

# Government of the District of Columbia



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January 24, 2020

Mr. Jeffrey S. DeWitt  
Chief Financial Officer

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

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

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

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

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

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

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

## PROFILE OF THE GOVERNMENT

### Overview: Historical Background of the District

President George Washington established Washington, D.C. (hereinafter referred to as D.C., the District of Columbia, or the District) in 1791 from territory ceded by the State of Maryland and the Commonwealth of Virginia. The United States Congress assumed jurisdiction over the District

of Columbia, but citizens residing in the District of Columbia did not have voting representation in Congress.

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

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

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

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

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

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

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

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

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

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

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

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

Civil War Defenses of Washington that are owned by the District of Columbia and local governments in Maryland or Virginia or private entities to be affiliated with the National Historical Park through cooperative agreements.

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

### Financial Reporting Entity

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

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

### Budgetary Information

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

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

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

### **Budgetary Controls**

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

Consistent with the District Anti-Deficiency Act of 2002, which became effective on April 4, 2003, agency heads and Agency Fiscal Officers are required to jointly submit a monthly spending plan for the fiscal year to the District's Chief Financial Officer (CFO) by October 1st of each fiscal year. District managers update the spending plan throughout the year by developing spending projections, by source of funds, on a monthly basis, which show year-to-date spending, approved budget, year-end projected spending, explanations of variances greater than 5.00% or \$1 million, and planned corrective actions for instances of overspending. Spending projections are required to be submitted to the agency head and the Agency Fiscal Officer. Summarized spending projections must be submitted to the District's CFO no later than 30 days after the end of each month. In addition, pursuant to D.C. Code § 47-355.05,

the District's CFO is to submit quarterly reports to the Council and the Mayor that present each agency's actual expenditures, encumbrances, and commitments, each by source of funds, compared to each agency's approved spending plan. This report is required to be accompanied by the District CFO's observations regarding spending patterns and steps being taken to ensure that spending remains within the approved budget. These reports are used by the Board of Review for Anti-Deficiency Violations to assess cases of overspending.

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

### **Fund Balance Reserves**

#### **Mandated by Congress**

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

#### **Mandated by the District**

##### **Fiscal Stabilization Reserve**

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

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

### Cash Flow Reserve

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

## District Accounting and Financial System

### Accounting System

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

### Measurement Focus and Basis of Accounting

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

- The government-wide financial statements focus on all of the District's economic resources and are prepared using the full accrual basis of accounting.
- The governmental fund financial statements focus primarily on the sources, uses, and balances of current financial resources and are prepared using the modified accrual basis of accounting.
- Proprietary funds, pension and Other Postemployment Benefits (OPEB) trust funds are accounted for in the same manner as business enterprises, which use the full accrual basis of accounting.
- The budgetary basis of accounting is used to prepare the Budgetary Comparison Statement presented in Exhibit 2-d found on page 55. This basis of accounting differs from the GAAP basis as described below:

- Basis Differences - Differences that arise when the basis of budgeting differs from the basis of accounting prescribed by GAAP. For example, the District uses the purchase method for budgetary purposes and the consumption method for GAAP basis accounting for inventories. Under the purchase method, purchases of inventories are recognized as expenditures when the goods are received and the transaction is vouchered. Under the consumption method, an expenditure is recognized only when the inventory items are used rather than purchased.
- Entity Differences - Differences between the basis of budgeting and GAAP arise because: (1) the appropriated budget includes organizations, programs, activities, or functions that are not within the financial reporting entity as defined by GAAP; or (2) the appropriated budget excludes organizations, programs, activities or functions that are part of the financial reporting entity. The District does not have any significant entity differences.
- Perspective Differences - Differences that exist when the structure of financial information for budgetary purposes differs from the fund structure that is used to construct the basic financial statements. The District does not have any significant budgetary perspective differences.
- Timing Differences - Differences can exist when there are significant variances between budgetary practices and GAAP, which may include continuing appropriations, project appropriations, automatic re-appropriations, and biennial budgeting. The District has no significant timing differences between its budgetary practices and the GAAP presentation of its financial statements.

### Transparency in Government Operations and Financial Reporting

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

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

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

## ECONOMIC CONDITION AND OUTLOOK

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

Federal civilian employment accounts for 24.40% of all wage and salary jobs located in the District and 31.40% of wages and salaries that are generated in the city. Approximately 13.00% of employed District residents work for the federal government. Furthermore, federal contracting accounts for additional jobs and income in the area, which also contribute to the District's tax base. With such a dominant federal presence, significant changes in

federal spending can have a major impact on the District's economy and revenues. It is noteworthy, however, that the reduction in sales tax collections that occurred during the 35-day partial shutdown of the federal government, from late December 2018 through most of January 2019, was more than offset by strong revenue growth that occurred in the spring and summer months.

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

## Highlights: The District's Economy

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

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

## Key Factors in the District’s Economy

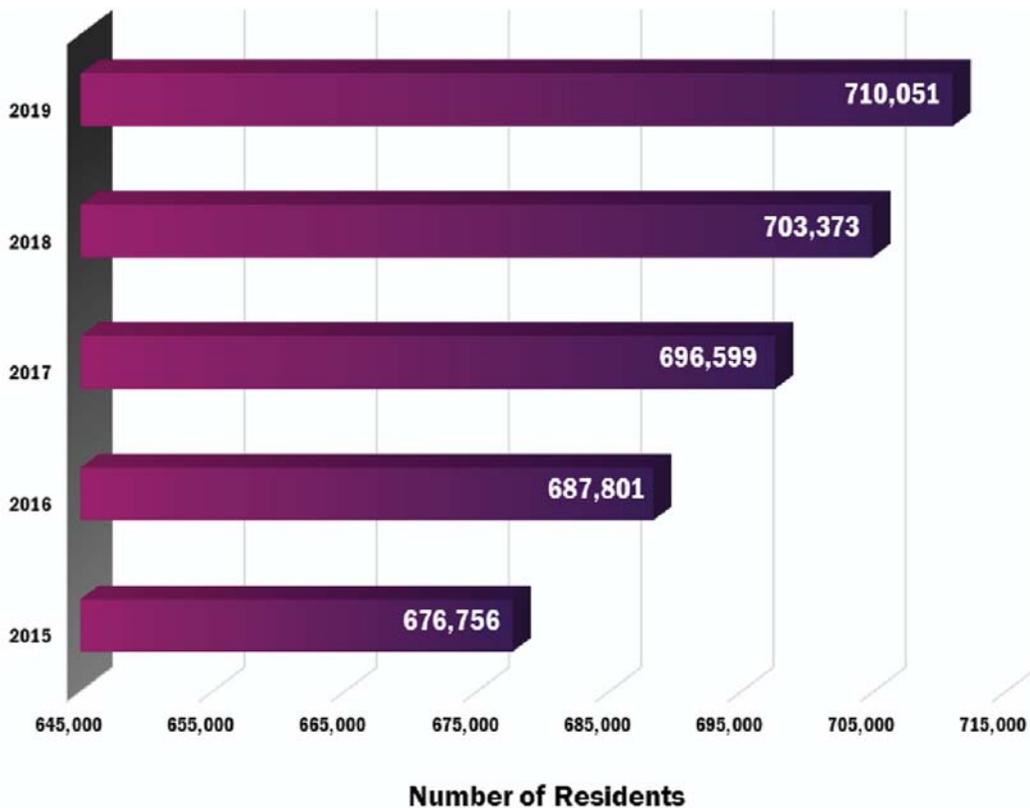
### Population

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

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

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

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



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

### Income Trends

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

The distribution of income in the District differs from that of the nation as a whole, with larger portions of

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

## Employment Trends

Total wage and salary employment in the Washington Metropolitan Area increased to approximately 3,340,700 at the end of fiscal year 2019 from the revised 3,301,400 for fiscal year 2018, representing a 1.19% increase. These numbers exclude the self-employed, domestic workers, military and foreign

government personnel, which represent a significant portion of the total workforce of the region. Some of the references to the 2018 employment numbers may differ from those presented in the fiscal year 2018 CAFR because of updates and revisions.

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

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

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

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

### Notes:

All data are monthly averages for the fiscal year and are preliminary, not seasonally adjusted.

The calculation of the change in numbers is based on adjusted prior year's data

(a) New unemployment claims for the Metropolitan Area are not available

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

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

### Minimum Wage Rate

In June 2016, the Mayor signed the Fair Shot Minimum Wage Amendment Act of 2016. This legislation will progressively increase the hourly minimum wage to

\$15.00 for District workers by 2020. Accordingly, the District's minimum wage rate increased to \$12.50 per hour effective July 1, 2017; \$13.25 per hour, effective July 1, 2018; and \$14.00 per hour, effective July 1, 2019. Effective July 1, 2020, the District's minimum wage will be \$15.00, and starting in 2021, it will increase each successive year in proportion to the increase in the Consumer Price Index.

### Living Wage Rate

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

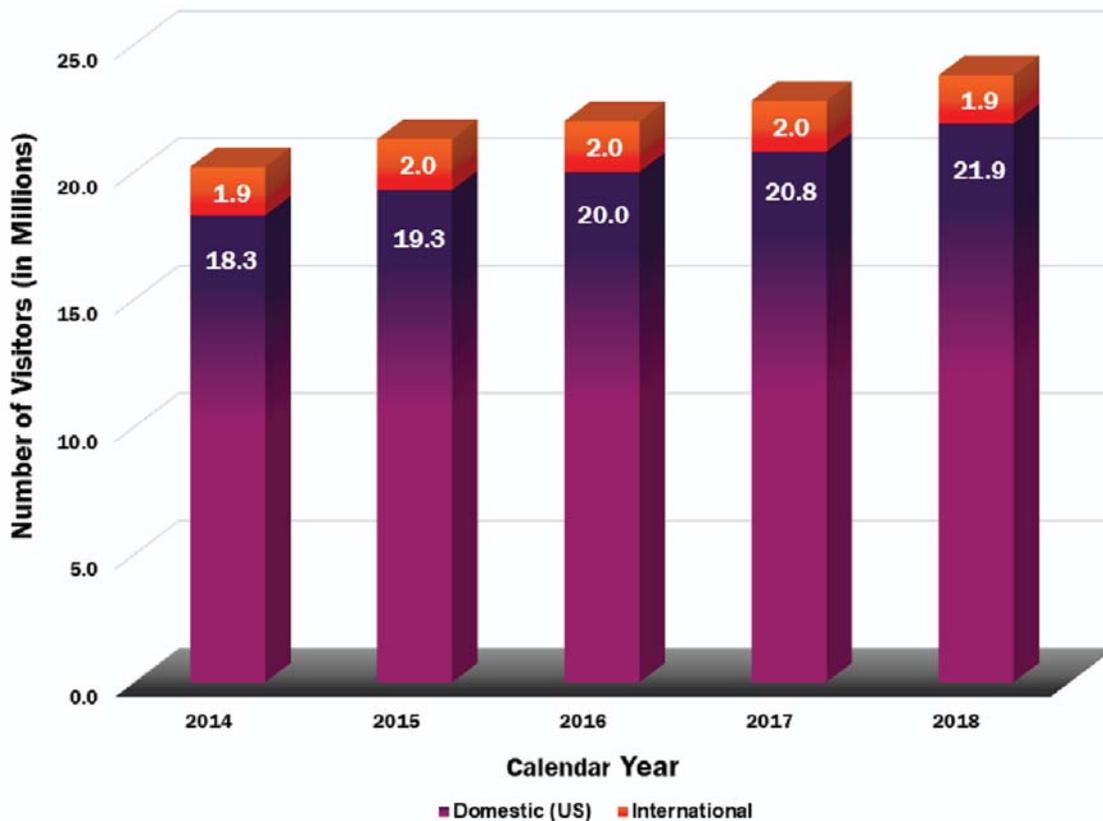
**Tourism and Hospitality**

Millions of U.S. citizens and international tourists visit the District’s more than 400 museums and other historical landmarks each year. Popular attractions include sites along the National Mall, numerous monuments to U.S. presidents, war memorials, and other museums. The presence of a large number of foreign embassies, recognized diplomatic missions, and other international organizations in the District

helps to boost tourism. In calendar year 2018, approximately 21.9 million domestic visitors and 1.9 million international visitors traveled to the District.

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

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



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

Visitor spending, which totaled approximately \$7.82 billion in 2018, generated additional business activity in related industries (e.g., hotel, restaurant, entertainment and retail) and continues to help sustain the local and regional economies. The distribution of visitor spending in 2018 (by category) was as follows: \$2.72 billion for lodging; \$2.31 billion for food and beverage; \$1.24 billion for entertainment;

\$910 million for shopping/retail; and \$643 million for transportation. Total visitor spending increased by \$297 million, or 3.95%, over the prior year. Travel and tourism supported 76,522 jobs in the District, generating approximately \$4.32 billion in wages. Hotel occupancy was approximately 78.40% as of September 30, 2019.

## Construction

### Commercial Real Estate

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

### Housing Units

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

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

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

<b>Table T3 District Apartment Units (2015 - 2019)</b>					
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Inventory	175,066	179,664	184,404	188,626	194,061
Occupied Units	166,849	170,185	174,917	135,386	139,511

Source: CoStar (Unadjusted prior years' data)

Note: 2018 and 2019 occupied units' numbers only include apartments because the reporting of occupied condominiums' numbers had been discontinued by CoStar

### Housing Production Trust Fund

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

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

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

### The District's Bond Ratings

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

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

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

**Table T4  
Bond Rating History (2015 - 2019)**

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

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

**Long-Term Financial Planning**

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

**Enhancements to Capital Planning Process**

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

the costs of deferring maintenance, so that capital budgeting decisions can be better informed and justified. A significant element of the enhanced long-range financial planning process for capital assets is the comprehensive review of agencies' capital and asset maintenance needs.

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

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

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

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

## Major Initiatives

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

**Table T5**  
**Projects Completed (by Economic Sector)**

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

Source: Washington, DC Development Report 2019/2020 Edition

**Table T6**  
**Projects Under Construction (by Economic Sector)**

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

Source: Washington, DC Development Report 2019/2020 Edition

## Office, Residential, Medical and Hospitality Projects

### Capitol Crossing

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

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

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

### The Wharf – Washington, D.C. Waterfront

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

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

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

The Wharf is now open and planning is ongoing for its next and final phase. When complete, Phase II will

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

### Parks at Walter Reed

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

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

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

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

## Transportation and Other Projects

### South Capitol Street Corridor Project

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

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

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

### DC Green Bank

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

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

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

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

**Office of the Deputy Mayor for Planning & Economic Development**

John A. Wilson Building  
1350 Pennsylvania Avenue, NW, Suite 317  
Washington, DC 20004  
Telephone: (202) 727-6365  
Website: <https://dmped.dc.gov>

**Office of Planning**

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

**Office of Tax and Revenue**

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

**Department of General Services**

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

**Department of Housing and Community Development**

1800 Martin Luther King Avenue, SE  
Washington, DC 20020  
Telephone: (202) 442-7200  
Website: <https://dhcd.dc.gov>

**Department of Parks and Recreation**

1275 First Street, NE, 8th Floor  
Washington, DC 20002  
Telephone: (202) 673-7647  
Website: <https://dpr.dc.gov>

**District Department of Transportation**

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

## AWARDS AND ACKNOWLEDGMENTS

### Awards

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

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

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

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

### Acknowledgments

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

Respectfully submitted,



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