

2019

CITIZEN'S FINANCIAL REPORT



District of Champions



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, 2019

February 3, 2020

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, 2019. 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 2019 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 seventeenth publication of the Citizen's Financial Report. In the previous sixteen 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 and Controller





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, 2018

Christopher P. Morill

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, 2018. 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 sixteen 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, 2019

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Dave Martinez, Manager of the Washington Nationals, proudly holds up the 2019 World Series Championship Trophy.

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) 2019 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 2019 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 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 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, 2019. 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, 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 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 can be found at: www.cfo.dc.gov.

The financial reporting entity of the District includes all the government's agencies and its four 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

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

Tobacco Settlement Financing Corporation
(202) 727-6055

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

Elected Officials as of September 30, 2019



Muriel Bowser
Mayor



Karl A. Racine
Attorney General



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



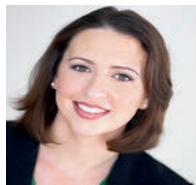
David Grosso
At-Large



Elissa Silverman
At-Large



Robert C. White, Jr.
At-Large



Brianne K. Nadeau
Ward 1



Jack Evans
Ward 2



Mary M. Cheh
Ward 3



Brandon T. Todd
Ward 4



Kenyan R. McDuffie
Ward 5



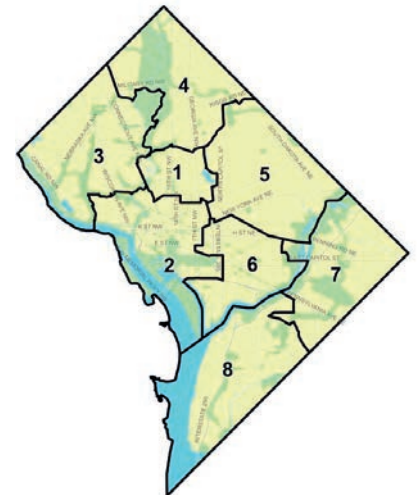
Charles Allen
Ward 6



Vincent C. Gray
Ward 7



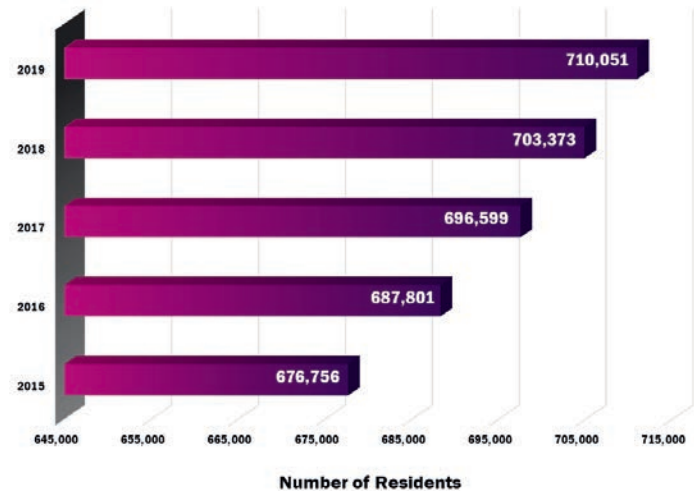
Trayon White, Sr.
Ward 8



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. BEA reported that as of September 30, 2019, there were 710,051 residents in the District. This represents an increase of 6,678, or 0.95% from the revised September 30, 2018 estimate of 703,373.

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

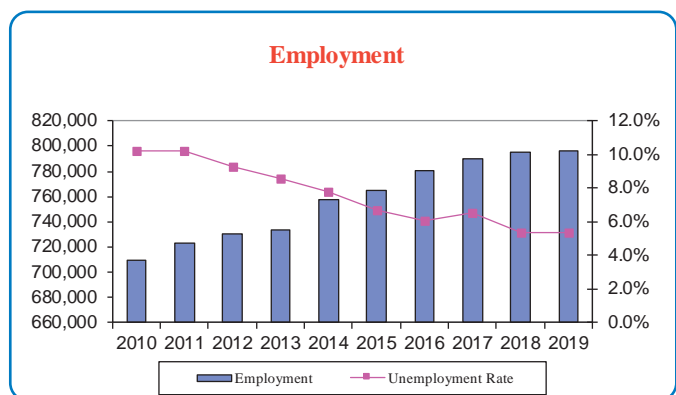


Employment Trends

Total employment within the District increased to 799,800 as of September 2019 from the revised 791,400 as of September 2018.

The September 2019 unemployment rate was 5.40% (seasonally adjusted), the same as reported a year ago.

As the nation's capital, Washington, D.C. is the headquarters for most federal government departments and agencies. The September 2019 federal workforce in the Washington Metropolitan Area totaled 362,800; with approximately 195,400 federal employees located in Washington, D.C. and 167,400 additional federal employees who worked elsewhere in the Washington Metropolitan Area.



Source: DC Department of Employment Services

Minimum Wage

Beginning July 1, 2019, the minimum wage for District workers increased from \$13.25 per hour to \$14.00 per hour and the minimum wage for tipped workers increased from \$3.89 per hour to \$4.45 per hour. Under the *Fair Shot Minimum Wage Act*, signed by the Mayor in 2016, the minimum wage will increase to \$15.00 per hour on July 1, 2020. Below is a table of the wage increases for the current and upcoming year.

Non-Tipped Workers	Tipped Workers
\$14.00 per hour beginning July 1, 2019	\$4.45 per hour beginning July 1, 2019
\$15.00 per hour beginning July 1, 2020	\$5.00 per hour beginning July 1, 2020

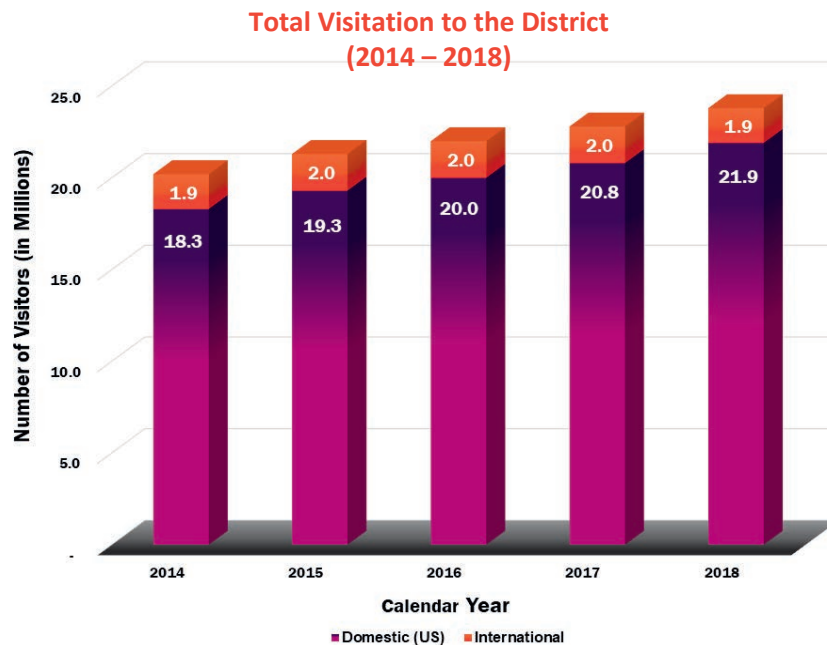
Beginning in 2021, the minimum wage will increase during each successive year pursuant to the Consumer Price Index.

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 one of DC's strongest sectors which includes 140 hotels with more than 33,000 rooms.

- In calendar year 2018, approximately 21.9 million domestic visitors and 1.9 million international visitors traveled to the District.

- Visitors spent approximately \$7.8 billion in 2018, an increase of \$297.0 million, over the prior year. A breakdown of visitor spending by category is as follows:
 - \$ 2.7 billion, Lodging
 - \$ 2.3 billion, Food and Beverage
 - \$ 1.2 billion, Entertainment
 - \$ 910 million, Shopping/Retail
 - \$ 643 million, Transportation
- Travel and tourism supported 76,522 jobs in the District, generating approximately \$4.3 billion in wages.



Tourism data for calendar year 2019 is not yet available.

Source: Destination DC

International Spy Museum

The private, non-profit International Spy Museum has moved from its previous F Street location to a new \$162 million dedicated building at 700 L'Enfant Plaza located in the Southwest Waterfront. The new state-of-the-art museum, which doubled its total square footage to 140,000, offers interactive exhibitions and installations, the foremost collection of spy artifacts, increased classroom space and a 145-seat theater.

The new International Spy Museum reopened to the public on May 12, 2019.



Visit www.spymuseum.org for more information.

DC Major Tax Rates

Sales and Use Tax

General rate	6%	
Alcoholic beverages	10%	
Restaurant meals	10%	
Cigarettes	\$ 4.94	(rate per 20-pack)
Medical marijuana	6%	
Hotel (transient accommodations)	14.5%	
Parking motor vehicles in commercial lots	18%	

Real Property Tax

(per \$100 assessed value)

Residential	\$ 0.85	
Commercial	\$ 1.65	rate for the first \$5M
	\$ 1.77	rate over \$5M, less than \$10M
	\$ 1.89	rate over \$10M
Vacant	\$ 5.00	
Blighted	\$10.00	

Motor Vehicle Fuel

\$ 0.24 per gallon

Individual Income

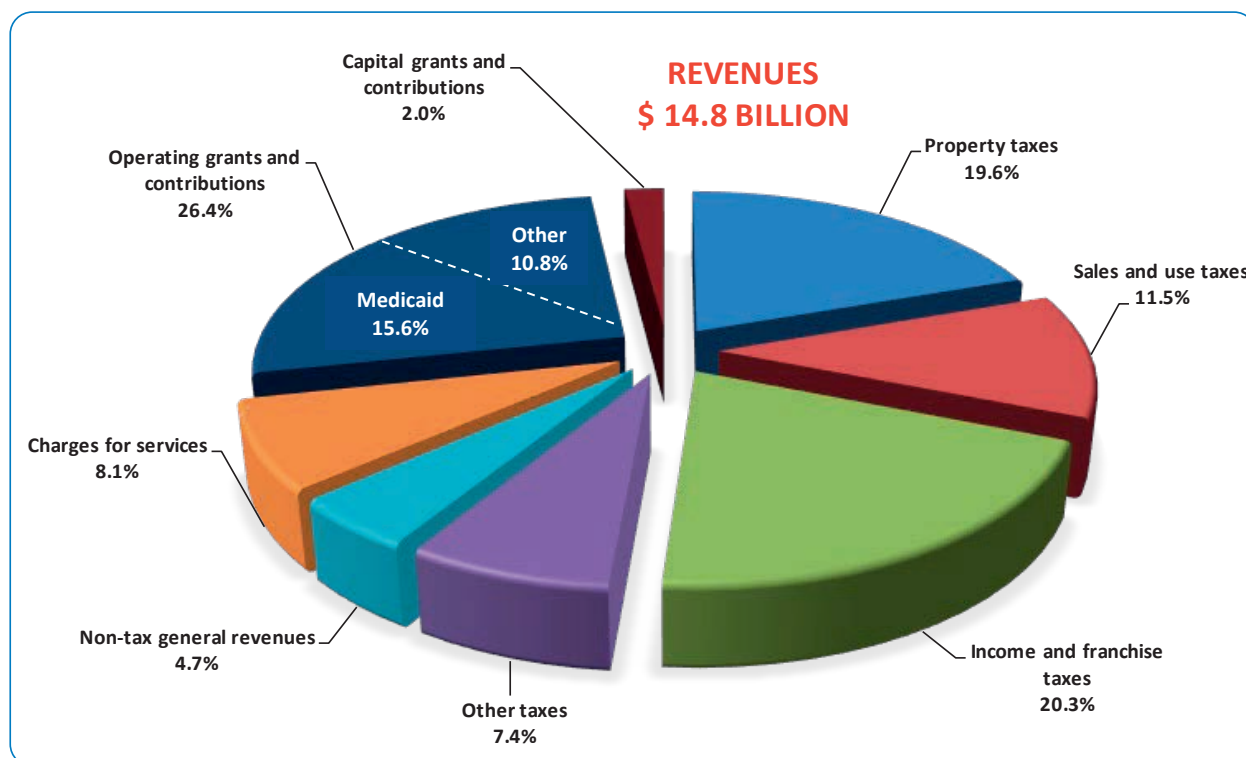
4% - 8.95%

Source: DC Office of Tax and Revenue

FY 2019 Financial Highlights

- ❖ The District again earned an unmodified or “clean” audit opinion on its financial statements and achieved its 23rd consecutive balanced budget.
- ❖ No material weaknesses or significant deficiencies (No Yellow Book findings) for the 5th consecutive year.
- ❖ The District ended the year with a net position of \$6.7 billion, a \$971.6 million increase over last year.
- ❖ The District has set aside \$447.8 million in emergency and contingency cash reserves and \$986.3 million in fiscal stabilization and cash flow reserves for a total of \$1.4 billion. All federally and locally mandated reserves are fully funded, which means the District has met its goal and has implemented the GFOA’s recommendation of having adequate reserves to cover government operations for 60 days.
- ❖ DC law requires that after the 60-day reserve requirement is achieved, 50% of the excess reserve amount is to be allocated to pay-go capital and the remaining 50% to the Housing Production Trust Fund. In FY 2019, the District allocated \$161.8 million to pay-go capital and \$161.8 million to the Housing Production Trust Fund.
- ❖ The District’s general obligation bond ratings remained strong: *Fitch* at AA+; *Moody’s Investors* at Aaa; and *Standard & Poor’s* at AA+.
- ❖ Sales and use taxes earned were \$1.7 billion, a \$109.8 million increase from FY 2018 due to population growth, increase in tax rates, and expansion of the sales tax base to include out-of-state online and catalog retailers and digital downloads.
- ❖ Property taxes earned were \$2.9 billion compared to \$2.7 billion in FY 2018. The increase was due to higher assessed property values, higher tax rates for some commercial properties, and increased levies and collections for residential properties.

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 shown on page 2, which totaled \$528.8 million in FY 2019.

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

Taxes earned in FY 2019 represented 58.8% 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 \$2.3 billion in FY 2019.
- *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.).

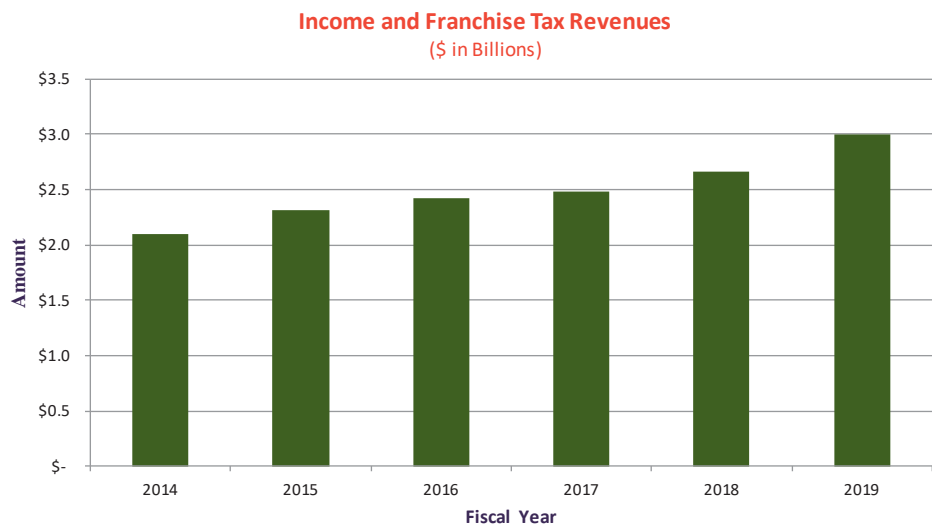
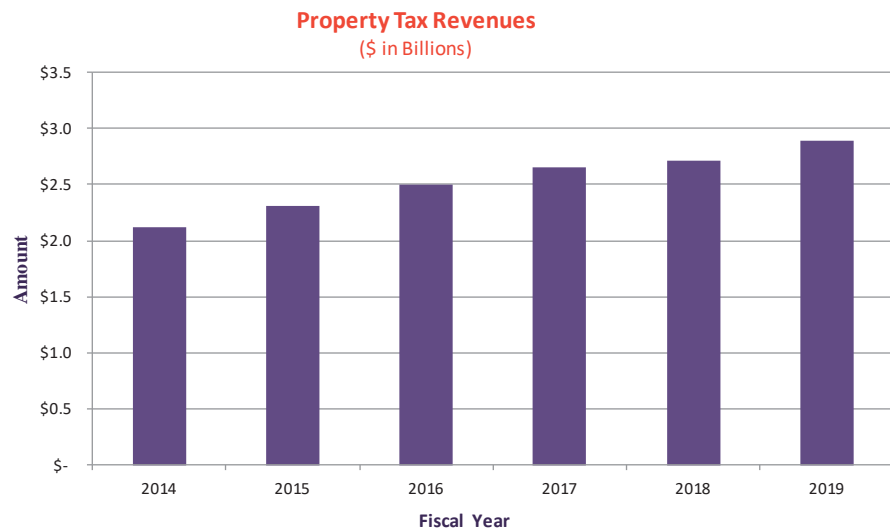
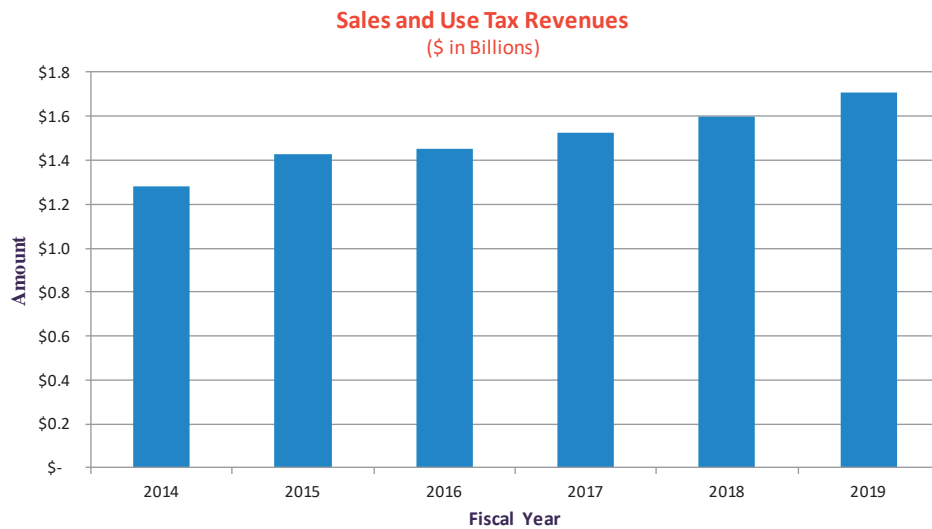
Tax Revenues Earned in FY 2019 (\$ in Billions)

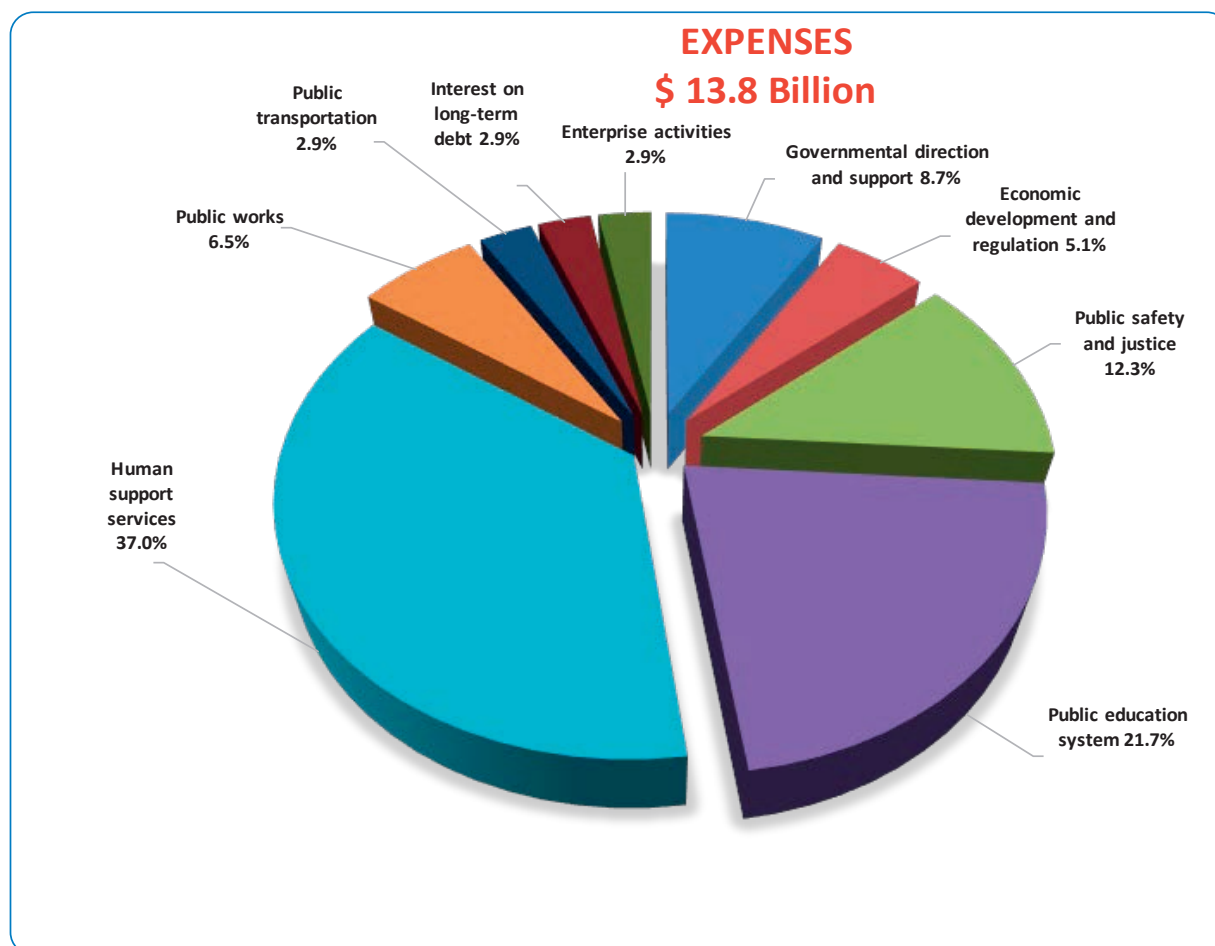
Property Taxes	\$ 2.9
Sales & Use Taxes	1.7
Income & Franchise Taxes	3.0
Other Taxes	1.1
Total Tax Revenues	\$ 8.7

Non-Tax Revenues Earned in FY 2019

Operating Grants & Contributions	\$ 3.9
Medicaid = \$ 2.3 Other = \$ 1.6	
Capital Grants & Contributions	0.3
Charges for Services	1.2
Non-Tax General Revenues	0.7
Total Non-Tax Revenues	\$ 6.1

Total Revenues in FY 2019	\$ 14.8
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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 2019, the District's total expenses were \$13.8 billion.

Human Support Services comprises the highest percentage of total expenses at 37.0%. 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 2019	(\$ in Billions)
Governmental direction and support	\$ 1.2
Economic development and regulation	0.7
Public safety and justice	1.7
Public education system	3.0
Human support services	5.1
Public works	0.9
Public transportation	0.4
Interest on long-term debt	0.4
Enterprise activities	0.4
Total Expenses in FY 2019	\$ 13.8

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.

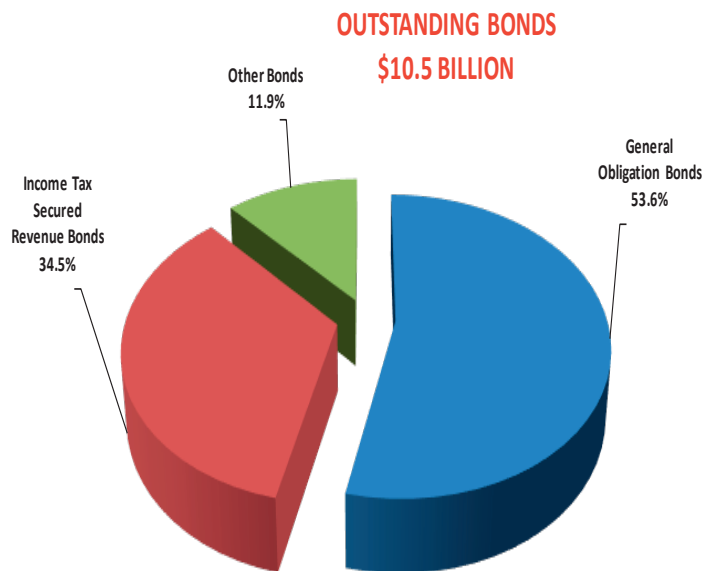
The District's general obligation bonds are authorized and issued primarily to provide funds for certain capital projects and improvements.

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

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, and qualified zone academy bonds.

As of September 30, 2019, the District had a total of \$10.5 billion in outstanding bonds. This represents an increase of \$511.2 million over the prior year.



Outstanding Bonds as of September 30, 2019 and 2018 (\$ in 000s)

Type of Bonds	2019	2018	Dollar Variance	Percentage Variance
General obligation bonds	\$ 5,611,815	\$ 4,827,105	\$ 784,710	16.26%
Income tax secured revenue bonds	3,617,225	3,776,255	(159,030)	-4.21%
Other bonds:				
Qualified zone academy bonds (QZAB)	2,012	2,466	(454)	-18.41%
Tobacco bonds	538,644	561,119	(22,475)	-4.01%
Tax increment financing (TIF) bonds	101,622	105,906	(4,284)	-4.05%
Ballpark bonds	230,165	285,480	(55,315)	-19.38%
Federal highway grant anticipation revenue bonds (GARVEE)	74,715	82,620	(7,905)	-9.57%
Housing production trust fund (HPTF) bonds	104,400	107,390	(2,990)	-2.78%
Payment in lieu of taxes (PILOT) revenue bonds	198,678	219,698	(21,020)	-9.57%
Total	\$ 10,479,276	\$ 9,968,039	\$ 511,237	5.13%

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 2019, the general obligation bond ratings and the income tax secured revenue bond ratings were unchanged and therefore remained strong. Such ratings reflect the continued strength of the District's economy and communicates to our investors that the District is a great place to invest.

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				
	2015	2016	2017	2018	2019
Fitch Ratings	AA	AA	AA	AA+	AA+
Moody's Investors Service	Aa1	Aa1	Aa1	Aaa	Aaa
Standard & Poor's Global Ratings	AA	AA	AA	AA+	AA+

	Income Tax Secured Revenue Bonds				
	2015	2016	2017	2018	2019
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 \$1.7 billion mainly due to higher cash collection caused by improved economic outlook, introduction of a new program, the Universal Paid Leave program, and increase in certain taxes such as commercial property taxes. Continued investments in capital assets also contributed to the increase in total assets.
- The increase of \$985.5 million in total liabilities resulted primarily from issuance of General Obligation Bonds during fiscal year 2019 to finance capital improvement projects.
- The combined total net position for the governmental activities and business-type activities increased by 17.1% over the previous year.

- Driven by significant increases in property taxes, sales and use taxes, and income and franchise taxes, general revenues increased by \$819.7 million as a result of:
 - Higher tax rate on high-value commercial property
 - Higher franchise tax rate
 - Record stock market performance
 - Low unemployment rate
 - Higher wages and salaries
 - Higher assessed property values
- The increase of \$240.0 million in operating grants and contributions was due primarily to an increase in financial support for programs and services in the area of human support services.
- The increase of \$277.9 in charges for services revenues was due to: improved collectability of receivables, new fees collected for the Universal Paid Leave program, deployment of additional parking meters in the District's vibrant neighborhoods, and enhanced enforcement of road safety measures using photo radars in Interstate work zones.
- The increase of \$525.8 million in expenses was mainly due to increased spending in human support services and public education, which increased by \$349.6 million and \$115.7 million, respectively. Human support service expenses increased as a result of additional funding received to support the Medicaid program. Public education system expenses increased primarily due to an increase in the Uniform Per Student Funding rate, an increase in student enrollment, and expansion costs associated with afterschool and summer programs.
- Each year, the Office of Lottery and Gaming transfers substantially all of its net income to the District. In FY 2019, it transferred \$45.1 million of its income, which was a \$4.4 million decrease from the prior year's transfer of \$49.5 million.

Statement of Net Position as of September 30, 2019

(\$ in 000s)

	Governmental activities		Business-type activities		Totals	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$6,479,313	\$5,600,915	\$594,466	\$542,985	\$7,073,779	\$6,143,900
Capital assets	14,534,439	13,762,660	68,849	72,469	\$14,603,288	\$13,835,129
Total assets	21,013,752	19,363,575	663,315	615,454	21,677,067	19,979,029
Deferred outflows of resources	251,997	330,497	-	-	251,997	330,497
Liabilities						
Long-term liabilities	12,910,442	12,107,920	9,885	7,270	12,920,327	12,115,190
Other liabilities	2,008,918	1,823,683	67,439	72,272	2,076,357	1,895,955
Total liabilities	14,919,360	13,931,603	77,324	79,542	14,996,684	14,011,145
Deferred inflows of resources	273,443	611,068	-	-	273,443	611,068
Net position:						
Net investment in capital assets	3,571,065	3,467,965	68,849	72,469	3,639,914	3,540,434
Restricted	1,803,748	1,727,770	503,431	459,203	2,307,179	2,186,973
Unrestricted	698,133	(44,334)	13,711	4,240	711,844	(40,094)
Total net position	\$6,072,946	\$5,151,401	\$585,991	\$535,912	\$6,658,937	\$5,687,313

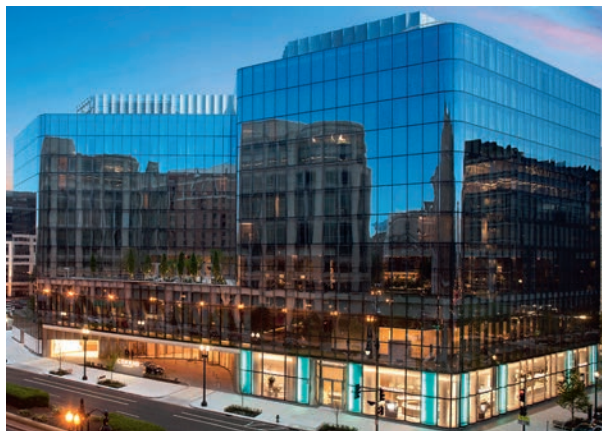
Statement of Activities for the Year Ended September 30, 2019
(\$ in 000s)

	Governmental activities			Business-type activities			Totals			Variance
	2019	2018	2017	2019	2018	2017	2019	2018	2017	
Revenues:										
Program revenues:										
Charges for services	\$869,744	\$608,050	\$594,322	\$323,407	\$307,189	\$342,411	\$1,193,151	\$915,239	\$936,733	\$277,912
Operating grants and contributions	3,916,440	3,674,019	3,832,821	18,319	20,789	25,217	3,934,759	3,694,808	3,858,038	239,951
Capital grants and contributions	258,500	261,450	219,751	-	-	-	258,500	261,450	219,751	(2,950)
General revenues:										
Property taxes	2,888,245	2,713,310	2,651,688	-	-	-	2,888,245	2,713,310	2,651,688	174,935
Sales and use taxes	1,707,745	1,597,940	1,527,120	-	-	-	1,707,745	1,597,940	1,527,120	109,805
Income and franchise taxes	2,969,289	2,666,690	2,479,847	-	-	-	2,969,289	2,666,690	2,479,847	302,599
Other taxes	981,113	876,597	866,908	142,877	144,068	143,728	1,123,990	1,020,665	1,010,636	103,325
Non-tax revenues	664,420	536,715	537,208	12,416	11,043	9,645	676,836	547,758	546,853	129,078
Total revenues	14,255,496	12,934,771	12,709,665	497,019	483,089	521,001	14,752,515	13,417,860	13,230,666	1,334,655
Expenses	13,342,691	12,812,735	12,310,345	438,200	442,355	451,287	13,780,891	13,255,090	12,761,632	525,801
Increase in net position before transfers	912,805	122,036	399,320	58,819	40,734	69,714	971,624	162,770	469,034	808,854
Transfers in (out)	8,740	12,080	29,616	(8,740)	(12,080)	(29,616)	-	-	-	-
Change in net position	921,545	134,116	428,936	50,079	28,654	40,098	971,624	162,770	469,034	808,854
Net position - Oct 1	5,151,401	5,017,285	4,446,667	535,912	507,258	467,160	5,687,313	5,524,543	4,913,827	162,770
Net position - Sept 30	\$6,072,946	\$5,151,401	\$4,875,603	\$585,991	\$535,912	\$507,258	\$6,658,937	\$5,687,313	\$5,382,861	\$971,624

New Commercial Developments

Conrad Washington DC Hotel

Conrad Hotels & Resorts, Hilton's luxury brand of design-led hotels opened its first property in the nation's capital in March 2019. Conrad Washington, DC is a new 5-star luxury hotel located at New York Avenue and 10th Street, NW, at the gateway of CityCenterDC. The 360-room, 10-floor hotel features 30,000 square feet of luxury retail space on its ground floor and 32,000 square feet of meeting space. It also features two ballrooms, two outdoor terraces, two restaurants and a rooftop bar and lounge with panoramic views of Washington, D.C.

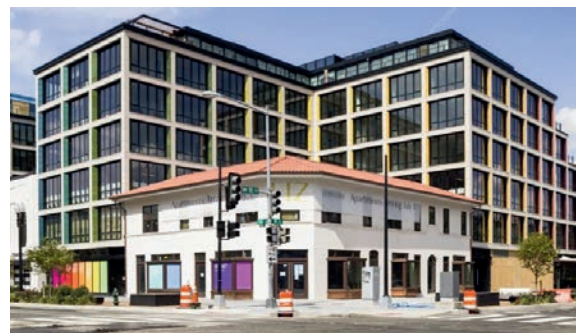


The Conrad Washington, DC

Liz

Liz is a new six-story mixed-use building located at 14th and R Street, NW, redeveloped by the partnership of Whitman-Walker Health and a private developer, Fivesquares Development. Whitman-Walker originally owned the block-long property which also contained the Elizabeth Taylor Medical Center, a community health center that specialized in health care for the LGBTQ community and people with HIV.

Liz features 78 modern apartments on the upper floors of the building. Whitman-Walker offices occupy the entire second floor. The ground floor will consist of 20,000 square feet of retail and the Whitman-Walker Cultural Center which will be a space devoted to the LGBTQ community.



The Liz

Department of Energy & Environment (DOEE) Initiatives

The DOEE is the leading authority on energy and environmental issues affecting the District. Its mission is to improve the quality of life for DC residents by protecting and restoring the environment, conserving our natural resources, mitigating pollution, increasing access to clean and renewable energy, and educating the public on ways to secure a sustainable future.

The following are four DOEE initiatives:

DC Bag Law Fee

The District is celebrating 10 years of reducing single-use plastic pollution and improving water quality. In September 2009, the “Bag Law” took effect which required all businesses selling food or alcohol to charge a \$0.05 fee for each disposable paper or plastic bag. Since 2010, the Bag Law has generated more than \$19 million in revenue to clean and protect the Anacostia River.

DC Bag Law Fees Collected Last 3 fiscal years

FY 2019	\$2.4 million
FY 2018	\$2.4 million
FY 2017	\$2.5 million



Our Last Straw

In an effort to reduce plastic waste and litter in the District, the *Our Last Straw* Coalition was created to eliminate the use of single-use plastic straws and stirrers.

Effective January 1, 2019, businesses and organizations that sell or serve food or beverages in the District must no longer use single-use plastic straws or stirrers when serving their customers. Beginning July 1, 2019, DOEE began issuing official warnings and fines to businesses still providing plastic straws or stirrers during random inspections.

Compliant products for use include paper, bamboo, hay, and stainless steel.



Foam Free DC

On January 1, 2016, the District banned the use of disposable food service ware made of expanded polystyrene, commonly known as foam or Styrofoam™ and other products that cannot be recycled or composted. These regulations were implemented to reduce waste and help meet the District’s goal of 80% waste reduction by 2032.



DC Green Bank

On July 2, 2018, the Mayor signed the *District’s Green Finance Authority Establishment Act*, officially making the District the first city in the country to establish a Green Bank.



Green Banks are institutions that states, and countries are using to finance projects that will create green jobs, expand solar power, lower energy costs, reduce greenhouse gas emissions, and meet sustainability goals. Green Banks are capitalized with public funds, which are then used to offer loans, leases, credit enhancements, and other financing services for clean energy projects.

The DC Green Bank is governed by an 11-member Board of Directors: 4 non-voting members and 7 voting members appointed by the Mayor. The Board is to meet at least six times each year. With the first meeting held on July 25, 2019, the DC Green Bank is officially in startup phase, working on administrative setup and hiring its first Chief Executive Officer.

For more information on the DC Green Bank, please visit their website: dcgreenbank.org.

For more information on compliant products and District food service ware requirements, visit: doee.dc.gov/foodserviceware.

For information on all DOEE initiatives, visit: doee.dc.gov.

2019 WNBA Champions

On October 10, 2019, in front of a sold-out crowd in the Entertainment and Sports Arena in Washington, D.C., the Washington Mystics became WNBA Champions for the first time in their franchise history. They defeated the Connecticut Sun in Game 5 with an 89-78 win.



It was announced in October 2019 that the Washington Mystics team and the Mayor will hold a Championship Parade in the Spring of 2020. The parade was delayed because some players had commitments to play on international teams after the Washington Mystics' season ended.



2019 WNBA Champions with Trophy

2019 MLB World Series Champions

On October 30, 2019, the Washington Nationals beat the Houston Astros in Game 7 to become the 2019 MLB World Series Champions. The victory marked the Washington Nationals' first ever World Series win since moving to Washington, D.C. in 2005.

The #SportsCapital hosted a parade and rally to celebrate the Washington Nationals' World Series victory on November 2, 2019. Thousands of baseball fans lined the downtown streets in a sea of red as decorated buses carried the Nationals team members and their families to the rally stage.



2019 World Series Champions with Trophy



2019 World Series Championship Parade

Miscellaneous Statistics

	FY 2019	FY 2018
Number of police officers	3,810	3,855
Number of police patrol cars	1,250	1,240
Police crime index offenses	33,902	33,031
Number of fire fighters & EMS personnel	1,939	1,927
Number of fire & EMS stations	34	34
Number of front-line emergency vehicles	168	168
Total number of fire/rescue incidents	39,454	39,390
Number of D.C. Public School teachers	4,320	4,121
Number of D.C. Public School students	49,056	48,144
Number of D.C. Public School high school graduates	2,170	2,273
Number of University of D.C. instructors	230	232
Number of University of D.C. students	4,270	4,500
Number of University of D.C. graduates	782	702
Convention Center conferences held	151	167
Convention Center attendees	1,066,175	1,563,622
Number of refuse collection trucks	102	102
Refuse collected (tons per day)	363	369
Recyclables collected (tons per day)	102	102

Outlook for FY 2020

The U.S. economy grew a little faster in FY 2019 than in FY 2018, but most forecasts anticipate that growth will be a little slower in FY 2020. D.C. local revenues increased by about 7.2% in FY 2019 and are expected to grow by about 0.6% in FY 2020. Gains in population and private sector jobs continue to add to the District's economy and tax base.

- The District's population continued to grow in FY 2019, demonstrating its continued attraction as a place to live.
- Federal employment in D.C. decreased in FY 2019, but it appears likely to grow slightly in FY 2020 due to temporary hiring for the 2020 Census.
- The private sector accounted for all the net increase in job growth in the District in FY 2019. Percentage gains in the District's private sector growth have recently been comparable to those in the nation as a whole. The biggest private sector job increases in D.C. in FY 2019 were in professional services, food services, information, and education.
- Despite the uncertainty surrounding federal fiscal policy, federal government expenditures generally contribute to stability in the District's economy. The lengthy partial shutdown of the federal government in early 2019 had only a short-term impact on the local economy.
- Investments in economic development are attracting new businesses and housing in all neighborhoods of the city. In late 2018, Amazon announced that it had selected the Crystal City neighborhood in Arlington, Virginia (now dubbed National Landing) as one of the two sites for its new HQ2 location. National Landing will add 25,000 new jobs to the region in over ten years with the potential for large spillover benefits to the District in the form of new jobs and new residents.

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 four discretely presented component units:</p> <ol style="list-style-type: none">1) Health Benefit Exchange Authority2) Housing Finance Agency3) University of the District of Columbia4) 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 commences 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 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.
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 + deferred outflows of resources, on one hand, and liabilities + 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 (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 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, 2019