

# 2021 CITIZEN'S FINANCIAL REPORT

# DC RESILIENT



**MURIEL BOWSER**  
MAYOR

**FITZROY LEE**  
ACTING CHIEF FINANCIAL OFFICER

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

**YEAR ENDED SEPTEMBER 30, 2021**

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DISTRICT OF COLUMBIA  
CITIZEN'S FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2021



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*Note: Amounts presented in this document are in thousands unless noted otherwise. Credit for all photos on this page (including background): Courtesy of washington.org*

February 1, 2022

Dear Citizens of the District of Columbia:

We are pleased to present the Citizen's Financial Report on the financial condition of the Government of the District of Columbia (District or city) for the fiscal year (FY) ended September 30, 2021. Although the challenges associated with the Coronavirus (COVID-19) global pandemic continued in FY 2021, we were able to successfully close the city's books and timely issue the FY 2021 audited financial statements and this report.

The purpose of this Citizen's Financial Report, which is also referred to as the Popular Annual Financial Report (PAFR), is to summarize the financial information presented in the District's FY 2021 Annual Comprehensive Financial Report (ACFR). The ACFR is prepared in accordance with U.S. generally accepted accounting principles (GAAP) and is independently audited. This PAFR is intended to simplify but not replace the ACFR.

As this report shows, in FY 2021 the District's economy began to recover from the significant downturn of FY 2020 as a result of the District making considerable progress in administering vaccines to residents. Due to the increased vaccination rates, health metrics related to COVID-19 improved and the public health emergency was lifted on July 25, 2021. Despite the ongoing challenges of the COVID-19 pandemic, we remain committed to taking the necessary measures to ensure the District's continued ability to sustain operations and provide necessary programs and services.

If you would like more information regarding the District of Columbia Government and its various departments and agencies, please visit the city's website at [www.dc.gov](http://www.dc.gov). Copies of the financial reports (ACFR and PAFR) can be obtained from:

Office of the Chief Financial Officer  
Office of Financial Operations and Systems  
1100 4th Street, SW, 8th Floor  
Washington, DC 20024  
(202) 442-8200  
Website: <https://cfo.dc.gov>

Respectfully submitted,

**Muriel  
Bowser**  
MAYOR



**Fitzroy  
Lee**  
ACTING  
CHIEF  
FINANCIAL  
OFFICER



**Kimberly  
Williams**  
DEPUTY CFO  
AND  
CONTROLLER





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

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

## ELECTED OFFICIALS

As of September 30, 2021



Muriel Bowser  
Mayor

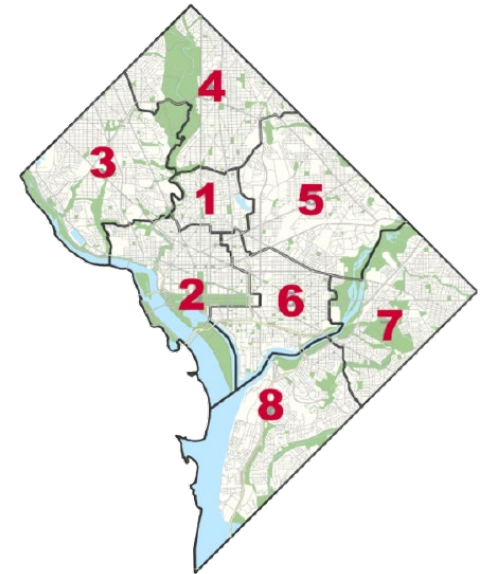


Karl A. Racine  
Attorney General

### U.S. HOUSE OF REPRESENTATIVES



Eleanor Holmes Norton  
DC Delegate



### DC COUNCIL

Composed of a Chairman, four At-Large members, and a member from each Ward of the District



Phil Mendelson  
Chairman



Anita Bonds  
At-Large



Christina D. Henderson  
At-Large



Elissa Silverman  
At-Large



Robert C. White, Jr.  
At-Large



Brianne K. Nadeau  
Ward 1



Brooke Pinto  
Ward 2



Mary M. Cheh  
Ward 3



Janeese Lewis George  
Ward 4



Kenyan R. McDuffie  
Ward 5



Charles Allen  
Ward 6



Vincent C. Gray  
Ward 7



Trayon White, Sr.  
Ward 8

## FINANCIAL REPORTING ENTITY

For financial reporting purposes, the District's reporting entity consists of: (1) the primary government; (2) five legally separate entities for which the District has some level of control or financial accountability (discretely presented component units): Green Finance Authority, Health Benefit Exchange Authority, Housing Finance Agency, University of the District of Columbia, and Washington Convention and Sports Authority; and (3) two independent entities (blended component units): the Not-for-Profit Hospital Corporation (d/b/a United Medical Center) for which the District is the only corporate owner and Tobacco Settlement Financing Corporation for which the District has responsibilities for governance and receives services or benefits. The DC Housing Authority and DC Water 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.

The District and its component units provide a wide range of services to residents, including public education at all levels; human support services; public safety and protection; fire and emergency medical services; and others.

## DISCRETELY PRESENTED COMPONENT UNITS

**District of Columbia Green Finance Authority**  
(202) 301-8300  
<https://dcgreenbank.com>

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

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

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

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

## BLENDED COMPONENT UNITS

**Not-for-Profit Hospital Corporation**  
(United Medical Center)  
(202) 574-6000

**Tobacco Settlement Financing Corporation**  
(202) 727-6055



Government Finance Officers Association

# Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

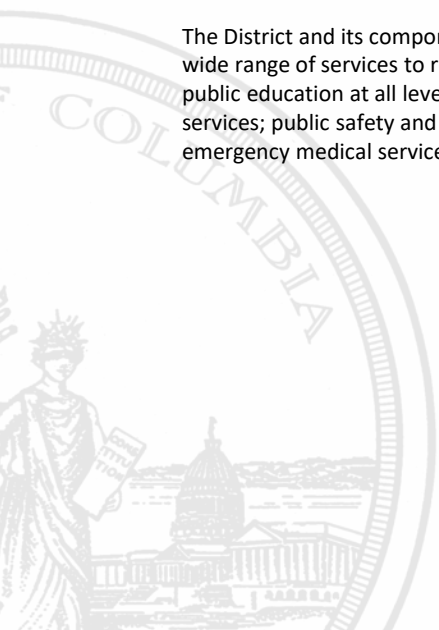
## District of Columbia Government

For its Annual Financial Report  
for the Fiscal Year Ended

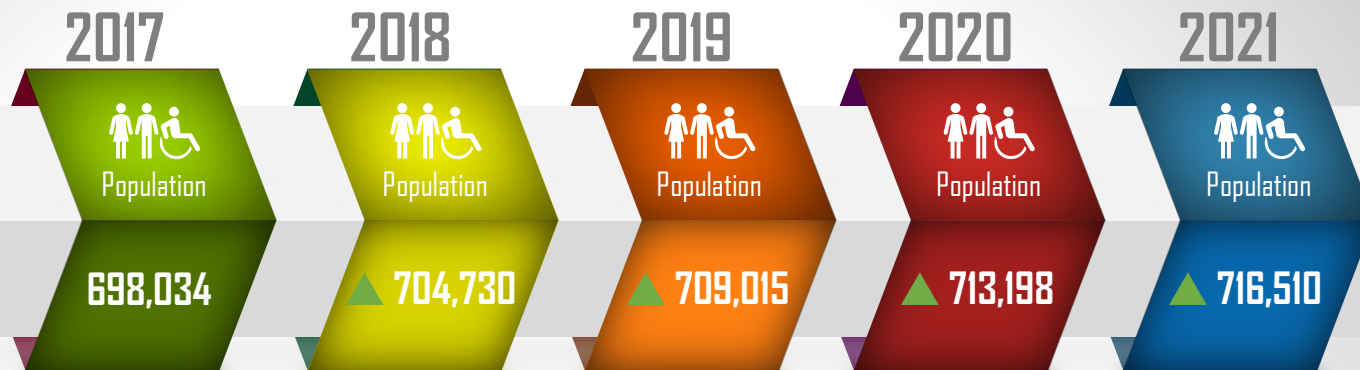
**September 30, 2020**

*Christopher P. Morill*

Executive Director/CEO



# POPULATION AND INCOME TRENDS



## INCOME

| Metric                  | 2017         | 2018           | 2019           | 2020           | 2021           |
|-------------------------|--------------|----------------|----------------|----------------|----------------|
| • Total Personal Income | \$54,639,600 | ▲ \$57,041,700 | ▲ \$57,384,100 | ▲ \$62,966,000 | ▲ \$65,181,400 |
| • Per Capita Income     | \$78,276     | ▲ \$80,941     | ▼ \$80,935     | ▲ \$88,287     | ▲ \$90,971     |
| • Median Age            | 34.0 years   | 34.0 years     | ▲ 34.3 years   | Not available  | Not available  |



## EMPLOYMENT

| Metric                        | 2017             | 2018               | 2019               | 2020               | 2021               |
|-------------------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| • Employed Residents (000)    | 371.1            | ▲ 376.2            | ▲ 386.1            | ▼ 368.9            | ▲ 384.5            |
| • Unemployed Residents (000)  | 28.1             | ▼ 23.8             | ▼ 21.9             | ▲ 35.6             | ▼ 23.9             |
| • Unemployment Rate (Average) | 6.50%            | ▼ 5.70%            | ▼ 5.50%            | ▲ 7.10%            | ▲ 7.70%            |
| • Minimum Wage                | \$13.95 per hour | ▲ \$14.20 per hour | ▲ \$14.50 per hour | ▲ \$15.00 per hour | ▲ \$15.20 per hour |
| • Minimum Wage (Tipped)       | \$5.00 per hour  | \$5.00 per hour    | \$5.00 per hour    | \$5.00 per hour    | ▲ \$5.05 per hour  |

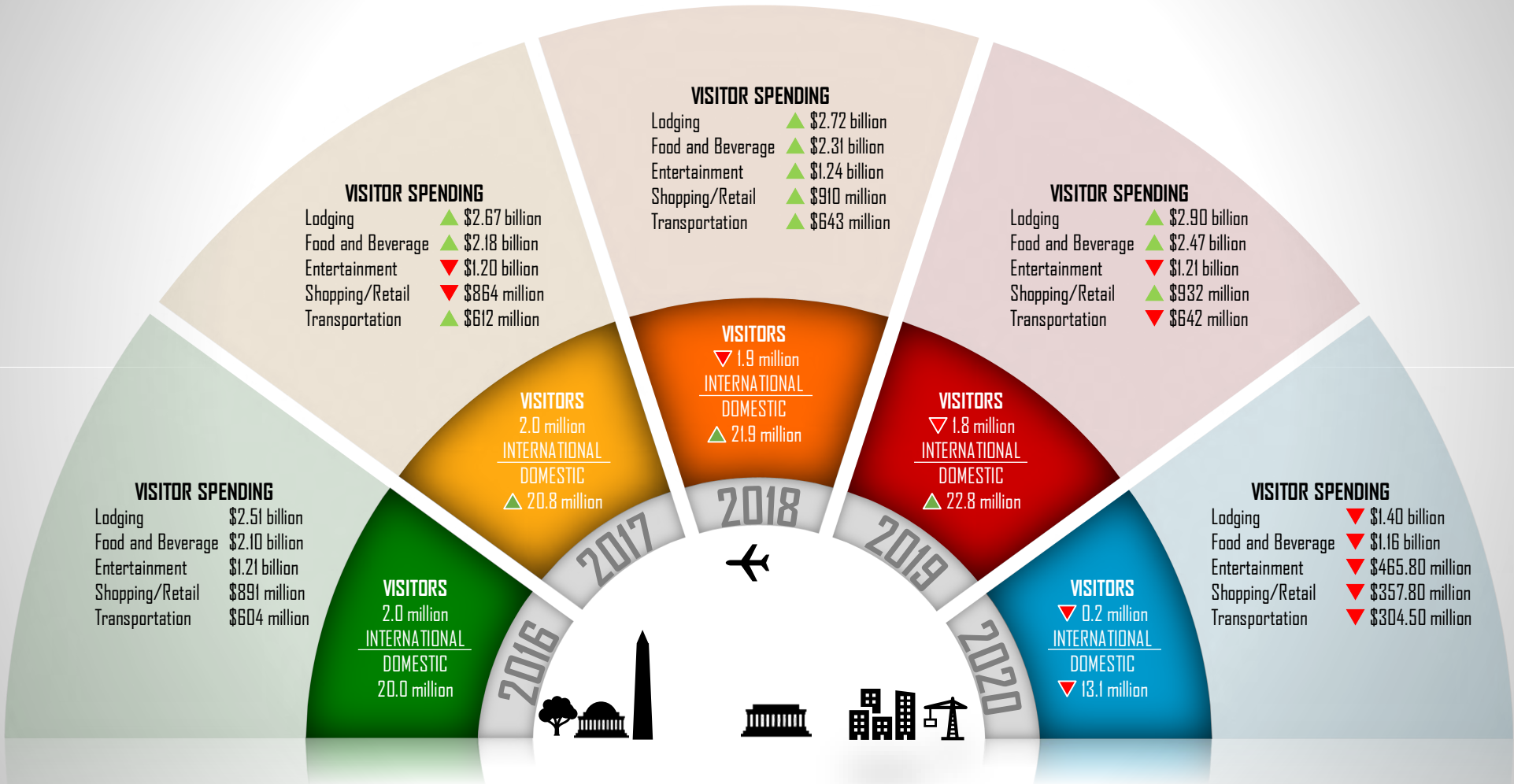


## PERSONAL INCOME TAX

| Metric                      | 2017            | 2018              | 2019              | 2020              | 2021              |
|-----------------------------|-----------------|-------------------|-------------------|-------------------|-------------------|
| • Total Liability           | \$1,744,757,584 | ▲ \$1,907,547,887 | ▲ \$2,039,410,494 | ▲ \$2,186,308,965 | ▲ \$2,307,076,951 |
| • Total Filers              | 358,065         | ▲ 359,923         | ▼ 354,901         | ▲ 370,957         | ▲ 374,299         |
| • Liability over \$75,001   | \$1,457,657,104 | ▲ \$1,622,673,923 | ▲ \$1,785,203,863 | ▲ \$1,920,892,563 | ▲ \$2,051,851,920 |
| • % Liability over \$75,001 | 83.60 %         | ▲ 85.07 %         | ▲ 87.53 %         | ▲ 87.86 %         | ▲ 88.94 %         |
| • Filers over \$75,001      | 108,087         | ▲ 115,345         | ▲ 122,827         | ▲ 129,845         | ▲ 134,700         |
| • % Filers over \$75,001    | 30.10 %         | ▲ 32.04 %         | ▲ 34.61 %         | ▲ 35.00 %         | ▲ 35.99 %         |

Note:  
For some measures, updates are made each year to prior year numbers. Therefore, prior year numbers may not match the numbers in prior year's Citizen's Financial Report.

Sources:  
U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; Office of Tax and Revenue



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)

## STATEMENT OF NET POSITION

**Broadly, the Statement of Net Position presents what the District owns (assets, including deferred outflows of resources) and what the District owes (liabilities, including deferred inflows of resources). The difference between the two is termed "Net Position". Gauging increases or decreases in net position over time is an indicator of whether the financial health of the District is improving or deteriorating. Other factors, such as changes in population, the property tax base, infrastructure conditions, and other non-financial matters should also be considered when assessing the District's financial health.**

## STATEMENT OF NET POSITION HIGHLIGHTS

The District's assets plus deferred outflows of resources (what the District owns) increased by \$3,600,859 in FY 2021 due primarily to increased grants and contributions received by the city, resulting in increased cash at the end of the fiscal year. Restricted cash increased by \$1,684,448 in FY 2021. Also, due to strong investment returns in the pension and other postemployment benefits funds, assets in these funds also grew considerably over the one-year period, by \$1,754,612.

The District's liabilities plus deferred inflows of resources (what the District owes) increased by \$2,774,998 in FY 2021 due to significant increases in unearned revenues (amounts received but not yet earned) totaling \$1,733,617 and in deferred inflows of resources in the pension and other postemployment benefits funds totaling \$1,452,509. These significant increases were partially offset by decreases in other liabilities. For instance, the amount the District owes that is due more than one year in the future (long-term liabilities), decreased by \$469,748, or 3.24%, during fiscal year 2021. The District was able to reduce its long-term liabilities by paying outstanding principal and interest (making debt service payments) as required during the year. Also, the District did not issue any General Obligation Bonds or Income Tax Secured Revenue Bonds in FY 2021.

Total net position increased by \$825,861 to \$7,327,916 in FY 2021 or 12.70% over the prior year. This was due to the significant increase in the reserves for pension and other postemployment benefit (OPEB) benefit payments. These reserves increased due to higher investment earnings in the District's

retirement and OPEB funds, which resulted in lower pension expense and increased net position. In addition, the relatively stronger performance of the District economy resulted in higher revenues from taxes and other sources.

## CHANGES IN NET POSITION

Total net position of governmental activities was \$7,209,112 in FY 2021, which was \$874,273 higher than the amount in the prior year. This increase resulted from several factors, including higher individual income, franchise, and real property tax revenues; and strong performance of the stock market which resulted in a reduction of pension expenses related to the District Retirement Funds.

Net position of the business-type activities decreased by \$48,412 between FY 2020 and 2021. The decline in net position was due to increased operating expenses at the Office of Lottery and Gaming and a decline in operating grants and contributions at the Not-for-Profit Hospital Corporation. The majority of the Hospital's patient service revenues is received from governmental payors (Medicare and Medicaid). Patient service revenues, net of uncollectible amounts, decreased by 9.20% due to decreases in patient care activities.

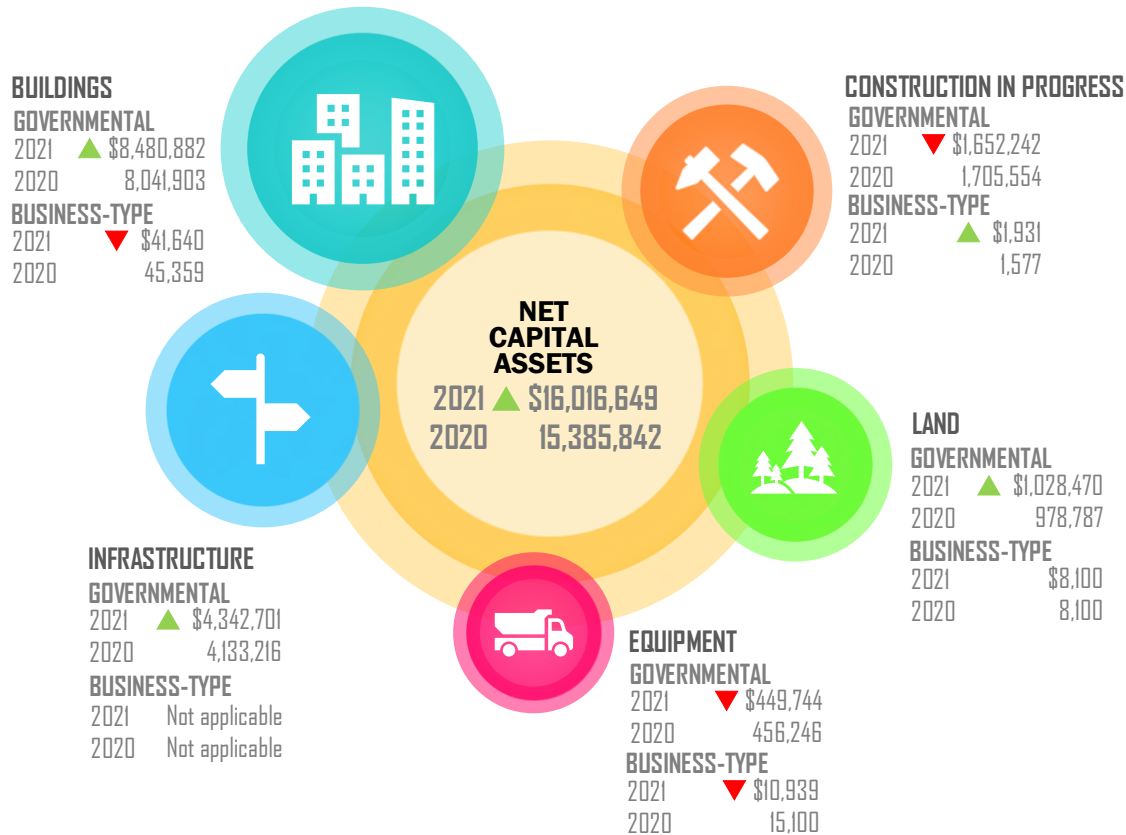
*Credit for photo used in background: Courtesy of washington.org*



DISTRICT OF COLUMBIA  
STATEMENT OF NET POSITION  
As of September 30, 2021 (\$000s)

|                                       | Governmental activities |                     |                   | Business-type activities |                   |                    | Total                 |                     |                   |
|---------------------------------------|-------------------------|---------------------|-------------------|--------------------------|-------------------|--------------------|-----------------------|---------------------|-------------------|
|                                       | 2021                    | 2020                | Variance          | 2021                     | 2020              | Variance           | 2021                  | 2020                | Variance          |
| <b>ASSETS</b>                         |                         |                     |                   |                          |                   |                    |                       |                     |                   |
| Current and other assets              | ▲ \$ 11,014,699         | \$ 7,784,964        | \$ 3,229,735      | ▼ \$ 234,536             | \$ 317,801        | \$ (83,265)        | ▲ \$11,249,235        | \$ 8,102,765        | \$ 3,146,470      |
| Capital assets                        | ▲ 15,954,039            | 15,315,706          | 638,333           | ▼ 62,610                 | 70,136            | (7,526)            | ▲ 16,016,649          | 15,385,842          | 630,807           |
| <b>Total assets</b>                   | <b>▲ 26,968,738</b>     | <b>23,100,670</b>   | <b>3,868,068</b>  | <b>▼ 297,146</b>         | <b>387,937</b>    | <b>(90,791)</b>    | <b>▲ 27,265,884</b>   | <b>23,488,607</b>   | <b>3,777,277</b>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> | <b>▼ 110,109</b>        | <b>286,527</b>      | <b>(176,418)</b>  | <b>-</b>                 | <b>-</b>          | <b>-</b>           | <b>▼ 110,109</b>      | <b>286,527</b>      | <b>(176,418)</b>  |
| <b>LIABILITIES</b>                    |                         |                     |                   |                          |                   |                    |                       |                     |                   |
| Long-term liabilities                 | ▼ 14,010,571            | 14,491,829          | (481,258)         | ▲ 21,968                 | 10,458            | 11,510             | ▼ 14,032,539          | 14,502,287          | (469,748)         |
| Other liabilities                     | ▲ 3,955,230             | 2,148,090           | 1,807,140         | ▼ 156,374                | 210,263           | (53,889)           | ▲ 4,111,604           | 2,358,353           | 1,753,251         |
| <b>Total liabilities</b>              | <b>▲ 17,965,801</b>     | <b>16,639,919</b>   | <b>1,325,882</b>  | <b>▼ 178,342</b>         | <b>220,721</b>    | <b>(42,379)</b>    | <b>▲ 18,144,143</b>   | <b>16,860,640</b>   | <b>1,283,503</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | <b>▲ 1,903,934</b>      | <b>412,439</b>      | <b>1,491,495</b>  | <b>-</b>                 | <b>-</b>          | <b>-</b>           | <b>▲ 1,903,934</b>    | <b>412,439</b>      | <b>1,491,495</b>  |
| <b>NET POSITION</b>                   |                         |                     |                   |                          |                   |                    |                       |                     |                   |
| Net investment in capital assets      | ▲ 3,944,820             | 3,232,889           | 711,931           | ▼ 62,610                 | 70,136            | (7,526)            | ▲ 4,007,430           | 3,303,025           | 704,405           |
| Restricted                            | ▲ 2,374,782             | 1,891,026           | 483,756           | ▼ 45,158                 | 90,550            | (45,392)           | ▲ 2,419,940           | 1,981,576           | 438,364           |
| Unrestricted                          | ▼ 889,510               | 1,210,924           | (321,414)         | ▲ 11,036                 | 6,530             | 4,506              | ▼ 900,546             | 1,217,454           | (316,908)         |
| <b>Total net position</b>             | <b>▲ \$ 7,209,112</b>   | <b>\$ 6,334,839</b> | <b>\$ 874,273</b> | <b>▼ \$ 118,804</b>      | <b>\$ 167,216</b> | <b>\$ (48,412)</b> | <b>▲ \$ 7,327,916</b> | <b>\$ 6,502,055</b> | <b>\$ 825,861</b> |

# CAPITAL ASSETS



## NET CAPITAL ASSETS

The General Capital Improvements Fund is used to account for the purchase or construction of capital assets which are used in operations and funded by transfers, capital grants, and debt. Capital assets include buildings, police and fire equipment, office equipment, park facilities, roads, and bridges. In FY 2021, total net capital assets increased by \$630,807, or 4.10%, over the prior year. Total net capital assets

increased because the District has been investing resources in the construction of new assets and the rehabilitation of existing infrastructure, such as roads, streets, and bridges. As of September 30, 2021, net capital assets totaled \$16,016,649. Net capital assets of the governmental activities totaled \$15,954,039 and net capital assets of the business-type activities totaled \$62,610.

## OUTSTANDING BONDS AND NOTES

The District is empowered by law (Section 461 of the District of Columbia Home Rule Act, as amended) to issue General Obligation Bonds for the payment of the costs of acquiring capital assets or undertaking various capital projects and to refund indebtedness of the District. The District also issues Income Tax Secured Revenue Bonds pursuant to the Bond Authorization Act of 2008 (D.C. Code 47 340.26 et seq.). The payment of principal and interest on these bonds comes solely from the associated trust estate which includes, among other things, all revenues, consisting primarily of available income tax revenues and available business franchise tax revenues received or to be received by the collection agent, the trustee, or the District. The Income Tax Secured Revenue Bonds are without recourse to the District and the District bears no additional responsibility for payment of bond principal and interest.

## 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. 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](http://www.dcbonds.com).

**OUTSTANDING BONDS AND NOTES**

2021 ▼ \$11,442,168  
2020 11,830,937

**INCOME TAX SECURED REVENUE BONDS**

43.30%

2021 ▼ \$4,954,180  
2020 5,085,465

Bonds where repayment is made from the collection of income taxes.

**BOND RATINGS**

- AA+** Fitch Ratings  
10+ consecutive years
- Aa1** Moody's Investor Service  
10+ consecutive years
- AAA** Standard and Poor's Global Ratings  
10+ consecutive years

**GENERAL OBLIGATION BONDS**

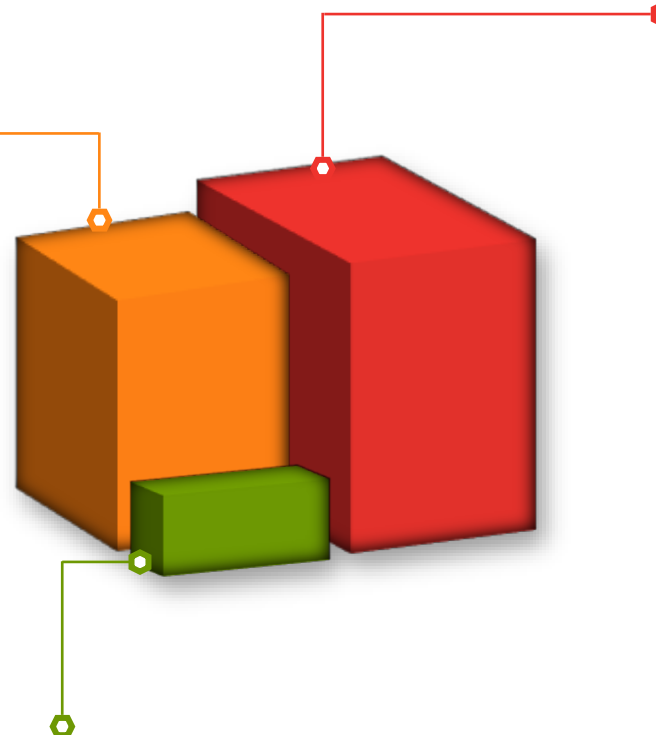
45.47%

2021 ▼ \$5,202,750  
2020 5,396,870

Bonds that are secured by the District's pledge to use legally available resources, including tax revenues, to repay bondholders. General obligation pledges include a pledge to levy property taxes to meet debt service requirements.

**BOND RATINGS**

- AA+** Fitch Ratings  
4 consecutive years
- Aaa** Moody's Investor Service  
4 consecutive years
- AA+** Standard and Poor's Global Ratings  
4 consecutive years



**OTHER BONDS**

11.23%

2021 ▼  
2020

| Tobacco                 | Federal Highway Grant Anticipation Bonds | Payment in Lieu of Taxes | Ballpark                | Tax Increment Financing | Deed Tax Revenue      | Qualified Zone Academy | Total Other Bonds          |
|-------------------------|--|--------------------------|-------------------------|-------------------------|-----------------------|------------------------|----------------------------|
| ▼ \$ 487,644<br>516,329 | ▼ \$ 280,675<br>294,170                  | ▼ \$ 174,196<br>197,791  | ▼ \$ 183,200<br>186,710 | ▲ \$ 123,203<br>114,524 | ▼ \$ 35,215<br>37,520 | ▼ \$ 1,105<br>1,558    | ▼ \$1,285,238<br>1,348,602 |

# STATEMENT OF ACTIVITIES

**The Statement of Activities presents information showing how the net position of the District changed during the fiscal year. This statement shows revenues, or “where the money comes from,” less expenses, or “where the money goes,” resulting in what is called a change in net position, which basically means “were the incurred expenses more or less than the revenues earned during the fiscal year?” All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues, such as uncollected taxes, and expenses, such as earned but unused vacation leave, that will result in cash flows in future fiscal periods are also reported in the Statement of Activities.**

## STATEMENT OF ACTIVITIES HIGHLIGHTS

### REVENUES

During FY 2021, total District revenues increased by \$1,972,335, of which \$1,295,367 was in program revenues. Most of the District's program revenues are derived from operating grants and contributions received to support the city's operations, programs, and activities. During FY 2021, the District reported \$2,203,102 in revenues from the coronavirus and public health emergency funding, of which \$1,250,025 was used to support expansion of unemployment insurance for District of Columbia workers. This funding was made available to state and local governments through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act of 2021 (ARPA). The District also received funding from the Federal Emergency Management Agency (FEMA) which was used to provide or otherwise expand certain programs and services in the areas of Human Support Services and Public Safety and Justice.

### EXPENSES

Total expenses increased by \$989,592, or 5.98%, during FY 2021. The most significant increase in expenses was in the Human Support Services function. Human Support Services expenses increased as the District continued to respond to the pandemic and address the needs of District residents. Higher spending in this area was mainly the result of increased Medicaid payments, payments made for rental assistance, and increased payments to recipients of Supplemental Nutrition Assistance Program (SNAP) benefits. Public Safety and Justice expenses decreased during FY 2021 mainly because of the decrease in pension expenses associated with the Police Officers and Fire Fighters' Retirement Funds.

DISTRICT OF COLUMBIA  
STATEMENT OF ACTIVITIES  
Ended September 30, 2021 (\$000s)

|  | Governmental activities |                     |                   | Business-type activities |                   |                    | Total                 |                     |                   |
|--|-------------------------|---------------------|-------------------|--------------------------|-------------------|--------------------|-----------------------|---------------------|-------------------|
|  | 2021                    | 2020                | Variance          | 2021                     | 2020              | Variance           | 2021                  | 2020                | Variance          |
| <b>REVENUES</b>                                  |                         |                     |                   |                          |                   |                    |                       |                     |                   |
| Program revenues                                 |                         |                     |                   |                          |                   |                    |                       |                     |                   |
| Charges for services                             | ▼ \$ 824,720            | \$ 891,589          | \$ (66,869)       | ▲ \$ 359,338             | \$ 313,407        | \$ 45,931          | ▼ \$ 1,184,058        | \$ 1,204,996        | \$ (20,938)       |
| Operating grants and contributions               | ▲ 5,870,607             | 4,826,314           | 1,044,293         | ▲ 1,267,261              | 1,025,633         | 241,628            | ▲ 7,137,868           | 5,851,947           | 1,285,921         |
| Capital grants and contributions                 | ▲ 309,217               | 278,833             | 30,384            | -                        | -                 | -                  | ▲ 309,217             | 278,833             | 30,384            |
| General revenues                                 |                         |                     |                   |                          |                   |                    |                       |                     |                   |
| Property taxes                                   | ▲ 3,152,529             | 3,061,745           | 90,784            | -                        | -                 | -                  | ▲ 3,152,529           | 3,061,745           | 90,784            |
| Sales and use taxes                              | ▼ 1,310,154             | 1,317,113           | (6,959)           | -                        | -                 | -                  | ▼ 1,310,154           | 1,317,113           | (6,959)           |
| Income and franchise taxes                       | ▲ 3,486,898             | 3,021,673           | 465,225           | -                        | -                 | -                  | ▲ 3,486,898           | 3,021,673           | 465,225           |
| Other taxes                                      | ▲ 958,678               | 864,100             | 94,578            | ▲ 145,775                | 139,833           | 5,942              | ▲ 1,104,453           | 1,003,933           | 100,520           |
| Non-tax revenues                                 | ▲ 683,438               | 646,653             | 36,785            | ▼ 1,453                  | 10,840            | (9,387)            | ▲ 684,891             | 657,493             | 27,398            |
| <b>Total revenues</b>                            | <b>▲ 16,596,241</b>     | <b>14,908,020</b>   | <b>1,688,221</b>  | <b>▲ 1,773,827</b>       | <b>1,489,713</b>  | <b>284,114</b>     | <b>▲ 18,370,068</b>   | <b>16,397,733</b>   | <b>1,972,335</b>  |
| <b>EXPENSES</b>                                  |                         |                     |                   |                          |                   |                    |                       |                     |                   |
| Governmental-type activities                     |                         |                     |                   |                          |                   |                    |                       |                     |                   |
| Governmental direction and support               | ▲ 1,412,671             | 1,297,717           | 114,954           | -                        | -                 | -                  | ▲ 1,412,671           | 1,297,717           | 114,954           |
| Economic development and regulation              | ▲ 722,913               | 574,303             | 148,610           | -                        | -                 | -                  | ▲ 722,913             | 574,303             | 148,610           |
| Public safety and justice                        | ▼ 1,880,627             | 2,009,076           | (128,449)         | -                        | -                 | -                  | ▼ 1,880,627           | 2,009,076           | (128,449)         |
| Public education system                          | ▲ 3,400,015             | 3,346,895           | 53,120            | -                        | -                 | -                  | ▲ 3,400,015           | 3,346,895           | 53,120            |
| Human support services                           | ▲ 6,041,025             | 5,287,152           | 753,873           | -                        | -                 | -                  | ▲ 6,041,025           | 5,287,152           | 753,873           |
| Operations and infrastructure                    | ▲ 1,338,065             | 1,279,342           | 58,723            | -                        | -                 | -                  | ▲ 1,338,065           | 1,279,342           | 58,723            |
| Public transportation                            | ▲ 458,346               | 424,271             | 34,075            | -                        | -                 | -                  | ▲ 458,346             | 424,271             | 34,075            |
| Interest on long-term debt                       | ▼ 424,627               | 430,752             | (6,125)           | -                        | -                 | -                  | ▼ 424,627             | 430,752             | (6,125)           |
| Business-type activities                         |                         |                     |                   |                          |                   |                    |                       |                     |                   |
| Office of lottery and gaming                     | -                       | -                   | -                 | ▲ 218,086                | 176,987           | 41,099             | ▲ 218,086             | 176,987             | 41,099            |
| Unemployment compensation fund                   | -                       | -                   | -                 | ▼ 1,497,798              | 1,568,065         | (70,267)           | ▼ 1,497,798           | 1,568,065           | (70,267)          |
| Not-for-profit hospital corporation              | -                       | -                   | -                 | ▼ 150,034                | 160,055           | (10,021)           | ▼ 150,034             | 160,055             | (10,021)          |
| <b>Total expenses</b>                            | <b>▲ 15,678,289</b>     | <b>14,649,508</b>   | <b>1,028,781</b>  | <b>▼ 1,865,918</b>       | <b>1,905,107</b>  | <b>(39,189)</b>    | <b>▲ 17,544,207</b>   | <b>16,554,615</b>   | <b>989,592</b>    |
| <b>Increase in net position before transfers</b> | <b>▲ 917,952</b>        | <b>258,512</b>      | <b>659,440</b>    | <b>▲ (92,091)</b>        | <b>(415,394)</b>  | <b>323,303</b>     | <b>▲ 825,861</b>      | <b>(156,882)</b>    | <b>982,743</b>    |
| Transfers in (out)                               | ▼ (43,679)              | 3,381               | (47,060)          | ▲ 43,679                 | (3,381)           | 47,060             | -                     | -                   | -                 |
| Change in net position                           | ▲ 874,273               | 261,893             | 612,380           | ▲ (48,412)               | (418,775)         | 370,363            | ▲ 825,861             | (156,882)           | 982,743           |
| Net position – October 1                         | ▲ 6,334,839             | 6,072,946           | 261,893           | ▼ 167,216                | 585,991           | (418,775)          | ▼ 6,502,055           | 6,658,937           | (156,882)         |
| <b>Net position – September 30</b>               | <b>▲ \$ 7,209,112</b>   | <b>\$ 6,334,839</b> | <b>\$ 874,273</b> | <b>▼ \$ 118,804</b>      | <b>\$ 167,216</b> | <b>\$ (48,412)</b> | <b>▲ \$ 7,327,916</b> | <b>\$ 6,502,055</b> | <b>\$ 825,861</b> |

Note:

During FY 2021, agencies comprising certain appropriation titles/functions were changed. Consequently, amounts reported for these agencies in FY 2020 have been reclassified to the new appropriation titles/functions for comparative purposes.

# Where the Money

\$18.3

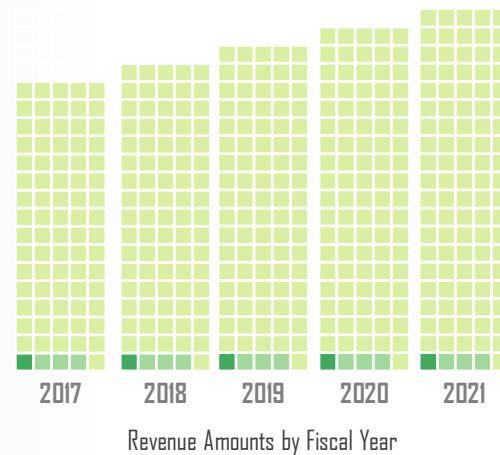
## PROPERTY TAXES

### TAX RATE

(Per \$100 assessed value)

|                     |                |
|---------------------|----------------|
| Real                | \$0.85-\$10.00 |
| Personal            | \$3.40         |
| Public space rental | Various        |

The growth in real property tax revenue in FY 2021 when compared to FY 2020 was the result of a significantly higher amount of total billings and lower rates. Although refunds were high for most of FY 2021 due to increased appeals in FY 2020, refunds trended low during the last months of the fiscal year contributing to higher overall real property tax revenues than FY 2020.



**Property taxes**  
\$ 3,152,529 17.16%

**Operating grants and contributions**  
\$ 7,137,868 38.86%

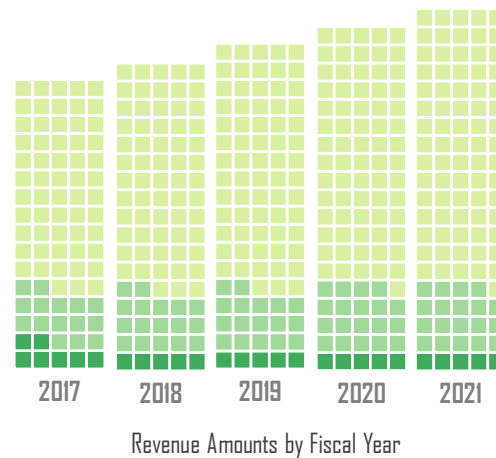
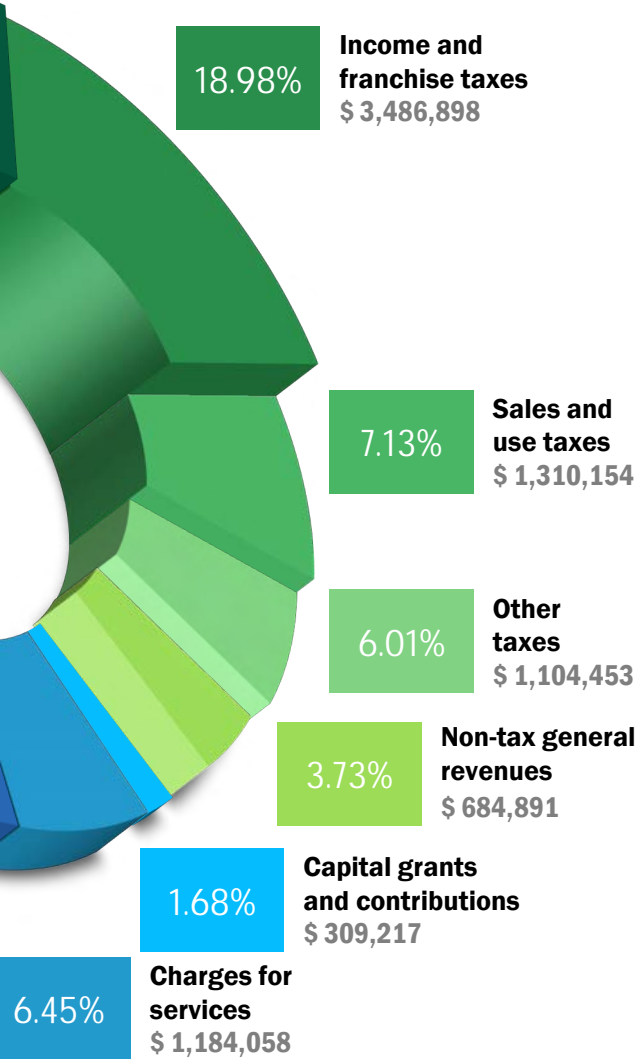
## OPERATING GRANTS AND CONTRIBUTIONS

Operating grants and contributions are amounts received from grantors/donors, which may be used to support the District's day-to-day operations, programs, and activities. These include federal funding received for Medicaid which totaled \$2,838,718 in FY 2021. The District also received \$2,203,102 from the CARES Act, ARPA stimulus funding, and other related federal assistance. Of this amount, \$1,250,025 was used to support the expansion of unemployment insurance for District workers. The Coronavirus relief funding was used to support unemployment benefit payments; costs associated

with virus control efforts; increased spending to cover rising health care costs; education system's distance learning and reopening efforts; and subsidies for housing assistance. Other factors contributed to the increase in grants and contributions, such as the additional funding provided through the increase of 6.20 percentage points in the Federal Medicaid Matching Rate for Medicaid provider payments; increased assistance received from FEMA; and increased support for SNAP and related programs.

# Money Comes From

70,068

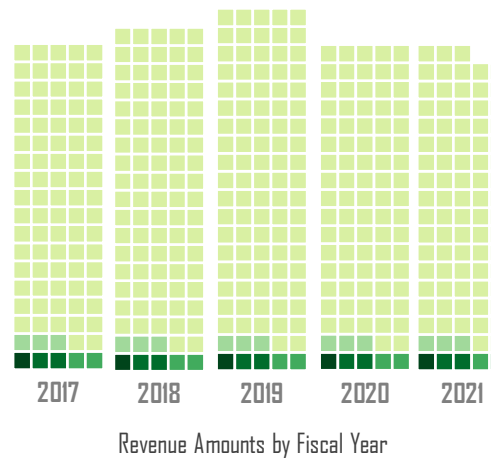


## INCOME AND FRANCHISE TAXES

### TAX RATE

|                |             |
|----------------|-------------|
| Individual     | 4.00%-9.00% |
| Corporation    | 8.25%       |
| Unincorporated | 8.25%       |

Income and franchise tax revenues increased steadily during the fiscal year despite the economic contraction. The growth in individual income taxes was mainly the result of strong withholding performance driven by highly paid professional and management workers. The increase in franchise tax revenue, on the other hand, was attributed to a favorable stock market, which contributed to increases in the non-withholding categories of taxes. Also, in FY 2021, increased franchise tax revenue reflected the general improvement in the economic environment. As the city began re-opening, District businesses began to experience increased profitability.



## SALES AND USE TAXES

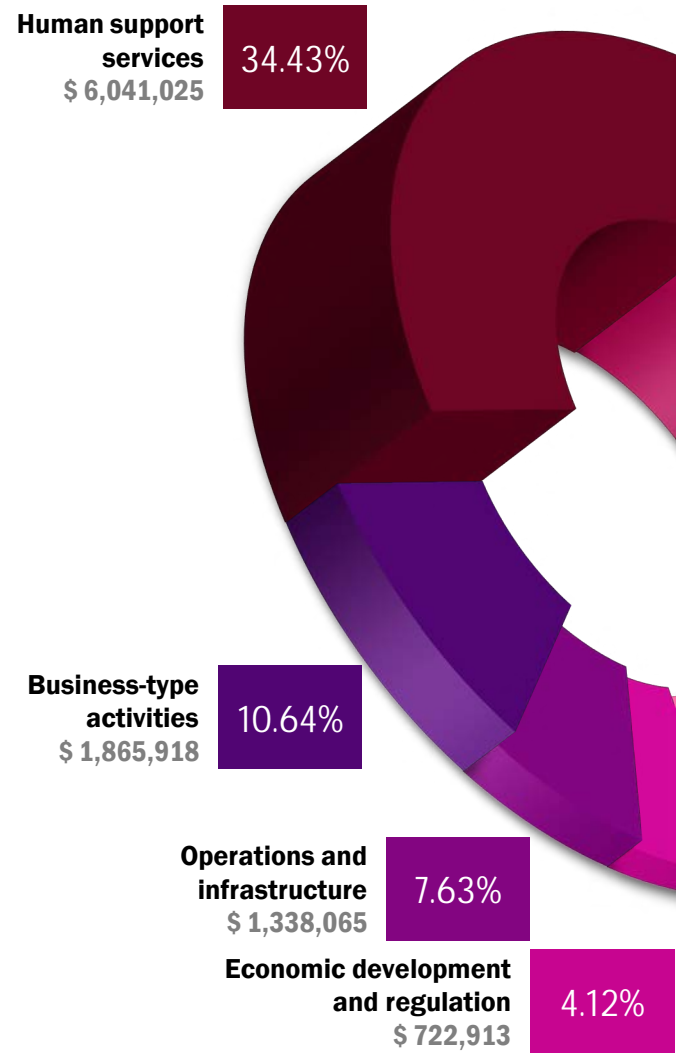
### TAX RATE

|                     |               |
|---------------------|---------------|
| General             | 6.00%         |
| Parking             | 18.00%        |
| Cigarette           | 5.00%         |
| Motor Fuel          | \$0.29/gallon |
| Alcoholic Beverages | 10.25%        |

The District reported a modest decline of 0.53% in sales and use tax revenues in FY 2021. This decrease resulted primarily from lower general sales tax collections due to the ongoing pandemic. The overall decrease in sales and use taxes was primarily offset by an increase in motor vehicle excise tax collections. Because consumers shifted more and more away from public transportation to using private vehicles, motor vehicle sales increased in FY 2021.

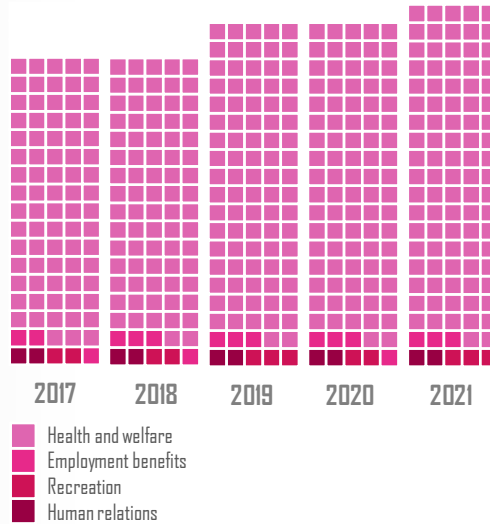
# Where the Money Went

\$17,540,000



## HUMAN SUPPORT SERVICES

The District, through Human Support Services agencies, provides an array of services to sustain, support and assist the most vulnerable residents in the District, with programs including Medicaid, Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP). Human Support Services expenditures increased in FY 2021 as a result of increased Medicaid payments during the public health emergency. Other factors included increased spending for rental assistance, cash assistance and homeless services programs and payments to recipients of SNAP benefits due to increased caseloads.



## BUSINESS-TYPE ACTIVITIES

### OFFICE OF LOTTERY AND GAMING

The total assets of the Office of Lottery and Gaming increased by \$226, or 1.01%, compared to the prior year, due to an increase in cash that will be used to cover amounts due to customers and prize payouts.

### NOT-FOR-PROFIT HOSPITAL CORPORATION

The total assets of the Not-for-Profit Hospital Corporation decreased by \$18,475, or 12.75%, as a result of the return of unspent CARES Act funds to the General Fund and a decrease in net patient receivables in FY 2021.

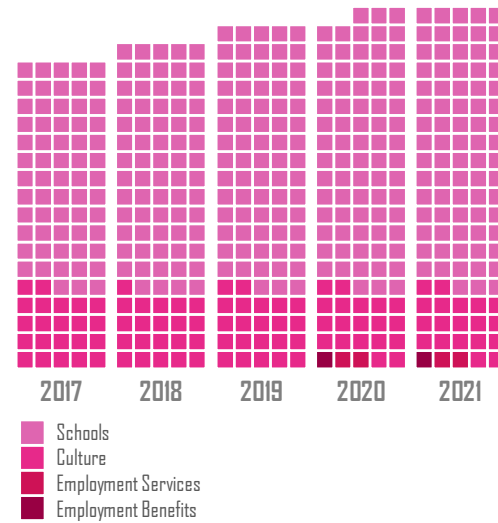
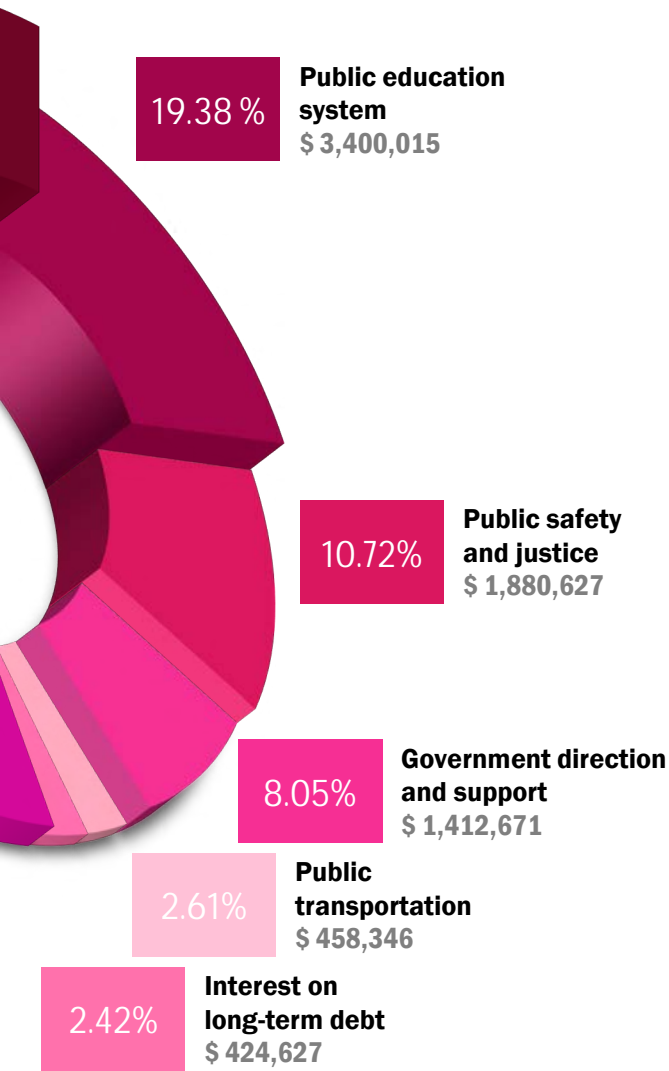
### UNEMPLOYMENT COMPENSATION FUND

During FY 2021, the Unemployment Compensation Fund's total assets decreased by \$83,588, or 33.70%, primarily as a result of unemployment benefit payments significantly exceeding collections from employer taxes and governmental contributions. Cash held with U.S. Treasury, which represented 30.43% of the Fund's total assets, declined by \$92,863, or 64.99%, from the prior year. This decrease was due to revenues being insufficient to cover the unusually high demand for unemployment benefit payments caused by the COVID-19 pandemic.



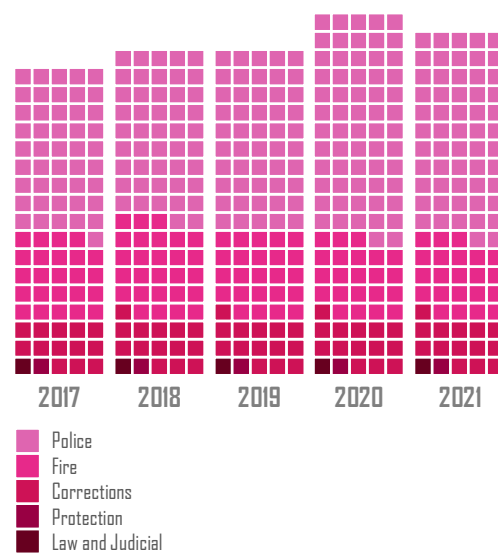
# Money Goes

## 4,207



### PUBLIC EDUCATION SYSTEM

Increases in Public Education System expenditures were mostly attributed to increases in the Uniform Per Student Funding Formula, student enrollment and Head Start spending in FY 2021. DC public schools did not receive the federal head start grant in 2021 so costs of that program were absorbed by the local budget. Higher personnel service expenditures due to the cost-of-living adjustment (COLA), increased grant amounts for District Arts Communities, and increased payments to fund the teachers' retirement plan also contributed to the increased costs in this function.



### PUBLIC SAFETY AND JUSTICE

Expenditures in Public Safety and Justice decreased overall during FY 2021 mainly due to a significant increase of actual over expected investment returns causing a decrease in pension expenses related to the Police Officers and Fire Fighters' Retirement Fund. The decrease was offset by increases, funded by local resources, for certain Metropolitan Police Department services, Fire and Emergency Medical services, Inmate Custody and Inmate Services programs, and related healthcare and food services. Other increases stemmed from the need for more police presence on Capitol Hill surrounding the events of January 6, 2021 at the U.S. Capitol building; providing support services for victims of crime; and improving public safety and justice issues.

WARD 1

Ward 1 is a culturally rich section of the city that serves many functions for many different people. It is in the heart of the District and

contains the neighborhoods of Columbia Heights, Mount Pleasant, Adams Morgan, U Street, portions of Shaw, Pleasant Plains, Park View, LeDroit Park, Meridian Hill, Lanier Heights, Kalorama and more.

WARD 2

Ward 2 is home to a diverse group of residents, a welcoming destination for tourists and visitors, and an exciting place

to live, work, and visit. Most of Downtown DC sits within Ward 2 and is best known as the home of the National Mall, the White House, monuments, and museums. Located within Ward 2 is the Central Business District and the Federal Triangle which comprises the highest concentration of offices and jobs within the city.

The Wren

The Wren, a 400,000 square-foot mixed-use development, is located at 965 Florida Avenue, NW and features 433 residential rental apartments (130 affordable), a Whole Foods grocery store, and 344 parking spaces on three levels of below-grade parking.



Credit: Courtesy of Washington DC Economic Partnership

Planet Word Museum

The Planet Word Museum is located in the Franklin School at 925 13th Street NW. The Franklin School was designated as a National Historic Landmark in 1996 and underwent a complete transformation. Planet Word is the world’s first voice-activated museum, with immersive displays that dazzle visitors of all ages.



Credit: Courtesy of Washington DC Economic Partnership

# WARD 3

Ward 3 is located in the upper Northwest quadrant of Washington, DC. It encompasses the neighborhoods of American University

Park, Berkley, Cathedral Heights, Chevy Chase, Cleveland Park, Colony Hill, Forest Hills, Foxhall, Friendship Heights, Glover Park, Kent, Massachusetts Heights, McLean Gardens, North Cleveland Park, The Palisades, Spring Valley, Tenleytown, Wakefield, Wesley Heights, Woodland-Normanstone Terrace, and Woodley Park.

# WARD 4

Ward 4 is home to residents in about 20 neighborhoods in the northernmost area of the city, such as Shepherd Park, Colonial Village,

North Portal Estates, Takoma, Brightwood, Brightwood Park, Manor Park, Kennedy Street, South Manor Park, Fort Totten, Lamond, Lamond-Riggs, Queens Chapel, Petworth, Sixteenth Street Heights, Crestwood, Hawthorne, Barnaby Woods, and part of Chevy Chase.

## The Brooks

The Ward 3 short-term Family Housing project is a six-story, 42,000 square-foot facility for the Department of Human Services that provides 50 short-term family housing units for families coming out of homelessness. In addition to the housing units, this facility includes on-site parking, indoor community and meeting space, a playground, administrative space for staff and providers, and other amenities.



*Credit: Courtesy of Department of General Services*

## DC's Largest Solar Canopy

Created through the Solar for All program, the largest solar canopy in the District provides renewable solar energy to more than 325 income-eligible families. This energy solution could potentially result in annual savings for eligible families. It is an installation above parking garage space provided by Children's National Hospital. The top floor of the parking structure at Children's National Research & Innovation Campus in DC is now covered with a canopy of 2,500 solar panels.



*Credit: Courtesy of DC Sustainable Energy Utility (DCSEU)*

# WARD 5

Ward 5 is extremely diverse in character, history, and people. It is home to several universities, including Catholic University of

America, Trinity University, and Gallaudet University. Ward 5 also includes neighborhoods such as Michigan Park, Ivy City, Trinidad, Woodridge, Fort Lincoln, and Eckington.

## Fortitude at Delta Towers

Fortitude at Delta Towers, at 808 Bladensburg Road NE, is the newest affordable housing community for Seniors in Ward 5. The 179-unit development is open for people 55 and older. It not only replaced existing units at Delta Towers but added 30 additional units.



*Credit: Courtesy of the Fortitude at Delta Towers*

# WARD 6

Ward 6 is the largest ward in the District and the only ward that touches all four quadrants of the city. It is bounded by the Anacostia River

and Washington Channel to the south and west, reaching east to RFK Stadium, and north to NoMa. Ward 6 is home to some of the city's most diverse, vibrant neighborhoods. It includes Capitol Hill, Hill East, H Street, the Navy Yard, the Southwest Waterfront, Sursum Corda, and Mount Vernon Triangle.

## New Frederick Douglass Memorial Bridge Project

This new bridge construction project calls for replacing the 70-year-old bridge and reconstruction of the Suitland Parkway/I-295 interchange. Improvements include making the structure safer for cars and pedestrians, enhancing options for multimodal transportation, increasing access for the community, and supporting economic development on both sides of the river. The project is slated to be completed in Spring 2022.



*Credit: Courtesy of South Capital Bridge Builders and Walsh Group*



# WARD 7

Ward 7 is distinguished by its leafy streets, single-family homes, transit stations and above all, its greenspace. It is home to a number

of Civil War fort sites that have since been turned into parkland including: Fort Mahan Park, Fort Davis Park, Fort Chaplin Park and Fort Dupont Park. Ward 7 is also home to green spaces such as Kenilworth Aquatic Gardens, Watts Branch Park, Anacostia River Park and Kingman Island.

## Crest at Skyland Town Center

The Crest is the first residential property to open at Skyland. It is a brand-new apartment community which is located in the 18.5-acre redeveloped Skyland Town Center. The 290,000 square-foot building features 263 homes, a mix of studio, one-bedroom, and two-bedroom apartments, as well as a fitness center, and courtyard pool with grills. Of the 263 units, 53 are set aside for those earning up to 80% of Median Family Income (MFI) and 26 are designated as workforce units (80% to 120% MFI).



*Credit: Courtesy of WC Smith*

# WARD 8

Much of what is now Ward 8 was farmland during the early history of Washington, DC, and a rural character is still sometimes

evident among the houses, apartment buildings and institutions of the ward. The historic Anacostia neighborhood is the oldest in the ward. Further south is the neighborhood of Congress Heights, the largest commercial area in the ward, which runs along Martin Luther King Jr. and Malcolm X Avenues.

## New St. Elizabeths East Campus Shelter

The new St. Elizabeths East Campus Shelter will replace the existing 801 East Men's Shelter at 2700 Martin Luther King Jr. Avenue in the Ward 8 Anacostia community located in Southeast Washington, DC. The new shelter is adjacent to the Circa 1884 dry barn, the last remaining dry barn in the District of Columbia, as well as the craftsman style hospital stable which originally contained stalls for 65 horses and mules in 1901.



*Credit: Courtesy of Wiencek & Associates*

## OPERATING INDICATORS

Financial management practices of the District are guided by fiscal and budgetary policies which are reviewed and adopted each year. These policies are meant to ensure financial stability and promote fiscal responsibility in meeting the needs of the District's residents and those who visit the city. Despite the pandemic's economic and financial impact on the city, the District continued to provide first-rate services to its residents and visitors throughout the fiscal year.

## HOUSING FINANCE AGENCY

The DC Housing Finance Agency (HFA) is an organized financial intermediary and administrator of affordable housing programs and resources for the District of Columbia.

HFA invests in affordable housing and neighborhood development which provides pathways for DC residents to create homeownership opportunities. In FY 2021, the total number of units financed was 1,243.

### SINGLE-FAMILY UNITS FINANCED

|      |   |     |  |
|------|---|-----|--|
| 2021 | ▲ | 277 | Average Annual<br>Single-Family<br>Units Financed<br><b>170+</b> |
| 2020 | ▲ | 245 |  |
| 2019 | ▼ | 69  |  |
| 2018 | ▼ | 106 |  |
| 2017 | ▼ | 199 |  |



### MULTI-FAMILY UNITS FINANCED

|      |   |       |   |
|------|---|-------|---|
| 2021 | ▼ | 966   | Average Annual<br>Multi-Family<br>Units Financed<br><b>1,300+</b> |
| 2020 | ▲ | 1,689 |   |
| 2019 | ▼ | 1,635 |   |
| 2018 | ▲ | 1,653 |   |
| 2017 | ▼ | 899   |   |



### SINGLE-FAMILY FINANCING PROVIDED (\$000s)

|      |   |         |   |
|------|---|---------|---|
| 2021 | ▲ | 103,698 | Average Annual<br>Single-Family<br>Financing Provided<br><b>\$59,000+</b> |
| 2020 | ▲ | 86,531  |   |
| 2019 | ▼ | 22,444  |   |
| 2018 | ▼ | 34,662  |   |
| 2017 | ▼ | 52,538  |   |

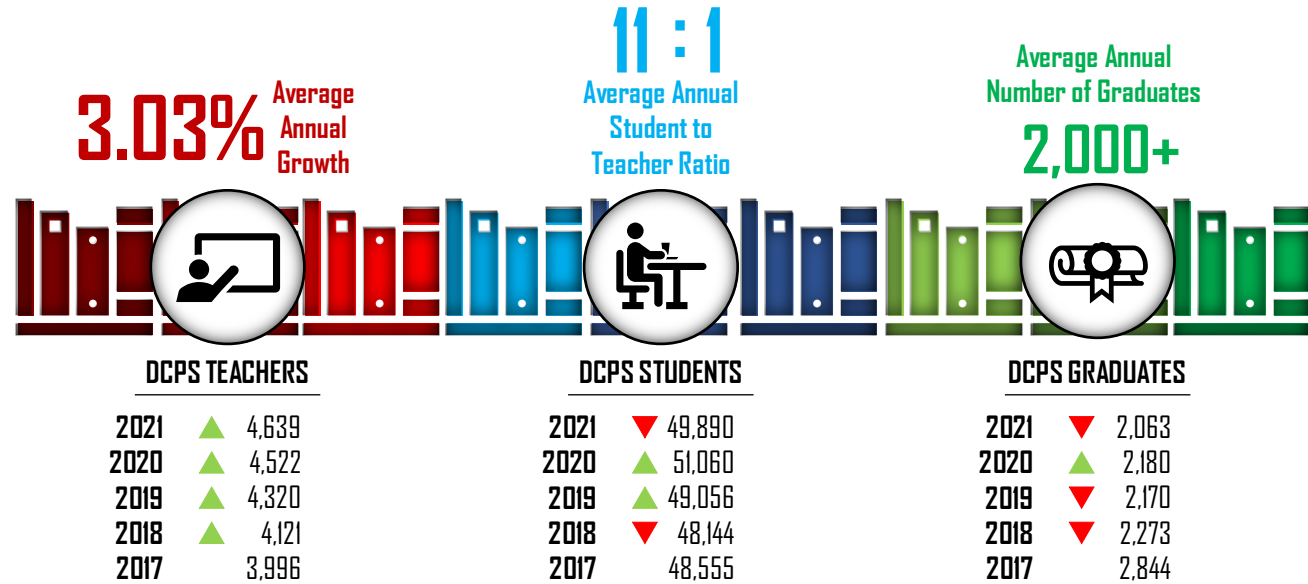
### MULTI-FAMILY FINANCING PROVIDED (\$000s)

|      |   |         |   |
|------|---|---------|---|
| 2021 | ▼ | 245,368 | Average Annual<br>Multi-Family<br>Financing Provided<br><b>\$270,000+</b> |
| 2020 | ▲ | 317,547 |   |
| 2019 | ▼ | 301,210 |   |
| 2018 | ▲ | 325,440 |   |
| 2017 | ▼ | 168,960 |   |

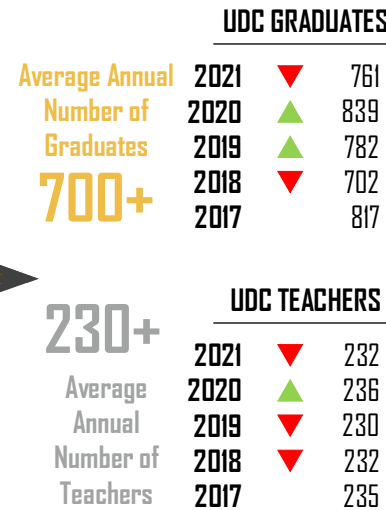
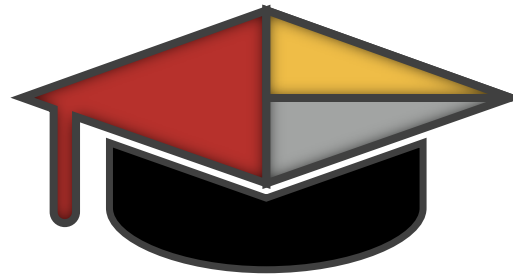
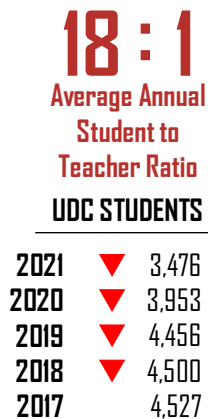
Source:  
District of Columbia Housing Finance Agency

## PUBLIC EDUCATION SYSTEM DC PUBLIC SCHOOL SYSTEM

The District of Columbia Public Schools (DCPS) consists of public elementary and secondary schools and learning centers located in Washington, DC. These schools have a grade span of pre-kindergarten to twelfth grade and a kindergarten entrance age of 5 years old.



Source:  
District of Columbia Public Schools



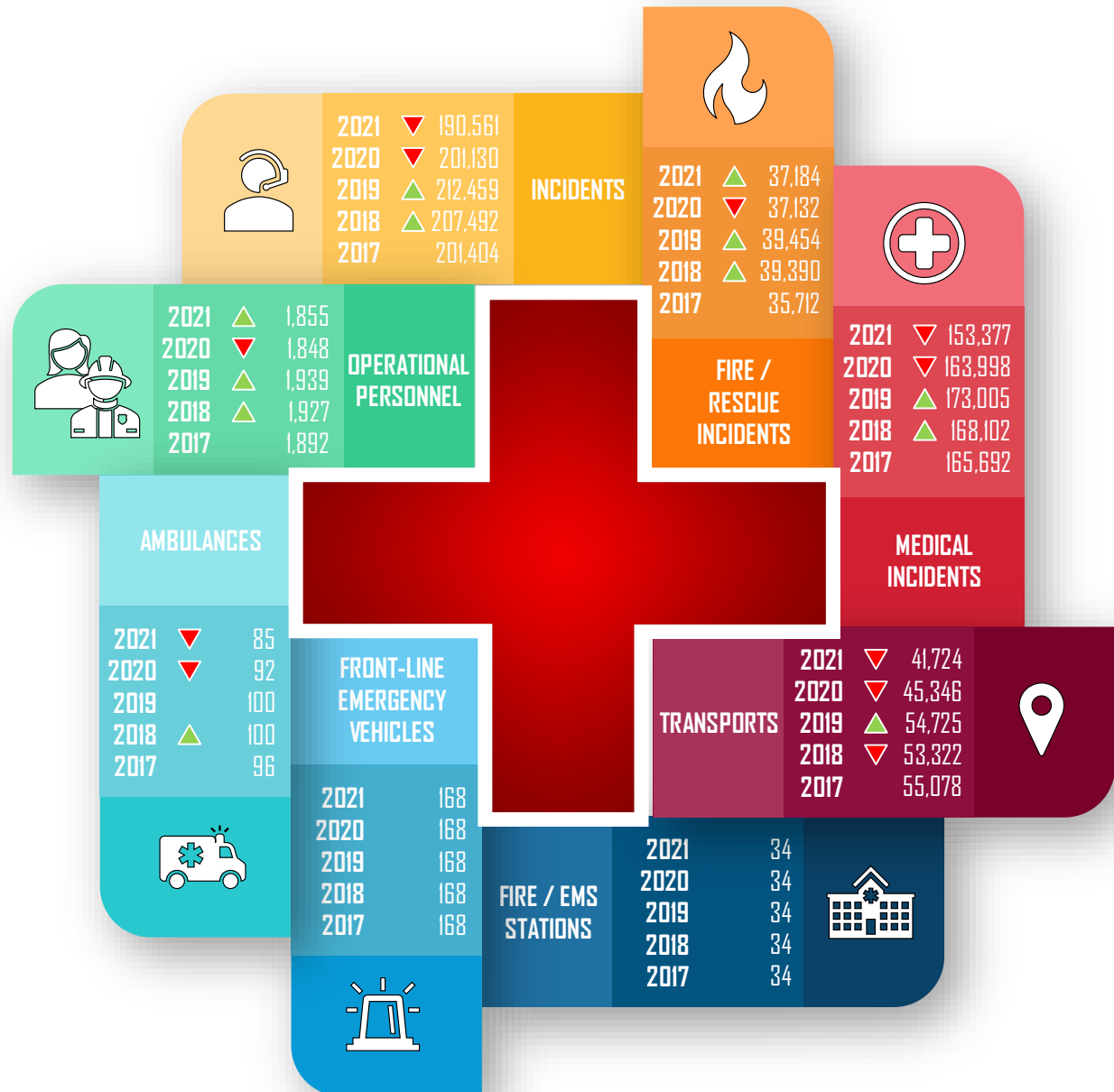
### UNIVERSITY OF THE DISTRICT OF COLUMBIA

Established in 1851, the University of the District of Columbia (UDC) is a public historically black urban-focused university. UDC is the only public university in the city and operates a flagship campus at Van Ness in the NW quadrant with several branch campuses across the District.

Source:  
University of the District of Columbia

**PUBLIC SAFETY AND JUSTICE  
FIRE AND EMERGENCY  
MEDICAL SERVICES**

The DC Fire and Emergency Medical Services Department (FEMS) provides fire protection and emergency medical service for the District of Columbia. Its mission is to preserve life and promote health and safety through excellent pre-hospital treatment and transportation, fire prevention, fire suppression and rescue activities, and homeland security awareness.



Source:  
Fire and Emergency Medical Services Department



## POLICE

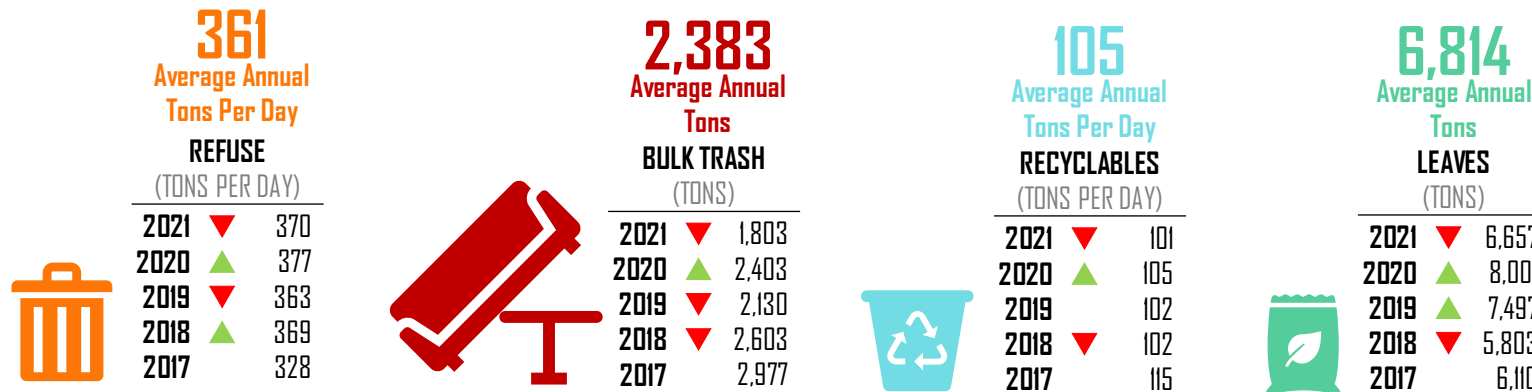
The Metropolitan Police Department (MPD) is the primary law enforcement agency for the District. Its mission is to safeguard and protect District residents and visitors with the highest regard for the sanctity of human life.



Source:  
Metropolitan Police Department

## DEPARTMENT OF PUBLIC WORKS

The Department of Public Works (DPW) oversees solid waste and recyclables collection, street cleaning, parking enforcement, and governmental vehicle procurement, maintenance and fueling.



Source:  
District Department of Transportation and Department of Public Works



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**As a consequence of the COVID-19 pandemic, the District continued to experience reductions in hospitality and business service jobs, a slowing in the rate of population growth, and a weakened outlook for commercial property in FY 2021. However, current economic indicators suggest that the local economy is rebounding and will continue to do so over the next several years. One key sign of economic improvement is in the area of employment. Employment in all sectors, except hospitality and retail, has mostly recovered from the “shutdowns” that occurred in 2020. Looking forward, continued economic recovery and growth is expected.**

---

- The District’s population grew by less than one-half of one percent in calendar year 2021. Recent data also indicates that population loss occurred in 2021 due to residents leaving the city in response to the pandemic. However, this loss is assumed to be temporary. It is anticipated that the District’s population will continue to grow slowly over the next several years.
- Resident employment growth, which declined by 1.50% in FY 2021, is expected to grow 3.80% in FY 2022 and 2.10% in FY 2023, anticipating FY 2019 recovery levels. The unemployment rate, which was 5.50% in FY 2019, rose to an average rate of 7.10% in FY 2020 and 7.70% in FY 2021. The rate has declined rapidly and is expected to be 5.30% in FY 2022.
- Employment in the hospitality, retail, and business services areas, all of which declined significantly in FY 2020 as a result of the pandemic, has started to recover; however, full recovery in these sectors will not be achieved for several years to come. Growth in government and professional jobs was minimal in FY 2021 and job growth in these areas will continue to be slow. It will likely take until FY 2023 for employment within the District to return to pre-pandemic levels.
- District personal income growth was 5.40% in FY 2021, supported by federal transfers such as the one-time relief payments and expanded unemployment compensation. With no additional federal relief, personal income is expected to grow 0.90% in FY 2022 before returning to normal growth. Wages grew 4.80% in FY 2021, rebounding from slower growth in FY 2020. Wage growth in high paying sectors like professional and management drove the strong growth. Wages earned in the District are expected to grow approximately 6.00% in FY 2022 and remain strong over the next several years.
- Historically, investments in economic development attracted new businesses and housing in all neighborhoods of the city. However, due to COVID-19; the switch to teleworking; a general desire for more personal space; and the ability to host small meetings and conferences remotely, there has been a decline in demand for new office and meeting space. The District’s office vacancy rate reached a record high of 14.20% in 2021. This rate is expected to remain high for the foreseeable future.

*Credit for photo used in background: Courtesy of washington.org*





GOVERNMENT OF THE  
DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER  
John A. Wilson Building  
1350 Pennsylvania Avenue, NW, Suite 203  
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[CFO.DC.GOV](http://CFO.DC.GOV)

#### PHOTOS

Ernest Grant  
OCFO Office of the  
Chief Information Officer

YEAR ENDED SEPTEMBER 30, 2021