

Government of the District of Columbia



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January 28, 2021

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, 2020, 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 generally accepted accounting principles (GAAP) in the United States of America for state and local governments as promulgated by the Governmental Accounting Standards Board (GASB) and includes all disclosures necessary for readers to gain an understanding of the 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, 2020. 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, McConnell & Jones LLP, 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 performed annually. A separate report, often referred to as the Single Audit Report, is issued by the independent public accountants. The District's fiscal year 2020 Single Audit Report will be issued later.

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. (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.

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

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

1801	Congress enacted the Organic Act of 1801, thereby dividing the capital district into Washington County (former Maryland area) and Alexandria County (former Virginia area).
1846	Congress passed a law allowing the City of Alexandria and Alexandria County to be returned to the Commonwealth of Virginia.
1871	Congress consolidated Georgetown, Washington City, and Washington County into one territorial government. The President appointed a territorial governor and council and an elected House of Delegates was established. A non-voting delegate to Congress was also established.
1874	The territorial government of the District of Columbia was abolished and the provision for a non-voting delegate to Congress was eliminated.
1878	The power to elect a territorial governor and council was eliminated. Congress established a three-member Board of Commissioners to govern the District of Columbia.
1961	The 23rd Amendment to the U.S. Constitution was ratified. Citizens of the District of Columbia were granted the right to vote in a presidential election.
1967	President Lyndon B. Johnson appointed Walter E. Washington Mayor of the District of Columbia.
1970	Congress passed the District of Columbia Delegate Act, which granted District residents the right to elect a Member of Congress to represent them in the US House of Representatives.
1971	Walter Fauntroy became the first Congressional Delegate to represent the District of Columbia.
1973	Congress passed the District of Columbia Home Rule Act, which provides for a popularly elected mayor and a 13-member Council.
1995	Congress passed the District of Columbia Financial Responsibility and Management Assistance Act and created the position of the Chief Financial Officer.
1997	Congress enacted the National Capital Revitalization and Self-Government Improvement Act of 1997 (the Revitalization Act), which changed the funding of the District's pension plans and set the stage for major changes to the District's criminal justice system.
2006	Congress passed the District of Columbia Omnibus Authorization Act, expanding the duties of the Office of the Chief Financial Officer.
2016	The Local Budget Autonomy Act of 2013, upheld by the Superior Court, granted the District budget autonomy for local funds.

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

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

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

Although progress has been made on many fronts throughout the city's history, District 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. 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.

Financial Reporting Entity

For financial reporting purposes, the District's reporting entity consists of: (1) the primary government; (2) five discretely presented component units: Health Benefit Exchange Authority, Washington Convention and Sports Authority (t/a Events DC), District of Columbia Green Finance Authority, Housing Finance Agency, and University of the District of Columbia; and (3) two blended component units: District of Columbia Tobacco Settlement Financing Corporation and Not-for-Profit Hospital Corporation (d/b/a United Medical Center). The District of Columbia Housing Authority and the District of Columbia Water and Sewer Authority are considered related organizations because the District is not financially accountable for their operations. The funds and accounts of all agencies, boards, commissions, foundations, and authorities that have been identified as part of the primary government or the component units have been included in the reporting entity. Further information on the reporting entity can be found in Note 1B, on page 68 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. 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 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. The information in these reports is used by the Board of Review for Anti-Deficiency Violations to assess cases of overspending.

In addition, the District uses encumbrance accounting as a means of strengthening budgetary controls and financial reporting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the 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 U.S. Congress

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

Fiscal Stabilization Reserve

The fiscal stabilization reserve may be used by the Mayor for the same purposes for which the contingency cash reserve was established. Pursuant to 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 CFO may use the cash flow reserve as needed to manage the cash flow of the District. 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 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 trust funds, 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 57. This basis of accounting differs from the GAAP basis as described below:
 - Basis differences are differences that arise when the basis of budgeting differs from the basis of accounting prescribed by GAAP. For example, to account for supplies inventory, the District uses the purchase method in the budgetary basis statement and the consumption method in GAAP basis statement. 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 are differences between the basis of budgeting and GAAP that 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 are differences between the basis of budgeting and GAAP that result when the fund, organization, or program structure used for budgeting differs from that used for GAAP financial reporting. The District does not have any significant budgetary perspective differences.
- Timing differences are differences between the basis of budgeting and GAAP that occur when the period used for budgeting differs from the period used for GAAP reporting. 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 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 official action during public meetings and to provide proper notice and detailed records of meetings. The OOG advises public bodies on matters regarding compliance with the Open Meetings Act and conducts training and outreach on its requirements. In addition to enforcement of the DC Open Meetings Act, the OOG advocates for fair and efficient Freedom of Information Act (FOIA) processing and advises agencies seeking guidance on FOIA. 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.

With the onset of COVID-19, District officials recognized the importance of transparency and open communication. As part of its efforts to "flatten the curve", the District implemented practices to keep residents, government employees, and the general

public informed about measures being taken to reduce the spread of the disease. The Mayor and other District officials provided regular press briefings regarding case numbers, safety protocols, restrictions and policy changes, and modifications to government operations and services. To ensure that residents and others could access, when needed, information regarding COVID-19 and the District's response to this public health crisis, a separate website, <https://coronavirus.dc.gov>, was established. This website houses a wealth of information regarding COVID-19 including, but not limited to, information on the disease and its symptoms; steps to take if exposed to the disease; statistical data regarding number of cases; testing locations; information on how to sign up for the DC COVID Alert Notice (DC CAN) app, description of the District's Re-Opening Plan; and other similar important information.

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

ECONOMIC CONDITION AND OUTLOOK

In March 2020, the District, like other state and local governments throughout the United States, closed schools, stores, hotels, restaurants, and other non-essential businesses, and placed severe restrictions on travel and social gatherings to control the spread of the Coronavirus pandemic (COVID-19). These temporary COVID-19 related closures, along with the implementation of social distancing measures and the temporary suspension of non-essential business activities during the fiscal year, resulted in historically high unemployment rates and slow economic activities. As the national economy declined in 2020, employment within the District and employment of District residents declined significantly, with private sector employment being severely impacted.

Despite the impact of the COVID-19 pandemic on the economy, the District's prudent fiscal management over the years, including its strong reserves; the unprecedented District workforce shift to telework; and the federal relief payments afforded by the Coronavirus Aid, Relief, and Economic Security (CARES) Act have kept industries other than in-person retail and hospitality from collapsing. In addition to the federal fiscal package, extraordinary monetary policy actions by the Federal Reserve ensured that financial instruments, particularly commercial loans and municipal bonds, were maintained and interest rates were kept low. This protection, along with the assurance of low-cost money in the future, boosted the stock market to pre-pandemic levels and contributed to increased revenue from capital gains and business income.

For the year ended September 30, 2020, federal civilian employment accounted for 27.00% of all wage and salary jobs located in the District and 30.38% of wages and salaries generated in the city. Approximately 13.00% of employed District residents worked for the federal government. Furthermore, federal contracting accounted for additional jobs and income in the area, which also contributed to the tax base of the District. With such a dominant federal presence, as we look to the future, significant changes in federal spending can have a major impact on the District's economy and revenues.

In addition, trends in population growth may also affect the District's economy. Historically, continuous population growth has been important in increasing the District's income, property, and sales tax bases, and has been one of the driving forces behind rising home values. However, population growth has slowed in recent years. Between 2015 and 2020, the population of the District grew by 34,170, an increase that averaged about 6,834 residents per year. Nevertheless, over that five-year period, the rate of annual population growth gradually declined from just over 1.0% to approximately 0.6%.

Highlights: The District Economy

As a consequence of the COVID-19 pandemic, the District experienced contractions in hospitality and business services jobs, a slowing population, and a weakening outlook for commercial property. Highlights of these and other recent trends in the District's economy are presented below:

- In the three months ended September 2020, there were 53,533 (6.70%) fewer wage and salary jobs located in the District than in the same period a year earlier. Of particular note, there were 35,633 (43.35%) fewer hospitality jobs in September than there were a year earlier, accounting for most of the loss in private sector jobs.

- District resident employment in the three months ended September 2020 was 27,100 (7.00%) lower than a year earlier.
- The September 2020 unemployment rate was 8.70% (seasonally adjusted), up from 5.30% a year ago.
- Despite job losses, which were concentrated in low-wage sectors, overall wages earned in the District grew 1.77% in the quarter ended September 30, 2020, compared to the same quarter a year ago.
- Single family home sales for the three-month period ended September 2020 were up 22.30% from a year ago and the average selling price was 11.80% higher. In addition, condominium sales increased by 33.50%, and the average selling price was 4.60% higher than a year ago. The value of all home sale settled contracts for the three-month period ended September 2020 was 37.70% higher than a year ago.
- Commercial office base rents grew just under 1% over the past year, the slowest in the last 6 years. Leased space in September 2020 was down by 0.10% from a year ago, while the vacancy rate (including sublets) increased over the past year from the revised 12.10% to 12.70%.
- Hotel room-days sold for the three months ended September 2020 were down 80.60% from the prior year and hotel room revenues were down by 86.60%. Hotels along with restaurants were most affected by the public health restrictions related to the COVID-19 pandemic.

Key Factors in the District Economy

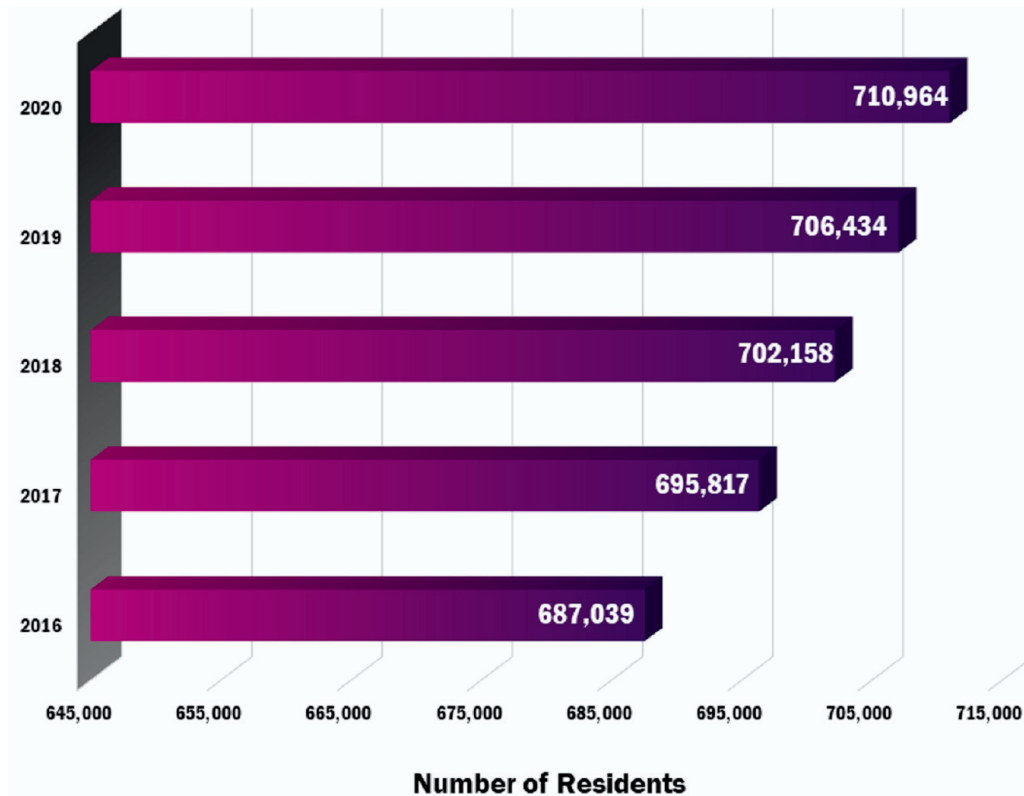
Population

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 (BEA) releases population data based on information provided by the U.S. Census Bureau.

The BEA reported that there were 710,964 residents in the District, as of the third quarter of calendar year 2020. This represents an increase of 4,530, or 0.64% from the revised estimate of 706,434 residents as of the third quarter of the previous calendar year.

Chart T-1 presents the population trends of the District as of the third quarter of calendar years 2016 through 2020, using annually revised population data.

Chart T-1
Population Trends - Number of Residents
District of Columbia Population as of the Third Quarter of Each Calendar Year (2016 - 2020)



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

Source:
 U.S. Bureau of Economic Analysis (BEA)

Income Trends

Despite the COVID-19 pandemic, income has grown in the District during fiscal year 2020 because of federal relief efforts undertaken through the CARES Act to mitigate the risks of economic collapse including: (1) approximately \$3 billion in small business loans for the federal paycheck protection program (PPP) to achieve job retention and wage maintenance; (2) one-time stimulus payments of at least \$1,200 per low and moderate income District resident, and (3) unemployment compensation expansion by \$600 per week to traditionally ineligible workers like contract drivers and self-employers; which in aggregate, raised personal income by approximately \$4 billion for District residents. From the third quarter of calendar year 2015 to the third quarter of 2020, personal income grew approximately 23.07% in the District as compared to 26.03% nationally.

The distribution of income in the District differs from that of the nation, 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 2020; however, for 2019, the District’s median household income of \$86,420 was 37.52% above the U.S. average. The U.S. Census Bureau estimates that 13.50% of the District’s population was below the poverty line in 2019 as compared to 10.50% for the entire country.

Employment Trends

Total wage and salary employment in the Washington Metropolitan Area decreased to approximately 3,159,000 at the end of fiscal year 2020 from the revised 3,350,400 for fiscal year 2019, representing a 5.71% decrease. This unprecedented decline in wage

and salary employment levels within the region was attributed to the impact of COVID-19 on the economy. 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 2019 employment numbers may differ from those presented in the fiscal year 2019 CAFR because of updates and revisions.

Table T-2 presents 2020 labor market data for the District and the surrounding metropolitan area.

Table T-2
Labor Market Data for the District and Surrounding Metropolitan Area - FY 2020 (000s)

	District of Columbia				Metropolitan Area			
	FY 2020 Level	FY 2019 Level	1 Year Change	1 Year Change %	FY 2020 Level	FY 2019 Level	1 Year Change	1 Year Change %
Employed residents	358.6	386.1	(27.5)	(7.1)	3,108.6	3,374.4	(265.8)	(7.9)
Labor force	393.1	407.9	(14.8)	(3.6)	3,331.1	3,475.7	(144.6)	(4.2)
Total wage and salary employment	743.7	797.8	(54.1)	(6.8)	3,159.0	3,350.4	(191.4)	(5.7)
Federal government	200.8	196.2	4.6	2.3	376.5	364.4	12.1	3.3
Local government	42.5	42.1	0.4	1.0	319.2	346.0	(26.8)	(7.7)
Leisure and hospitality	47.1	82.7	(35.6)	(43.0)	244.5	336.3	(91.8)	(27.3)
Trade	28.0	28.5	(0.5)	(1.8)	318.9	330.1	(11.2)	(3.4)
Education and health	118.6	128.9	(10.3)	(8.0)	412.4	447.9	(35.5)	(7.9)
Professional, business, and other services	239.3	248.4	(9.1)	(3.7)	968.0	989.5	(21.5)	(2.2)
Other private	67.4	71.0	(3.6)	(5.1)	519.5	536.2	(16.7)	(3.1)
Unemployed	34.6	21.9	12.7	57.9	222.5	101.3	121.2	119.7
New unemployment claims	7.0	1.7	5.3	309.0	(a)	(a)	(a)	(a)

Notes:

Data presented are preliminary monthly averages for the fiscal year which have not been seasonally adjusted.

FY 2019 Level - Table was modified to include prior year data, which was calculated using FY 2020 Level and 1 year change numbers.

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

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

Sources:

U.S. Bureau of Labor Statistics (BLS)

D.C. Department of Employment Services (DOES)

In September 2020, total wage and salary employment within the District was 23.54% of the total wage and salary employment for the metropolitan area. The seasonally adjusted September 2020 unemployment rate in the District spiked from the September 2019 revised seasonally adjusted rate of 5.30% to 8.70% in September 2020, the highest rate reported since 2012, as a result of the COVID-19 crisis.

Total employment within the District decreased to approximately 743,700 as of September 2020 from the revised 797,800 as of September 2019. The largest decline in fiscal year 2020 was in the leisure and hospitality industry, which suffered a 43.00% decrease mostly due to COVID-19 restrictions. The education, health, and professional and business service sectors also experienced historical declines in fiscal year 2020 compared to prior years. As a result, new unemployment insurance claims were 309% higher in September 2020 compared to a year ago.

As the capital of the nation, Washington, D.C. is the seat of the federal government and headquarters for most federal departments and agencies. The total September 2020 federal workforce in the Washington Metropolitan Area was 376,500; with approximately 200,800 federal employees located in Washington, D.C. and 175,700 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 progressively increased the hourly minimum wage from \$14.00 to \$15.00 for District workers by 2020. Effective July 1, 2020, the District's minimum wage was raised to \$15.00. Starting in 2021, the hourly minimum wage will increase each successive year in proportion to the increase in the Consumer Price Index.

Living Wage Rate

Pursuant to the Living Wage Act of 2006, effective June 8, 2006 (D.C. Law 16-118; D.C. Official Code § 2-220.01 et. seq.), District 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 July 1, 2020, the living wage in the District is \$15 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.

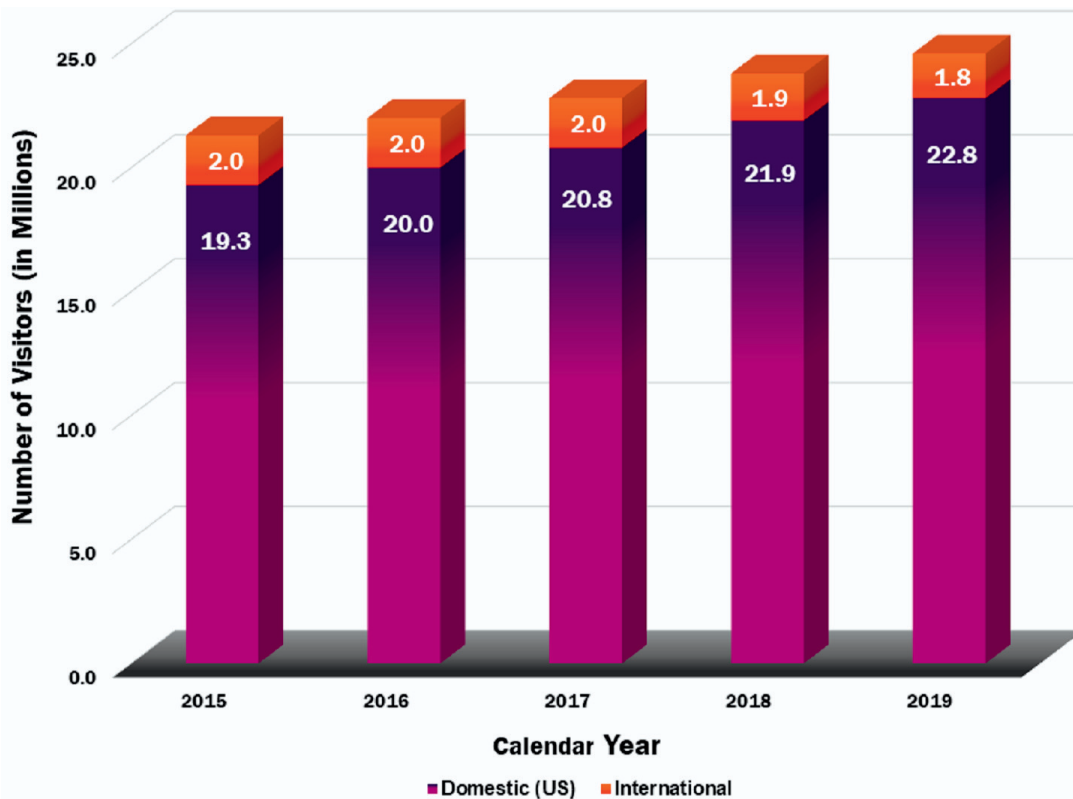
Tourism and Hospitality

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 foreign embassies, recognized diplomatic missions, and other international organizations in the District helps to boost tourism. In calendar year 2019, approximately 22.8 million domestic visitors and 1.8 million international visitors traveled to the District. Tourism data for calendar year 2020 was not available at the publication date of this report. However, it is anticipated that significant declines in visitation will be reported as a result of COVID-19.

Chart T-2 presents the trends in tourism for calendar years 2015 through 2019.

Chart T-2
Trends in District Tourism
Total Visitation to the District (2015 - 2019)



Note:
 Tourism data for calendar year 2020 was not available at the publication date.

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

Visitor spending, which totaled approximately \$8.15 billion in 2019, generated additional business activity in related industries (e.g., hotel, restaurant, entertainment, and retail). The distribution of visitor spending in 2019 was as follows: \$2.90 billion for lodging; \$2.47 billion for food and beverage; \$1.21 billion for entertainment; \$932 million for shopping/retail; and \$642 million for transportation. Total visitor

spending increased by \$331 million, or 4.23%, over the prior year. Travel and tourism supported 78,266 jobs in the District, generating approximately \$4.51 billion in wages. Hotel occupancy, which historically averaged 75.00%, declined to 22.80% in September 2020 due to the impact of the COVID-19 pandemic on the hospitality industry.

Construction

Commercial Real Estate

Construction of commercial real estate decreased during calendar year 2020. As of September 30, 2020, commercial office space under construction in the District totaled 2.60 million square feet as compared to 4.88 million square feet at the end of September 2019. Over the one-year period between 2019 and 2020, however, occupied Class A commercial office space increased from 80.10 million square feet to 80.49 million square feet and the vacancy rate within the District increased from 11.90% in September 2019 to 13.50% in September 2020.

Housing Units

For the 12-month period ended September 30, 2020, 5,618 housing unit building permits were issued. This represents a 21.62% decrease over the prior 12-month period.

In calendar year 2020, there were 199,373 apartment units and condominiums in the District. As of September 30, 2020, 14,494 apartment units and condominiums were under construction.

Table T-3 presents the number of apartment units and condominiums located in the District in 2016 through 2020.

**Table T-3
District Apartment Units and Condominiums (2016 - 2020)**

	2016	2017	2018	2019	2020
Inventory	179,664	184,404	188,626	194,061	199,373
Occupied Units	170,185	174,917	135,386	139,511	138,288

Notes:
 2016 and 2017 numbers include occupied condominiums.
 2018, 2019, and 2020 numbers for occupied units only include apartments because Costar had discontinued the reporting of occupied condominium numbers.
 Data for prior years is unadjusted.

Source:
 CoStar

Housing Production Trust Fund

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

In fiscal year 2020, HPTF financed 22 projects that produced or preserved 1,002 housing units in the District. The total amount of HPTF funding obligated in fiscal year 2020 was approximately \$105 million. The projects financed included five new construction projects, eight substantial rehabilitation projects, six pre-development projects, and three projects under construction that required additional financing.

At the end of fiscal year 2020, DHCD had 22 additional housing projects in its underwriting pipeline that will produce or preserve approximately 1,462 housing units when completed. The total amount of HPTF funding to be expended for these projects is approximately \$171 million. The 22 projects include 13 new construction projects, seven substantial rehabilitation projects, and two pre-development projects. The number of projects in the pipeline and

the viability of those projects have not changed significantly due to the impacts of COVID-19 on the economy. In fiscal year 2020, dedicated tax revenues dropped by approximately 16.00% due to the impact of COVID-19 on overall real estate activity. This will result in a reduction in total resources available to finance future projects.

The District Bond Ratings

Rating agencies assess the credit quality of municipal issuers and assign credit ratings to issuers based on the outcome of their assessments. Consequently, rating agencies provide vital information to investors regarding the relative risks associated with rated bond issues. Attaining an acceptable credit rating facilitates an issuer's access to the market and the possibility of realizing favorable financial mechanisms. The District's general obligation debt is rated: (1) AA+ by Fitch Ratings, (2) Aaa by Moody's Investors Service, and (3) AA+ by Standard & Poor's Global Ratings. The ratings remained unchanged despite the unprecedented economic impact of the COVID-19 pandemic. Additional information about the District's Bond ratings may be obtained at www.dcbonds.com.

Table T-4 presents the District’s ratings for the past five years for its General Obligation Bonds and Income Tax Secured Revenue Bonds.

**Table T-4
Bond Rating History (2016 - 2020)**

	General Obligation Bonds				
	2016	2017	2018	2019	2020
Fitch Ratings	AA	AA	AA+	AA+	AA+
Moody’s Investors Service	Aa1	Aa1	Aaa	Aaa	Aaa
Standard & Poor’s Global Ratings	AA	AA	AA+	AA+	AA+

	Income Tax Secured Revenue Bonds				
	2016	2017	2018	2019	2020
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

Like other state and local governments throughout the country, the District faces significant challenges in maintaining its critical infrastructure, especially given the budget shortfalls caused by the COVID-19 pandemic. The restrictions imposed by the District government to limit the spread of COVID-19 disrupted the local economy that resulted in a downward revision of estimated revenue in April 2020. The revenue estimate was lowered by a combined \$1.5 billion for fiscal years 2020 and 2021 and the capital budget was slashed by approximately \$1 billion from the pre-pandemic budget proposal. In addition, in the revenue estimate released on September 30, 2020, the OCFO further revised forecasted revenues downward for the fiscal year 2021-2024 budget and financial plan period, which will put additional downward pressure on the capital budget of the District over the next several years. However, the prudent financial management practices and fiscal discipline instituted over the

years enabled the District to address the revenue shortfall without sacrificing long-term budget priorities. Despite the significant fiscal impact of COVID-19 on the budget, District officials continued to develop and implement a plan for maintaining a strong, stable financial environment, which includes: developing a balanced five-year operating financial plan and a six-year capital improvements plan; monitoring and analyzing the quarterly revenue estimates of the District and making spending adjustments throughout the year, as necessary; identifying sound measures to enhance revenue streams; and striking an appropriate balance between funding the essential programs or services of the District versus its capital assets needs. The development and implementation of a budget that preserves long-term fiscal priorities despite the unprecedented economic and fiscal shock of the COVID-19 pandemic demonstrates the fiscal resilience of the District.

Enhancements to Capital Planning Process

The OCFO released its 2020 Long-Range Capital Financial Plan Report in October 2020. This report details an enhanced long-range financial planning process that incorporates the District's capital asset replacement needs that span beyond the normal six-year period. This multi-year approach was developed to assist stakeholders such as the Mayor, Council, other policymakers, and the public in understanding the size, condition, and future capital needs of the District's capital infrastructure during the current Capital Improvements Plan (CIP) period and beyond. In addition, the development of this comprehensive plan allows the District to have a more transparent and information-driven process.

A significant element of this long-range financial planning process is the comprehensive and detailed review of capital and asset maintenance needs of the District. The infrastructural needs are extensive as the District serves as a city, state, county, and school district. Consequently, the asset management system of the District, also known as Capital Asset Replacement Scheduling System (CARSS), was developed to provide a wide-ranging detailed inventory of all District-owned assets. CARSS also delivers a comprehensive view of the condition of the capital assets 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 capital needs of the District; and
- Determining how much funding is available to address those needs.

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. As a result, they are able to make more informed capital budgeting decisions which can be easily justified.

The District's strong financial condition, borrowing capacity, and Pay-as-you-go (Paygo) capital financing will provide funding to address new capital needs and fund all deferred maintenance costs by 2031. As presented in the 2019 Long-Range Capital Financial Plan Report, it was initially determined that funding for new capital needs and deferred maintenance costs would be in place by 2028. However, this timeframe was revised by three years to 2031 due to the identification of additional capital needs and the pandemic's negative impact on District revenues. To view the full plan, visit www.cfo.dc.gov.

Major Initiatives

The following tables present some of the District's major initiatives and projects, which were completed (**Table T-5**) or in progress (**Table T-6**) as of September 30, 2020.

Table T-5
Projects Completed by Economic Sector

Project	Location	Square Footage/ Units	Estimated Value (\$000s)	Delivery Date (Calendar Year Basis)
Retail				
Anthem Row	800 K Street, NW	70,000	\$ 142,000	4th Qtr 2019
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
Beckert's Park	415 14th Street, SE	68,000	138,000	1st Qtr 2020
Skyland Town Center (Phase A)	Alabama Avenue & Naylor Road, SE	117,000	175,000	3rd Qtr 2020
Office				
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
250 Massachusetts Avenue	250 Massachusetts Avenue, NW	507,764	275,000	4th Qtr 2019
1901 L Street	1901 L Street, NW	202,000	Not available	4th Qtr 2019
Sentinel Square (Phase III)	45 L Street, NE	545,000	250,000	2nd Qtr 2020
Residential				
AVEC	901 H Street, NE	419 units	200,000	4th Qtr 2019
West Half	1201 Half Street, SE	465 units	228,000	1st Qtr 2020
Crossing DC	949 1st Street, SE	418 units	Not available	1st Qtr 2020
Riverpoint	2100 2nd Street, SW	481 units	220,000	2nd Qtr 2020
Hospitality				
AC Hotel	1112 19th Street, NW	125,650	41,000	4th Qtr 2019
Thompson D.C. Hotel	227 Tingey Street, SE	114,800	Not available	1st Qtr 2020
citizenM	555 E Street, SW	130,000	120,000	2nd Qtr 2020
Education/Quality of Life				
Harriet Tubman Quadrangle	2455 4th Street, NW	158,000	45,000	4th Qtr 2019
Jefferson Academy	801 7th Street, SW	109,000	78,000	3rd Qtr 2020
Martin Luther King Jr. Library	9th & G Streets, NW	400,000	211,000*	3rd Qtr 2020
Georgetown Day School Tenleytown Campus	4203 Davenport Street, NW	88,613	Not available	3rd Qtr 2020

Note:

*Number was revised using an updated/different source.

Source:

The Washington DC Economic Partnership

The 2020/2021 Edition was not available at the publication date of this report. The issuance of this report, which was historically released by early December, was delayed due to COVID-19; consequently, the 2019/2020 Edition was used in the preparation of **Table T-5**.

Table T-6
Projects Under Construction by Economic Sector

Project	Location	Square Footage/ Units	Estimated Value (\$000s)	Estimated Delivery Date (Calendar Year Basis)
Retail				
Eckington Yards	1625 Eckington Place & 1500 Harry Thomas Way, NE	67,264	\$ 265,000	3rd Qtr 2021
City Ridge	3900 Wisconsin Avenue, NW	194,000	700,000	2nd Qtr 2022
The Wharf (Phase II)	Southwest Waterfront	95,000*	1,200,000	3rd Qtr 2022
Office				
Signal House	350 Morse Street, NE	214,000	135,000	1st Qtr 2021
2100 Pennsylvania Avenue	2100 Pennsylvania Avenue, NW	423,562	360,000	2nd Qtr 2022
The Wharf (Phase II)	Southwest Waterfront	547,504	1,200,000	3rd Qtr 2022
Residential				
The Wren	965 Florida Avenue, NW	433 units	153,000	4th Qtr 2020
1900 Half Street	1900 Half Street, SW	453 units	190,000	4th Qtr 2020
Bryant Street (Phase I)	680 Rhode Island Avenue, NE	487 units	Not available	1st Qtr 2021
Eckington Yards	1625 Eckington Place & 1500 Harry Thomas Way, NE	681 units	265,000	3rd Qtr 2021
The Gantry	300 Morse Street, NE	550 units	Not available	3rd Qtr 2021
City Ridge	3900 Wisconsin Avenue, NW	687 units	700,000	2nd Qtr 2022
Hospitality				
Holiday Inn Express	303-317 K Street, NW	118,000	93,000	4th Qtr 2020
AC Hotel	601 K Street, NW	96,755	47,000	4th 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
Education and Medical/Quality of Life				
Children's National Research & Innovation Campus	7144 13th Place, NW	400,000	250,000	4th Qtr 2020
Medstar Georgetown University Hospital Pavilion	3800 Reservoir Road, NW	497,000	560,000	1st Qtr 2022

Note:

*Number was revised using an updated/different source.

Source:

The Washington DC Economic Partnership

The 2020/2021 Edition was not available at the publication date of this report. The issuance of this report, which was historically released by early December, was delayed due to COVID-19; consequently, the 2019/2020 Edition was used in the preparation of Table T-6.

Office, Residential, Sports, 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. The 400,000 square-foot building located at 200 Massachusetts Avenue and the 566,000 square-foot building located at 250 Massachusetts Avenue were completed and opened in 2018 and 2019, respectively.

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 monuments and museums of the nation's capital.

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.

Phase I of The Wharf is open and construction has begun on the final phase. When completed, Phase II will feature 1.15 million square feet of additional mixed-use development, including approximately

547,000 square feet of office space in three buildings; two below grade parking garages; 95,000 square feet of retail space; 131 hotel rooms; 331 residential units (apartments and condominiums); a marina and four acres of public parks and open spaces across an approximate half mile of waterfront. Phase II is scheduled to open 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. The project features over 2,200 distinctive condominiums, townhomes and apartments, over 400 of which will be designated as affordable, serving a diverse mix of incomes, ages and households; 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 was 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. In addition to the economic development and sustainability programs, the project will feature an Innovation Core that consists of forward-thinking companies in university medical research, bioscience, and pharmaceutical spaces.

Phase I of the 66-acre Parks at Walter Reed project involved infrastructure improvements across the historic campus and demolishing the main 2.7 million square-foot 1970s-era hospital building, which prepared the site for the development of the new town center. The Brooks and The Vale, located at the corner of Georgia Avenue and Aspen Street, were the first market-rate mixed-use buildings to deliver on the new town center featuring 301 apartments, 89 condominiums, and 18,000 square feet of retail space. In addition, The Hartley, designed with 323 rental units, including 32 affordable units, and 58,000 square feet of retail, is another new construction phase to begin on the site. As the centerpiece of the vibrant town center, The Hartley will feature 100,000 square feet of dining, shopping, and entertainment around an active plaza fronting Georgia Avenue. Construction of The Hartley is expected to be completed by early 2022.

The New Hospital at St. Elizabeths East

The New Hospital at St. Elizabeths East (new hospital), established by the New Hospital at St. Elizabeths Amendment Act of 2020, is a 75-year lease agreement between the District and Universal Health Services (UHS) to construct, operate and maintain a new George Washington (GW) Health Hospital and Ambulatory Pavilion at St. Elizabeths East in Ward 8, near the Congress Heights Metro and the Entertainment and Sports Arena. The new hospital project is a public-private partnership between the District and UHS designed to provide high quality healthcare to the residents and communities of Wards 7 and 8 and all District residents. The project includes the construction of a 136-bed acute care hospital with maternal health and trauma services, a 77,000 square-foot ambulatory pavilion with outpatient services, diagnostic imaging and physician offices facility, a 500 space garage and two additional urgent care facilities to be located in Wards 7 and 8.

UHS will operate, manage, and maintain the hospital and its services throughout the 75-year lease and the District will fund the construction of the new hospital with \$375 million in capital costs and retain ownership of the land. In addition, UHS will be working to extend the partnership with the GW School of Medicine and Health Sciences and the GW Medical Faculty Associates to this project, serving as the academic and physician arms of the network, respectively. The new facilities will be fully integrated into the current GW hospital healthcare system, creating a comprehensive academic medical network across the District. This system will be designed to expand access to care, increase quality and improve outcomes and health equity for all District residents. The new ambulatory pavilion and the new hospital are scheduled to open in the fall of 2023 and 2024, respectively.

Martin Luther King Jr. Memorial Library

On September 24, 2020, a virtual ceremony was held to celebrate the re-opening of the newly modernized Martin Luther King Jr. Memorial Library. The \$211 million Martin Luther King Jr. Memorial Library modernization project was one of DC Public Library's most ambitious capital projects, designed to create new spaces that invite residents to learn, explore, gather, and engage with their community

After over three years of restoration and preservation, the transformed flagship library now features:

- a spectacular new, vibrant and transparent entryway
- a sculptured monumental staircase
- a Great Hall, large 300-seat auditorium, and conference center
- 19,000 square feet of creative spaces for fabrication, music production and art creation
- a ground level café with patio
- a two-story reading room
- newly designed special collections space, and
- a 14,900-foot roof-top terrace.

The library's iconic design now expands across six floors which, in addition to the features noted above, also house a new Children's Library and the Alma Thomas Teen Center. The restored Don Miller King Mural along with other artwork by local artists is showcased in the new Great Hall.

Since its re-opening, the library has operated in a manner that is consistent with the District's re-opening plan. In compliance with required COVID-19 related restrictions, the modernized Martin Luther King Jr. Library offers limited in-person services with necessary precautions and safety measures.

Transportation and Other Projects

Transportation

Due to the COVID-19 pandemic during fiscal year 2020, the District of Columbia Department of Transportation (DDOT) faced budget constraints, loss of revenues, and challenges associated with receipt of debt service payments related to transportation bonds. Despite the contrary financial climate, DDOT did not experience major delays in infrastructure project planning, transit delivery, traffic engineering, safety programs, and maintenance of the transportation infrastructure assets. However, the parking meter and parking tax revenues, which are dedicated to the Washington Metropolitan Area Transit Authority, declined due to District efforts to curb the spread of COVID-19. In addition, ancillary to the decrease in traffic, the gas tax revenue, associated with the Highway Trust Fund, declined during the fiscal year.

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. While improving multimodal transportation options and supporting economic development on both sides of the Anacostia River, the project will increase pedestrian and vehicular safety and community accessibility. Key project elements will include:

- 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
- 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
- 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 late 2021.

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

Office of the Deputy Mayor for Planning and Economic Development

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

Office of Planning

1100 4th Street, SW, Suite 650 East
Washington, DC 20024
Telephone: (202) 442-7600
Website: <https://planning.dc.gov>

Office of Tax and Revenue

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

Department of General Services

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

Department of Parks and Recreation

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

District Department of Transportation

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, 2019. The District has received this award for 36 of the last 38 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 2020 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.

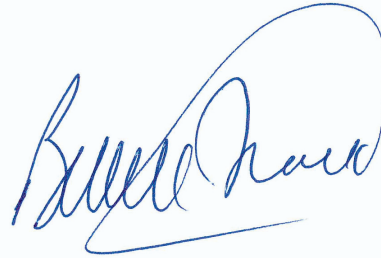
The District also earned an award from the GFOA for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fiscal year ended September 30, 2019, for the seventeenth consecutive year. The PAFR presents the District's financial results in a format and language that allows information 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 2020 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 Butler, Mulu Kahsay, David Pivec, Randolph David, Temony McNeil, Cassandra Alexander, 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, McConnell & Jones LLP, assisted by Regis & Associates, PC and UHY LLP for their efforts throughout the audit engagement.

Respectfully submitted,



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