

CORONAVIRUS (COVID-19)

Situational Update

Monday, July 13, 2020

DC HEALTH

COVID19.DC.GOV



2020

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, 2020



February 1, 2021

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 fiscal year (FY) ended September 30, 2020. Though FY 2020 was filled with unique challenges due to the Coronavirus (COVID-19) global pandemic, we are happy to report that we were able to successfully close the city's books and timely issue the FY 2020 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 2020 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.

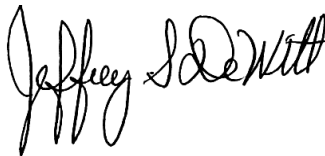
As this PAFR shows, despite the unprecedented challenges of FY 2020, the District's finances remained strong. As such, we were able to provide essential services and support to residents and businesses during the global health crisis. As our economy continues to be impacted by COVID-19, we are committed 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. Additional information regarding the city's finances may be found at: www.cfo.dc.gov.

Respectfully submitted,



Muriel Bowser
Mayor



Jeffrey S. DeWitt
Chief Financial Officer



Bill Slack
Deputy CFO and Controller





Government Finance Officers Association

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

Presented to

Government of the District of Columbia

For its Annual Financial Report
for the Fiscal Year Ended

September 30, 2019

Christopher P. Morrell

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, 2019. 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 this award for the last seventeen 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, 2020

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Welcome Xiao Qi Ji!

The newest male giant panda cub born on August 21, 2020 at the Smithsonian National Zoo in Washington, DC.

This Popular Annual Financial Report (PAFR) is a report for the citizens of the District of Columbia. It provides information about the District'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) 2020 CAFR and PAFR may be obtained from:

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

The FY 2020 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, District of Columbia, commonly referred to as Washington, D.C., 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.

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 of the District begins on October 1 and ends on September 30. This report presents financial information for the District's fiscal year ended September 30, 2020. It provides a comprehensive view of the District's financial activities (both governmental and business-type activities). Such activities include those reported in the general fund, federal and private resources fund, other special revenue funds, capital projects fund, and three proprietary funds which issue audited financial statements separately from the District: (1) Office of Lottery and Gaming, (2) Not-for-Profit Hospital Corporation, and (3) Unemployment Compensation Fund. This Citizen's Report, the focus of which extends beyond 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 on the general fund or other fund financial statements or budgetary reports, please refer to the District's much broader Comprehensive Annual Financial Report (CAFR), which can be found at: www.cfo.dc.gov.

The financial reporting entity of the District includes all the government's agencies and its five discretely presented component units. The District also reports two blended component units whose financial position and results of operations are intertwined with those reported in the District's financial statements. For more information or to obtain the audited financial statements of these entities, please contact their offices or access the websites shown below:

Discretely Presented Component Units

District of Columbia Green Finance Authority
(202) 535-2600
<https://dcgreenbank.org>

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

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

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

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

Blended Component Units

Tobacco Settlement Financing Corporation
(202) 727-6055

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

Elected Officials as of January 2, 2021



Muriel Bowser
Mayor



Karl A. Racine
Attorney General



U.S. House of Representatives
Eleanor Holmes Norton
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



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



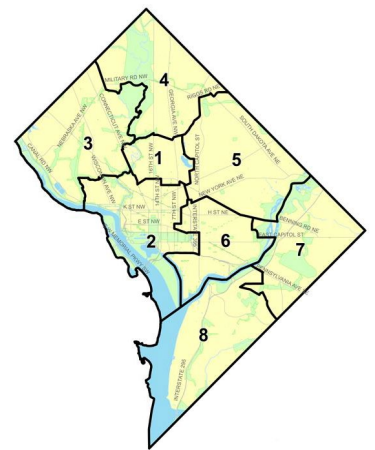
Charles Allen
Ward 6



Vincent C. Gray
Ward 7

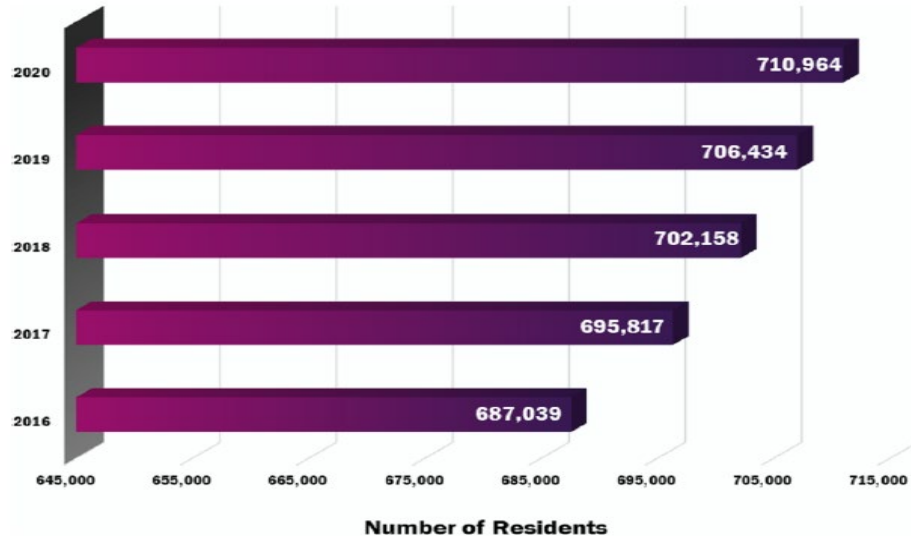


Trayon White, Sr.
Ward 8



Population Trends

Each year, the U.S. Census Bureau releases population estimates as of July 1st of the calendar year and officially revises such estimates annually. On a quarterly basis, the U.S. Bureau of Economic Analysis (BEA) releases population data based on information provided by the U.S. Census Bureau. The BEA reported that there were 710,964 residents in the District as of the third quarter of calendar year 2020. This represents an increase of 4,530, or 0.6% from the revised estimate of 706,434 as of the third quarter of 2019.



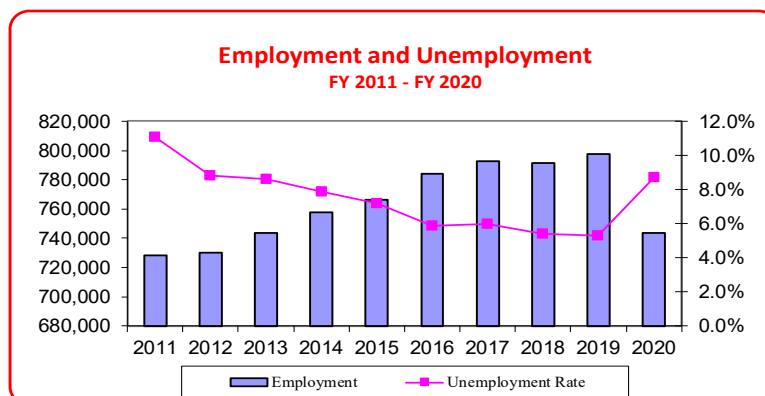
Source: U.S. Bureau of Economic Analysis (BEA)

Employment Trends

As the economy declined in 2020 as a result of the COVID-19 pandemic, employment within the District was severely impacted. Total employment as of September 2020 decreased to approximately 743,700 from the revised 797,800 as of September 2019. The largest decline was in the leisure and hospitality industry, which suffered a 43.0% decline.

The unemployment rate in September 2020 spiked to 8.7% from the 5.3% (seasonally adjusted) rate reported in September 2019. Subsequently, new unemployment insurance claims were 309.0% higher in September 2020 compared to a year ago.

As the nation's capital, Washington, D.C. is the headquarters for most federal government departments and agencies. The September 2020 federal workforce in the Washington Metropolitan Area totaled 376,500; with approximately 200,800 federal employees located in Washington, D.C. and 175,700 additional federal employees located elsewhere in the Washington Metropolitan Area.



Source: DC Department of Employment Services and U.S. Bureau of Labor Statistics

Minimum Wage

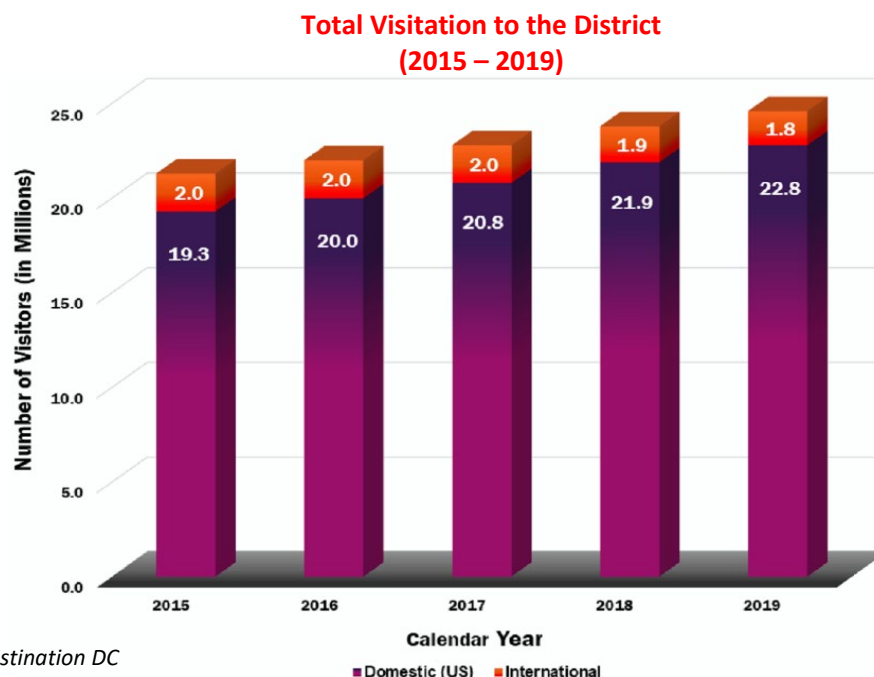
Under the *Fair Shot Minimum Wage Act*, signed by the Mayor in 2016, the minimum wage was increased in yearly increments over four years. The last incremental increase became effective on July 1, 2020. On that date, the minimum wage for District workers increased to \$15.00 per hour and the minimum wage for tipped workers increased to \$5.00 per hour. Beginning in 2021, the hourly minimum wage will increase each successive year in proportion to the increase in the Consumer Price Index.

Non-Tipped Workers	Tipped Workers
\$15.00 per hour beginning July 1, 2020	\$5.00 per hour beginning July 1, 2020

Tourism and Hospitality

Washington, D.C. is a world-class city that has evolved into a premier destination for cultural, culinary, and entertainment experiences. Millions of U.S. citizens and international tourists visit the District's more than 400 museums, war memorials, foreign embassies, and other historical landmarks each year. The hospitality industry is typically one of DC's strongest sectors. It includes 140 hotels with more than 33,000 rooms.

- In calendar year 2019, approximately 22.8 million domestic visitors and 1.8 million international visitors traveled to the District.
- Travel and tourism supported 78,266 jobs in the District, generating approximately \$4.5 billion in wages.
- Visitors spent approximately \$8.2 billion in 2019, an increase of \$331.0 million, over the prior year. A breakdown of visitor spending by category is as follows:
 - \$ 2.9 billion, Lodging
 - \$ 2.5 billion, Food and Beverage
 - \$ 1.2 billion, Entertainment
 - \$ 932 million, Shopping/Retail
 - \$ 642 million, Transportation
- Tourism data for calendar year 2020 was not available at the time of this report's release. However, it is anticipated that significant declines will be reported as a result of the global pandemic.



Source: Destination DC

DC Major Tax Rates

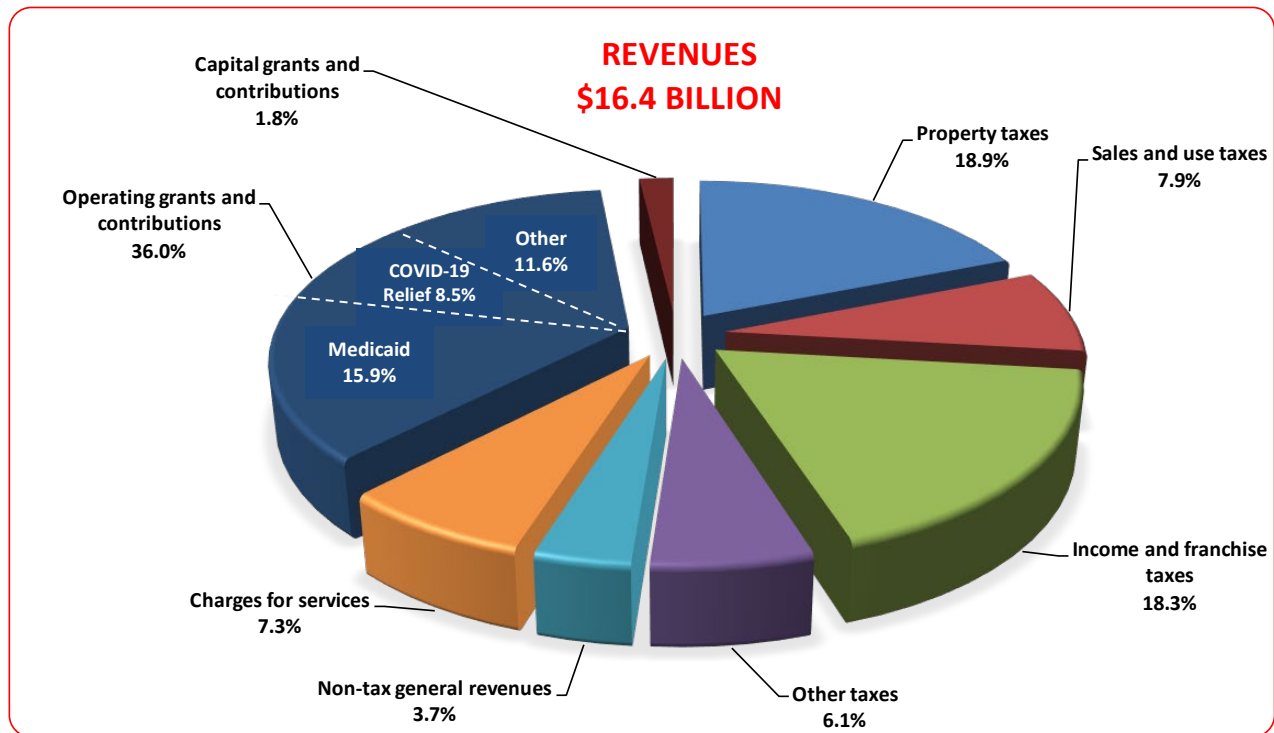
Sales and Use Tax		Real Property Tax	(per \$100 assessed value)
General rate	6%	Residential	\$ 0.85
Alcoholic beverages	10.25%	Commercial	\$ 1.65 rate for the first \$5M
Restaurant meals	10%		\$ 1.77 rate over \$5M, less than or equal to \$10M
Cigarettes	\$ 5.00 (rate per 20-pack)		\$ 1.89 rate over \$10M
Medical marijuana	6%	Vacant	\$ 5.00
Hotel (transient accommodations)	14.95%	Blighted	\$10.00
Parking motor vehicles in commercial lots	18%		
		Motor Vehicle Fuel	\$ 0.29 per gallon
		Individual Income	4% - 9%

Source: DC Office of Tax and Revenue

FY 2020 Financial Highlights

- ❖ The District earned an unmodified or “clean” audit opinion on its financial statements and achieved its 24th consecutive balanced budget.
- ❖ No material weaknesses or significant deficiencies (Yellow Book findings) were reported for the 6th consecutive year.
- ❖ The District ended the year with a net position of \$6.5 billion, a \$156.9 million decrease over the prior year. This was the first decrease in total net position in over a decade. The decrease was due to a significant use of unemployment compensation funds related to the COVID-19 pandemic.
- ❖ The District has set aside \$466.9 million in emergency and contingency cash reserves and \$1.0 billion in fiscal stabilization and cash flow reserves for a total of \$1.5 billion. All federally and locally mandated reserves were fully funded and were sufficient to cover government operations for 60 days, as recommended by the GFOA.
- ❖ DC law requires that 50% of the unassigned general fund fund balance amount is to be allocated to Paygo capital and the remaining 50% to the Housing Production Trust Fund. In FY 2020, the District allocated \$263.4 million to Paygo capital and \$263.4 million to the Housing Production Trust Fund.
- ❖ The District’s General Obligation Bond ratings and the Income Tax Secured Revenue Bond ratings all remained high and strong.
 - General Obligation Bonds:
 - Fitch, AA+
 - Moody’s Investors, Aaa
 - Standard & Poor’s, AA+
 - Income Tax Secured Revenue Bonds:
 - Fitch, AA+
 - Moody’s Investors, Aa1
 - Standard & Poor’s, AAA
- ❖ Sales and use taxes earned were \$1.3 billion, a \$390.6 million decrease, or 22.9% from FY 2019, due to the severe negative impact the COVID-19 pandemic had on the hospitality industry.
- ❖ Property taxes earned were \$3.1 billion compared to \$2.9 billion in FY 2019. Property taxes were not impacted by the COVID-19 pandemic in FY 2020 because property values were assessed at higher rates, and property owners were billed before the onset of the public health crisis.
- ❖ Income and franchise taxes were stronger in FY 2020, moving from less than \$3.0 billion in FY 2019 to over \$3.0 billion in FY 2020. Federal stimulus checks, additional unemployment payments, the business payroll protection program, and actions by the Federal Reserve maintained the strong income and franchise taxes.

Where the Money Comes From



District revenues include amounts accounted for in all funds - *governmental* (general fund, special revenue funds, and capital projects fund) and *proprietary funds* (Lottery and Gaming, Unemployment Compensation, and Not-for-Profit Hospital Corporation). These revenues do not include the discretely presented component units listed on page 2, which totaled \$436 million in FY 2020.

The major sources of the District's revenues are taxes and operating grants and contributions.

Taxes earned in FY 2020 represented 51.2% of total revenues.

Revenues received from the federal government and other 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. These include federal funding received for Medicaid which totaled \$2.6 billion in FY 2020. The District also received

\$1.4 billion from the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* and other related federal assistances. Of this amount, \$970 million was used to support the expansion of the unemployment insurance for District of Columbia workers.

- *Capital grants and contributions:* Amounts received from grantors/donors to support the acquisition of property and equipment, and the construction of buildings or other infrastructure.
- *Charges for services:* 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:* Other sources of revenue which are generated by the government's operations (e.g., investment earnings, etc.).

Total Revenues in FY 2020 = \$16.4 Billion

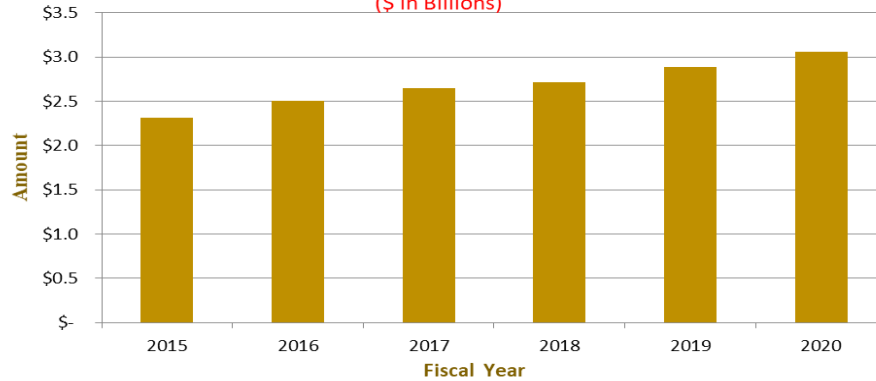
Tax Revenues Earned in FY 2020 (\$ in Billions)

Property Taxes	\$ 3.1
Sales & Use Taxes	1.3
Income & Franchise Taxes	3.0
Other Taxes	1.0
Total Tax Revenues	\$ 8.4

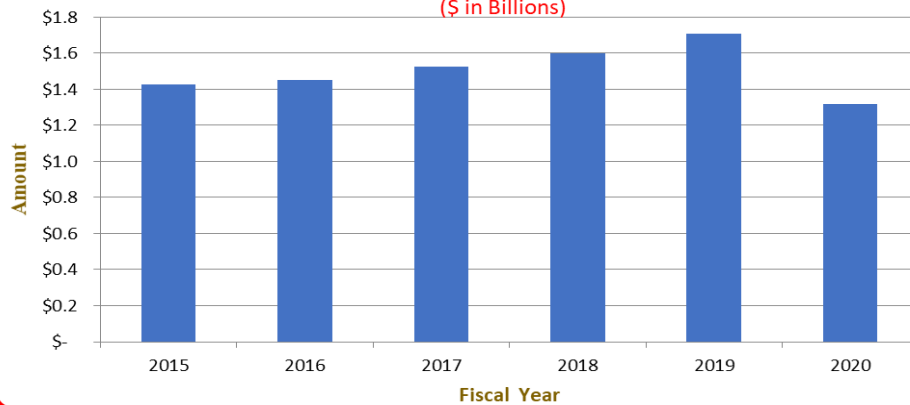
Non-Tax Revenues Earned in FY 2020 (\$ in Billions)

Operating Grants & Contributions	\$ 5.9
Medicaid = \$2.6 COVID-19 Relief = \$1.4 Other = \$1.9	
Capital Grants & Contributions	0.3
Charges for Services	1.2
Non-Tax General Revenues	0.6
Total Non-Tax Revenues	\$ 8.0

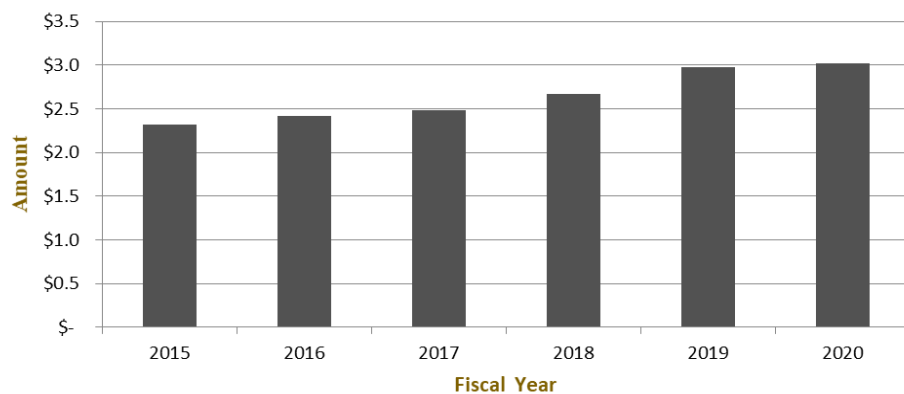
Property Tax Revenues (\$ in Billions)



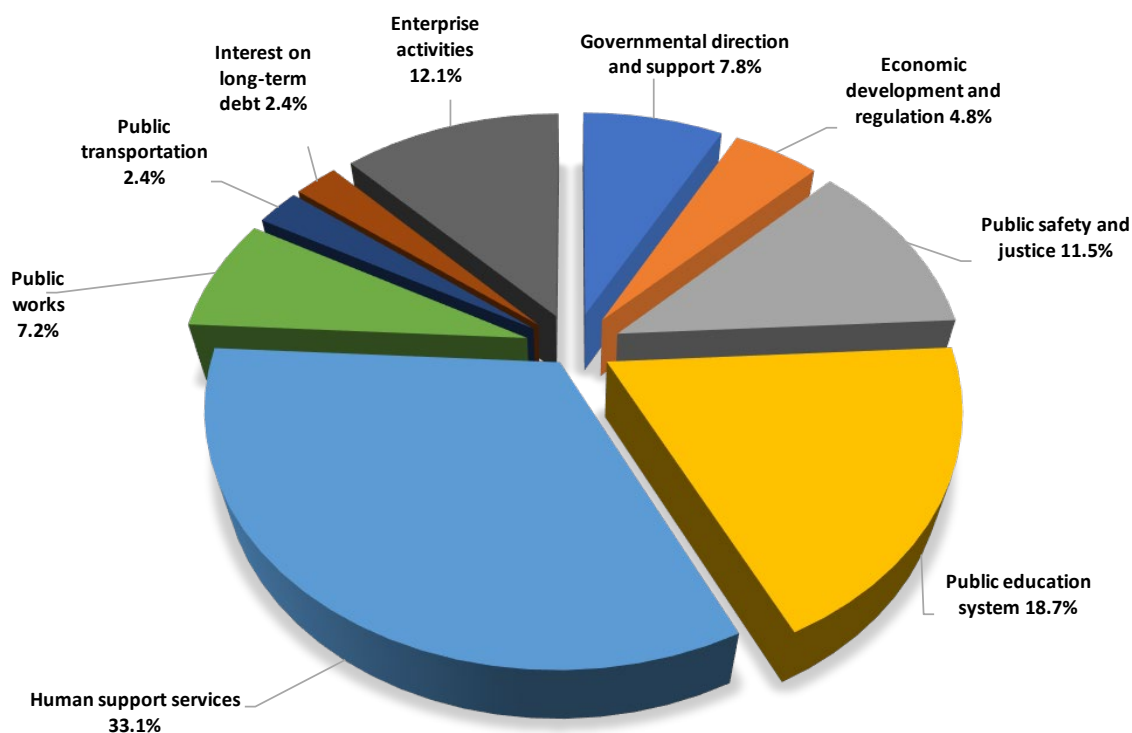
Sales and Use Tax Revenues (\$ in Billions)



Income and Franchise Tax Revenues (\$ in Billions)



EXPENSES \$16.6 Billion



The District provides a broad range of services to its residents, including those normally provided by states and counties. These services include police, fire and emergency medical services, human support and welfare services, public education, and recreational activities. The District is also responsible for the construction and maintenance of highways, streets, buildings, parks, and other amenities. In FY 2020, the District's total expenses were \$16.6 billion.

Human Support Services comprises the highest percentage of total expenses at 33.1%. These services are provided through Medicaid, Medicare, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), and other programs promoting health and wellness, which benefit the District's residents.

Expenses in FY 2020 (\$ in Billions)

Governmental direction and support	\$ 1.3
Economic development and regulation	0.8
Public safety and justice	1.9
Public education system	3.1
Human support services	5.5
Public works	1.2
Public transportation	0.4
Interest on long-term debt	0.4
Enterprise activities	2.0

Total Expenses in FY 2020 \$ 16.6

Debt Management

Long-Term Debt

Long-term debt, such as bonds, and other obligations are reported as long-term 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.

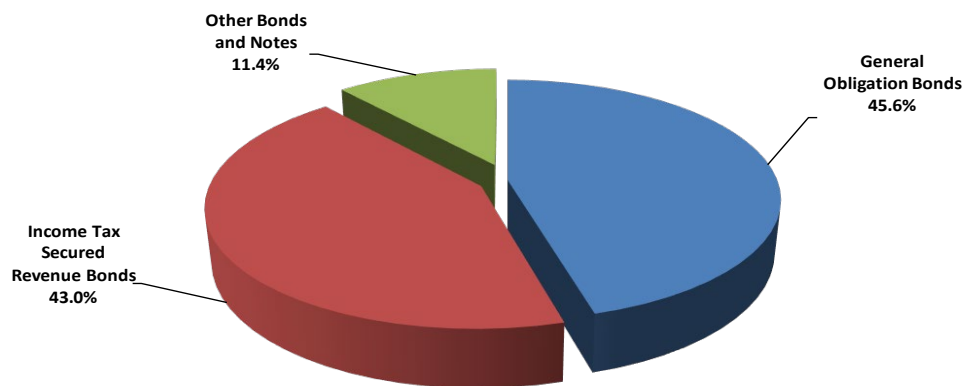
As of September 30, 2020, the District had a total of \$11.8 billion in outstanding bonds. This represents an increase of \$1.4 billion over the prior year.

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.

During FY 2020, the District issued \$1.7 billion in Income Tax Secured Revenue Bonds to fund certain capital projects and \$1.3 billion in Income Tax Secured Revenue Refunding Bonds to lower debt service costs.

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

OUTSTANDING BONDS AND NOTES \$11.8 BILLION



Outstanding Bonds and Notes as of September 30, 2020 and 2019 (\$ in 000s)

Type of Bonds	2020	2019	Dollar Variance	Percentage Variance
General obligation bonds	\$ 5,396,870	\$ 5,611,815	\$ (214,945)	-3.8%
Income tax secured revenue bonds	5,085,465	3,617,225	1,468,240	40.6%
Other bonds:				
Qualified zone academy bonds (QZAB)	1,558	2,012	(454)	-22.6%
Tobacco bonds	516,329	538,644	(22,315)	-4.1%
Tax increment financing (TIF) bonds	114,524	101,622	12,902	12.7%
Ballpark bonds	186,710	230,165	(43,455)	-18.9%
Federal highway grant anticipation revenue bonds (GARVEE)	294,170	74,715	219,455	293.7%
Housing production trust fund (HPTF) bonds	37,520	104,400	(66,880)	-64.1%
Payment in lieu of taxes (PILOT) revenue bonds	197,791	198,678	(887)	-0.4%
Total	\$ 11,830,937	\$ 10,479,276	\$ 1,351,661	12.9%

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 Global Ratings. 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 page 19 for the rating agencies' complete rating scales.

In FY 2020, for the third consecutive year, the District's high ratings for both its General Obligation Bonds and the Income Tax Secured Revenue Bonds remained unchanged. These sustained ratings reflect the continued strength of the District's economy despite the negative impact of the COVID-19 pandemic. Having high ratings also provides the District with a lower debt service cost.

The following tables present the District's General Obligation Bond ratings and the Income Tax Secured Revenue Bond ratings for the past five fiscal years.

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

	Income Tax Secured Revenue Bonds				
	2016	2017	2018	2019	2020
Fitch Ratings	AA+	AA+	AA+	AA+	AA+
Moody's Investors Service	Aa1	Aa1	Aa1	Aa1	Aa1
Standard & Poor's Global Ratings	AAA	AAA	AAA	AAA	AAA

Financial Statements

The government-wide financial statements focus on all the District's economic resources.

The *Statement of Net Position* presents information on all the District's assets plus deferred outflows of resources, and liabilities plus deferred inflows 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 activities, 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 \$1.8 billion mainly due to coronavirus relief funding received from the federal government to support the District's pandemic response and increases in certain taxes (property taxes and income and franchise taxes). Continued investments in capital assets also contributed to the increase in total assets.
- The increase of \$2.1 billion in total liabilities resulted primarily from issuance of Income Tax Secured Revenue Bonds during fiscal year 2020 to finance capital improvement projects and refinance certain outstanding bonds to reduce total debt service costs.
- The combined total net position for the governmental activities and business-type activities decreased by 2.4%. This was the first decrease in total net position in over a

decade, mainly as a result of the use of reserves in the unemployment compensation fund.

- Driven by significant decreases in sales and use taxes, and other taxes, general revenues decreased by \$304.1 million. Due to the Coronavirus pandemic and measures implemented to prevent the spread of COVID-19, activities in hotels, restaurants, sports and entertainment venues, and retail outlets declined. As a result, sales and use tax revenues dropped dramatically in FY 2020. Other taxes such as deed recordation, deed transfer, and economic interest taxes, also declined due to the sluggish economy caused by the pandemic.
- The increase of \$1.9 billion in operating grants and contributions was due primarily to financial support received from the federal government to assist the District in its efforts to combat COVID-19. The District received \$1.4 billion from the Coronavirus relief funding, 68.3% of which was used to expand unemployment programs for District of Columbia workers affected by the pandemic.
- The increase of \$2.8 billion in expenses was mainly due to increased spending in unemployment compensation, which

increased by \$1.4 billion in FY 2020. This increase was due to an unprecedented number of claims being filed by eligible workers whose employment was discontinued as a result of the pandemic and the related economic downturn. Other significant increases were in public works, human support services, and public safety and justice. Public works expenses rose due to increased support of sustainable energy projects and programs and the Department of Energy and Environment's required transfers to the Green Finance Authority. Human support services expenses increased as a result of the expansion of programs and services provided to recipients in response to the Coronavirus pandemic. Public safety and justice expenses increased due to the salaries and overtime paid to police officers and fire and emergency medical services personnel as part of the COVID-19 response efforts and due to the protests held in the District during the year.

- Each year, the Office of Lottery and Gaming transfers substantially all of its net income to the District. In FY 2020, it transferred \$38.1 million of its income, which was a \$7 million decrease from the prior year's transfer of \$45.1 million.

Statement of Net Position as of September 30, 2020
(\$ in 000s)

	Governmental activities		Business-type activities		Totals	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$7,784,964	\$6,479,313	\$317,801	\$594,466	\$8,102,765	\$7,073,779
Capital assets	15,315,706	14,534,439	70,136	68,849	\$15,385,842	\$14,603,288
Total assets	23,100,670	21,013,752	387,937	663,315	23,488,607	21,677,067
Deferred outflows of resource:	286,527	251,997	-	-	286,527	251,997
Liabilities						
Long-term liabilities	14,491,829	12,910,442	10,458	9,885	14,502,287	12,920,327
Other liabilities	2,379,115	2,008,918	210,263	67,439	2,589,378	2,076,357
Total liabilities	16,870,944	14,919,360	220,721	77,324	17,091,665	14,996,684
Deferred inflows of resources	181,414	273,443	-	-	181,414	273,443
Net position:						
Net investment in capital asset:	3,232,889	3,571,065	70,136	68,849	3,303,025	3,639,914
Restricted	1,891,026	1,803,748	90,550	503,431	1,981,576	2,307,179
Unrestricted	1,210,924	698,133	6,530	13,711	1,217,454	711,844
Total net position	\$6,334,839	\$6,072,946	\$167,216	\$585,991	\$6,502,055	\$6,658,937

Statement of Activities for the Year Ended September 30, 2020
(\$ in 000s)

	Governmental activities		Business-type activities		Totals		
	2020	2019	2020	2019	2020	2019	Variance
Revenues:							
Program revenues:							
Charges for services	\$891,589	\$869,744	\$313,407	\$323,407	\$1,204,996	\$1,193,151	\$11,845
Operating grants and contributions	4,826,314	3,916,440	1,025,633	18,319	5,851,947	3,934,759	1,917,188
Capital grants and contributions	278,833	258,500	-	-	278,833	258,500	20,333
General revenues:							
Property taxes	3,061,745	2,888,245	-	-	3,061,745	2,888,245	173,500
Sales and use taxes	1,317,113	1,707,745	-	-	1,317,113	1,707,745	(390,632)
Income and franchise taxes	3,021,673	2,969,289	-	-	3,021,673	2,969,289	52,384
Other taxes	864,100	981,113	139,833	142,877	1,003,933	1,123,990	(120,057)
Non-tax revenues	646,653	664,420	10,840	12,416	657,493	676,836	(19,343)
Total revenues	14,908,020	14,255,496	1,489,713	497,019	16,397,733	14,752,515	1,645,218
Expenses	14,649,508	13,342,691	1,905,107	438,200	16,554,615	13,780,891	2,773,724
Increase in net position before transfers	258,512	912,805	(415,394)	58,819	(156,882)	971,624	(1,128,506)
Transfers in (out)	3,381	8,740	(3,381)	(8,740)	-	-	-
Change in net position	261,893	921,545	(418,775)	50,079	(156,882)	971,624	(1,128,506)
Net position - Oct 1	6,072,946	5,151,401	585,991	535,912	6,658,937	5,687,313	971,624
Net position - Sept 30	\$6,334,839	\$6,072,946	\$167,216	\$585,991	\$6,502,055	\$6,658,937	\$(156,882)

coronavirus.dc.gov

In response to the COVID-19 pandemic, the website <https://coronavirus.dc.gov> was established as a way for District officials to keep residents, government employees, and the general public informed about measures being taken to reduce the spread of the disease. The website houses a wealth of information regarding COVID-19 including information on the disease and its symptoms, testing locations, the city's operating status, vaccine distribution and much more.

The Mayor and other District officials also provide regular televised press briefings explaining case numbers, safety protocols, restrictions, and policy changes. District officials recognize the importance of transparency and open communication as part of the efforts to "flatten the curve" of this pandemic.



Black Lives Matter Plaza is a two-block-long pedestrian section of 16th Street, NW in Downtown D.C. The Department of Public Works painted the words "Black Lives Matter" in 35-foot yellow capital letters in the section and it was renamed Black Lives Matter Plaza by the Mayor on June 5, 2020.

Martin Luther King Jr. Memorial Library Reopening

On September 24, 2020, the Mayor cut a ceremonial ribbon to celebrate the reopening of the Martin Luther King Jr. (MLK) Memorial Library following a three-year, \$211 million modernization project. Located at 901 G Street, NW, the MLK Library modernization represents the DC Public Library's most ambitious capital project. Since 2009, more than 20 libraries have been built or fully renovated in the District.

The MLK Library was designed in the late 1960's by Ludwig Mies van der Rohe and opened in 1972. The library is the first public building in the country named after civil rights leader, Dr. Martin Luther King Jr. On March 4, 2017, the library closed for a complete modernization under the design of Dutch firm Mecanoo and local team OTJ Architects. The renovation

resulted in a significant expansion of public space and will also showcase art by established and emerging artists from the District and elsewhere.

The transformed MLK Library now features:

- A spectacular new, vibrant, and transparent entryway
- A sculptured monumental staircase
- A large auditorium and conference center
- Creative spaces for fabrication, music production and art creation
- Ground level café with patio
- A double-height reading room
- Newly designed special collections space
- Roof top terrace



A 290-seat auditorium for large-scale programming is located on the top floor.



An art installation by Xenobia Baily hangs from the main reading room's new two-story ceiling.



"The King Mural", created by artist Don Miller in 1986, was cleaned and restored to its original brilliance. The 56-foot long mural is located on the ground floor in the building's Great Hall.

The Arches Over the New Frederick Douglass Memorial Bridge

On August 13, 2020, the Mayor and the District Department of Transportation announced the completion of the iconic arches for the newly reconstructed, six-lane, Frederick Douglass Memorial Bridge. The new bridge is part of the South Capitol Street Corridor Project which includes two phases: (1) replacement of the 70-year-old bridge; and (2) reconstruction of the Suitland Parkway/I-295 interchange.

The new bridge is being constructed approximately 100 feet from the current bridge. Now that the arches are complete, construction will begin on the new bridge deck where cars, bikes, and pedestrians will cross the Anacostia River when the bridge is completed in late 2021.



The Arches over the Frederick Douglas Memorial Bridge

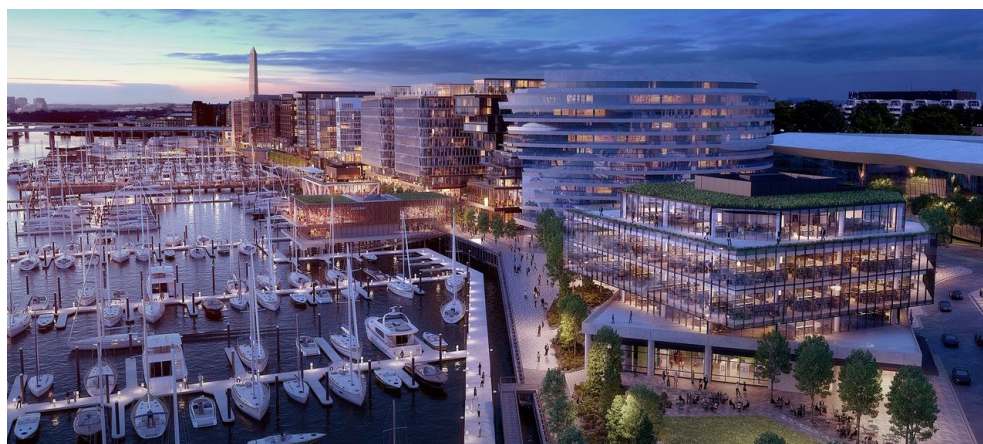
District Wharf Phase 2

Construction is ongoing on the District Wharf Phase 2 located on the District's Southwest Waterfront. Scheduled to open in 2022, Phase 2 will deliver an additional 1.25 million square feet of mixed-use spaces including a marina, office space, residential, retail, as well as parks and public spaces.

Phase 1 of the District Wharf was completed in October 2017. The mile-long stretch along the Potomac River has reestablished Washington, DC as a waterfront city and destination.

The Wharf Phase 2 At A Glance

255 Apartments
96 Condominiums
131 Hotel Rooms
547,000 square feet of office space
95,000 square feet of retail space
223 Boat slips at the Wharf Marina
2 Garages with over 1,000 spaces



Architect Rendering of the District Wharf Phase 2

Operating Statistics

	FY 2020	FY 2019
Number of police officers	3,799	3,810
Number of police vehicles	1,257	1,250
Police crime index offenses	29,639	33,902
Number of fire & EMS operational personnel	1,848	1,939
Number of fire & EMS stations	34	34
Number of front-line emergency vehicles	168	168
Total number of fire/rescue incidents	37,132	39,454
Number of D.C. Public School teachers	4,522	4,320
Number of D.C. Public School students	51,060	49,056
Number of D.C. Public School high school graduates	2,180	2,170
Number of University of D.C. teachers	232	230
Number of University of D.C. students	3,953	4,456
Number of University of D.C. graduates	753	782
Convention Center conferences held	57	151
Convention Center attendees	569,524	1,066,175
Number of refuse collection trucks	103	102
Refuse collected (tons per day)	377	363
Recyclables collected (tons per day)	105	102

Outlook for FY 2021

The economic downturn resulting from the COVID-19 pandemic has created an uncertain outlook for the District. The announcement of at least two vaccine approvals in December 2020 was a positive development and indicates that many of the required restrictions may be lifted. Quick and effective vaccine deployment would accelerate economic activity and result in a positive change to the forecast.

- The District's population continued to grow in FY 2020, but growth has slowed, averaging just under 5,000 new residents annually over the last two years. It has been estimated that population will continue to grow about 4,000 to 5,000 residents annually over the next four years.
- More job losses are expected for FY 2021, concentrated in hospitality, retail, and business services, all of which declined significantly in FY 2020 as a result of the pandemic. Government and professional jobs grew in FY 2020 and are expected to grow in FY 2021.
- Wages grew 1.8 percent in FY 2020, slower than the historic trend. Although job losses during the pandemic put significant pressure on wages, they did not contract in FY 2020 because of growth in high paying sectors. Wages will continue growing in FY 2021 with some recovery in the sectors that were hardest hit during the pandemic.

Historically, investments in economic development attracted new businesses and housing in all neighborhoods of the city. However, due to COVID-19, the switch to telework, 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.

Blended Component Unit	<p>A legally separate organization which functions as an integral part of the primary government and whose data is blended with those of the primary government.</p> <p>The District currently has two blended component units:</p> <ol style="list-style-type: none">1) Tobacco Settlement Financing Corporation2) Not-for-Profit Hospital Corporation
Business-type Activities	<p>Financed in whole or in part by fees charged to external parties for goods or services. The District reports Lottery and Gaming, Unemployment Compensation Fund, and Not-for-Profit Hospital Corporation as Business-type activities.</p>
Capital Assets	<p>Assets (infrastructure, land, buildings, equipment) used in operations that have initial useful lives extending beyond a fiscal year.</p>
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) District of Columbia Green Finance Authority2) Health Benefit Exchange Authority3) Housing Finance Agency4) University of the District of Columbia5) Washington Convention and Sports Authority
Comprehensive Annual Financial Report (CAFR)	<p>An annual report issued by state and local governmental entities. A CAFR has three major sections: introductory, financial, and statistical.</p>
Debt Service	<p>Cash required in a given period, usually one year, for payment of interest and principal on outstanding debt.</p>
Deferred Inflows of Resources	<p>An acquisition of net position by the government that is applicable to a future reporting period.</p>
Deferred Outflows of Resources	<p>A consumption (use) of net position by the government that is applicable to a future reporting period.</p>
Economic Resources	<p>All inflows, outflows, and balances affecting or reflecting a governmental entity's net position.</p>
Fiscal Year (FY)	<p>A financial reporting period of twelve months. The District's fiscal year begins October 1 and ends September 30.</p>
Fund	<p>A separate fiscal and accounting entity used to segregate and account for resources related to a specific activity.</p>

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 bondholders. 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. It includes taxes such as: property taxes, income and franchise taxes, and sales and use taxes.
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 Pension Asset	The excess of a pension plan's fiduciary net position over its total pension liability.
Net Position	The residual of all other elements presented in a statement of financial position. The difference between assets plus deferred outflows of resources, on one hand, and liabilities plus deferred inflows of resources, on the other, constitutes net position, the last of the financial statement elements.
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 by the general public.
Program Revenues	Revenues that derive directly from a government's programs (e.g., fees and charges) or from sources outside the reporting government's tax base, which are directly related to a specific 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

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 creditworthiness of municipalities, governments, and business entities.

The three primary Rating Agencies that rate municipal debt are: Fitch Ratings; Moody's Investors Service; and Standard & Poor's Global Ratings.

The following rating scale 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 auditor 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, 2020