

Government of the District of Columbia



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January 24, 2022

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Acting Chief Financial Officer

The Annual Comprehensive Financial Report (ACFR) of the Government of the District of Columbia (District) for the fiscal year ended September 30, 2021, is herewith submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of my knowledge and belief, the enclosed financial statements and schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the District.

This report has been prepared in accordance with generally accepted accounting principles (GAAP) 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 financial activities of the District.

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

Due to certain inherent limitations, such as prohibitive costs, errors in judgment, or potential for management override and collusion, internal controls 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 internal controls of the District.

In accordance with D.C. Code § 47-119, independent public accountants audited the financial statements of the District for the year ended September 30, 2021. 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 financial statements of the District, the independent public accountants, McConnell & Jones LLP, issued a report in conjunction with the ACFR, which discussed the consideration by the independent public accountants of the internal controls of the District over financial reporting and the outcome of the tests performed by the auditors of the District's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other related requirements.

Moreover, an audit of compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards issued by the United States Office of Management and Budget (OMB) is performed annually. A separate report, often referred to as the Single Audit Report, is issued by independent public accountants. The fiscal year 2021 Single Audit Report of the District 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 financial operations and results of the District, which are fully discussed in the MD&A. For that reason, this letter should be read in conjunction with the MD&A in order to gain a better understanding of the financial condition of the District.

PROFILE OF THE GOVERNMENT

Overview: Historical Background of the District

President George Washington established Washington, D.C. (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 until the District was granted Home Rule in 1973.

Although Congress passed the Home Rule Act in 1973, Congress retained and continues to retain the right to review and overturn the legislative acts of the

Council of the District of Columbia (the Council) if both houses of Congress vote within 30 legislative days to do so.

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

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

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

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

| | |
|-------------|---|
| 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 U.S. 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 pension plans and set the stage for major changes to the District 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 Amendment Act of 2012, upheld by the Superior Court, granted the District budget autonomy for local funds. |

Financial Reporting Entity

For financial reporting purposes, the reporting entity of the District consists of: (1) the primary government; (2) five discretely presented component units: Health Benefit Exchange Authority, Washington Convention and Sports Authority (t/a Events DC), District of Columbia Green Finance Authority, Housing Finance Agency, and University of the District of Columbia; and (3) two blended component units: District of Columbia Tobacco Settlement Financing Corporation and Not-for-Profit Hospital Corporation (d/b/a United Medical Center). The District of Columbia Housing Authority and the District of Columbia Water and Sewer Authority are considered related organizations

because the District is not financially accountable for their operations. The funds and accounts of all agencies, boards, commissions, foundations, and authorities that have been identified as part of the primary government or the component units have been included in the reporting entity. Further information on the reporting entity can be found in Note 1B, on page 64 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. Consistent with the Local Budget Autonomy Amendment Act of 2012, upon expiration of a 30-day Congressional review period, the Local Budget Act becomes law. Congress enacts the federal portion of the budget for the District through passage of an appropriations bill, which is signed into law by the President.

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

Budgetary Controls

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

Consistent with the District 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 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 shows year-to-date spending, approved budget, year-end projected spending, explanations of variances greater than 5.00% or \$1 million, and planned corrective actions for instances of overspending. Summarized spending projections must be submitted to the CFO no later than 30 days after the end of each month. In addition, pursuant to D.C. Code § 47-355.05, the CFO is to submit quarterly reports to the Council and the Mayor that present actual expenditures, encumbrances, and commitments compared to the approved spending plan by agency by source of funds. This report is required to be accompanied by the observations made by the CFO regarding spending patterns and steps being taken to ensure that spending remains within the approved budget. The information in these reports is used by the Board of Review for Anti-Deficiency Violations to assess cases of overspending.

In addition, the District uses encumbrance accounting as a means of strengthening budgetary controls and financial reporting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the accounting system for the District 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 General Fund local expenditures less debt service cost for the previous fiscal year. The 6.00% is comprised of a contingency cash reserve of 4.00% and an emergency cash reserve of 2.00%. The contingency cash reserve may be used to provide for nonrecurring or unforeseen needs (e.g., severe weather or other natural disasters, and unexpected obligations created by federal law) that arise during the fiscal year or to cover revenue shortfalls experienced by the District for three consecutive months that are 5.00% or more below the budget forecast. The emergency cash reserve may be used to provide for unanticipated and nonrecurring extraordinary needs of an emergency nature (e.g., natural disaster or calamity) and may be used in the event that the Mayor declares a State of Emergency in the District. 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 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 General Fund operating budget for that fiscal year.

District Accounting and Financial System

Accounting System

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

Measurement Focus and Basis of Accounting

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

- The government-wide financial statements focus on all of the economic resources of the District and are prepared using the full accrual basis of accounting.
- The governmental fund financial statements focus primarily on the sources, uses, and balances of current financial resources and are prepared

using the modified accrual basis of accounting.

- Proprietary funds, pension trust funds, Other Employee Benefits Trust Funds, and other fiduciary funds are accounted for in the same manner as business enterprises, which use the full accrual basis of accounting.
- The budgetary basis of accounting is used to prepare the Budgetary Comparison Statement presented in Exhibit 2-d found on page 53. This basis of accounting differs from the GAAP basis as described below:
 - Basis differences arise when the basis of budgeting differs from the basis of accounting prescribed by GAAP. For example, to account for supplies inventory, the District uses the purchase method in the budgetary basis statements and the consumption method in GAAP basis statements. Under the purchase method, purchases of inventories are recognized as expenditures when the goods are received and the transaction is vouchered. Under the consumption method, an expenditure is recognized only when the inventory items are used rather than purchased.
 - Entity differences may occur between the basis of budgeting and GAAP and 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 may occur between the basis of budgeting and GAAP and result when the fund, organization, or program structure used for budgeting differs from that used for GAAP financial reporting. The District does not have any significant budgetary perspective differences.
 - Timing differences may occur between the basis of budgeting and GAAP and are noted when the period used for budgeting differs from the period used for GAAP 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), an independent office operating under the Board of Ethics and Government Accountability, works to ensure that the operations of the District are

transparent and open to the public, thereby promoting civic engagement. The OOG seeks to ensure city-wide compliance with the Open Meetings Act, which requires public bodies to take official action during public meetings and to provide proper notice and detailed records of meetings. The OOG advises public bodies on matters regarding compliance with the Open Meetings Act and conducts training and outreach on its requirements. In addition to enforcement of the DC Open Meetings Act, the OOG advocates for fair and efficient Freedom of Information Act (FOIA) processing and advises agencies seeking guidance on FOIA. Similarly, in June 2016, the Mayor established the Open Government Advisory Group which: (1) evaluates 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 operations of the District and the participatory and collaborative nature of its decision-making.

With the onset of COVID-19 in fiscal year 2020 and its ongoing impact during fiscal year 2021, District officials continued to recognize the importance of open communication. As part of its efforts to respond to the ever-changing effects of COVID-19 while taking certain steps to return to normalcy, the District continued its practice of routinely and regularly informing the public about measures to reduce the spread of the disease. The Mayor and other District officials provided regular press briefings, press releases, and newsletters regarding case numbers, safety protocols, restrictions and policy changes, and modifications to government operations and services. Information regarding COVID-19 can be accessed via a separate website, <https://coronavirus.dc.gov>, which was created at the height of the pandemic as a means of disseminating information quickly to the public. This website includes a wealth of information for District residents and others regarding COVID-19. Some of the information presented includes health guidance, locations of vaccination clinics and testing sites, key metrics, and information on how to sign up for the DC COVID Alert Notice (DC CAN) app, and the web-based portal, DC MyIR, for residents to securely access their vaccination records free of charge.

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 Annual Comprehensive Financial Report, and the Popular Annual Financial Report. In addition, the OCFO website (www.cfo.dc.gov) provides information that allows taxpayers to review and assess the financial status, programs, activities, and services of the District, and determine how their tax dollars are being used. This information includes: operating 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 financial information for investors in the bonds of the District may be obtained from the investor information website at <https://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 COVID-19 pandemic. These 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.

However, as a result of increased vaccination of District residents, workers, and visitors; widespread access to the vaccine within the metropolitan region; and the declining rates of COVID-19 cases, during Spring 2021, the District began lifting capacity limits and certain operational restrictions within the city. Effective May 21, 2021, capacity restrictions on restaurants, non-essential stores, places of worship, office spaces, schools, and other types of sites were lifted. In addition, beginning June 11, 2021, capacity restrictions were lifted for bars, nightclubs, and large sports and entertainment venues. By mid-July 2021, the vast majority of District government employees had returned to the workplace and by the end of August 2021, students attending D.C. Public Schools were returning to campuses for in-person learning. As a consequence of these combined measures, by the end of fiscal year 2021, the economy of the District began to show signs of improvement.

Throughout fiscal year 2021, the District continued to exercise prudent fiscal management to ensure the ability to timely address any unforeseen needs related to the ongoing pandemic. Such practices, combined with the availability of strong reserves; the continued teleworking of the District workforce for most of the fiscal year; and the federal relief payments afforded by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and other federal funding made available by the American Rescue Plan Act (ARPA) helped to sustain businesses and District government operations as well as the local economy.

For the year ended September 30, 2021, federal civilian employment accounted for 26.50% of all wage and salary jobs located in the District and 30.00% of wages and salaries generated in the city. Approximately 15.00% 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 economy and revenues of the District.

In addition, trends in population growth may also affect the economy. Historically for the District, continuous population growth has been important in increasing the 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 2016 and 2021, the population of the District grew by 29,471, an increase that averaged about 5,894 residents per year. Nevertheless, over that five-year period, the rate of annual population growth gradually declined from 1.60% growth (between 2016 and 2017) to approximately 0.46% growth (between 2020 and 2021).

Highlights: The District Economy

As a consequence of the ongoing COVID-19 pandemic, the District continued to experience contractions in hospitality and business service jobs, a slowing in the rate of population growth, and a weakened outlook for commercial property. Highlights of these and other recent trends in the District economy are presented below:

- In the three months ended September 2021, there were 20,733, or 2.80%, more wage and salary jobs located in the District than in the same period a year earlier. However, this level was almost 50,000 below the pre-COVID-19 level reported in February 2020. Hospitality and retail jobs have not recovered, growing 16,100 jobs in September 2021 when compared to September 2020, but still about 30,000 below pre-COVID-19 levels. This growth in hospitality and retail jobs accounted for most of the gain when compared to the prior year. However, most of the loss in private sector jobs since February 2020 was in the hospitality and retail sectors.
- District resident employment in the three months ended September 2021 was 17,983, or 4.90%, higher than a year earlier.
- The September 2021 unemployment rate was 6.60% (seasonally adjusted), down from 8.70% a year ago.
- Overall wages earned in the District grew 7.60% in the quarter ended September 30, 2021, compared to the same quarter a year ago, led by growth in the high-wage professional and management sector.
- Single family home sales for the three-month period ended September 2021 were down 14.10% from a year ago while the average selling price was 11.60% higher. Condominium sales decreased by 5.40%, and the average selling price was 2.40% higher than a year ago. The value of all home sale settled contracts for the three-month period ended September 2021 was 3.20% lower than a year ago.
- Commercial office base rents in the quarter ending September 2021 declined 0.40% over the past year, the third quarter in a row of declining rent. The last time office rents declined three quarters consecutively was during the Great Recession in 2008.
- Leased space in September 2021 was down by 2.50% from a year ago, while the vacancy rate increased over the past year to 14.20%.
- Hotel room-days sold for the three months ended September 2021 were up 173.70% from the prior year and hotel room revenues were up over 250.00%. Room-days sold and room revenue still have not returned to pre-COVID-19 peaks. Hotels along with restaurants were most affected by the public health restrictions related to the COVID-19 pandemic. Hotel occupancy was 42.90% in September 2021 compared to an average of 76.30% in FY 2019 before the pandemic.

Key Factors in the District Economy

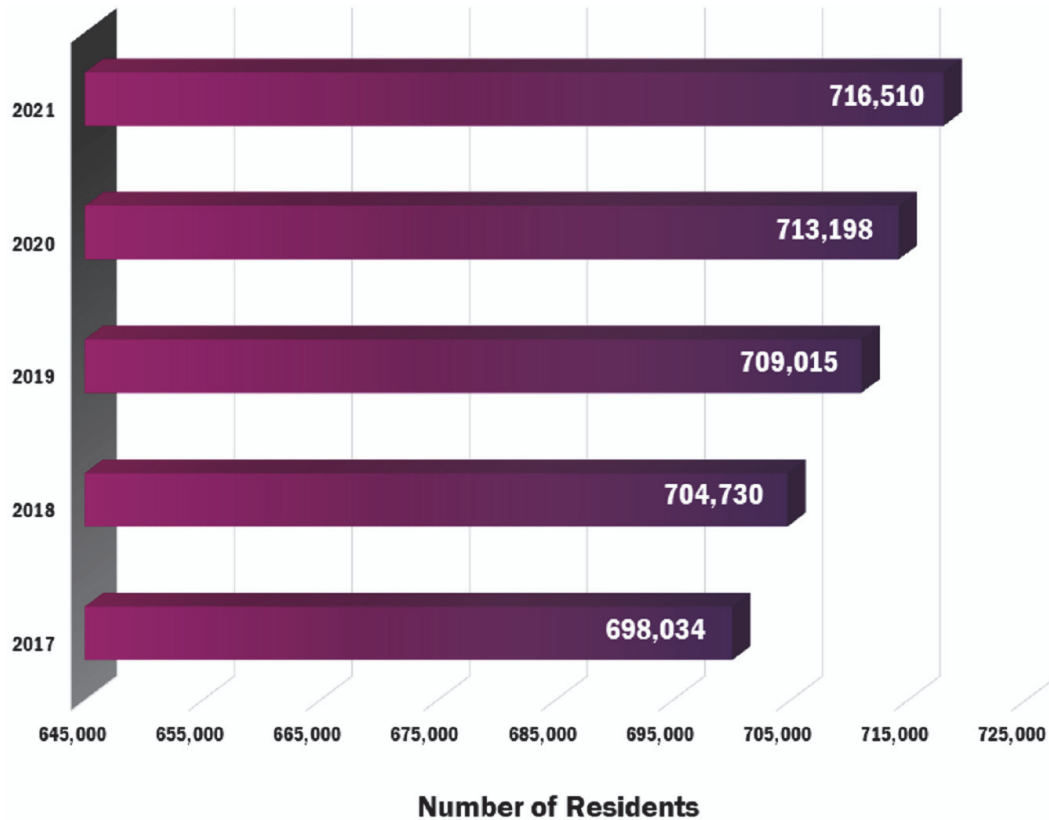
Population

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 716,510 residents in the District as of the third quarter of calendar year 2021. This represents an increase of 3,312, or 0.46% from the revised estimate of 713,198 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 2017 through 2021, 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 (2017 - 2021)



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 ongoing COVID-19 pandemic, income grew in the District during fiscal year 2021 because of federal relief efforts undertaken through the American Rescue Plan Act to mitigate the risks of continuing economic distress. According to the U.S. Bureau of Economic Analysis, federal support including relief for businesses (paycheck protection program (PPP)), relief for unemployed and out-of-work self-employed workers (expanded unemployment benefits), and relief for families (economic assistance payments and child tax credit expansion) raised total personal

income of District residents by approximately \$3.4 billion in fiscal year 2021.

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 2021; however, for 2020, the median household income within the District of \$88,311 was 30.79% above the U.S. average. The U.S. Census Bureau estimates that 14.80% of the population of the District was below the poverty line in 2020 as compared to 11.90% for the entire country.

Employment Trends

Total wage and salary employment in the Washington Metropolitan Area increased to approximately 3,230,600 (not in thousands) at the end of fiscal year 2021 from the revised 3,125,500 (not in thousands) for fiscal year 2020, representing a 3.36% increase. This modest increase in wage and salary employment levels within the region was due, in large part, to the

relaxation of certain restrictions and capacity limits. As businesses began to re-open, jobs became available and the local and regional economies experienced some improvement. Some of the references to the 2020 employment numbers may differ from those presented in the fiscal year 2020 Annual Comprehensive Financial Report because of updates and revisions.

Table T-2 presents 2021 labor market data for the District and the surrounding metropolitan area. 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.

Table T-2
Comparison of September 2021 and 2020 Labor Market Data for the District and Surrounding Metropolitan Area (000s)

| | District of Columbia | | | | Metropolitan Area | | | |
|--|----------------------|---------------------|------------------|--------------------|---------------------|---------------------|------------------|--------------------|
| | FY 2021 Level | FY 2020 Level | 1 Year Change | 1 Year Change % | FY 2021 Level | FY 2020 Level | 1 Year Change | 1 Year Change % |
| Employed residents | 384.5 | 368.9 | 15.6 | 4.2 | 3,193.9 | 3,084.5 | 109.4 | 3.5 |
| Labor force | 408.4 | 404.5 | 3.9 | 1.0 | 3,335.5 | 3,311.4 | 24.1 | 0.7 |
| Total wage and salary employment | 750.8 | 733.2 | 17.6 | 2.4 | 3,230.6 | 3,125.5 | 105.1 | 3.4 |
| Federal government | 200.0 | 200.0 | - | - | 374.8 | 376.1 | (1.3) | (0.3) |
| Local government | 41.1 | 42.3 | (1.2) | (2.8) | 331.4 | 327.7 | 3.7 | 1.1 |
| Leisure and hospitality | 55.4 | 39.1 | 16.3 | 41.7 | 272.9 | 229.1 | 43.8 | 19.1 |
| Trade | 24.7 | 24.3 | 0.4 | 1.6 | 316.1 | 307.1 | 9.0 | 2.9 |
| Education and health | 125.7 | 122.8 | 2.9 | 2.4 | 436.8 | 416.0 | 20.8 | 5.0 |
| Professional, business, and other services | 236.1 | 236.1 | - | - | 979.4 | 952.5 | 26.9 | 2.8 |
| Other private | 67.8 | 68.6 | (0.8) | (1.2) | 519.2 | 517.0 | 2.2 | 0.4 |
| Unemployed | 23.9 | 35.6 | (11.7) | (32.9) | 141.6 | 226.9 | (85.3) | (37.6) |
| New unemployment claims | 22.3 | 7.0 | 15.3 | 218.6 | (a) | (a) | (a) | (a) |

Notes:

FY 2021 Level - Data presented is preliminary, not seasonally adjusted amounts for September 2021.

FY 2020 Level - Data presented is seasonally adjusted and will differ from those presented in the fiscal year 2020 ACFR.

1 Year Change - The calculation of the change in numbers is based on adjusted data of the prior year.

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

Sources:

Office of Revenue Analysis, D.C. Economic Indicators, Labor & Industry published November 2021 edition

U.S. Bureau of Labor Statistics (BLS)

D.C. Department of Employment Services (DOES)

In September 2021, total wage and salary employment within the District was 23.24% of the total wage and salary employment for the metropolitan area. The seasonally adjusted September 2021 unemployment rate in the District declined from the September 2020 revised seasonally adjusted rate of 8.70% to 6.60% in September 2021.

Total employment within the District increased to approximately 750,800 as of September 2021 from the revised 733,200 as of September 2020. In fiscal year 2020, the leisure and hospitality industry suffered a 43.00% decrease mostly due to COVID-19 restrictions. However, as of September 2021, the leisure and hospitality industry improved and experienced growth of 41.70% mainly due to the Mayor lifting the public health emergency in the

District. The education, health, and professional and business service sectors also experienced growth in fiscal year 2021 compared to fiscal year 2020. As a result, new unemployment insurance claims which were 309.00% in September 2020, went down to 218.57% in September 2021.

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 2021 federal workforce in the Washington Metropolitan Area was 374,800; with approximately 200,000 federal employees located in Washington, D.C. and 174,800 additional federal employees who worked elsewhere in the Washington Metropolitan Area.

Minimum Wage Rate

Beginning July 1, 2021, the minimum wage in the District of Columbia increased from \$15.00 per hour to \$15.20 per hour for all workers. The base minimum wage for tipped employees increased from \$5.00 per hour to \$5.05 per hour. These increases are due to provisions of the Fair Shot Minimum Wage Amendment of 2016 that tie the minimum wage of the District to 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 January 1, 2022, the living wage rate increased from \$15.00 per hour to \$15.50 per hour.

Tourism and Hospitality

Millions of U.S. citizens and international tourists visit the more than 400 museums, monuments, war memorials, and other historical landmarks each year in the District. The presence of foreign embassies, recognized diplomatic missions, and other international organizations help boost tourism in the District. Due to the COVID-19 pandemic, there was a significant decline in visitors to the nation's capital. In calendar year 2020, there were approximately 13.3 million total visitors compared to 24.6 million total visitors in 2019 (pre-pandemic). Out of the 13.3 million total visitors, 13.1 million were domestic visitors while only 0.2 million were international visitors that traveled to the District.

Tourism data for calendar year 2021 was not available at the time of this report.

Chart T-2 presents the trends in tourism for calendar years 2016 through 2020.

Chart T-2
Trends in District Tourism
Total Visitation to the District (2016 - 2020)



Note:
Tourism data for calendar year 2021 was not available at the publication date.

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

The decline in visitors traveling to the District severely impacted visitor spending in 2020. Visitor spending totaled \$3.69 billion in 2020 compared to \$8.15 billion in 2019. A breakdown of visitor spending in 2020 is as follows: \$1.40 billion for lodging; \$1.16 billion for food and beverage; \$465.80 million for entertainment; \$357.80 million for retail; and \$304.50 million for transportation. Tourism also supported 41,000 jobs in the District. Hotel occupancy, which is historically at 75%, was only at 25% occupancy in 2020.

Construction

Commercial Office Space

Office space under construction as of September 30, 2021, totaled 2.5 million square feet in 14 buildings. The office vacancy rate rose to 14.20% and the

average base rent declined 0.40%. Occupancy declined over the past year for Class A and B properties. The vacancy rate for Class A space was 14.80% in September 2021, up from 13.50% a year ago. The vacancy rate for Class B office space was slightly higher than that for Class A office space.

Housing Units

For the 12-month period ended September 30, 2021, 6,127 housing unit building permits were issued. This represents a 9.06% decrease over the prior 12-month period.

In calendar year 2021, there were 209,351 apartment units and condominiums in the District. As of September 30, 2021, 15,195 apartment units and condominiums were under construction.

Table T-3 presents the number of apartment units and condominiums located in the District in 2017 through 2021.

Table T-3
District Apartment Units and Condominiums (2017 - 2021)

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------|---------|---------|---------|---------|---------|
| Inventory | 184,404 | 188,626 | 194,061 | 199,373 | 209,351 |
| Occupied Units | 174,917 | 135,386 | 139,511 | 138,288 | 146,764 |

Notes:

2017 numbers include occupied condominiums.

2019, 2020, and 2021 numbers for occupied units only include apartments because CoStar 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. The Housing Production Trust Fund is funded through a dedicated portion of the city's deed recordation and transfer tax revenues and the District's General Fund. In fiscal year 2021, dedicated tax revenues increased by approximately 23.00% as the impact of COVID-19 on overall real estate activity was mitigated.

In fiscal year 2021, HPTF financed 10 projects that produced or preserved 713 housing units in the District. The total amount of HPTF funding obligated in fiscal year 2021 was approximately \$100 million. The projects financed included seven new construction projects, two substantial rehabilitation projects, and one pre-development project.

At the end of fiscal year 2021, DHCD had 30 additional housing projects in its underwriting pipeline that will produce or preserve approximately 2,059 housing units when completed. The total amount of HPTF funding to

be expended for these projects is approximately \$265 million. The 30 projects include 17 new construction projects, seven substantial rehabilitation projects, and six pre-development projects. The number of projects in the pipeline and the viability of those projects have not changed significantly due to the impact of COVID-19 on the economy.

The District Bond Ratings

Rating agencies assess the credit quality of municipal issuers and assign credit ratings to issuers based on the outcome of their assessments. Consequently, rating agencies provide vital information to investors regarding the relative risks associated with rated bond issues. Attaining an acceptable credit rating facilitates access to the market and the possibility of realizing favorable financial mechanisms for an issuer. For the District, the 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 bond ratings for the District may be obtained at <https://dcbonds.com>.

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

Table T-4
Bond Rating History (2017 - 2021)

| | General Obligation Bonds | | | | |
|----------------------------------|--------------------------|------|------|------|------|
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| Fitch Ratings | AA | AA+ | AA+ | AA+ | AA+ |
| Moody's Investors Service | Aa1 | Aaa | Aaa | Aaa | Aaa |
| Standard & Poor's Global Ratings | AA | AA+ | AA+ | AA+ | AA+ |

| | Income Tax Secured Revenue Bonds | | | | |
|----------------------------------|----------------------------------|------|------|------|------|
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| 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

In 2021, the District continued to face significant challenges in maintaining its most vital infrastructure as the local economy began to recover from the pandemic-related recession. Fortunately, because the District was in a strong financial position prior to the onset of the pandemic, the city was in a far better position to address the economic downturn. In spring and early summer of 2021, the District made considerable progress in administering vaccines to residents, and due to increased vaccination rates and improved health metrics related to COVID-19, the Mayor lifted the public health emergency for the District on July 25, 2021. As the city re-opened, the economy received a boost. In fact, fiscal year 2021 local revenues surpassed the fiscal year 2019 level of \$8.83 billion. While the economy of the District has improved, it still has not fully recovered. Nevertheless, due to prudent financial management practices over the last twenty-plus years, the District has fully funded pensions, maintained strong reserves, and achieved high credit ratings. Consequently, the District has access to low-cost financing to support its capital program.

Enhancements to Capital Planning Process

The OCFO released its 2021 Long-Range Capital Financial Plan Report in October 2021. This report is intended to assist the Mayor, Council, other policymakers, and the public in understanding the size, scope, and future capital needs related to the infrastructure of the District during the current Capital Improvements Plan (CIP) period and beyond. The development of the long-range capital financial plan also allows the District to have a truly data-driven and transparent CIP process.

The infrastructure needs of the District, which serves as a city, state, county, and school district, are significant. For that reason, the District utilizes the Capital Asset Replacement Scheduling System (CARSS) to manage its capital assets. CARSS is an asset management planning solution that delivers a comprehensive view of the health of the capital assets of the District and provides information on each project or asset. It was designed to answer four fundamental questions:

- What assets does the District own?
- What is the condition of those assets?
- How should the District prioritize its capital needs?
- How much funding is available to address those needs?

The Long-Range Capital Financial Plan Report provides updates on the detailed information captured in CARSS for individual assets.

Although the District continues to face challenges as the pandemic continues and the economy slowly improves, it will fund roughly \$9 billion of its capital needs through 2027. However, the overall need for new or replacement facilities and maintenance of existing facilities far exceeds this funding level. CARSS analysis identified \$4.5 billion of additional unmet needs that cannot be funded during this CIP period. Like any other enterprise, the District has limits on how much it can borrow and must strike an appropriate balance between funding its ongoing operations (programs and services) and capital assets.

Major Initiatives

The following tables present some of the major initiatives and projects of the District which were completed (**Table T-5**) or in progress (**Table T-6**) as of September 30, 2021.

Table T-5
Projects Completed by Economic Sector

| Project | Location | Square Footage/ Units | Estimated Value (\$000s) | Delivery Date (Calendar Year Basis) |
|--|-----------------------------|--------------------------|-----------------------------|--|
| Retail | | | | |
| Press House at Union District | 301-331 N Street, NE | 70,400 | \$ 180,000 | 2nd QTR 2021 |
| Bryant Street (Phase 1) | 680 Rhode Island Avenue, NE | 47,000 | 155,000 | 3rd QTR 2021 |
| Office | | | | |
| 250 M at Canal Park | 250 M Street, SE | 188,000 | 275,000 | 1st QTR 2021 |
| Signal House | 1255 Union Street, NE | 228,000 | 135,000 | 3rd QTR 2021 |
| Residential | | | | |
| Eckington Yards | 1625 Eckington Place, NE | 681 units | 265,000 | 3rd QTR 2021 |
| Bryant Street (Phase 1) | 680 Rhode Island Avenue, NE | 487 units | Not available | 3rd QTR 2021 |
| The Gantry | 300 Morse Street, NE | 450 units | Not available | 3rd QTR 2021 |
| Hospitality | | | | |
| Hotel Zena | 1155 14th Street, NW | 191 rooms | 25,000 | 4th QTR 2020 |
| Franklin School (Planet Word) | 13th & K Streets, NW | 26,300 | 35,000 | 4th QTR 2020 |
| Cambria Hotel | 69 Q Street, SW | 154 rooms | 58,000 | 1st QTR 2021 |
| Education/Quality of Life | | | | |
| Children's National Research & Innovation Campus | 7144 13th Place, NW | 380,000 | 250,000 | 1st QTR 2021 |
| Southwest Library | 900 Wesley Place, SW | 22,000 | 18,000 | 2nd QTR 2021 |
| KIPP School (Phase III) | 4801 Benning Road, SE | 84,000 | 21,000 | 3rd QTR 2021 |
| Banneker Academic High School | 10th & R Streets, NW | 175,000 | 152,000 | 3rd QTR 2021 |

Source:
The Washington DC Economic Partnership
Washington, DC Development Report 2020/2021 edition

Table T-6
Projects Under Construction by Economic Sector

| Project | Location | Square Footage/ Units | Estimated Value (\$000s) | Estimated Delivery Date (Calendar Year Basis) |
|--|------------------------------|--------------------------|-----------------------------|--|
| Retail | | | | |
| The Hartley (at The Parks at Walter Reed) | 6900 Georgia Avenue, NW | 60,000 | Not available | 1st QTR 2022 |
| City Ridge | 3900 Wisconsin Avenue, NW | 196,000 | 715,000 | 2nd QTR 2022 |
| The Wharf (Phase II) | Southwest Waterfront | 95,000 | 1,150,000 | 3rd QTR 2022 |
| NoMa CNTR | 1005 1st Street, NE | 39,900 | 330,000 | 4th QTR 2022 |
| Office | | | | |
| City Ridge | 3900 Wisconsin Avenue, NW | 170,000 | 715,000 | 2nd QTR 2022 |
| 2100 Pennsylvania Avenue | 2100 Pennsylvania Avenue, NW | 423,562 | 360,000 | 2nd QTR 2022 |
| The Wharf (Phase II) | Southwest Waterfront | 547,000 | 1,150 | 3rd QTR 2022 |
| Residential | | | | |
| City Ridge | 3900 Wisconsin Avenue, NW | 690 units | 700,000 | 2nd QTR 2022 |
| Armature Works | 1200 3rd Street, NE | 635 units | 400,000 | 2nd QTR 2022 |
| NoMa CNTR | 1005 1st Street, NE | 500 units | 330,000 | 4th QTR 2022 |
| Museum Place | 65 I Street, SW | 492 units | 200,000 | 4th QTR 2022 |
| Hospitality | | | | |
| Armature Works | 1200 3rd Street, NE | 147,000 | 400,000 | 1st QTR 2022 |
| Holiday Inn Express | 303-317 K Street, NW | 118,000 | 93,000 | 2nd QTR 2022 |
| The Wharf - Pendry Hotel | Southwest Waterfront | 80,000 | 1,150,000 | 3rd QTR 2022 |
| NoMa CNTR | 1005 1st Street, NE | 184,400 | 330,000 | 4th QTR 2022 |
| AC Marriott | 867 New Jersey Avenue, SE | 200 rooms | Not available | 4th QTR 2021 |
| Education and Medical/Quality of Life | | | | |
| Children's National Research & Innovation Campus | 7144 13th Place, NW | 380,000 | 250,000 | 1st QTR 2021 |
| Banneker Academic High School | 10th & R Streets, NW | 175,000 | 152,000 | 3rd QTR 2021 |
| Medstar Georgetown University Hospital Pavilion | 3800 Reservoir Road, NW | 497,000 | 560,000 | 1st QTR 2023 |

Source:
The Washington DC Economic Partnership
Washington, DC Development Report 2020/2021 edition

Office, Residential, Medical and Hospitality Projects

The Wharf

The Wharf, which opened in October 2017, is a mile-long, mixed-use waterfront neighborhood in the heart of Washington, DC. Centrally situated on the Potomac River, along the historic Washington Channel, it consists of a blend of residential, commercial, cultural, and entertainment space. Due to its central location, there is ease of access to many historic sites such as the National Mall, White House, Capitol, and Smithsonian Museums.

Phase I of the Wharf included 870 residential units; 190,000 square-feet of retail space; 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.

Development of Phase II of The Wharf is moving at a rapid pace. After completion, which is expected to occur in 2022, there will be an additional 1.15 million square feet of space which will comprise: 547,000 square feet of office space; 95,000 square feet of retail space; 235 apartments; 96 condominiums; 131 hotel rooms; a marina with 223 boat slips; two garages with over 1,000 spaces; as well as areas of parks and public spaces.

The Parks at Walter Reed

The Parks at Walter Reed is a redevelopment project of the former Walter Reed Army Medical Center campus located in the Northwest quadrant between 16th Street and Georgia Avenue. It was created through the passage of the Walter Reed Development Omnibus Act of 2016 which allowed the District to acquire 66 acres of land from the U.S. Army. The purpose of this land acquisition was to develop and combine existing historic buildings with new construction to create 3.1 million square feet of commercial, residential, and open spaces.

The Foreign Missions Center, under the U.S. Department of State, will be housed on the remaining portion of the 110-acre campus. Construction is expected to be phased over a 10–15 year period. Upon completion, the Center will provide support services for seniors and veterans and will include office, retail, medical, and education spaces.

Improvements to the infrastructure of the historic campus and the demolition of the 2.7 million square-foot antiquated hospital building are part of the site preparation needed to facilitate the development of the new Town Center. With the development of two mixed-use residential buildings, namely the Brooks Condos and the Vale Apartments, units are available for sale and lease. The Hartley Apartments, with scheduled availability in 2022, will be at the core of the development and will offer a sophisticated and active urban lifestyle for its residents. The Town Center will be anchored by a Whole Foods Market. The Parks

at Walter Reed will provide a dynamic community with over 2,200 distinctive residences, including apartments, townhomes, and condominiums. It is designed to provide social opportunities for an upscale living experience.

City Ridge

The City Ridge is the redevelopment of the former Fannie Mae Headquarters located at 3900 Wisconsin Avenue, NW. Fannie Mae, a U.S. government-sponsored enterprise, built the property in 1956 and sold it in 2016. Today, the ten-acre site is being transformed into the most innovative walkable neighborhood in the District with a mix of residential, commercial, and retail uses.

Construction on the 1.2 million square-foot site began in 2018. The transformation includes repurposing the historic 3900 Wisconsin Avenue building while adding six new buildings of mixed-use space to the site. At full build, City Ridge will be comprised of 100,000 square feet of office space in the historic building; 62,000 square feet of new office space; 687 residential units; and about 154,000 square feet of retail space. Also included as a focal point is the front lawn which has historically restricted public access. It is being preserved and reimagined to welcome visitors to the site.

City Ridge is slated to open in 2022. After the opening of City Ridge, an 82,000 square-foot Wegman's Grocery Store will open at this site, the first such store located in Washington, DC.

The New Hospital at St. Elizabeths East

The New Hospital at St. Elizabeths East was established as a public-private partnership with the signing of a 75-year lease agreement between the District of Columbia and Universal Health Services (UHS). The terms and conditions of the lease include construction, operation, and maintenance of a new George Washington (GW) Health Hospital and Ambulatory Pavilion in Ward 8, near the Congress Heights Metro Station and the Entertainment and Sports Arena. This state-of-the-art facility will provide a range of critical health and high-quality healthcare services to the residents of Wards 7 and 8 as well as all District residents.

The project will boast the construction of a 136-bed acute care hospital with maternal health and trauma services, an ambulatory pavilion consisting of 77,000 square-feet which will provide outpatient services, diagnostic imaging and physician office facilities, a 500-space parking garage, and two additional critical care facilities to be sited in Wards 7 and 8.

The hospital and its wide array of services will be operated, managed, and maintained by the UHS over the life of the 75-year lease. Funding for the estimated \$375 million in capital costs for the project will be provided by the District. The District will retain ownership of the land. In addition, UHS

will be working to extend the partnership to the GW School of Medicine and Health Sciences and the GW Medical Faculty Associates, which are the academic and physicians arms of the network, respectively. This is to fully integrate the current GW Hospital health care system with the new facilities and create a world-class medical network across the District. The system will be designed to expand access to care, increase quality, and improve outcomes and health equity for all District residents. The Ambulatory Pavilion is on schedule to open in the Fall of 2023 and the new full-service hospital is scheduled to open in the Fall of 2024.

Transportation and Other Projects

Transportation

The District Department of Transportation (DDOT) manages hundreds of projects across the city. Much of this work, spread across all eight wards, is federally funded, and ensures the District transportation network is properly maintained and improved on an ongoing basis.

The New Frederick Douglass Memorial Bridge

Replacement of the 70-year-old Frederick Douglass Memorial Bridge and reconstruction of the Suitland Parkway/I-295 interchange began in early 2018. This work is part of the South Capitol Street Corridor Project, the largest public infrastructure project in the history of DDOT.

The new bridge will be erected approximately 100 feet from the existing bridge and will be designed to accommodate three above-deck arches, four pedestrian overlooks, and two piers that will give the impression that they are floating in the river. The bridge is projected to open in 2022, thereby providing an improved path of access to both pedestrians and bicycles. The bridge is intentionally designed to facilitate smoother traffic flow on both sides of the river and better connect the adjoining communities.

Rock Creek Park Multi-Use Trail Rehabilitation Project

DDOT will work with the Federal Highway Administration (FHWA) and the National Park Service (NPS) to rehabilitate and construct more than 3.7 miles of the paved Rock Creek Park multi-use trail. The project aims to improve the overall condition and connectivity of the deteriorating multi-use trail and improve bicycle and pedestrian safety. The key features of the project are:

- Rehabilitation and expansion of existing trails
- Construction of new Rock Creek Park trails
- Creation of a new pedestrian bridge
- Reconstruction of traffic signals
- Restoration of the stream bank and improvements

to the storm drain

- Reconditioning of landscaping and preservation of trees.

Although the 2,896-acre Rock Creek Park is under the jurisdiction of the NPS, this project will be managed by DDOT and funded by FHWA. Construction started in March 2021 with an expected completion date of Spring 2023.

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

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

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District of Columbia for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. The District has received this award for 37 of the last 39 years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. 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 2021 ACFR continues to meet the requirements of the Certificate of Achievement Program and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District also earned an award from the GFOA for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fiscal year ended September 30, 2020, for the eighteenth consecutive year. The PAFR presents the financial results of the District in a format and language that allows information to be more easily understood by the general public. The PAFR is not required to present the same level of detail as the ACFR. It 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 2021 PAFR, which will be issued within 30 days after the ACFR 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 express my sincere appreciation to all staff who contributed to this report, especially my immediate staff, *Diji Omisore, Cassandra Butler, Mulu Kahsay, David Pivec, Randolph David, Temony McNeil, Cassandra Alexander, Vanessa Jackson*, and their respective teams who prepared and compiled this report. I commend them for their professionalism, hard work, and continued efforts to improve this report. Further, this report could not have been prepared without the full cooperation of the Component Units and the assistance and efficient administration of the District's financial operations by all District Agencies. I would 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, UHY LLP, and the WERS Group for their efforts throughout the audit engagement.

Respectfully submitted,



Kimberly Williams
Deputy Chief Financial Officer and Controller
Office of Financial Operations and Systems