



2015 CITIZEN'S FINANCIAL REPORT



MURIEL BOWSER
MAYOR

JEFFREY S. DEWITT
CHIEF FINANCIAL OFFICER

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

Year Ended September 30, 2015



February 24, 2016

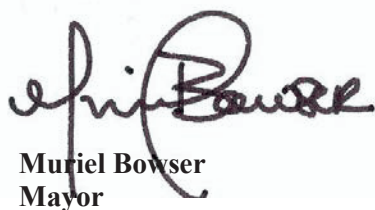
Dear Citizens of the District of Columbia:

We are pleased to present the Citizen's Financial Report on the financial condition of the Government of the District of Columbia (District) for the year ended September 30, 2015. The purpose of this report, which is referred to as the Popular Annual Financial Report (PAFR), is to summarize the financial information presented in the District's Fiscal Year 2015 Comprehensive Annual Financial Report (CAFR). The CAFR 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 CAFR.

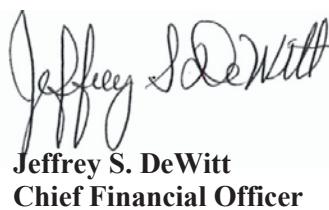
This is the District's thirteenth publication of the Citizen's Financial Report. In the previous twelve fiscal years, the Government Finance Officers Association (GFOA) honored the District with the prestigious "Award for Outstanding Achievement in Popular Annual Financial Reporting." It is expected that this report will also conform to the Popular Annual Financial Reporting requirements of the GFOA.

Our goal is to present information in a meaningful and useful way. For that reason, we welcome any feedback regarding the contents of this report. If you desire more information concerning the District of Columbia Government and its various departments and agencies, please visit our website at www.dc.gov.

Respectfully submitted,



Muriel Bowser
Mayor



Jeffrey S. DeWitt
Chief Financial Officer



Bill Slack
Deputy CFO/Controller
Financial Operations & Systems





Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

District of Columbia

For its Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the District of Columbia for its Popular Annual Financial Report, for the fiscal year ended September 30, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a governmental unit must publish a Popular Annual Financial Report, the contents of which conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The District of Columbia has received a Popular Award for the last twelve consecutive fiscal years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and it will be submitted to GFOA for consideration.

District of Columbia Citizen's Financial Report



Fiscal Year Ended September 30, 2015

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Cherry Blossoms in bloom at the Tidal Basin.

This Popular Annual Financial Report (PAFR) is a report for the District's citizens. It provides information about the District of Columbia government's financial condition without overwhelming detail and technical accounting terminology. The information provided is derived from the District's Comprehensive Annual Financial Report (CAFR), which is prepared in accordance with U.S. generally accepted accounting principles (GAAP).

A copy of the District's Fiscal Year (FY) 2015 CAFR and PAFR may be obtained from:

Office of the Chief Financial Officer
Office of Financial Operations & Systems
1100 4th Street, S.W., 8th Floor
Washington, DC 20024
(202) 442-8200

The FY 2015 CAFR and PAFR may also be viewed on the District of Columbia's Chief Financial Officer's website at:

www.cfo.dc.gov.

Introduction

Washington, D.C., commonly referred to as Washington, “the District” or simply D.C., is the capital of the United States (U.S.). It is located 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 is land and 6.9 square miles is water. It is bordered by Montgomery County, Maryland, to the northwest; Prince George’s County, Maryland, to the east; and Arlington and Alexandria, Virginia, to the south and west.

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 judiciary branch (Supreme Court). In 1973, Congress passed the District of Columbia Home Rule Act, which provides for a locally 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.

The fiscal year (FY) of the District begins on October 1 and ends on September 30. This report presents summary financial information for the District’s fiscal year ended September 30, 2015. The focus of this report is to provide you with a single comprehensive financial view of the District’s governmental and business-type activities; which include the General Fund, Special Revenue Funds, Capital Project Funds and the proprietary funds or business-type activities (lottery and unemployment compensation), known in financial reporting terms as government-wide financial statements. This view, which is more comprehensive than just focusing on the General Fund, gives the full financial picture of the District in a way that is similar to how investors and bond rating agencies view the District. For more detailed information, such as General Fund or other fund financial statements or budgetary reports, please refer to the District’s much broader Comprehensive Annual Financial Report (CAFR) which may be found at: www.cfo.dc.gov.

The financial reporting entity of the District includes all of the government’s agencies and its five discretely presented component units. However, this popular report does not include financial information for the District’s component units. For information on the District’s component units, please contact the offices or access the websites shown below:

Health Benefit Exchange Authority

Executive Director
1225 Eye Street, N.W., Suite 400
Washington, DC 20005
(202) 715-7576
<http://hbx.dc.gov/>

Housing Finance Agency

Executive Director
815 Florida Avenue, N.W.
Washington, DC 20001
(202) 777-1600
<http://www.dchfa.org/>

University of the District of Columbia

President
Van Ness Campus
4200 Connecticut Avenue, N.W.
Washington, DC 20008
(202) 274-5000
<http://www.udc.edu>

Washington Convention and Sports Authority

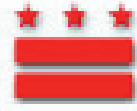
t/a Events DC
General Manager
801 Mount Vernon Place, N.W.
Washington, DC 20001
(202) 249-3000
<http://eventsdc.com/>

Not-For-Profit Hospital Corporation

d/b/a United Medical Center
Chief Executive Officer
1310 Southern Avenue, S.E.
Washington, DC 20032
(202) 574-6000
<http://www.united-medicalcenter.com/>

Elected Officials as of September 30, 2015

Muriel Bowser
Mayor



U.S. House of Representatives

Eleanor Holmes Norton
**Congresswoman/
D.C. Delegate**



D.C. Council

(Composed of a Chairman, 4 At-Large members, and a member from each of the District's 8 Wards.)

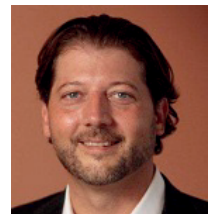
Phil Mendelson
Chairman



Anita Bonds
At-Large



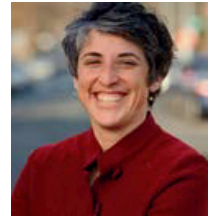
David Grosso
At-Large



Vincent Orange
At-Large



Elissa Silverman
At-Large



Brianne Nadeau
Ward 1



Kenyan McDuffie
Ward 5



Jack Evans
Ward 2



Charles Allen
Ward 6



Mary M. Cheh
Ward 3



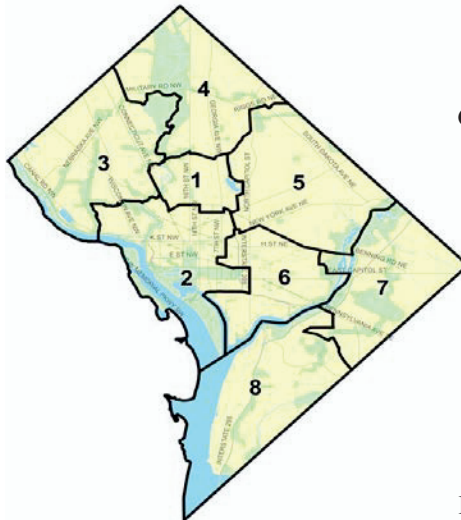
Yvette M. Alexander
Ward 7



Brandon T. Todd
Ward 4



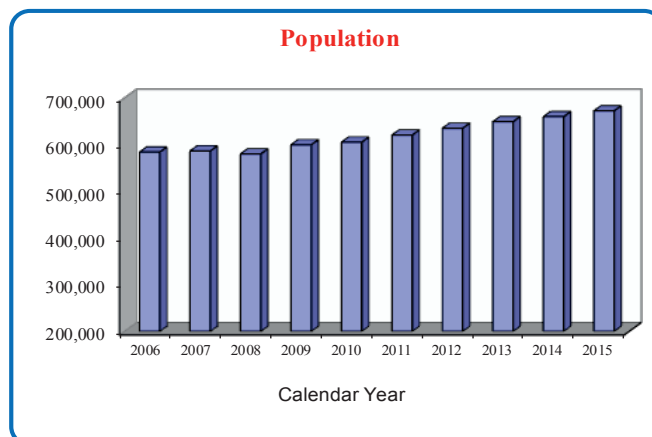
LaRuby May
Ward 8



Population Trends

Population estimates are published each year by the U.S. Census Bureau. In July of each year, new estimates are released and estimates for earlier years are revised. On July 1, 2015, the U.S. Census Bureau estimated that there were 672,228 residents in the District. This represents an increase of 12,392, or 1.9% from the revised July 1, 2014 estimate of 659,836.

The Census Bureau's estimates are determined from births, deaths, changes in tax return filings and estimates of the number of immigrants who move into the District each year. These estimates are used in federal funding allocations and in monitoring recent demographic changes.



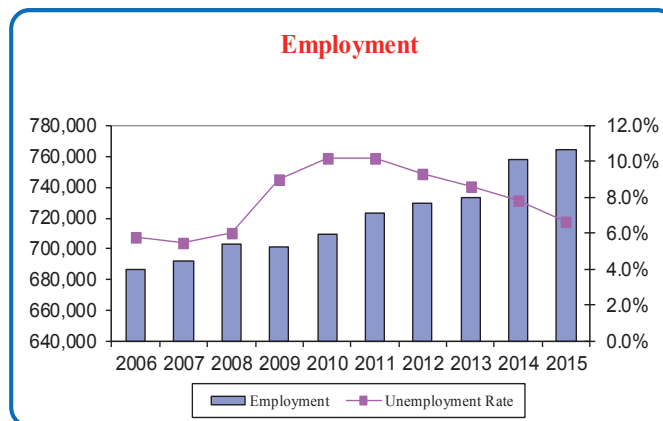
Source: U.S. Census Bureau

Employment Trends

Total employment within the District increased to 764,700 as of September 2015 from 757,500 as of September 2014.

The September 2015 unemployment rate was 6.7% (seasonally adjusted), a decrease from the revised 7.9% a year ago.

As the nation's capital, Washington, D.C. is headquarters for most federal government departments and agencies. The September 2015 federal workforce in the Washington metropolitan area totaled 363,700, with approximately 198,300 federal employees located in Washington, D.C. and 165,400 additional federal employees who worked elsewhere in the Washington metropolitan area.



Source: D.C. Department of Employment Services

Minimum Wage

Prior to January 2014, District law required that the minimum wage rate for District employees be at least \$1.00 per hour more than the federal minimum wage, which is \$7.25 per hour since July 24, 2009. In January 2014, the *Minimum Wage Amendment Act of 2013* was signed into law. This law raised the District's minimum wage limit to \$11.50 over three years as shown in the table.

Effective:	District Minimum Wage
July 1, 2014	\$9.50 per hour
July 1, 2015	\$10.50 per hour
July 1, 2016	\$11.50 per hour

Tourism and Hospitality

Millions of U.S. citizens and international tourists visit the District's more than 400 museums and other historical landmarks each year. Popular attractions include sites along the National Mall, numerous monuments to U.S. presidents, war memorials, and other museums. The presence of a large number of foreign embassies, recognized diplomatic missions, and other international organizations in the District also helps to boost tourism. In calendar year 2014, approximately 18.3 million domestic visitors and 1.9 million international visitors traveled to the District. During calendar year 2014, the District was the eighth most visited destination in the U.S. for international travelers. (Tourism data for calendar year 2015 is not yet available.)

Visitor spending, which totaled approximately \$6.81 billion in 2014, generated additional business activity in related industries (e.g., hotel, restaurant, and retail) and continues to help sustain the local and regional economies. The distribution of visitor spending in 2014 (by category) was as follows: \$2.29 billion for Lodging; \$1.94 billion for Food and Beverage; \$1.14 billion for Entertainment; \$838 million for Shopping/Retail; and \$605 million for Transportation. Total visitor spending increased by \$125 million, or 1.9%, over the prior year. Travel and tourism supported more than 74,570 jobs in the District, generating approximately \$3.86 billion in wages.



The National Museum of African American History in its final stages of construction, January 2016.

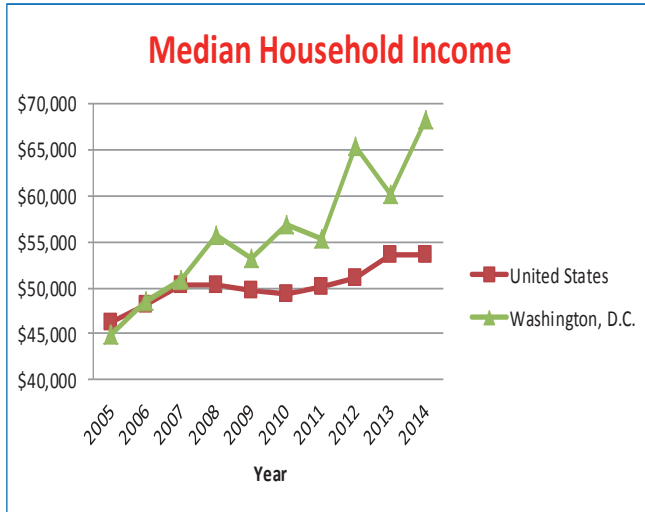
Scheduled to open in September 2016, the National Museum of African American History and Culture (NMAAHC) is under construction in Washington, D.C. The new museum is situated prominently between the National Museum of American History and 15th Street, next to the Washington Monument. When it opens, the NMAAHC will be a centerpiece venue for ceremonies and performances, as well as a primary exhibition space for African American history and culture.



Pictured: Mei Xiang and Bao Bao at the Smithsonian's National Zoo

The Smithsonian National Zoo is currently home to four giant pandas: Tian Tian (adult male), Mei Xiang (adult female), Bao Bao (juvenile female), and a male cub named Bei Bei born in August 2015.

Median Household Income



*2015 data is not yet available

Source: D.C. Department of Employment Services

D.C. Major Tax Rates

Sales and Use Tax

General rate	5.75%
Alcoholic beverages	10%
Restaurant meals	10%
Cigarette	\$2.90 (rate per 20 cigarettes)
Medical marijuana	6%
Hotel (transient accommodations)	14.5%
Parking motor vehicles in commercial lot	18%

Motor Vehicle Fuel

\$0.235 per gallon

Real Property Tax

(per \$100 assessed value)

Residential	\$0.85
Commercial	\$1.85 (rate for value >\$3M)
Vacant	\$5.00
Blighted	\$10.00

Individual Income

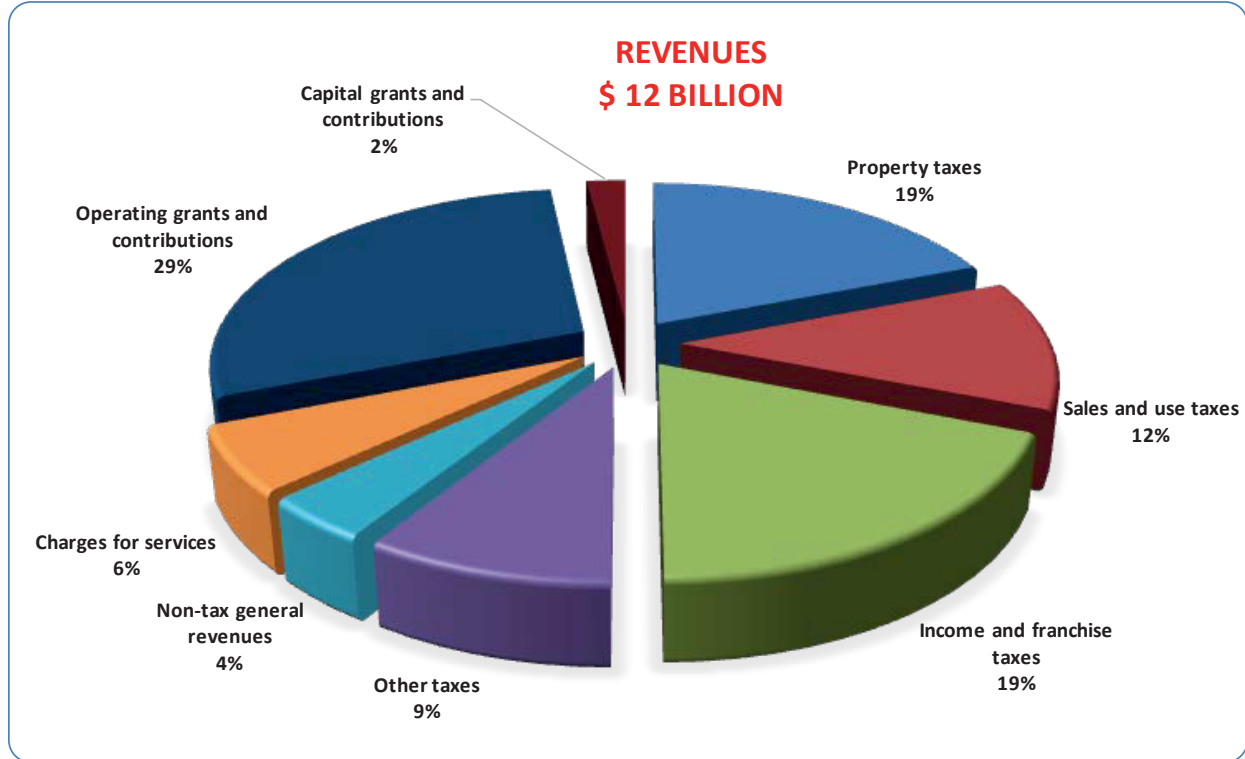
4% - 8.95%

Source: D.C. Office of Tax and Revenue

FY 2015 Financial Summary

- ❖ The District again earned an unmodified or “clean” audit opinion on its financial statements.
- ❖ 19th consecutive balanced budget.
- ❖ The District ended the year with a net position of \$4.4 billion, a \$105.5 million increase over last year.
- ❖ The District’s general obligation bond ratings were upgraded by *Moody’s Investors Service* from Aa2 to Aa1.
- ❖ The District has set aside \$366 million in emergency and contingency cash reserves and \$619 million in fiscal stabilization and cash flow reserves for a total of \$985 million. This amount is considered sufficient to fund 49 days of government operations. However, it is 11 days short of the District’s goal of 60 days of operating reserves, also a GFOA recommendation.
- ❖ Sales and use taxes collected were \$1.43 billion, an 11.7% increase over the \$1.28 billion in FY 2014.
- ❖ Property taxes collected were \$2.32 billion, a 10.3% increase over the \$2.12 billion in FY 2014.
- ❖ Single family home sales for the three-month period ended September 2015 were up 3.9% from a year ago, and there was a 7.9% increase in the average selling price.
- ❖ For the three-month period ended September 2015, condominium sales were up 13.4%, and the average price was 5.6% higher.
- ❖ District resident employment in the three months ended September 2015 was 10,079, (2.9%) more than 2014.

Where The Money Comes From



The major sources of the District's revenues are taxes, operating grants, and contributions; while a vast majority of the city's expenses are incurred to provide public education, public safety and justice, and human support services to District residents. The information presented in this section includes revenues and expenses of the District as a whole. It includes amounts accounted for in all funds - *governmental* (general fund, special revenue funds, capital projects funds) and *proprietary funds* (lottery and unemployment compensation).

Taxes earned in FY 2015 represented 59% of total revenues.

Revenues received from the federal government and private sources include:

- *Operating grants and contributions:* Amounts received from grantors/donors which may be used to support the District's day-to-day operations, programs and activities.

- *Capital grants and contributions:* Amounts received from grantors/donors to support the acquisition of property and equipment, the construction of buildings or other infrastructure.

\$ in billions

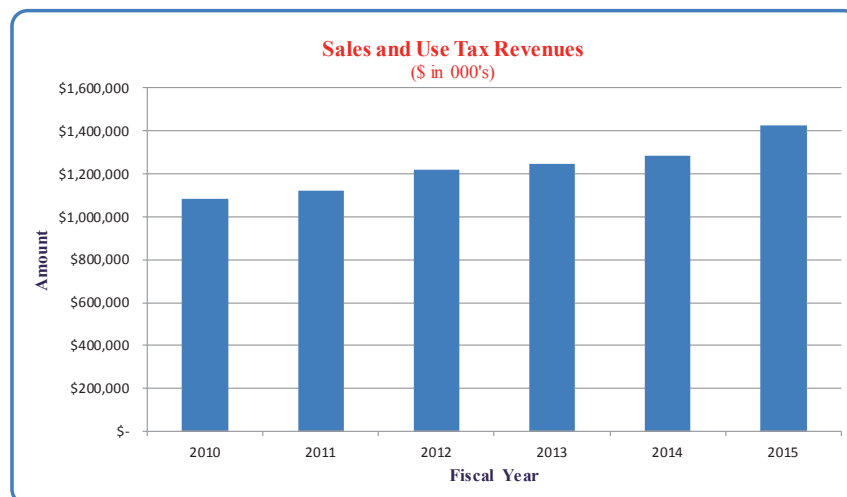
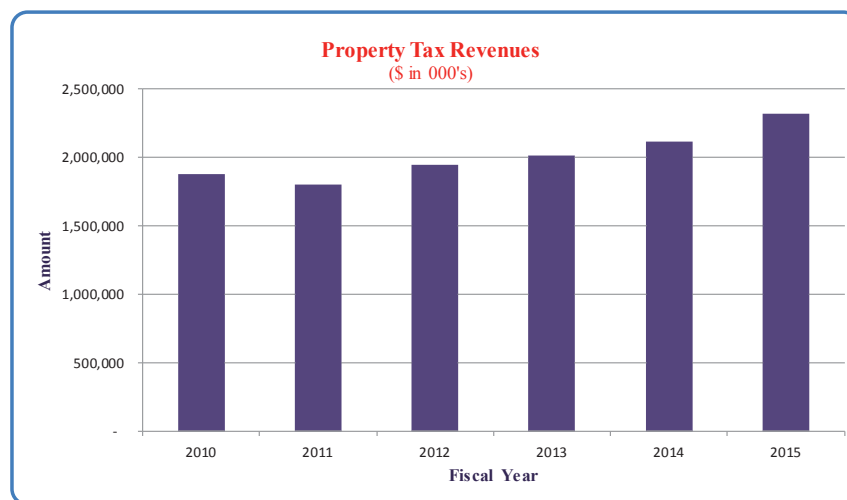
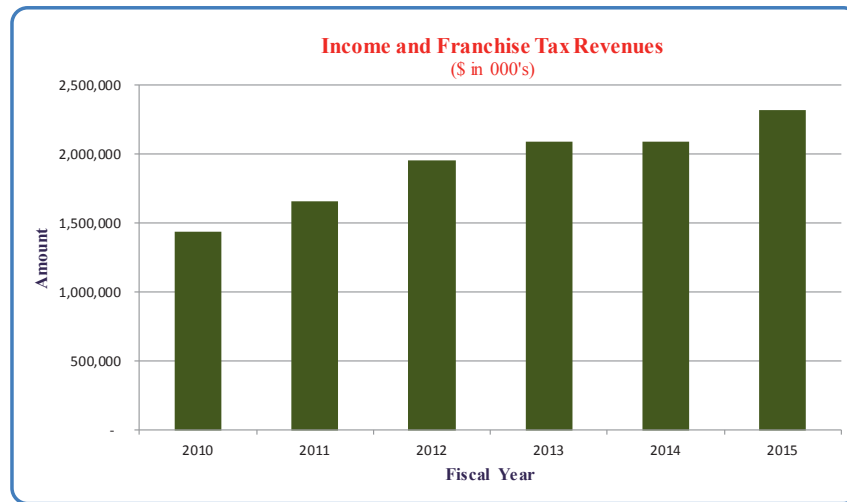
Tax Revenue Earned in FY 2015	
Property Taxes	\$ 2.3
Sales & Use Taxes	\$ 1.4
Income & Franchise Taxes	\$ 2.3
Other Taxes	\$ 1.1
Total Tax Revenues	\$ 7.1

Non-Tax Revenue Earned in FY 2015	
Operating Grants & Contributions	\$ 3.5
Capital Grants & Contributions	\$ 0.2
Charges for Services	\$ 0.8
Non-Tax General Revenues	\$ 0.4
Total Non-Tax Revenues	\$ 4.9

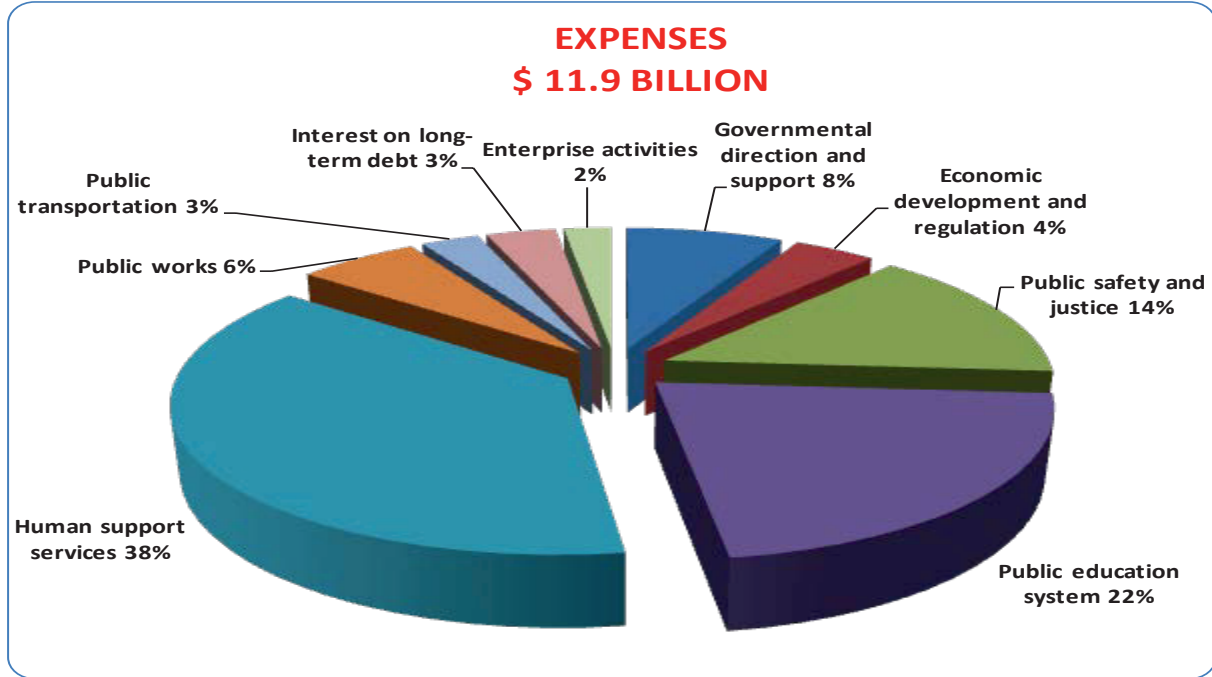
TOTAL FY 2015 REVENUES	\$ 12.0
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- *Charges for services* are fees assessed in exchange for a service that is rendered (e.g., driver license fees, motor vehicle tag renewal fees, parking fees, etc.)
- *Non-tax general revenues* are other sources of revenue which are generated by the government's operations (e.g., investment earnings, etc.)



Where The Money Goes



The District provides a broad range of services to its residents, including those normally provided by states and counties. These services include police and fire protection, health care services, education, and recreational activities. The District is also responsible for the construction and maintenance of highways, streets, buildings, parks, and other facilities. In FY 2015, the District's total expenses were \$11.9 billion.

Human Support Services represents the highest percentage at 38%. The majority of this expenditure was for the District's Medicaid and Medicare programs.

Expenses	\$ in billions
Governmental direction and support	\$ 0.9
Economic development and regulation	0.5
Public safety and justice	1.7
Public education system	2.6
Human support services	4.5
Public works	0.7
Public transportation	0.3
Interest on long-term debt	0.4
Enterprise activities	0.3
Total Expenses	\$ 11.9

Debt Management

Short-Term Debt

The District issues short-term debt primarily to finance seasonal cash flow needs. By law, the District must repay any short-term debt in its entirety by September 30 of the fiscal year in which the debt was incurred. On November 18, 2014, the District issued \$400 million in Tax Revenue Anticipation Notes (TRANs), at an interest rate of 1.50%, which was repaid in September 2015.

Long-Term Debt

Long-term debt, such as bonds, and other obligations are reported as liabilities in the government-wide financial statements.

The District's general obligation bonds are authorized and issued primarily to provide funds for certain capital projects and improvements.

All general obligation bonds are backed by the full faith and credit of the District.

The District also issues income tax secured revenue bonds. The payment of principal and interest on these bonds comes from pledged tax revenues. Income tax secured revenue bonds are not backed by the full faith and credit of the District.

On a less frequent basis, the District issues other types of long-term debt, including Tax Increment Financing Bonds, Housing Production Trust Bonds, Qualified Zone Academy Bonds, and other revenue bonds.

As of September 30, 2015, the District had a total of \$9.5 billion in outstanding bonds. This represents an increase of \$711.5 million over the prior year. The District's level of borrowing has grown over the past few years as the need and demand for infrastructure improvements, such as roads, streets and bridges continue to increase.

Outstanding Bonds as of September 30, 2015 and 2014 (\$ in 000's)

Type of Bonds	2015	2014	Dollar Variance	Percentage Variance
General Obligation Bonds	\$ 3,530,770	\$ 2,790,935	\$ 739,835	26.5%
Income Tax Secured Revenue Bonds	4,327,855	4,465,820	(137,965)	-3.1%
Other Bonds:				
Qualified Zone Academy Bonds	4,791	5,736	(945)	-16.5%
Tobacco Bonds	616,404	631,294	(14,890)	-2.4%
TIF Bonds	100,895	104,809	(3,914)	-3.7%
Ballpark Bonds	467,360	474,420	(7,060)	-1.5%
GARVEE Revenue Bonds	104,395	111,110	(6,715)	-6.0%
HPTF Bonds	115,565	118,055	(2,490)	-2.1%
PILOT Revenue Bonds	215,647	70,030	145,617	207.9%
Total	\$ 9,483,682	\$ 8,772,209	\$ 711,473	8.1%

District Bond Ratings

Rating agencies assess the credit quality of municipal issuers and assign a credit rating based on their analyses. The three primary rating agencies that rate municipal debt are: (1) Fitch Ratings; (2) Moody's Investors Service; and (3) Standard & Poor's Rating Service. Each time the District issues new debt, the bond rating agencies assess the District's financial condition and underlying credit worthiness and change their rating as warranted. See the glossary on page 19 for the rating agencies complete rating scale.

Below are the District's *general obligation bond ratings* for the past five fiscal years. Moody's Investors upgraded the rating to Aa1 in FY 2015, while Fitch and Standards & Poor's remained strong at AA ratings.

	<i>General Obligation Bonds</i>				
Rating Agencies	2011	2012	2013	2014	2015
Fitch Ratings	AA-	AA-	AA-	AA	AA
Moody's Investors Service	Aa2	Aa2	Aa2	Aa2	Aa1
Standard & Poor's Rating Service	A+	A+	AA-	AA	AA

Below are the District's *income tax secured revenue bond ratings* for the past five fiscal years, which remained strong in FY 2015.

	<i>Income Tax Secured Revenue Bonds</i>				
Rating Agencies	2011	2012	2013	2014	2015
Fitch Ratings	AA+	AA+	AA+	AA+	AA+
Moody's Investors Service	Aa1	Aa1	Aa1	Aa1	Aa1
Standard & Poor's Rating Service	AAA	AAA	AAA	AAA	AAA

Financial Statements

The financial statements focus on all of the District's economic resources.

The *Statement of Net Position* presents information on all of the District's assets plus deferred outflow of resources, and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*.

The *Statement of Activities* summarizes both the gross and net cost of the governmental, business-type activities, and component units activities. Governmental activities show the District's basic functional services, while business-type activities reflect enterprise operations where fees for services are expected to cover all or most of the costs of operations.

The Statement of Net Position and Statement of Activities tables show comparative data for

governmental activities and business-type activities, and the totals for these two types of activities.

- Total assets increased by \$655.3 million mainly because the District invested more resources in capital assets such as new and rehabilitated infrastructure (roads and bridges).
- The increase of \$1.1 billion in total liabilities was due to the issuance of debt to finance the construction of infrastructure and capital improvements.
- The combined total net position for the governmental activities and business-type activities increased by 2.4% over the previous year.

Statement of Net Position as of September 30, 2015
(\$ in 000's)

	Governmental activities		Business-type activities		Totals	
	2015	2014, as restated	2015	2014	2015	2014, as restated
Current and other assets	\$ 5,007,806	\$ 4,904,586	\$ 363,154	\$ 317,918	\$ 5,370,960	\$ 5,222,504
Capital assets	11,917,024	11,410,052	169	270	11,917,193	11,410,322
Total assets	16,924,830	16,314,638	363,323	318,188	17,288,153	16,632,826
Deferred outflow of resources	593,369	55,067	-	-	593,369	55,067
Long-term liabilities	11,130,901	10,223,046	3,861	6,680	11,134,762	10,229,726
Other liabilities	2,244,928	2,065,207	42,539	46,581	2,287,467	2,111,788
Total liabilities	13,375,830	12,288,253	46,400	53,261	13,422,230	12,341,514
Deferred inflow of resources	42,922	35,523	-	-	42,922	35,523
Net position:						
Net investment in capital assets	2,639,069	2,830,199	169	270	2,639,238	2,830,469
Restricted	1,594,809	1,672,557	312,483	260,645	1,907,292	1,933,202
Unrestricted	(134,430)	(456,827)	4,271	4,012	(130,159)	(452,815)
Total net position	\$ 4,099,448	\$ 4,045,929	\$ 316,923	\$ 264,927	\$ 4,416,371	\$ 4,310,856

- The increase of \$101.0 million in operating grants and contributions was due primarily to an increase in federal grants received in support of the District's public schools and certain human support services programs.
- General revenues increased by \$533.6 million mainly because of increased revenue from property taxes, sales and use taxes, and income and franchise taxes compared to the prior year.
- The increase of \$715.5 million in expenses was mainly due to increased spending in public education, public safety and justice, and human support services. Increases in public education expenses were due to the resetting of the Uniform Per Student Funding Formula, increases in student enrollment, and other enhancements to educational services and programs. Public safety and justice increased expenses were primarily due to personnel-related costs. Increases in the following services led to a rise in human support services expenses: Medicaid; homelessness; substance and mental abuse; Temporary Assistance for Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP); and the promotion of health and wellness.
- Each year, the D.C. Lottery transfers substantially all of its net income to the District. In FY 2015, it transferred \$55.6 million of its income, which was a \$0.6 million increase from last year's transfer of \$55.0 million.

Statement of Activities for the Year Ended September 30, 2015
(\$ in 000's)

	Governmental activities		Business-type activities		Totals	
	2015	2014, as restated	2015	2014, as restated	2015	2014, as restated
Revenue:						
Program revenues:						
Charges for services	\$ 538,961	\$ 501,386	\$ 212,495	\$ 216,040	\$ 751,456	\$ 717,426
Operating grants and contributions	3,464,746	3,368,565	14,561	9,766	3,479,307	3,378,331
Capital grants and contributions	224,891	178,218	-	-	224,891	178,218
General revenues:						
Property taxes	2,315,693	2,118,198	-	-	2,315,693	2,118,198
Sales and use taxes	1,425,525	1,282,573	-	-	1,425,525	1,282,573
Income and franchise taxes	2,316,727	2,094,754	-	-	2,316,727	2,094,754
Other taxes	890,159	812,893	148,889	141,760	1,039,048	954,653
Non tax revenues	412,769	506,045	7,666	27,584	420,435	533,629
Total revenues	11,589,471	10,862,632	383,611	395,150	11,973,082	11,257,782
Expenses	11,591,538	10,830,542	276,029	321,547	11,867,567	11,152,089
Change in net position before transfers	(2,067)	32,090	107,582	73,603	105,515	105,693
Transfer in (out)	55,586	54,966	(55,586)	(54,966)	-	-
Change in net position	53,519	87,056	51,996	18,637	105,515	105,693
Net position, Oct 1 as restated	4,045,929	3,958,873	264,927	246,290	4,310,856	4,205,163
Net position, Sept 30	\$ 4,099,448	\$ 4,045,929	\$ 316,923	\$ 264,927	\$ 4,416,371	\$ 4,310,856

New & Ongoing Initiatives

District Foam Ban - The *Sustainable DC Omnibus Amendment Act of 2014* bans the use of food service products made of expanded polystyrene, commonly known as foam or Styrofoam™. Foam is easily blown by wind or washed by rain into storm drains and waterbodies. It takes hundreds of years to break down and does not decompose. As a result, foam litter is one of the most common types of trash found in the Anacostia River and occupies significant space in landfills. In addition to being unsightly, toxic chemicals stick to the surface of foam particles. Birds, fish, and other wildlife may ingest the foam particles, causing the polystyrene and other toxins to enter the food chain. Once in the food chain, these chemicals may impact human health. ***The District's Foam Ban took effect on January 1, 2016.***



D.C. Bag Law - The *Anacostia River Clean Up and Protection Act of 2009* requires that all District businesses selling food or alcohol charge five cents for each disposable paper or plastic carryout bag. On January 1, 2010, District businesses began implementing the Bag Law. Almost immediately, businesses began seeing a reduction in plastic bag usage, and environmental clean-up groups witnessed fewer bags polluting D.C. waterways. Businesses keep 1 cent (or 2 cents if a rebate is offered when customers bring their own bag), and the remaining 3 or 4 cents goes to the Anacostia River Protection Fund. The proceeds from this fund are used to clean and protect the Anacostia River and other local waterways.



D.C. Bag Law Fees Collected

FY 2015	\$2.2 million
FY 2014	\$2.1 million
FY 2013	\$2 million
FY 2012	\$2 million
FY 2011	\$1.8 million
FY 2010	\$1.5 million

Anacostia Waterfront Initiative - The Anacostia Waterfront Initiative (AWI) is one of the most ambitious development plans in the history of the District of Columbia. Spanning 30 years and comprising \$10 billion worth of investment, the AWI pledges to restore and revitalize the Anacostia River. Led by the District of Columbia government, and embraced by 19 regional and federal agency partners through the execution of a Memorandum of Understanding, the AWI vision is to reconnect to the river, so that widespread access to the Anacostia River and its new parks, recreational, cultural, residential and commercial centers is possible.

The following is a list of Neighborhood Projects which are part of the Anacostia Waterfront Initiative led by the Office of the Deputy Mayor for Planning and Economic Development:

Anacostia Riverwalk
Barry Farm
Barry Farm Recreation
Diamond Teague Park

Kingman Island & Heritage Island Parks
Marvin Gaye Park
Matthews Memorial Terrace
Poplar Point

Sheridan Station
The Wharf (Southwest Waterfront)
Waterfront Station

DDOT Initiatives



The District Department of Transportation (DDOT) is committed to achieving an exceptional quality of life in the nation's capital through more sustainable travel practices, safer streets and outstanding access to goods and services. DDOT was established in May 2002 when the DC Council passed the *District Department of Transportation Establishment Act of 2002*, which created a cabinet-level agency responsible for the management of transportation infrastructure and operations. Prior to the Act, transportation was managed under the Department of Public Works. During the past 13 years, DDOT has made significant strides toward making the District a more prosperous, equitable and sustainable city. Below are a few recent achievements and future goals:

Completed Project: 11th Street Bridge Project

The \$390 million 11th Street Bridge Project was by far the largest project undertaken recently by DDOT. Construction began in December 2009 to replace two bridges built in the 1960s with three new bridges that separate local and freeway traffic. The new freeway bridges also provide the missing interstate connections between I-695 (also known as the Southeast-Southwest Freeway) and DC-295, fixing a long-standing deficiency that forced motorists to use local streets to connect to and from both freeways.

Phase 1, which included constructing the three new bridges and a new 14-foot pedestrian and bicycle sidewalk on the local bridge, was completed in July 2013. Phase 2, which further

improved connections along I-695 and lay the groundwork for its reconstruction to a level Boulevard between 8th Street S.E. and Barney Circle was completed in mid-2015.

The 11th Street Bridge Project has:

- Replaced the dilapidated, two-lane I-695 outbound flyover bridge (over M Street) with a new, three-lane bridge.
- Provided better access to Capitol Hill and Historic Anacostia via new ramps on 11th Street from I-695 (aka S.E./S.W. Freeway) and Boulevard.
- Raised the S.E./S.W. freeway approximately 20 feet between 8th and 13th Streets and re-designated it as a Boulevard.



Aerial View of the new 11th Street Bridge.

Future Project: South Capitol Street Corridor Project

The South Capitol Street Corridor Project will include replacing the Frederick Douglass Memorial Bridge and transforming related sections of urban freeway into a beautiful scenic boulevard that increases pedestrian and vehicular safety, improves multi-modal transportation options, increases community accessibility and supports economic development on both sides of the Anacostia River.

Preliminary engineering and Right of Way land acquisition for the project have been underway since January 2012. Requests for proposals and selection for the Design-Build Team will commence in 2016 with construction to begin in 2017. Final completion of this project is projected for the end of 2020.

Key project elements include:

- Building a new six-lane Frederick Douglass Memorial Bridge
- Reconstructing South Capitol Street as a six-lane boulevard with an improved streetscape from the traffic oval to D Street S.E./S.W. and an at-grade intersection at M Street S.E.
- Creating a new at-grade traffic oval east of the river that connects South Capitol Street, Suitland Parkway and Howard Road S.E.
- Reconstructing the Suitland Parkway/Interstate 295 interchange
- Increasing bicycle and pedestrian facilities



Architectural rendition of the future Frederick Douglass Memorial Bridge.

Capital Bikeshare - Capital Bikeshare is a regional bikesharing program that puts over 3,000 bicycles at your fingertips from over 350 stations across Washington, D.C., Arlington and Alexandria, Virginia and Montgomery County, Maryland. A commuter can join Capital Bikeshare for a day, 3 days, a month, or a year, and have access to a fleet of bikes. September 2015 marked 5 years since this program has been implemented. Visit www.capitalbikeshare.com for station maps and information regarding this program.



School Transit Subsidy Program – This program offers free or reduced fares for District students who use Metrobus, the DC Circulator, or Metrorail to travel to and from school and school-related activities. It serves students attending DC public, public charter, private and parochial schools, as well as students participating in educational programs in the District. Visit <http://ddot.dc.gov/> for more information.



DC Streetcar – The return of the DC Streetcar is within sight. The 2.4 mile H/Benning line will be the first segment of the proposed new 37 mile system. The roadway construction along the H/Benning line was completed in 2013 and currently, the streetcar vehicles are being tested along the route.



Miscellaneous Statistics

	FY 2015	FY 2014
Number of police officers	3,839	3,971
Number of police patrol cars	1,259	1,224
Police crime index offenses	37,471	37,662
Number of fire fighters & EMS personnel	1,864	1,877
Number of fire & EMS stations	34	34
Total number of fire/rescue incidents	34,924	32,313
Number of D.C. Public School teachers	3,684	3,585
Number of D.C. Public School students	47,548	46,393
Number of D.C. Public School high school graduates	2,784	2,702
Number of University of D.C. instructors	230	223
Number of University of D.C. students	5,118	5,118
Number of University of D.C. graduates	795	866
Miles of street resurfaced; regular cover; pavement restoration	42	27
Potholes repaired	72,719	65,332
Tons of snow removed	1,265,841	2,250,383
Convention Center conventions held	233	204
Convention Center attendees	1,120,398	1,280,256

Outlook For FY 2016

The U.S. economy continued to recover during FY 2015, and most forecasts anticipate that growth will be similar in FY 2016. While D.C. revenues experienced a 9.7% gain in FY 2015, they are expected to be almost flat in FY 2016. This is because almost half of the strong growth in FY 2015 was driven by large one-time gains, and revenue for FY 2016 will be reduced by the implementation of tax cuts that were enacted in September 2015. Job growth in FY 2016 is expected to be a little slower than in FY 2015. FY 2015 had, however, twice as much growth as FY 2014. The economic and fiscal benefits of a growing District population have more than offset the adverse effects of federal deficit reduction policies on the D.C. tax base.

- The District's population continued to grow in FY 2015, demonstrating its increasing attraction as a place to live.
- Reductions in federal employment in D.C. began to diminish as FY 2015 progressed, lessening the drag on the economy that has resulted from federal expenditure containment policies. Federal employment was growing slightly as FY 2016 began.
- Increases in private sector employment have been more than sufficient to overcome the decline in federal employment, and the percentage gains in private sector growth have recently been similar to those for the nation as a whole. The biggest gains in D.C. are in professional services, business services, health and retail.
- Despite the uncertainty surrounding federal fiscal policy, federal government expenditures continue to add some stability to the District's economy.
- Investments in economic development are attracting new retail establishments and housing, influencing the development of "nightlife" in the downtown area.

Glossary

Business-type activities	Financed in whole or in part by fees charged to external parties for goods or services. The District reports "Lottery and Games" and "Unemployment Compensation" as Business-type activities.
Capital Assets	Assets (infrastructure, land, buildings, equipment) used in operations that have initial useful lives extending beyond a fiscal year.
Component Unit	<p>A legally separate organization for which the primary government is financially accountable and is included as part of its financial reporting entity.</p> <p>The District currently has five discretely presented component units:</p> <ol style="list-style-type: none"> 1) Health Benefit Exchange Authority 2) Housing Finance Agency 3) Not-For-Profit Hospital Corporation 4) University of the District of Columbia 5) Washington Convention and Sports Authority
Comprehensive Annual Financial Report (CAFR)	An annual report issued by state and local governmental entities. A CAFR has three major sections: introductory, financial and statistical.
Debt Service	Cash required in a given period, usually one year, for payment of interest and principal on outstanding debt.
Deferred Inflow of Resources	An acquisition of net position by the government that is applicable to a future reporting period.
Deferred Outflow of Resources	A consumption (use) of net position by the government that is applicable to a future reporting period.
Economic Resources	All inflows, outflows, and balances affecting or reflecting a governmental entity's net position.
Fiscal Year (FY)	A financial reporting period of twelve months. The District's fiscal year commences October 1 and ends September 30.
Fund	A separate fiscal and accounting entity used to segregate and account for resources related to a specific activity.
General Fund	The chief operating fund of the government. This fund is used to account for all financial resources except those required to be accounted for in other funds.
General Obligation Bonds	Municipal bonds that are secured by a state or local government's pledge to use legally available resources, including tax revenues, to repay bond holders. Most general obligation pledges at the local government level include a pledge to levy a property tax to meet debt service requirements.
General Revenues	All revenues not reported as program revenues in the government-wide statement of activities.

Glossary

Generally Accepted Accounting Principles (GAAP)	The conventions, rules, and procedures that serve as the standard for the fair presentation of financial statements.
Government-Wide Financial Statements	Financial statements that report governmental activities and business-type activities rather than funds or fund types.
Income Tax Secured Revenue Bonds	Bonds in which the repayment is to be made from amounts derived from the collection of income taxes.
Net Investment in Capital Assets	One of three components of net position that must be reported in government-wide and proprietary fund financial statements. It consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvement of those assets.
Net Position	The residual of all other elements presented in a statement of financial position. The difference between assets + deferred outflows or resources, on the one hand, and liabilities + deferred inflows of resources, on the other, constitutes the last of the financial statement elements, net position.
Popular Annual Financial Report (PAFR)	An annual report issued by state and local governmental entities that extracts information from their published Comprehensive Annual Financial Report (CAFR) designed to be readily accessible and easily understandable to the general public.
Program Revenues	Revenues that derive directly from a government's programs (fees and charges) or from sources outside the reporting government's tax base directly related to the related program.
Proprietary Fund	A business-like fund of a state or local government. Proprietary funds provide goods or services to the general public for a fee.
Rating Agencies	<p>Independent sources of information and analysis for capital markets and debt instruments. These agencies are private and for profit entities that assist investors by providing rating and detailed research on credit factors. These factors determine the credit worthiness of municipalities, governments, and business entities.</p> <p>The three primary Rating Agencies that rate municipal debt are: Fitch Ratings; Moody's Investors Service; and Standard & Poor's Rating Services.</p>

Glossary

The rating scale (shown to the right) represents a consistent framework for ranking and comparing the relative risks of different debt issues. Each agency has developed its own set of easily recognizable symbols to grade all debt consistently.

Fitch and Standard & Poor's may use + or – to modify some ratings. Moody's uses the numerical modifiers 1 (highest), 2, and 3 in the range from Aa1 through Ca3.

Explanation of municipal bond ratings	RATING SERVICE		
	Fitch	Moody's	Standard & Poor's
Highest quality	AAA	Aaa	AAA
High quality	AA	Aa	AA
Upper medium grade	A	A	A
Medium grade	BBB	Baa	BBB
Predominantly speculative	BB	Ba	BB
Speculative, low grade	B	B	B
Poor to default	CCC	Caa	CCC
Highest speculation	CC	Ca	CC
Lowest quality, no interest	C	C	C
In default	DDD		DDD
In arrears	DD		DD
Questionable value	D		D

Restricted Net Position

One of three components of net position that must be reported in government-wide and proprietary fund financial statements. It consists of restricted assets (those limited to a specific purpose or use) reduced by liabilities and deferred inflows of resources related to those assets.

Unmodified or "Clean" Audit Opinion

A written report issued by an independent public accountant which states that the financial statements for the government present fairly its financial position and results of operations.

Unrestricted Net Position

One of three components of net position that must be reported in government-wide and proprietary fund financial statements. It is the difference between total net position and its two other components (net investment in capital assets and restricted net position).









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YEAR ENDED SEPTEMBER 30, 2015