ 281,465	4.29%

Property taxes

Property tax revenues increased mostly due to higher assessed property values. The District's commercial and residential markets continued to improve in fiscal year 2018, with growing prices of residential properties. The continued economic growth resulted in increased tax levies and collections for residential property taxes in fiscal year 2018.

Sales and use taxes

Population growth and improved economic conditions resulted in increased consumer spending over the past year, which contributed to increased sales and use tax revenues in fiscal year 2018.

Income and franchise taxes

With the District's population growing steadily, more individuals joined the workforce. Consequently, the

District's unemployment rate remained low. This resulted in increases in total salaries and wages, thereby increasing the amount of salary/wage-related taxes. Capital gains realizations also led to increases in individual income taxes. Moreover, strong growth in corporate profits during fiscal year 2018 contributed to increases in business franchise tax revenues.

Dedicated Revenues

The dedicated portions of tax revenues related to the special revenue funds are recorded directly in those funds. However, dedicated taxes for the Washington Convention and Sports Authority and the Highway Trust Fund are transferred out of the local fund (the major component of the General Fund). Healthcare Program activities are recorded in a segregated fund within the General Fund. In fiscal year 2018, the District dedicated a total of \$560,015 or 6.12% more than the previous year in tax revenues to fund the projects shown in **Table MDA-5**.

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

	Property	Sales and Use	Gross Receipts	Deed Recordation	Deed Transfers	Motor Fuel	Other	Total Taxes
General fund								
Washington Convention and Sports Authority	\$ -	\$ 141,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,448
Department of General Services	-	-	-	1,152	1,102	-	-	2,254
Healthcare programs	-	-	-	-	-	-	84,959	84,959
Highway Trust Fund	-	-	-	-	-	26,268	-	26,268
WMATA	-	78,506	-	-	-	-	-	78,506
Healthy schools	-	4,666	-	-	-	-	-	4,666
Alcoholic Beverage Regulation Administration	-	1,170	-	-	-	-	-	1,170
HPTF debt service	-	-	-	5,404	2,418	-	-	7,822
Total general fund	-	225,790	-	6,556	3,520	26,268	84,959	347,093
Special revenue funds								
Tax increment financing program	17,944	32,549	-	-	-	-	-	50,493
PILOT special revenue	26,700	7,718	-	-	-	-	-	34,418
Baseball project	-	20,294	46,645	-	-	-	-	66,939
Housing Production Trust	-	-	-	33,228	27,675	-	169	61,072
Total special revenue funds	44,644	60,561	46,645	33,228	27,675	-	169	212,922
Total dedicated taxes	\$ 44,644	\$ 286,351	\$ 46,645	\$ 39,784	\$ 31,195	\$ 26,268	\$ 85,128	\$ 560,015

Expenditures

The District's General Fund expenditures, excluding debt service, increased by \$528,980 from the previous

year. Variances by program or function are presented in **Table MDA-6**.

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

Function	2018	2017	Dollar Variance	Percentage Variance
Governmental direction and support	\$ 984,073	\$ 945,270	\$ 38,803	4.10%
Economic development and regulation	450,329	382,625	67,704	17.69%
Public safety and justice	1,222,117	1,188,291	33,826	2.85%
Public education system	2,284,664	2,078,134	206,530	9.94%
Human support services	2,049,211	1,949,127	100,084	5.13%
Public works	389,778	358,929	30,849	8.59%
Public transportation	419,198	368,014	51,184	13.91%
Total functional expenditures	\$ 7,799,370	\$ 7,270,390	\$ 528,980	7.28%

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

Governmental Direction and Support

Increases in spending in Governmental Direction and Support resulted primarily from increased non-personnel services spending, including information technology modernization initiatives and network upgrades; increases in contractual and security services; higher litigation support costs; spending on judgements and indemnity costs associated with the newly established Restitution Fund. In addition, an increase in personnel cost due to hiring of new employees contributed to the increase in the Governmental Direction and Support's expenditures.

Economic Development and Regulation

Expenditures in Economic Development and Regulation increased primarily due to increased funding of initiatives such as: 1) subsidies to the Local Rent Supplement Program to provide rental assistance for low-income families and individuals; the New Communities Initiatives Program designed to revitalize severely distressed subsidized housing and redevelop neighborhoods into vibrant mixed-income communities; and 2) subsidies and grants in cultural activities to support practicing artists, arts organizations, and community groups. Other factors that contributed to the increase in expenditures include: grants to fund the Audi Soccer Stadium and funding for the Housing Preservation Fund designed to provide short-term bridge acquisition and pre-development financing to eligible borrowers.

Public Safety and Justice

Expenditure increases in Public Safety and Justice resulted primarily from increases in personnel services costs in fiscal year 2018. Consistent with a collective bargaining agreement between the District and the International Association of Firefighters Local 36, 1,781 union firefighters and emergency medical services employees received retroactive pay. Other factors that contributed to the rise in expenditures include increases in: sub-grant payments for the

truancy reduction Show Up, Stand Out (SUSO) program for Justice Grants, Access to Justice Initiative to the D.C. Bar Foundation, and the D.C. Poverty Lawyer Loan Repayment Assistance Program (LRAP). The variance in Victim Services expenditures which was due to an increase in sub-grant payments for the Victim Services programs was offset by a decrease in the Shelter Housing Fund in fiscal year 2018. Funding for 27 additional positions to support the Crime Scene Sciences functions and bringing the Department of Corrections' treatment facility in-house also resulted in increased expenditures.

Public Education System

The increase in Public Education System expenditures is due primarily to an increase in the Uniform Per Student Funding rate due to inflation and increased student enrollment. Some of the spending increase was also due to salary increases and retroactive payments made to members of the Washington Teachers' Union (WTU) and the District of Columbia Public Schools' (DCPS) bargaining unit in fiscal year 2018. The increase in expenditures was also attributed to certain Medicaid reimbursable cost increases. Other factors leading to this increases include: spending increases supporting Early Learning programs, which are designed to provide access to quality and equitable learning experience to all children in the District, from birth to entrance in kindergarten; Out of School Time programs, Special Education Enhancement and Access to Quality Child Care initiatives; and the D.C. Public Charter School Board's additional costs associated with a lead testing project.

Human Support Services

Human Support Services agencies provide an array of services to sustain, support and assist the District's most vulnerable residents in the areas of homelessness, substance and mental abuse, the prevention and promotion of health and wellness, and other human welfare issues through such programs as Medicaid, Temporary Assistance for Needy Families (TANF), and the Supplemental Nutrition Assistance

Program (SNAP). Increases in expenditures in fiscal year 2018 were primarily attributable to increased services in relation to emergency rental assistance, temporary shelter, housing programs and community resources. Other factors that contributed to this increase include: increase in overtime expenses to support the Mayor's initiative for summer programs; increases in provider payments on behalf of Medicaid beneficiaries; increase in contractual services and program funding for the Communicable and Chronic Disease Prevention and Treatment Fund; and a District-wide cost of living adjustment which resulted in increases in personnel services for approximately 300 front line staff positions.

Public Works

Public Works expenditures increased due to several factors, including costs associated with hauling, disposing and recycling of District waste, cleaning public spaces throughout the District and managing the city's fleet operations. Moreover, implementation of the Renewable Energy Development Fund designed to create new solar energy sources in the District, including activities that support the use of solar energy sources, such as electrical upgrades, structural improvements, and the installation of electrical or thermal storage systems also led to increased public works expenditures in fiscal year 2018.

Public Transportation

The District, along with other jurisdictions in the metropolitan region, provide funding to support the operations of the Washington Metropolitan Area Transit Authority (WMATA). Increases in Public Transportation expenditures in fiscal year 2018 resulted from increased WMATA operating cost, which led to increased subsidies being paid by the District.

Capital Expenditures and Financing

The District spent \$1,433,612 on general capital improvements which exceeded the general capital improvements revenues of \$267,155 by \$1,166,457. This deficiency was subsequently financed with a net

total of \$1,286,144 from bond proceeds and other financing sources and uses. The net change in fund balance was an increase of \$119,687, which resulted in a cumulative negative fund balance of \$522,345.

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

Housing Production Trust Fund

At the end of fiscal year 2018, the Housing Production Trust Fund (HPTF) loans/accounts receivable balance was approximately \$722,295, an increase of approximately \$370,330, or 105.22% from the fiscal year 2014 balance and an increase of approximately \$116,816 from the balance at the end of the preceding fiscal year. The vast majority of the loans have been deferred far into the future which impacts the rate of collection and the net realizable value. As such, the gross balance of the loans/accounts receivable is reported net of the related allowance for doubtful accounts as other long-term assets. As of September 30, 2018, this net balance was \$97,736.

Table MDA-7 presents the Housing Production Trust Fund loans/accounts receivable balances and the corresponding allowance for doubtful accounts for fiscal years 2014 through 2018.

**Table MDA-7
Housing Production Trust Fund Loans/Accounts Receivable Balances (\$000s)**

	2014	2015	2016	2017	2018
HPTF loans/accounts receivable	\$ 351,965	\$ 407,882	\$ 495,820	\$ 605,479	\$ 722,295
Less: allowance for doubtful accounts	309,858	365,585	440,948	510,465	624,559
Net loans/accounts receivable (other long-term assets)	\$ 42,107	\$ 42,297	\$ 54,872	\$ 95,014	\$ 97,736

Proprietary Funds

The District has three major Proprietary Funds: the Office of Lottery and Charitable Games (Lottery), the Unemployment Compensation Fund (Unemployment) and the Not-for-Profit Hospital Corporation. Total assets and net position of the Proprietary Funds presented significant variances between fiscal years 2017 and 2018.

The total assets for the Lottery increased by \$579, or 3.16%, compared to the prior year, due to decreased prize payouts.

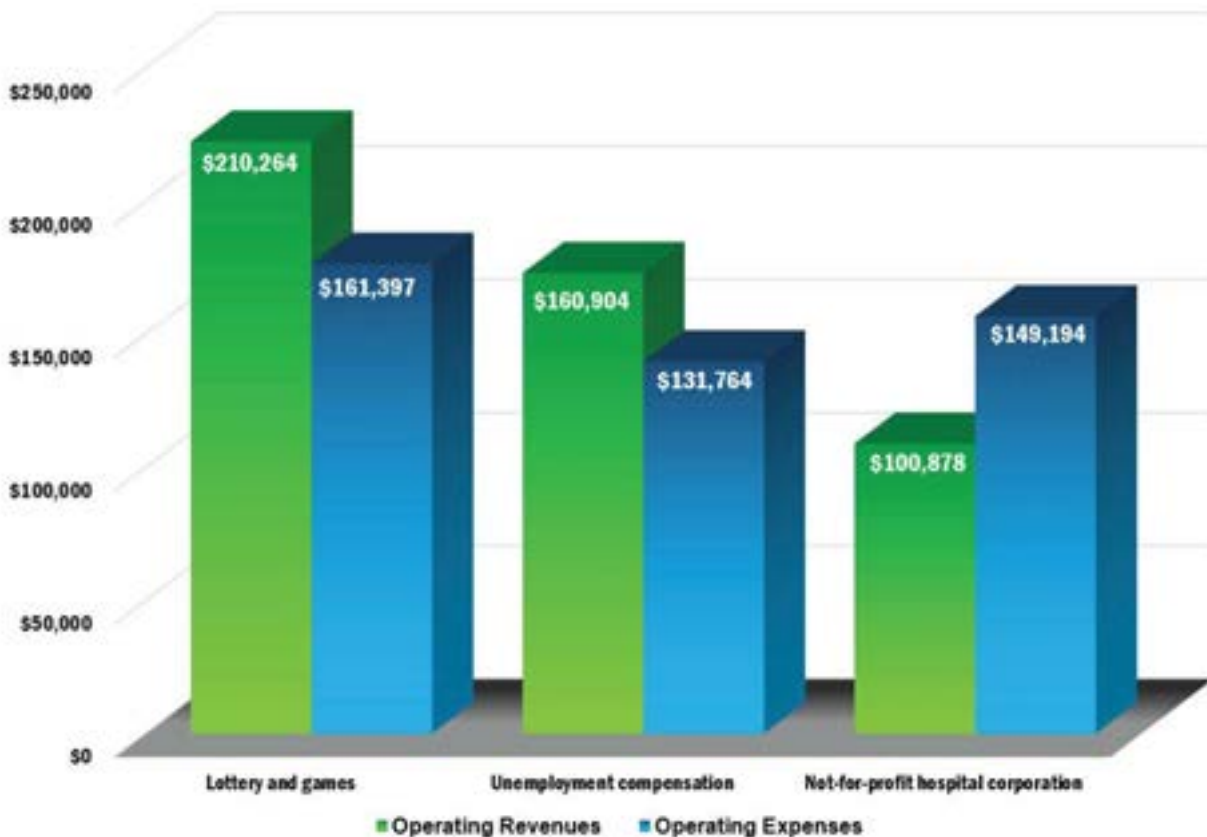
Total assets for Unemployment increased by \$40,309, or 8.87%, due to a low unemployment rate which resulted in less benefit payments. As a result, more cash was on deposit with the U.S. Treasury at the end of fiscal year 2018.

The total assets for the Not-for-Profit Hospital Corporation decreased by \$8,180, or 6.08%, mainly due to an increase in accumulated depreciation of its capital assets. The decrease in the non-depreciable capital assets was caused by transfers to the depreciable category.

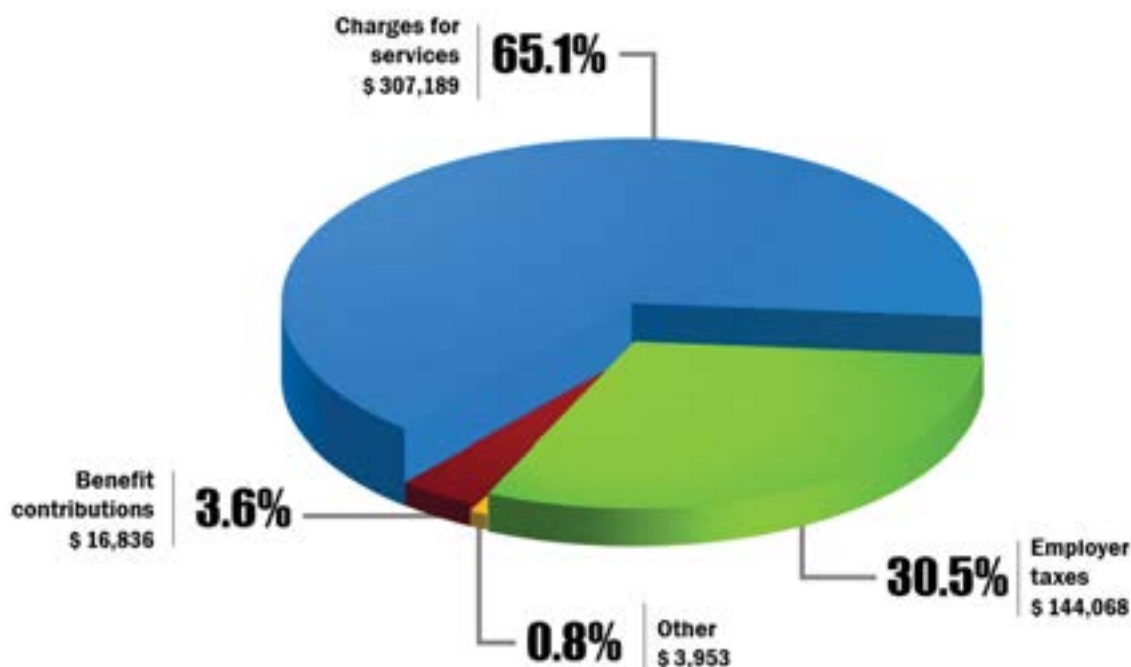
Overall total net position of the District’s proprietary funds increased by \$28,654, or 5.65%, over the prior year. Exhibits 3-a, 3-b, and 3-c on pages 52 through 54 present the financial statements of the proprietary funds.

Charts MDA-3 and **MDA-4** graphically present comparisons of the revenues and expenses of the District’s proprietary funds, based on information contained in the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds, shown on page 53 of this report.

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
\$ 472,046**

Fiduciary Funds

The Trust and Agency Funds are used to account for assets held by the District as trustee for individuals, private organizations, or other governments. The District is the trustee or fiduciary for its employees’ pension plans and other postemployment benefits (OPEB). All fiduciary activities are reported in Exhibit 4-a, Statement of Fiduciary Net Position and Exhibit 4-b, Statement of Changes in Fiduciary Net Position on pages 55 and 56, respectively. Exhibits C-1, C-2,

and C-3, presented on pages 164, 165, and 166, respectively, provide additional information. These activities are excluded from the District’s governmental and business-type activities because resources of fiduciary funds are restricted and are not available to support the District’s operations. The changes in the net position of the Pension and OPEB Trust Funds are presented in **Table MDA-8**.

**Table MDA-8
Variances in Net Position of Pension and OPEB Trust Funds (\$000s)**

Trust fund	2018	2017	Dollar Variance	Percentage Variance
Police and firefighters pension	\$ 6,023,770	\$ 5,684,442	\$ 339,328	5.97%
Teachers pension	2,176,106	2,070,599	105,507	5.10%
Other postemployment benefits	1,462,030	1,366,282	95,748	7.01%
Total net position	\$ 9,661,906	\$ 9,121,323	\$ 540,583	5.93%

Net position of the fiduciary funds increased mainly as a result of positive investment returns in fiscal year 2018.

A Private-Purpose Trust Fund is used to report any trust arrangement not reported in the Pension or OPEB Trust Funds under which principal and income

benefit specific individuals, private organizations, or other governments. The District’s 529 College Savings Investment Plan, which is designed to help families save for the higher education expenses of designated beneficiaries, comprises the Private-Purpose Trust Fund.

Component Units

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

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

The District reports two blended component units: (1) the Tobacco Settlement Financing Corporation (Tobacco Corporation) and (2) the Not-for-Profit Hospital Corporation (d/b/a United Medical Center), also referred to as "the Hospital Corporation". The Tobacco Corporation is a blended component unit because: (a) the District appoints the Tobacco Corporation's board; (b) the District is legally entitled to and can otherwise access the Tobacco Corporation's resources, which constitutes a benefit/burden relationship; and (c) the District has the ability to modify or approve the Tobacco Corporation's budget, which gives the District the ability to impose its will on the Tobacco Corporation. In addition, the Tobacco Corporation provides services entirely to the District. The Not-for-Profit Hospital Corporation is a blended

component unit because: (a) there is a financial benefit/burden relationship between the District and the Hospital Corporation because the District has assumed the obligation to provide financial support to the Hospital Corporation to help sustain its operations; (b) the District is able to impose its will on the Hospital Corporation because the District has the ability to modify or approve the Hospital Corporation's budget; and (c) it is organized as a not-for-profit corporation, in which the District is the sole corporate member.

Each of the component units prepares its own independently audited financial statements, which are accompanied by their respective Management's Discussion and Analysis. Exhibits 5-a and 5-b, on pages 57 and 58, respectively, present the District's component units' financial information for fiscal year 2018. Information presented in these exhibits was extracted from each entity's separately issued financial statements.

Long-Term Debt

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

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

As of September 30, 2018, the District (including its business activities) had \$12,115,190 in long-term debt outstanding, of which \$9,968,039, or 82.28% was in the form of bonds. Of the outstanding bonds, \$4,827,105, or 48.43%, were General Obligation Bonds, and \$3,776,255, or 37.88%, were Income Tax Secured Revenue Bonds.

Table MDA-9 presents the District's outstanding bonds as of September 30, 2018.

Table MDA-9
Outstanding Bonds as of September 30, 2018 and 2017 (\$000s)

Type of bonds	2018	2017	Dollar Variance	Percentage Variance
General obligation bonds	\$ 4,827,105	\$ 4,078,160	\$ 748,945	18.36%
Income tax secured revenue bonds	3,776,255	4,030,695	(254,440)	-6.31%
Other bonds:				
Qualified zone academy bonds	2,466	3,155	(689)	-21.84%
Tobacco bonds	561,119	583,434	(22,315)	-3.82%
TIF bonds	105,906	92,686	13,220	14.26%
Ballpark bonds	285,480	334,005	(48,525)	-14.53%
GARVEE revenue bonds	82,620	90,170	(7,550)	-8.37%
HPTF bonds	107,390	110,240	(2,850)	-2.59%
PILOT revenue bonds	219,698	205,696	14,002	6.81%
Total	\$ 9,968,039	\$ 9,528,241	\$ 439,798	4.62%

The \$748,945 increase in General Obligation Bonds is due primarily to the following bond issuances made in fiscal year 2018:

- In December 2017, the District issued \$521,705 Series 2017D General Obligation Bonds. The proceeds of the Series 2017D Bonds were used to finance capital project expenditures under the District's capital improvements plan and pay the costs and expenses of issuing the Bonds. Interest rates on the Series 2017D Bonds range from 4.00% to 5.00%.
- In August 2018, the District issued \$214,525 Series 2018A General Obligation Bonds. The proceeds of the Series 2018A Bonds were used to finance capital project expenditures under the District's capital improvements plan and pay the costs and expenses of issuing the Bonds. The interest rate on the Series 2018A Bonds is 5.00%.
- In August 2018, the District issued \$301,160 Series 2018B General Obligation Refunding

Bonds. The proceeds of the bonds were used to current refund the District's Series 2008E and 2008F General Obligation Bonds outstanding. The current refunding produced an aggregate difference in debt service of \$64,245 and an economic gain of \$54,052.

- In November 2017, the District issued \$99,935 Series 2017C Multimodal General Obligation Refunding Bonds (remarketed variable rate bonds). The Series 2017C Bonds were issued to current refund/remarket Series 2011E and 2014B, Adjusted SIFMA Rate, Income Tax Secured Revenue Refunding Bonds. The District completed this transaction to establish a new mandatory tender date (December 2022) with the 2017C Bonds, replacing the prior amortization schedules of the Series 2011E and 2014B Income Tax Secured Revenue Bonds.

For more detailed information on the District's long-term debt activity, refer to Note 7, Long-Term Liabilities, found on pages 109 through 119.

Capital Assets

The General Capital Improvements Fund is used to account for the purchase or construction of capital assets financed by transfers, capital grants, and debt. Capital assets include, but are not limited to: land, buildings, police and fire equipment, office equipment, park facilities, roads, and bridges. In fiscal year 2018, total net capital assets (capital assets less depreciation) increased by \$735,023, or 5.61%, over the prior year. Total capital assets increased because the District has been investing resources in the construction of new assets and the rehabilitation of existing infrastructure, such as roads, streets, and bridges.

As of September 30, 2018, net capital assets (capital assets less accumulated depreciation) totaled \$13,835,129. Net capital assets of the governmental activities totaled \$13,762,660 and the net capital assets of the business-type activities totaled \$72,469. The governmental activities depreciation charges for fiscal year 2018 totaled \$453,675 compared to the prior year's amount of \$435,281.

Table MDA-10 presents more detailed information on the District's net capital assets.

Table MDA-10
Net Capital Assets as of September 30, 2018 (\$000s)

Asset category	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 963,690	\$ 964,016	\$ 8,100	\$ 8,100	\$ 971,790	\$ 972,116
Buildings	7,280,055	6,688,396	49,368	46,331	7,329,423	6,734,727
Infrastructure	3,714,408	3,653,388	-	-	3,714,408	3,653,388
Equipment	410,017	441,446	14,584	17,044	424,601	458,490
Construction in progress	1,394,490	1,273,123	417	8,262	1,394,907	1,281,385
Total net capital assets	\$ 13,762,660	\$ 13,020,369	\$ 72,469	\$ 79,737	\$ 13,835,129	\$ 13,100,106

Note: For more detailed information on the District's capital assets, refer to Note 5, Capital Assets, found on pages 98 through 102.

REPORTING THE DISTRICT BUDGET

Overview in Brief

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

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

General Fund Budgetary Highlights

The General Fund is the chief budgetary operating fund of the primary government. **Table MDA-11** presents variances between revised budget amounts and actual expenditures in a Schedule of General Fund Budgetary Basis Revenues and Expenditures for the fiscal year ended September 30, 2018.

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

	Original Budget	Revised Budget	Actual	Variance (Actual to Revised Budget)
Revenues and other sources:				
Taxes	\$ 7,383,444	\$ 7,557,409	\$ 7,559,448	\$ 2,039
Licenses and permits	82,902	94,134	98,699	4,565
Fines and forfeits	156,460	168,070	164,382	(3,688)
Charges for services	74,130	88,568	87,632	(936)
Miscellaneous	92,335	120,437	146,124	25,687
Other sources	662,919	652,225	616,116	(36,109)
Bond proceeds	8,000	8,000	4,564	(3,436)
Fund balance released from restrictions	265,201	297,963	-	(297,963)
Interfund transfer from lottery and games	45,000	45,600	49,500	3,900
Interfund transfer - others	14,304	58,441	65,079	6,638
Total revenues and other sources	8,784,695	9,090,847	8,791,544	(299,303)
Expenditures and other uses:				
Governmental direction and support	774,539	839,963	816,632	23,331
Economic development and regulation	555,106	557,675	483,311	74,364
Public safety and justice	1,160,566	1,228,935	1,220,915	8,020
Public education system	2,162,395	2,287,741	2,255,212	32,529
Human support services	2,003,390	2,048,645	2,030,015	18,630
Public works	837,632	831,505	803,621	27,884
Repay bonds and interest	709,003	695,940	693,511	2,429
Other expenditures and uses	581,560	402,852	384,091	18,761
Total expenditures and other uses	8,784,191	8,893,256	8,687,308	205,948
Excess of revenues and other sources over expenditures and other uses - budgetary basis	\$ 504	\$ 197,591	\$ 104,236	\$ (93,355)

Revenues and Other Sources

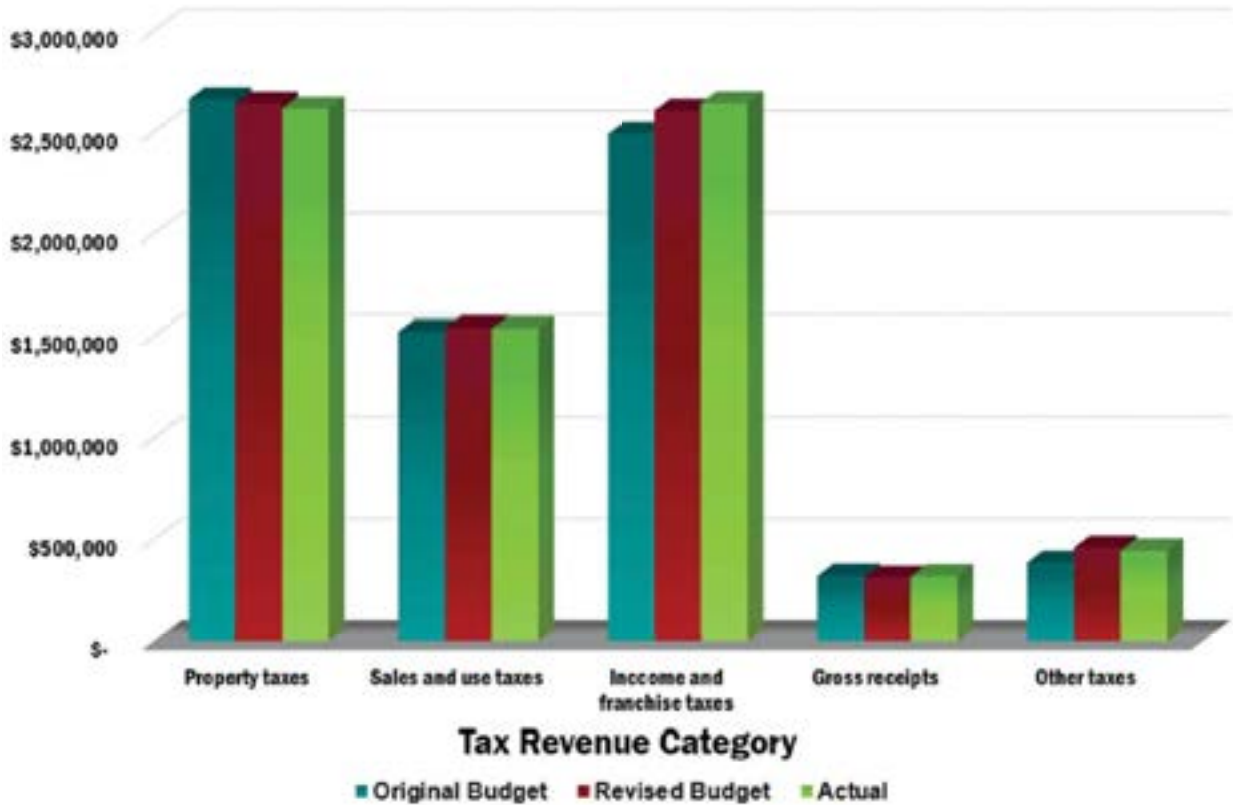
As presented in **Table MDA-11**, actual General Fund revenues and other sources were \$299,303 less than the revised budget. This variance was primarily due to the use of excess revenues instead of fund balance to fund certain operating activities.

Fund Balance Released from Restrictions - Fund balance released from restrictions is defined as the portion of assets that was restricted for either a period of time or for a particular purpose for which the imposed conditions have been met, allowing the assets to become available for use. In other words, this amount of fund balance was budgeted to help

finance current year’s operations. As presented in **Table MDA-11**, although budgeted, the District did not utilize fund balance to finance operations in fiscal year 2018 but rather relied on the city’s revenues to meet operational needs.

Approximately 85.99% of the General Fund’s revenues and other sources are derived from taxes. **Chart MDA-5** graphically presents differences between the General Fund’s original budget, final revised budget and actual revenues (by type of tax) for fiscal year 2018.

Chart MDA-5
FY 2018 Budgetary Comparison – Tax Revenues
Original and Revised Budgets With Actual Results (\$000s)



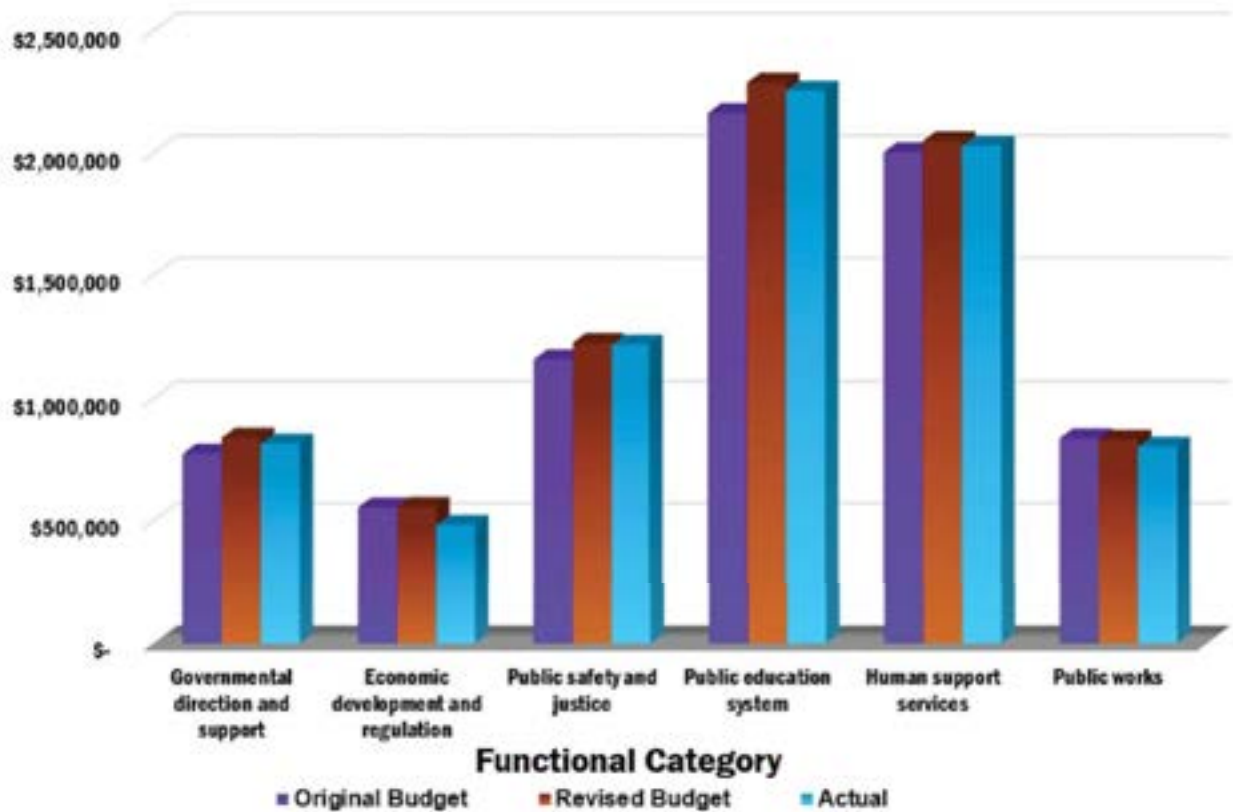
Expenditures and Other Uses

Actual General Fund expenditures and other uses were \$205,948 less than the revised budget. As presented in **Table MDA-11**, this variance was primarily due to underspending in the areas of Economic Development and Regulation, Public Education, Public Works, and Governmental Direction and Support.

Approximately 63.38% of the total actual General Fund expenditures and other uses were in the areas of Public Education, Human Support Services, and Public Safety and Justice combined.

Chart MDA-6 graphically presents differences between the General Fund’s original budget, revised budget, and actual expenditures (by functional category) for fiscal year 2018.

Chart MDA-6
FY 2018 Budgetary Comparison – General Fund Expenditures (by Function)
Original and Revised Budgets With Actual Results (\$000s)



For more detailed information, refer to the budgetary schedules for the General Fund, Exhibit A-6, which are presented on pages 157.

CONTACTING THE DISTRICT'S OFFICE OF THE CHIEF FINANCIAL OFFICER

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

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1350 Pennsylvania Avenue, N.W., Suite 203
Washington, DC 20004
(202) 727-2476
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