SUPPLEMENT
Dated February 4, 2026
to
PRELIMINARY OFFICIAL STATEMENT
Dated January 20, 2026

RELATING TO

$929,565,000*
DISTRICT OF COLUMBIA
(Washington, D.C.)

$387,535,000* General Obligation Bonds, Series 2026A	$542,030,000* General Obligation Refunding Bonds, Series 2026B

Introduction

The Preliminary Official Statement for the above-captioned bonds is dated January 20, 2026 (the "Preliminary Official Statement"). The District of Columbia (the "District") has prepared this Supplement dated February 4, 2026, to the Preliminary Official Statement (the "Supplement") to provide the following information.

Other than with respect to the information provided herein, this Supplement is qualified by reference to the Preliminary Official Statement, including the Appendices thereto. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Preliminary Official Statement.

Annual Comprehensive Financial Report ("ACFR")

On January 30, 2026, the District released its ACFR for Fiscal Year 2025. The following portion of the ACFR for Fiscal Year 2025 is incorporated herein by reference: the information under the heading "Financial Section," from pages 21-208, inclusive (collectively, the "Fiscal Year 2025 Financial Statements"). The District's ACFR for Fiscal Year 2025 and the Fiscal Year 2025 Financial Statements can be found on the District's investor relations website, on EMMA, or by registering with and logging onto the website of DAC.

The District is providing the following highlights of certain key data included in the Fiscal Year 2025 Financial Statements. At the end of Fiscal Year 2025, actual revenues exceeded budgeted revenues by $257.3 million, mainly due to strong non-withholding and corporate tax collections. With respect to the District's federally and locally mandated reserves, such accounts are near full funding at $2.2 billion in total across the four accounts. At such levels, the District has approximately 60 days of operating expenditures reserved. The District has also continued to maintain healthy funding levels for its retirement and other post-employment benefits, which are fully funded. Please refer to the ACFR for Fiscal Year 2025 and the Fiscal Year 2025 Financial Statements for more information on the District's actual financial results for Fiscal Year 2025.

* Preliminary, subject to change.

Congressional Action on District Tax Legislation

The D.C. Income and Franchise Tax Conformity and Revision Emergency Amendment Act of 2025 (Act 26-0214) (the "Tax Emergency Amendment Act") was unanimously passed by the Council on November 4, 2025 and was enacted on December 3, 2025, with an expiration date of March 3, 2026. Several of the provisions in the Tax Emergency Amendment Act were applicable for tax year 2025, and for certain taxpayers, tax years 2022, 2023, and 2024. The Office of Tax and Revenue ("OTR") undertook efforts to implement the legislation in time for the opening of the tax filing season on January 26, 2026.

On December 30, 2025, the D.C. Income and Franchise Tax and Revision Temporary Amendment Act of 2025 (the "Tax Temporary Amendment Act," together with the Tax Emergency Amendment Act, the "Tax Amendment Act") was transmitted to Congress for a 30-Day Congressional Review Period with a deadline of February 12, 2026, to either approve or disapprove. On January 22, 2026, the House proposed a Joint Resolution of Disapproval (H.J. Res. 142) and a similar Joint Resolution of Disapproval was also proposed in the Senate (S.J. Res.102) (collectively, the "Joint Resolution"). The Joint Resolution is expected to be voted on by the House and the Senate in early February, before the February 12, 2026 deadline. District representatives continue to advocate for the Tax Amendment Act, which decouples certain of the District's tax laws from federal tax law as modified by the One Big Beautiful Bill Act ("OBBBA").

If the Joint Resolution passes both the House and Senate and is approved by the President, the changes that were made to OTR's forms and system for tax year 2025 implementing the Tax Amendment Act will no longer be consistent with District law. As a result, OTR would need to suspend the current filing season until such time as it can make the necessary changes to its forms and systems. The District may also need to extend income tax filing deadlines by up to six months (from April 15, 2026 to October 15, 2026). Additional operational impacts resulting from the invalidation of the Tax Amendment Act have also been identified by OTR.

In addition to the administrative burdens described above, the District is assessing the financial impact of the invalidation of the Tax Amendment Act, such as the timing of collections of income tax revenues and certain related potential cash flow matters, among other things. For example, it is possible that an extension in filing deadlines could lead to a shift in the timing of collections of approximately $400 million in income tax revenue from Fiscal Year 2026 to Fiscal Year 2027. However, based on the September 2025 Revenue Estimate, reversing the OBBBA decoupling legislation is not likely to have a significant impact on the Fiscal Years 2025-2029 District of Columbia Budget and Financial Plan.

As described in the Preliminary Official Statement, the December 2025 Revenue Estimate certified that the revenue estimate for the Fiscal Years 2025-2029 District of Columbia Budget and Financial Plan was unchanged from the September 2025 Revenue Estimate (see Part 2, "BUDGETING AND FINANCIAL PROCEDURES – Financial Procedures – Revenue Estimates and Expenditure Projections" and Table 2). In the September 2025 Revenue Estimate, the District estimated a reduction in revenue from the implementation of certain provisions of the OBBBA. However, such reduction was estimated to be offset by revenues collected by the District under current District law (i.e., not taking into account the impact of implementing the Tax Amendment Act) and as a result of the general state of the economy in the District of Columbia. In particular, personal income tax revenue increases were estimated to be strong due to capital gains earnings by higher income households and corporate tax increases due to strong growth in earnings by businesses that have a presence in the District of Columbia. The February 2026 Revenue Estimate is expected to include an analysis of any economic impact of the invalidation of the Tax Amendment Act, if that were to occur.

As noted in the Preliminary Official Statement, the Series 2026A-B-C Bonds are secured by the Special Real Property Tax, required to be levied by the District in an amount sufficient to pay the principal of, and interest on, the Bonds payable in each year. See Part 1, "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Real Property Tax." The Special Real Property Tax is not expected to be impacted by the OBBBA or the Tax Amendment Act.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 20, 2026

NEW ISSUE BOOK-ENTRY-ONLY

Bond Ratings:
Fitch: "AA+"
Moody's: "Aa1"
S&P: "AA+"
See Part 1, "RATINGS" herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026A-B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Bond Counsel, interest on the Series 2026A-B Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2026A-B Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2026A-B Bonds is exempt from all taxation of the District of Columbia, except estate, inheritance, and gift taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026A-B Bonds. See Part 1, "TAX MATTERS."

$929,565,000*
DISTRICT OF COLUMBIA
(Washington, D.C.)

$387,535,000*	**$542,030,000***
General Obligation Bonds, Series 2026A	**General Obligation Refunding Bonds, Series 2026B**

Dated: Date of delivery **Due: As shown on the inside cover page**

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement, and investors must read the entire Official Statement to obtain the information essential to the making of an informed investment decision.

The General Obligation Bonds, Series 2026A (the "Series 2026A Bonds") and the General Obligation Refunding Bonds, Series 2026B (the "Series 2026B Bonds," and together with the Series 2026A Bonds, the "Series 2026A-B Bonds") are general obligations of the District of Columbia (the "District") and the full faith and credit of the District is pledged to the payment of the principal of and interest on the Series 2026A-B Bonds when due. The Series 2026A-B Bonds are further secured by a valid, binding, and perfected security interest in the revenue derived from the Special Real Property Tax (as defined herein), which is levied annually by the District, without limitation as to rate or amount, in amounts sufficient to pay the principal of and interest on the Series 2026A-B Bonds and any other outstanding general obligation bonds when due. The District has entered into a collection agreement whereby all real property tax payments (of which the Special Real Property Tax is a component) are collected by Wells Fargo Bank, N.A. (in such capacity, the "Collection Agent"), acting for and on behalf of the District. See Part 1, "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026A-B BONDS" herein.

The proceeds of the Series 2026A Bonds will be used, together with other funds of the District, to (1) pay or reimburse the District for capital project expenditures under the District's capital improvements plan, (2) refund a portion of the District's outstanding District of Columbia General Obligation Commercial Paper Bond Anticipation Notes, Series 2025A (the "Refunded C.P. Notes"), and (3) pay the costs and expenses of issuing and delivering the Series 2026A Bonds.

The proceeds of the Series 2026B Bonds will be used, together with other funds of the District, to (1) purchase for cancellation the Purchased Bonds pursuant to the Tender Offer as described in the Invitation (all as defined herein), (2) pay the costs and expenses of the Tender Offer, (3) refund the Refunded Bonds (as defined herein), and (4) pay the costs and expenses of issuing and delivering the Series 2026B Bonds.

For more information on the Tender Offer, see Part 1, "TENDER OFFER OF CERTAIN BONDS" and APPENDIX E hereto. For more information on the Refunded Bonds, see Part 1, "THE SERIES 2026A-B BONDS – Purpose of the Issue" and APPENDIX D hereto.

The Series 2026A-B Bonds will be issued only as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository. Individual purchases will be made in book-entry-only form. Computershare Trust Company, N.A., is the registrar, escrow agent, and paying agent (in such capacities, "Registrar," "Escrow Agent," and "Paying Agent," respectively).

The Series 2026A-B Bonds will be issued in authorized denominations of $5,000 or any integral multiple thereof and will bear interest at the rates set forth on the inside cover pages hereof, payable semiannually on (i) June 1* and December 1,* commencing June 1, 2026* until final payment or maturity (for the Series 2026A Bonds); and (ii) June 1* and December 1,* commencing June 1, 2026* until final payment or maturity (for the Series 2026B Bonds), computed on the basis of a 360-day year comprised of twelve 30-day months.

Certain maturities of the Series 2026A-B Bonds are subject to redemption prior to maturity as described herein. See Part 1, "THE SERIES 2026A-B BONDS – Redemption" herein.

The Series 2026A-B Bonds are offered when, as and if issued by the District, subject to receipt of the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Washington, D.C., Bond Counsel to the District. The Office of the Attorney General for the District of Columbia will deliver an opinion as to certain legal matters pertaining to the District. Hawkins Delafield & Wood LLP, Washington, D.C., Disclosure Counsel to the District, will deliver an opinion to the District and the Underwriters regarding certain matters. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Squire Patton Boggs (US) LLP, Washington, D.C., and Lewis & Munday, P.C., Washington, D.C. It is anticipated that the Series 2026A-B Bonds will be available for delivery in book-entry form through the facilities of DTC in New York, New York on or about March 3, 2026.

Barclays		**Siebert Williams Shank**
Academy Securities, Inc.	**Fidelity Capital Markets**	**Loop Capital Markets**
Morgan Stanley	**Oppenheimer & Co.**	**RBC Capital Markets**

February ___, 2026

* Preliminary, subject to change.

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIPS†

$387,535,000*
General Obligation Bonds,
Series 2026A

Maturity (June 1)*	Principal Amount*	Interest Rate	Price	Yield	CUSIP† (25476F)
2029	$ 100,000				
2030	15,485,000				
2031	16,260,000				
2032	17,060,000				
2033	17,935,000				
2034	18,820,000				
2035	19,765,000				
2036	20,740,000				
2037	21,795,000				
2038	22,875,000				
2039	24,020,000				
2040	25,215,000				
2041	26,495,000				
2042	27,810,000				
2043	29,200,000				
2044	30,650,000				
2045	32,200,000				
2046	21,110,000				

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association (the "ABA"). CUSIP data herein is provided by CUSIP Global Services ("CGS"), which is managed on behalf of the ABA by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2026A-B Bonds only at the time of issuance of the Series 2026A-B Bonds, and the District and the Underwriters do not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the Series 2026A-B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2026A-B Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of the Series 2026A-B Bonds.

$542,030,000*
General Obligation Refunding Bonds,
Series 2026B

Maturity (June 1)*	Principal Amount*	Interest Rate	Price	Yield	CUSIP† (25476F)
2027	$28,005,000				
2028	13,665,000				
2029	15,430,000				
2030	10,965,000				
2031	28,800,000				
2032	39,770,000				
2033	47,935,000				
2034	42,950,000				
2035	61,040,000				
2036	73,650,000				
2037	49,605,000				
2038	30,260,000				
2039	31,745,000				
2040	33,290,000				
2041	34,920,000				

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association (the "ABA"). CUSIP data herein is provided by CUSIP Global Services ("CGS"), which is managed on behalf of the ABA by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2026A-B Bonds only at the time of issuance of the Series 2026A-B Bonds, and the District and the Underwriters do not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the Series 2026A-B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2026A-B Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of the Series 2026A-B Bonds.

DISTRICT OF COLUMBIA

Muriel Bowser
Mayor

EXECUTIVE OFFICERS

Kevin Donahue	City Administrator
Paul Kihn	Deputy Mayor for Education
Nina Albert	Deputy Mayor for Planning and Economic Development
Wayne Turnage	Deputy Mayor for Health and Human Services
Lindsey Appiah	Deputy Mayor for Public Safety and Justice
Glen Lee	Chief Financial Officer
Carmen Pigler	Deputy Chief Financial Officer and Treasurer
Fitzroy Lee	Deputy Chief Financial Officer and Chief Economist
Keith J. Richardson	Deputy Chief Financial Officer for Tax and Revenue
Kimberly Williams	Deputy Chief Financial Officer for Financial Operations and Systems
Eric Cannady	Deputy Chief Financial Officer for Budget and Planning

OFFICE OF THE ATTORNEY GENERAL

Brian Schwalb
Attorney General

COUNCIL OF THE DISTRICT OF COLUMBIA

Phil Mendelson, Chairman

Anita Bonds	At Large	Matthew Frumin	Ward 3
Christina Henderson	At Large	Janeese Lewis George	Ward 4
Doni Crawford	At Large	Zachary Parker	Ward 5
Robert C. White, Jr.	At Large	Charles Allen	Ward 6
Brianne K. Nadeau	Ward 1	Wendell Felder	Ward 7
Brooke Pinto	Ward 2	Trayon White, Sr.	Ward 8

INVESTOR RELATIONS

Office of Finance and Treasury
1101 Fourth Street, S.W., Suite 850W
Washington, D.C. 20024
phone: (202) 727-6055
e-mail: dcinvestorrelations@dc.gov
www.DCbonds.com

FINANCIAL ADVISORS

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

Public Resources Advisory Group, Inc.
New York, New York

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP
Washington, D.C.

DISCLOSURE COUNSEL

Hawkins Delafield & Wood LLP
Washington, D.C.

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriters to give any information or to make representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriters.

No Unlawful Offers or Solicitations. The information in this Preliminary Official Statement is not complete and may be changed. This Preliminary Official Statement is not an offer to sell the Series 2026A-B Bonds and is not soliciting an offer to buy the Series 2026A-B Bonds in any jurisdiction where the offer or sale is not permitted.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Series 2026A-B Bonds described herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement among the District, the Underwriters and the purchasers or owners of any offered Series 2026A-B Bonds. This Official Statement is being provided to prospective purchasers either in bound printed form ("Original Bound Format") or in electronic format on the following websites: www.munios.com and www.DCbonds.com. This Official Statement may be relied upon only if it is in its Original Bound Format or if it is printed in full directly from such website.

Preparation of this Official Statement. The information set forth herein has been furnished by the District and includes information obtained from other sources, all of which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Order and Placement of Materials. The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the cover page, the inside cover pages and the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2026A-B Bonds is made only by means of this entire Official Statement.

Estimates and Forecasts. The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "illustrate," "example," and "continue," or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the District assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material, which could affect the ability to fulfill some or all of the obligations under the Series 2026A-B Bonds.

Public Offering Prices. In connection with the offering of the Series 2026A-B Bonds, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Series 2026A-B Bonds at levels above those which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

No Recommendation or Registration. The Series 2026A-B Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. The Series 2026A-B Bonds have not been registered with the Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended, in reliance upon the exemption contained in Section 3(a)(2) of such act, and the Authorizing Actions (as defined herein) have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such act.

Informational Purposes Only; No Incorporation by Reference Unless Expressly Stated Otherwise. References to website addresses presented herein, including the District's investor relations website or any other website containing information about the District, are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose, including for purposes of Rule 15c2-12 promulgated by the SEC.

Summary of the Offering

This summary is subject in all respects to more complete information contained in this Official Statement and should not be considered a complete statement of the facts material to making an investment decision. The offering of the Series 2026A-B Bonds to potential investors is made only by means of the entire Official Statement, including the cover page, the inside cover pages, and the Appendices, and other documents available for review and to which reference is herein made. Capitalized terms used in this summary and not otherwise defined have the meanings given to such terms in this Official Statement.

Issuer:	The District of Columbia (the "District").
Bonds Offered:	\$387,535,000* aggregate principal amount of its General Obligation Bonds, Series 2026A (the "Series 2026A Bonds") \$542,030,000* aggregate principal amount of its General Obligation Refunding Bonds, Series 2026B (the "Series 2026B Bonds," and together with the Series 2026A Bonds, the "Series 2026A-B Bonds") **The Series 2026A-B Bonds, together with the District's outstanding general obligation bonds and general obligation bonds issued in the future that are secured by the Special Real Property Tax (as defined herein) and issued under Section 461 of the Home Rule Act, are referred to herein collectively as the "Bonds."**
Interest Payment Dates:	For the Series 2026A Bonds, payable semiannually on June 1* and December 1,* commencing June 1, 2026* until final payment or maturity. For the Series 2026B Bonds, payable semiannually on June 1* and December 1,* commencing June 1, 2026* until final payment or maturity.
Security and Sources of Payment:	The following is qualified in all respects by the information in Part 1 of this Official Statement under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026A-B BONDS" and the documents referenced under such caption. <u>Full Faith and Credit</u>. The Series 2026A-B Bonds are general obligations of the District, and the full faith and credit of the District is pledged to the payment of the principal of and interest on the Series 2026A-B Bonds when due. <u>Special Real Property Tax</u>. The Bond Act provides for levies, without limitation as to rate or amount, for each real property tax year in which the Bonds are outstanding, of a Special Real Property Tax in amounts sufficient to pay the principal of and interest on any Bonds coming due each year. Pursuant to the Bond Act, the District irrevocably pledges all of its right, title, and interest in the revenue derived from the Special Real Property Tax for the benefit of the holders of any Bonds.

* Preliminary, subject to change.

Perfected Security Interest. The pledge of the Special Real Property Tax creates a valid, binding, and perfected security interest in the revenue derived from such tax. The pledge and lien created by such security interest is valid, binding, and perfected as against any claims against the District.

Segregated Fund. The District is obligated to set aside the revenue derived from the Special Real Property Tax in a separate debt service fund to be maintained separate from other funds of the District, and the District has established the Special Tax Fund for such purpose.

The District has entered into the Collection Agreement whereby all real property tax payments (of which the Special Real Property Tax is a component) are collected by Wells Fargo Bank, N.A., as collection agent and custodian of the Special Real Property Taxes receipts (in such capacity, the "Collection Agent"). The Collection Agent acts for and on behalf of the District.

The Collection Agent (1) calculates the portion of real property tax payments that is allocable to the real property tax and the Special Real Property Tax, (2) segregates and transfers the Special Real Property Tax receipts into a separate account, and (3) from such separate account pays, on a daily basis, to the Special Tax Fund the amount designated in writing by the District as necessary for debt service on any Bonds.

Chapter 9 Currently Inapplicable. Under existing federal bankruptcy law, the District is not identified as an entity that is eligible to file a petition for an adjustment of debts under Chapter 9 of the United States Bankruptcy Code.

Bond Act:

The Bond Act provides that the District and its Mayor are required to carry out any agreement with or for the benefit of bond or note owners, including, among other things, (1) requiring the collection and deposit of the Special Real Property Tax, (2) enforcing the security interest of the holders of the Bonds in the funds derived from the Special Real Property Tax, and (3) ordering payment of the Bonds from funds of the District not otherwise legally committed or, in the absence thereof, ordering the District and its Mayor to take all lawful action to obtain such funds. If there is an event of default, the Bond Act also provides that bond or note holders may file a lawsuit to enforce their rights or to enjoin any acts that may be unlawful or in violation of such rights.

Statutory Debt Limitations:

Federal Law. The Home Rule Act (which has also been applied to Income Tax Bonds by District statute) provides that additional Bonds (other than refunding bonds), Income Tax Bonds, and capital project loans from the U.S. Department of the Treasury (the "Treasury") are not legally permitted to be issued if, at the time the additional Bonds, Income Tax Bonds, or Treasury loans are to be issued, such issuance would cause the debt service in any Fiscal Year on the aggregate amounts of the outstanding Bonds, Income Tax Bonds, Treasury loans, and the additional debt proposed to be issued to exceed 17% of local-source District revenues (less certain special revenue categories) that the Mayor estimates and the District of Columbia Auditor certifies are expected to be received in the Fiscal Year in which the additional debt is proposed to be issued.

General obligation bond anticipation notes must be paid no later than the last day of the third Fiscal Year following the Fiscal Year of issuance. The act of Council authorizing the notes must set forth an estimated maximum annual debt service amount for the general obligation bonds in anticipation of which the notes are issued, and such debt service must be included in the 17% maximum debt service calculation described above.

District Law. In 2009, the District passed the Debt Ceiling Act, which imposes a further limit on the issuance of Tax-Supported Debt (as defined herein), including the Bonds, if such issuance would result in total debt service in the Fiscal Year of issuance, or any of the five succeeding Fiscal Years, on all outstanding Tax-Supported Debt in excess of 12% of annual District General Fund expenditures and transfers in any applicable Fiscal Year, as contained in the most recently enacted District budget.

Such statutory debt limitations are described more fully in Part 1, "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026A-B BONDS – Statutory Debt Limitations" herein.

Relationship to Federal Government:

General. Notwithstanding the Home Rule Act's delegation to the District of authority for self-government, Congress reserves the right to exercise its Constitutional authority as the legislature for the District by enacting legislation on any subject. Such legislative authority is subject to Constitutional limitations on the powers of the United States government. The federal government assumes the costs of certain District state-like functions, such as the Courts and incarceration of convicted felons, and provides revenues to the District for other functions and for certain programs, such as Medicaid, school improvements, and the Tuition Assistance Grant program.

Budgetary Matters. The District has followed the budgetary procedures set forth in the Budget Autonomy Act for its budgets in each of Fiscal Years 2017-2026.

As described in more detail in Part 2 under the caption "BUDGETING AND FINANCIAL PROCEDURES," Congress has taken certain action with respect to the Budget Autonomy Act, and the act has been challenged in court.

Pursuant to the Budget Autonomy Act, the Mayor submits the federal portion of the District's budget to the President to be included in the federal budget subject to the Congressional appropriations process, while the Council submits the local portion of the District's budget, following its approval by the Mayor, to Congress as a regular piece of legislation for the statutory 30-Congressional day passive review applicable to all District acts.

For more information on the District's budget for Fiscal Year 2026, see Part 2, "DISTRICT BUDGET AND FINANCIAL PLAN."

The payment of debt service on the Bonds, general obligation bond anticipation notes, Income Tax Bonds, and general obligation tax revenue anticipation notes is not subject to annual appropriations.

For more information on the District's relationship to the federal government, see Part 2, "THE DISTRICT OF COLUMBIA – Congressional Authority" and "BUDGETING AND FINANCIAL PROCEDURES – Federal Funding."

Additional Bonds: The District may issue Bonds under the circumstances described herein.

Use of Proceeds: The proceeds of the Series 2026A Bonds will be used, together with other funds of the District, to (1) pay or reimburse the District for capital project expenditures under the District's capital improvements plan, (2) refund a portion of the District's outstanding District of Columbia General Obligation Commercial Paper Bond Anticipation Notes, Series 2025A (the "Refunded C.P. Notes"), and (3) pay the costs and expenses of issuing and delivering the Series 2026A Bonds.

The proceeds of the Series 2026B Bonds will be used, together with other funds of the District, to (1) purchase for cancellation the Purchased Bonds pursuant to the Tender Offer as described in the Invitation (all as defined herein), (2) pay the costs and expenses of the Tender Offer, (3) refund the Refunded Bonds (as defined herein), and (4) pay the costs and expenses of issuing and delivering the Series 2026B Bonds.

For more information on the Tender Offer, see Part 1, "TENDER OFFER OF CERTAIN BONDS" and APPENDIX E hereto. For more information on the Refunded Bonds, see Part 1, "THE SERIES 2026A-B BONDS – Purpose of the Issue" and APPENDIX D hereto.

Redemption: Certain maturities of the Series 2026A-B Bonds are subject to redemption prior to maturity as described herein. See Part 1, "THE SERIES 2026A-B BONDS – Redemption" herein.

Authorized Denominations: The Series 2026A-B Bonds will be issued as registered bonds in denominations of $5,000 and integral multiples thereof.

Form and Depository: The Series 2026A-B Bonds will be delivered solely in registered form under a global book-entry system through the facilities of DTC.

Tax Status: For information on the tax status of the Series 2026A-B Bonds, see the italicized language at the top of the cover page of this Official Statement and Part 1, "TAX MATTERS" herein.

Continuing Disclosure: The District will enter into a Continuing Disclosure Agreement to assist the Underwriters in complying with the provisions of Rule 15c2-12, as further described in Part 1, "CONTINUING DISCLOSURE" herein. Digital Assurance Certification, L.L.C., is the disclosure dissemination agent for the District. The form of Continuing Disclosure Agreement that the District will enter into is attached as APPENDIX C hereto.

Ratings:	Fitch:	"AA+" (with a stable outlook)
	Moody's:	"Aa1" (with a negative outlook)
	S&P:	"AA+" (with a stable outlook)

See Part 1, "RATINGS" herein.

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FOR PART 2

Part 1
of the
Official Statement
of the
DISTRICT OF COLUMBIA
(Washington, D.C.)

relating to

$929,565,000*
DISTRICT OF COLUMBIA
(Washington, D.C.)

$387,535,000*	**$542,030,000***
General Obligation Bonds,	**General Obligation Refunding Bonds,**
Series 2026A	**Series 2026B**

INTRODUCTION

The District of Columbia (the "District") has prepared this Official Statement in connection with the issuance and sale of its (1) $387,535,000* aggregate principal amount of General Obligation Bonds, Series 2026A (the "Series 2026A Bonds") and (2) $542,030,000* aggregate principal amount of General Obligation Refunding Bonds, Series 2026B (the "Series 2026B Bonds," and together with the Series 2026A Bonds, the "Series 2026A-B Bonds").

This Official Statement consists of the cover page, the inside cover pages, the Tables of Contents, this Part 1, including the Appendices to this Part 1 (all of the foregoing are referred to collectively as "Part 1") and the attached Part 2 ("Part 2"). Both this Part 1 and Part 2 are dated as of the date set forth on the cover page. Both Part 1 and Part 2 should be read in their entirety. Part 1 of this Official Statement contains information relating principally to the Series 2026A-B Bonds. Part 2 of this Official Statement contains information relating principally to the government and economic resources of the District, and includes certain financial and other information supplementing the most recent general purpose financial statements of the District, which can be found in the District's Annual Comprehensive Financial Report ("ACFR") for the fiscal year ("Fiscal Year") ended September 30, 2024. The following portion of the ACFR for Fiscal Year 2024 is incorporated herein by reference: the information under the heading "Financial Section," from pages 23-214, inclusive (collectively, the "Fiscal Year 2024 Financial Statements"). Unless otherwise indicated, the Office of the Chief Financial Officer of the District is the source of information presented in the tables included in Part 2. The District's ACFR for Fiscal Year 2024 and the Fiscal Year 2024 Financial Statements can be found on the District's investor relations website at www.DCbonds.com, on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system or by registering with and logging onto the website of Digital Assurance Certification, L.L.C. ("DAC") at www.dacbond.com. DAC is the disclosure dissemination agent for the District.

On or about January 30, 2026, the District expects to release its ACFR for Fiscal Year 2025. The District expects to price the Series 2026A-B Bonds on February 10, 2026.* Following the release of the ACFR for Fiscal Year 2025 and prior to the pricing of the Series 2026A-B Bonds, the District expects to supplement this Official Statement to incorporate by reference the Fiscal Year 2025 Financial Statements (to be more particularly identified upon the release of the ACFR for Fiscal Year 2025) and highlight certain key data included therein.

* Preliminary, subject to change.

Concurrently with the release of this Preliminary Official Statement, the District is also releasing the Preliminary Official Statement, relating to the Series 2026C Bonds, which are being issued to finance (1) new money capital project expenditures under the District's capital improvements plan, (2) the refunding of a portion of the District's outstanding District of Columbia General Obligation Commercial Paper Bond Anticipation Notes, Series 2025A (the "Refunded C.P. Notes"), and (3) the costs and expenses of issuing and delivering the Series 2026C Bonds, all as described in more detail in the Preliminary Official Statement for such bonds. The Series 2026A-B Bonds and the Series 2026C Bonds are collectively referred to herein as the "Series 2026A-B-C Bonds."

References herein to the "District" refer to the District of Columbia as a municipal corporation, and references to the "District of Columbia" refer to the District of Columbia as a geographical location.

Investor Relations. In addition to the District's investor relations website (www.DCbonds.com), investor information, including the District's ACFRs, may be requested in writing from the Office of Finance and Treasury, 1101 Fourth Street, S.W., Suite 850W, Washington, D.C. 20024, by phone at (202) 727-6055 or by e-mail at dcinvestorrelations@dc.gov. As disclosure dissemination agent for the District, DAC has agreed to promptly file on EMMA, upon receipt from the District, the District's annual financial information and notices of events that are required by the District's continuing disclosure undertakings. See "CONTINUING DISCLOSURE." Certain financial information with respect to the District may be obtained through DAC's website. Any such information speaks strictly as of its date, and the District has undertaken no obligation to update such information, other than in accordance with its continuing disclosure undertakings and applicable law. The District regularly updates its investor relations website (www.DCbonds.com) with information regarding prospective financings and other pertinent financial information.

References to website addresses presented herein, including the District's investor relations website or any other website containing information about the District, are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose, including for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("SEC"). The only information expressly incorporated into this Official Statement is the Fiscal Year 2024 Financial Statements.

THE SERIES 2026A-B BONDS

Authorization

Section 461 of the District of Columbia Home Rule Act, as amended, an act of the United States Congress (the "Congress") signed by the President on December 24, 1973 (the "Home Rule Act"), authorizes the District to issue general obligation bonds to provide for the payment of the cost of acquiring or undertaking its various capital projects (D.C. Official Code § 1-204.61). See Part 2, "INDEBTEDNESS – Summary of Statutory Debt Provisions."

The issuance of the Series 2026A-B Bonds is authorized pursuant to (1) the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2023-2028 Authorization Act of 2023, D.C. Law 25-0009, effective June 14, 2023 (the "Bond Act"), (2) the "Fiscal Year 2026 Income Tax Secured Revenue Bond, General Obligation Bond, and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2025,"Resolution 26-209 effective October 7, 2025 (the "Bond Approval Resolution"), and (3) the Bond Issuance Certificate of the Mayor of the District of Columbia (the "Mayor"), relating to the Series 2026A-B Bonds, dated the date of issuance thereof (the "Bond Issuance Certificate," and together with the Home Rule Act, the Bond Act, and the Bond Approval Resolution, the "Authorizing Actions").

The Series 2026A-B Bonds, together with the District's outstanding general obligation bonds and general obligation bonds issued in the future that are secured by the Special Real Property Tax (as defined herein) and issued under Section 461 of the Home Rule Act, are referred to herein collectively as the

"Bonds." See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026A-B BONDS." For a description of outstanding Bonds, see Part 2, "INDEBTEDNESS – Summary of Statutory Debt Provisions" and "– Long-Term Obligations – *General Obligation Bonds*."

Purpose of the Issue

The proceeds of the Series 2026A Bonds will be used, together with other funds of the District, to (1) pay or reimburse the District for capital project expenditures under the District's capital improvements plan, (2) refund a portion of the District's outstanding District of Columbia General Obligation Commercial Paper Bond Anticipation Notes, Series 2025A (the "Refunded C.P. Notes"), and (3) pay the costs and expenses of issuing and delivering the Series 2026A Bonds. For more information on the District's capital improvements plan, see Part 2, "DISTRICT BUDGET AND FINANCIAL PLAN."

The proceeds of the Series 2026B Bonds will be used, together with other funds of the District, to (1) purchase for cancellation the Purchased Bonds pursuant to the Tender Offer as described in the Invitation (all as defined herein), (2) pay the costs and expenses of the Tender Offer, (3) refund all or a portion of the District's outstanding (a) General Obligation Bonds, Series 2016A, (b) Multimodal General Obligation Refunding Bonds, Series 2017C, and (c) Multimodal General Obligation Refunding Bonds, Series 2021A (any bonds so refunded, the "Refunded Bonds"),* and (4) pay the costs and expenses of issuing and delivering the Series 2026B Bonds.

The Target Bonds include certain of the District's outstanding (1) General Obligation Bonds, Series 2016D, (2) General Obligation Refunding Bonds, Series 2016E, and (3) General Obligation Refunding Bonds, Series 2017A (collectively, the "Target Bonds").* For more information on the Tender Offer, see "TENDER OFFER OF CERTAIN BONDS" and APPENDIX E – "PURCHASED BONDS."

The amount deposited in the Refunding Account will be transferred by Computershare to the applicable fund established under the escrow agreement and will be used to refund the Refunded Bonds in accordance with the terms of the escrow agreement. For more information on the Refunded Bonds, see APPENDIX D hereto.

General

The Series 2026A-B Bonds will be dated the date of their delivery, and bear interest at the rates set forth on the inside cover pages hereof, payable semiannually on (i) June 1* and December 1,* commencing June 1, 2026* until final payment or maturity (for the Series 2026A Bonds); and (ii) June 1* and December 1,* commencing June 1, 2026* until final payment or maturity (for the Series 2026B Bonds). Interest will be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each. The Series 2026A-B Bonds will be issuable only as fully registered bonds in denominations of $5,000 and multiples thereof.

Redemption

Series 2026A Bonds

Optional Redemption.* The Series 2026A Bonds maturing prior to __________, are not subject to optional redemption. The Series 2026A Bonds maturing on or after _________, shall be subject to redemption prior to maturity, in whole or in part in any authorized denomination on any date on or after __________, at the option of the District, at the redemption price of 100% of the principal amount thereof, together with accrued interest to the redemption date.

* Preliminary, subject to change.

Series 2026B Bonds

Optional Redemption.* The Series 2026B Bonds maturing prior to __________, are not subject to optional redemption. The Series 2026B Bonds maturing on or after _________, shall be subject to redemption prior to maturity, in whole or in part in any authorized denomination on any date on or after __________, at the option of the District, at the redemption price of 100% of the principal amount thereof, together with accrued interest to the redemption date.

Notice of Redemption

Notice of redemption is to be mailed, postage paid, not less than 30 days nor more than 60 days prior to the date fixed for redemption to each registered owner of the Series 2026A-B Bonds to be redeemed, at such owner's address in the bond register kept by the Registrar and by such other method, if any, as the District shall deem appropriate. Such notice shall specify the maturities and interest rates of the Series 2026A-B Bonds to be redeemed, the date fixed and place(s) for redemption and, if less than all of the Series 2026A-B Bonds of any like maturity are to be redeemed, the letters, numbers or other distinguishing marks of such Series 2026A-B Bonds to be redeemed and, in the case of Series 2026A-B Bonds of a maturity to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and, if applicable, that such notice is conditional and the conditions that must be satisfied.

While the Series 2026A-B Bonds are subject to the book-entry system, redemption notices will be sent to DTC. See APPENDIX B – "BOOK-ENTRY-ONLY SYSTEM."

Partial Redemption

If less than all of the Series 2026A-B Bonds of any maturity bearing the same interest rate are within the series to be redeemed, DTC's practice is to determine by lot the particular Series 2026A-B Bonds or portions of any such Series 2026A-B Bonds to be redeemed. See APPENDIX B – "BOOK-ENTRY-ONLY SYSTEM."

If less than the entire principal amount of any maturity of the Series 2026A-B Bonds bearing the same interest rate is called for redemption, the District is required to execute and the Registrar is required to authenticate and deliver, upon surrender of such Series 2026A-B Bonds, without charge to the registered owner thereof, one or more new Series 2026A-B Bonds of any authorized denomination, of like maturity, interest rate, and aggregate principal amount of the Series 2026A-B Bonds so surrendered. If, on the date fixed for redemption, moneys for the redemption of all of the Series 2026A-B Bonds or portions thereof to be redeemed are held by the Registrar so as to be available therefor and if notice of redemption is given as set forth above, interest on such Series 2026A-B Bonds will cease from and after the date fixed for redemption.

Book-Entry-Only System

The Series 2026A-B Bonds will be issued as fully-registered bonds, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership interests in the Series 2026A-B Bonds will be available in book-entry-only form. Purchasers of beneficial ownership interests in the Series 2026A-B Bonds will not receive certificates representing their interests in the Series 2026A-B Bonds purchased. See APPENDIX B – "BOOK-ENTRY-ONLY SYSTEM." Principal of and interest on the Series 2026A-B Bonds are payable, so long as the Series 2026A-B Bonds are in book-entry form, through a securities depository as described in APPENDIX B.

None of the District, the Underwriters (as defined herein), the Registrar, the Escrow Agent or the Paying Agent has any responsibility or obligation to any Beneficial Owner (as defined in APPENDIX B) with respect to (1) the accuracy of any records maintained by DTC or any DTC participant, (2) the distribution by DTC or any

* Preliminary, subject to change.

DTC participant of any notice that is permitted or required to be given to the owners of the Series 2026A-B Bonds, (3) the payment by DTC or any DTC participant of any amount received with respect to the Series 2026A-B Bonds, (4) any consent given or other action taken by DTC or its nominee as the owner of the Series 2026A-B Bonds, or (5) any other related matter.

Method of Payment and Transfer

Principal of the Series 2026A-B Bonds is payable, when due, upon presentation and surrender of the Series 2026A-B Bonds at the principal corporate trust office of the Registrar.

Interest on the Series 2026A-B Bonds is payable by check or draft mailed to the person in whose name the Series 2026A-B Bonds are registered on the bond register kept by the Registrar at the close of business on the Record Date (as defined below) at such person's address as it appears in the bond register. So long as Cede & Co. is the registered owner of the Series 2026A-B Bonds, all such payments are to be made to Cede & Co.

"Record Date" means the 15th day (whether or not a Business Day) of the calendar month preceding the calendar month in which each interest payment date occurs.

"Business Day" means any day on which the offices of the government of the District and the Escrow Agent are open for regular business.

The transfer of Series 2026A-B Bonds is registrable only upon the registration books maintained by the District for that purpose at the principal corporate trust office of the Registrar, by the registered owner thereof or by the owner's attorney duly authorized in writing, upon surrender thereof together with an instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or the registered owner's duly authorized attorney and payment of any tax, fee or other governmental charge imposed because of such transfer. Upon such surrender for registration of transfer, the District will execute and the Registrar will authenticate and deliver new Series 2026A-B Bonds of any authorized denominations, registered in the name of the transferee, and of the same aggregate principal amount, series, maturity and interest rate as the surrendered Series 2026A-B Bonds. Unless future rules and practices of the secondary securities market stipulate that the fees of the Registrar be paid by the transferor or transferee of previously registered Series 2026A-B Bonds, all costs of such transfer will be paid for by the District.

The Series 2026A-B Bonds may be exchanged for an equal aggregate principal amount of Series 2026A-B Bonds of the same maturity, series, and interest rate and of any authorized denominations, upon surrender thereof at the principal corporate trust office of the Registrar together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's duly authorized attorney and upon payment of any tax, fee or other governmental charge imposed because of such exchange.

TENDER OFFER OF CERTAIN BONDS

Capitalized terms used under this caption "TENDER OFFER OF CERTAIN BONDS," which are not otherwise defined, shall have the respective meanings specified in the Invitation (as defined below).

The District is offering to purchase certain of its outstanding bonds by releasing the Invitation to Tender Bonds, dated January 20, 2026 (as it may be amended or supplemented via pricing notice or otherwise) (the "Invitation"), to the beneficial owners of the Target Bonds, on the terms set forth in the Invitation. Subject to the terms and conditions of the Invitation, upon the issuance and delivery of the Series 2026B Bonds, the District will purchase and cancel the Target Bonds validly tendered and accepted for purchase (the "Purchased Bonds") comprising the Purchased Bonds set forth in APPENDIX E – "PURCHASED BONDS." The process of the District inviting bondholders to tender their Target Bonds and determining which of the tendered Target Bonds to accept and purchase is collectively referred to herein as the "Tender Offer."

The District expects to pay the purchase price for the Purchased Bonds on the date of issuance and delivery of the Series 2026B Bonds, together with the costs related thereto, from a portion of the proceeds of the Series 2026B Bonds. Target Bonds not purchased pursuant to the Invitation will remain outstanding.

The Invitation will be available: (i) on EMMA, using the CUSIP numbers for the Target Bonds, and (ii) on the website of the Information Agent and Tender Agent at www.globic.com/dc. **The District's offer to purchase Target Bonds is made only through the Invitation and beneficial holders of the Target Bonds should refer solely to the Invitation, including all Appendices, notices, amendments, and supplements thereto, if any, for information regarding the Tender Offer.**

SOURCES AND USES OF FUNDS*

The estimated sources and uses of funds are set forth below:

Sources:	**Series 2026A Bonds**	**Series 2026B Bonds**	**Total**
Principal Amount			
Net Original Issue Premium/Discount			
Other Funds of the District			
Total Sources:			
Uses:			
Deposit to Capital Projects Fund			
Deposit to Refunded C.P. Notes Redemption Fund			
Deposit to Tender Purchase Payment Account			
Deposit to Refunding Account			
Underwriters' Discount			
Costs of Issuance(1)			
Total Uses:			

(1) Includes, among other items, paying agent fees, legal fees, financial advisory fees, Tender Offer fees and expenses, underwriting, rating agency fees, dissemination agent fees, Verification Agent fees, printing costs, and rounding.

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* Preliminary, subject to change.

ANNUAL DEBT SERVICE SCHEDULE

The table below sets forth the debt service requirements for the District's outstanding general obligation bonds and general obligation bond anticipation notes (collectively defined as "GO Debt" for purposes of this schedule), the debt service requirements for the Series 2026A-B Bonds, and total debt service on all of the foregoing. For more information on the District's outstanding indebtedness, see Part 2, "INDEBTEDNESS."

District of Columbia
GO Debt[1]

Fiscal Year Ending (Sept. 30)	Debt Service on Outstanding GO Debt[2], [3]	Debt Service on the Series 2026A-B Bonds	Total Debt Service on GO Debt Outstanding Following Issuance of the Bonds[2], [3]
2026	$433,081,372		
2027	590,124,576		
2028	546,505,103		
2029	557,035,637		
2030	534,042,532		
2031	530,689,995		
2032	536,817,823		
2033	548,568,742		
2034	513,209,543		
2035	550,931,130		
2036	471,702,440		
2037	478,805,114		
2038	373,713,173		
2039	423,222,018		
2040	356,999,999		
2041	386,104,900		
2042	373,657,752		
2043	258,042,421		
2044	241,814,541		
2045	241,290,181		
2046	173,091,873		
2047	143,912,012		
2048	92,462,019		
2049	48,625,500		
Total	**$9,404,450,396**		

(1) Totals may not total due to rounding.
(2) Assumes interest rate for unhedged variable rate bonds calculated at 3.5%.
(3) Interest on the Series 2021B general obligation bonds, which are the subject of a swap agreement, has been calculated using a rate of 4.70%, representing the fixed rate payable by the District under the swap agreement, plus, pursuant to a direct purchase transaction, a spread to SOFR.

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SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026A-B BONDS

General Obligation to Pay

The Series 2026A-B Bonds are general obligations of the District, and the full faith and credit of the District is pledged for the payment of the principal of and interest on the Series 2026A-B Bonds when due. The Series 2026A-B Bonds are payable from all funds of the District not otherwise legally committed and constitute continuing obligations until paid in accordance with their terms. The full faith and credit of the United States is not pledged for the payment of the principal of and interest on the Series 2026A-B Bonds, nor is the United States responsible or liable for the payment thereof.

The Home Rule Act requires the Council of the District of Columbia (the "Council") to provide in each annual budget sufficient funds to pay the principal of, and interest on, the Bonds. The appropriation of funds is not a condition to the payment of such principal and interest.

The District's obligations to pay principal of and interest on the Bonds and the general obligation bond anticipation notes are the only obligations of the District secured by its full faith and credit. In addition, the Bonds are secured by: (1) legally available funds of the District, including for the Bonds a lien on and perfected security interest in the revenue derived from the Special Real Property Tax (as described below) and (2) the statutory obligation of the Mayor to ensure that the principal of and interest on such bonds are paid when due. For a description of outstanding Bonds, see Part 2, "INDEBTEDNESS – Summary of Statutory Debt Provisions" and "– Long-Term Obligations – *General Obligation Bonds*."

Special Real Property Tax

Authority. Under the Home Rule Act, any act of the Council authorizing the issuance of Bonds is required to provide for the annual levy of a special tax or charge, if the Council determines that such tax or charge is necessary. Such tax or charge is to be levied, without limitation as to rate or amount, in amounts which together with other District revenues available and applicable will be sufficient to pay the principal of and interest on the Bonds as they become due and payable. Such tax or charge (the Special Real Property Tax as defined and described below) is to be levied and collected at the same time and in the same manner as other District taxes are levied and collected. When collected, such tax or charge is to be set aside in a separate debt service fund and irrevocably dedicated to the payment of principal and interest on the Bonds.

The Bond Act provides for levies, without limitation as to rate or amount, for each real property tax year in which the Bonds are outstanding, of a Special Real Property Tax in amounts sufficient to pay the principal of and interest on any Bonds coming due each year (the "Special Real Property Tax").

Security. Pursuant to the Bond Act, the District irrevocably pledges for and on behalf of the holders of any Bonds all of its right, title and interest in and to the revenue derived from the Special Real Property Tax. Such security interest is valid, binding, and perfected (1) from the time of the delivery of any Bonds with or without the physical delivery of any revenue derived from the Special Real Property Tax and with or without any further action, and (2) whether or not any statement, document, or instrument relating to such security interest is recorded or filed. The pledge and lien created by the security interest is valid, binding, and perfected with respect to any individual or legal entity having claims against the District, whether or not the individual or legal entity has notice of the pledge and lien. The District is obligated to set aside the revenue derived from the Special Real Property Tax in a separate debt service fund (the "Special Tax Fund") to be maintained separate from other funds of the District.

Special Tax Fund. The District has established and segregated the Special Tax Fund for the benefit of the holders of the Bonds. The Special Tax Fund is held by the Escrow Agent. The District is required to deposit the Special Real Property Tax receipts into the Special Tax Fund to pay principal of, and interest, on the Bonds coming due each year. The District also may deposit funds other than the Special Real Property Tax receipts into the Special Tax Fund. From and after the deposit thereof, such moneys, including investment income thereon, are pledged to the payment of the Bonds, and may not be used for any other purpose until the principal of and interest on the Bonds have been paid in full when due or provided for, subject to certain other provisions described below.

To the extent that the deposit of all or a portion of the Special Real Property Tax receipts required to be deposited annually is satisfied by the deposit of other funds, then an equal amount of the Special Real Property Tax receipts subsequently received shall be released from the lien and security interest and used to reimburse the General Fund (discussed herein) or other Fund of the District from which such funds were received.

The Bond Act provides a mechanism to transfer excess funds on deposit in the Special Tax Fund. Upon the execution of a certificate of the Mayor (or authorized delegate), such excess funds can either be transferred to the General Fund or used to defease outstanding debt. Such excess amounts are released from the lien and security interest of the holders of the Bonds.

Under the Bond Act, the Mayor provides a certificate to the Council that includes the amount required in each real property tax year (which is the same as the District's Fiscal Year, October 1-September 30) to pay the principal of, and interest on, any Bonds coming due for any reason during such real property tax year. The amount certified, less any funds on deposit in the Special Tax Fund, equals the special tax requirement for such real property tax year. The District reserves the right to satisfy all or a portion of such special tax requirement by setting aside and depositing into the Special Tax Fund at any time any funds of the District not otherwise legally committed. Any such deposit shall be irrevocably dedicated and pledged to the payment of principal of, and interest on, any Bonds then outstanding.

Pursuant to the Bond Act and the Bond Issuance Certificate, the Mayor has provided that funds on deposit in the Special Tax Fund shall be used to pay principal of, and interest on, the Bonds when due. In the event that sufficient moneys are not on deposit in the Special Tax Fund to pay principal of and interest on the Bonds when due, then, pursuant to the Home Rule Act and the Bond Act, the Mayor is required to use any funds of the District not otherwise legally committed to provide for such payment.

Rate Setting. The District's Special Real Property Tax rate is set such that the amount of Special Real Property Tax collected and deposited to the Special Tax Fund will be sufficient to cover all debt service payments on the Bonds during the current Fiscal Year. Real property taxes are due in semi-annual equal installments on March 31 and September 15 of each year. Special Real Property Tax receipts are used to pay debt service on the Bonds when required throughout the year.

The District levies its real property tax pursuant to D.C. Official Code § 47-811. There is no limitation in the Home Rule Act on the amount or rate of real property tax levies. The Special Real Property Tax pledged to the payment of the Bonds is authorized by the Home Rule Act and levied pursuant to the Bond Act. The Special Real Property Tax is collected at the same time as the real property tax.

For a description of the District's real property classes, tax rates, including the Special Real Property Tax rates, and the setting thereof, assessed valuations, tax levies and collections, and real property tax accounts receivables, see Part 2, "FINANCIAL INFORMATION – Summary of General Fund Revenues – Property Taxes."

Collection Agreement. The District has entered into a collection contract (the "Collection Agreement") with Wells Fargo Bank, N.A. ("Wells Fargo"), as collection agent and custodian of the Special Real Property Taxes receipts (the "Collection Agent"). The Collection Agreement provides that all real property tax payments (of which the Special Real Property Tax is a component) are to be collected by the Collection Agent, acting for and on behalf of the District. The Collection Agreement provides that the Collection Agent shall calculate the portion of real property tax payments that are allocable to the real property tax and the Special Real Property Tax, segregate and transfer the Special Real Property Tax receipts into a separate Collection Account (the "Collection Account"). On a daily basis, Computershare Trust Company, N.A. ("Computershare"), as the Escrow Agent, shall cause Wells Fargo to transfer from the Collection Account the amount designated in writing by the District as necessary for the payment of the principal of and interest on the Bonds to the Special Tax Fund.

Special Tax Escrow Agreement. The District has entered into an escrow agent, registrar and paying agent agreement (the "Special Tax Escrow Agreement" or "Escrow Agreement") with Computershare, to hold and apply the Special Real Property Tax on deposit in the Special Tax Fund for the payment of debt service on the Bonds. The Escrow Agreement provides that the Escrow Agent is acting solely as agent to the District and owes no fiduciary duty to any other person, including the bondholders, as a result of such agreement.

Investment of the Special Tax Fund. Moneys in the Special Tax Fund are to be invested only in (1) direct obligations of, or obligations unconditionally guaranteed by, the United States, (2) obligations issued or guaranteed by agencies or instrumentalities of the United States, (3) certificates of deposit in banks, trust companies and savings and loan associations fully and continuously secured by obligations specified in (1) and/or (2) above, which shall at all times have a market value (exclusive of accrued interest) at least equal to the value at maturity of the deposit so secured, (4) repurchase agreements with banks, savings and loan associations and trust companies and government bond primary dealers reporting to the Federal Reserve Bank of New York continuously secured or collateralized by obligations described in (1) or (2) above, which shall have a market value at all times at least equal to the principal amount of such repurchase agreements, provided such security or collateral is held by a trustee as titleholder, (5) deposits in accounts with banks, trust companies, national banking associations or savings and loan associations, provided that such deposits are fully insured by the United States or an agency thereof, and (6) money market funds consisting of investments specified in (1) and/or (2) above, including any such funds of the Escrow Agent. All such investments, and any investment income thereon, shall be held in the Special Tax Fund for the benefit of holders of the Bonds. The District has reserved the right to change the eligible investments.

Income Tax Secured Bond Authorization Act

The Income Tax Secured Bond Authorization Act of 2008 (D.C. Law 17-254), as amended (the "Income Tax Bond Act"), authorizes the District to issue income tax secured revenue bonds (the "Income Tax Bonds") to finance some or all of the capital projects in the District's ongoing capital improvements program. Income Tax Bonds are secured by a pledge of the revenues generated by the individual income tax and business franchise taxes imposed by the District (the "Income Tax Revenues"), which are paid directly to and collected by a collection agent. After transfers by the collection agent to the trustee for the Income Tax Bonds of amounts necessary to fulfill monthly set-aside requirements, all remaining income tax proceeds are released to the District. The holders of any Income Tax Bonds have a first lien on and a pledge of Income Tax Revenues superior to that of any other person, including the holders of the Bonds.

Additional Bonds

The District expects to issue additional Bonds in the future. See Part 2, "DISTRICT BUDGET AND FINANCIAL PLAN – Capital Budgeting and Financing" for descriptions of the District's capital funding plans.

Statutory Debt Limitations

The Home Rule Act (which has also been applied to Income Tax Bonds by District statute) provides that additional Bonds (other than refunding bonds), Income Tax Bonds, and capital project loans from the U.S. Department of the Treasury (the "Treasury") are not legally permitted to be issued if, at the time the additional Bonds, Income Tax Bonds, or Treasury loans are to be issued, such issuance would cause the debt service in any Fiscal Year on the aggregate amounts of the outstanding Bonds, Income Tax Bonds, Treasury loans, and the additional debt proposed to be issued to exceed 17% of local-source District revenues (less certain special revenue categories) that the Mayor estimates and the District of Columbia Auditor certifies are expected to be received in the Fiscal Year in which the additional debt is proposed to be issued. There are no outstanding capital project loans from the Treasury and the District currently has no plans to borrow from the Treasury. General obligation bond anticipation notes must be paid no later than the last day of the third Fiscal Year following the Fiscal Year of issuance. The act of Council authorizing general obligation bond anticipation notes must set forth an estimated maximum annual debt service amount for the general obligation bonds in anticipation of which the notes are issued, and such debt service must be included in the 17% maximum debt service calculation described above. See Part 2, "INDEBTEDNESS – Summary of Statutory Debt Provisions," for a description of the method of calculation of the District's debt limit.

In 2009, the District enacted the Limitation on Borrowing and Establishment of the Operating Cash Reserve Act of 2008, effective March 25, 2009, as amended (D.C. Law 17-360; D.C. Official Code §47-334 et seq.) (the "Debt Ceiling Act"), which imposes a further limit on the issuance of any District general obligation bonds, Treasury capital-project loans, tax-supported revenue bonds, notes or other debt instruments secured by revenues derived from taxes, fees or other general revenues of the District, or its agencies and authorities, pursuant to the District's power to tax and impose fees, including TIF Bonds and PILOT Notes (as hereinafter defined), certificates of participation and lease purchase financing obligations (collectively, with the exceptions noted in the Debt Ceiling Act, "Tax-Supported Debt"), but excluding revenue bonds, notes or other debt instruments issued for the purpose of funding water and sewer facilities, as described in section 490(a) of the Home Rule Act, and bonds, notes or other debt instruments paid or secured by revenues from the Master Settlement Agreement with tobacco companies, federal grants or revenues from the operation of public enterprises, so long as those enterprises are fully self-supporting, if such issuance would result in total debt service in the Fiscal Year of issuance, or any of the five succeeding Fiscal Years, on all outstanding Tax-Supported Debt exceeding 12% of annual District General Fund expenditures and transfers in any applicable Fiscal Year, as contained in the most recently enacted District budget (the "Debt Ceiling").

As of December 1, 2025, the District had approximately $13.61 billion of Tax-Supported Debt outstanding. Following the issuance of the Series 2026A-B-C Bonds, the District will have approximately $13.67 billion of Tax-Supported Debt outstanding, the debt service on which is projected to produce a Debt Ceiling percentage of approximately 9.396% for Fiscal Year 2026 (which complies with the 17% and 12% limits described above). Such projection assumes the issuance of the bonds, notes, or other obligations set forth in the FY 2026-2031 Capital Improvements Plan (as defined herein). For more information on the FY 2026-2031 Capital Improvements Plan, see Part 2, "DISTRICT BUDGET AND FINANCIAL PLAN." For more information on the projected Debt Ceiling percentages for Fiscal Years 2026-2030, see Part 2, "INDEBTEDNESS – Summary of Statutory Debt Provisions" and Table 23 therein.

Defeasance

If the Mayor deposits with an escrow agent, in a separate defeasance escrow account held in trust for the holders of the Series 2026A-B Bonds, sufficient moneys or direct obligations of the United States, the principal of and interest on which, when due and payable, would provide sufficient moneys to pay the principal of and interest on the Series 2026A-B Bonds to be defeased when due and payable, whether at maturity or prior redemption, and delivers to such escrow agent an irrevocable letter of instruction to apply such deposit for the payment of the principal of, and interest on, the Series 2026A-B Bonds to be defeased as they become due and payable, such Series 2026A-B Bonds would be considered paid and no longer outstanding for purposes of the Bond Act and would be secured solely by such defeasance escrow account.

Remedies of the Holders of the Series 2026A-B Bonds

Under the Bond Act, the District and its Mayor are required to carry out any agreement with or for the benefit of bond or note owners, including, among other things, (1) requiring the collection and deposit of the Special Real Property Tax, (2) enforcing the security interest of the holders of the Series 2026A-B Bonds in the funds derived from the Special Real Property Tax, and (3) ordering payment of the Series 2026A-B Bonds from funds of the District not otherwise legally committed or, in the absence thereof, ordering the District and its Mayor to take all lawful action to obtain such funds. The Bond Act also provides that if there is an event of default, the bond or note holders may file a lawsuit to enforce their rights or to enjoin any acts that may be unlawful or in violation of such rights.

Chapter 9 Currently Inapplicable

Under existing federal bankruptcy law, the District is not identified as an entity that is eligible to file a petition for an adjustment of debts under Chapter 9 of the United States Bankruptcy Code.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026A-B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Series 2026A-B Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2026A-B Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2026A-B Bonds is exempt from all taxation of the District, except estate, inheritance and gift taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026A-B Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX A hereto.

To the extent the issue price of any maturity of the Series 2026A-B Bonds is less than the amount to be paid at maturity of such Series 2026A-B Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2026A-B Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2026A-B Bonds which is excluded from gross income for federal income tax purposes and exempt from all taxation of the District of Columbia, except estate, inheritance and gift taxes. For this purpose, the issue price of a particular maturity of the Series 2026A-B Bonds is the first price at which a substantial amount of such maturity of the Series 2026A-B Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2026A-B Bonds accrues daily over the term to maturity of such Series 2026A-B Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2026A-B Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2026A-B Bonds. Beneficial Owners of the Series 2026A-B Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2026A-B Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2026A-B Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2026A-B Bonds is sold to the public.

Series 2026A-B Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2026A-B Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2026A-B Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series

2026A-B Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2026A-B Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2026A-B Bonds may adversely affect the value of, or the tax status of interest on, the Series 2026A-B Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2026A-B Bonds is excluded from gross income for federal income tax purposes, and exempt from all taxation of the District, except estate, inheritance and gift taxes the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2026A-B Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2026A-B Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2026A-B Bonds. Prospective purchasers of the Series 2026A-B Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2026A-B Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2026A-B Bonds ends with the issuance of the Series2026A-B Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Series 2026A-B Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2026A-B Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2026A-B Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Series 2026A-B Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2026A-B Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series 2026A-B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2026A-B Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

FINANCIAL ADVISORS

Acacia Financial Group, Inc., Mount Laurel, New Jersey, and Public Resources Advisory Group, Inc., New York, New York, serve as financial advisors to the District in connection with the issuance of the Series 2026A-B Bonds. The Financial Advisors are municipal advisors registered with the SEC and MSRB and have assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2026A-B Bonds. The Financial Advisors have not undertaken to make an independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in the Official Statement.

VERIFICATION OF MATHEMATICAL CALCULATIONS

AMTEC (the "Verification Agent") will verify from the information provided to them the mathematical accuracy, as of the date of delivery of the Series 2026B Bonds, as applicable, of the computations contained in the provided schedules to determine that the amount to be deposited to the Refunding Account or the Tender Purchase Payment Account, as applicable will be sufficient to pay, when due, the principal, or redemption price of and interest on the Refunded Bonds or the Purchased Bonds, as applicable. The Verification Agent will express no opinion on any of the assumptions provided to it.

ROLE OF PAYING AGENT, REGISTRAR, AND ESCROW AGENT

Computershare serves as Paying Agent, Registrar, and Escrow Agent under the Escrow Agreement. The Paying Agent, Registrar, and Escrow Agent is to carry out those duties it has agreed to under the Escrow Agreement. The Paying Agent, Registrar, and Escrow Agent has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the contents, accuracy, fairness, or completeness of the information given in this Official Statement or for the recitals contained in the Escrow Agreement or for the validity, sufficiency, or legal effect of any of such documents. Furthermore, the Paying Agent, Registrar, and Escrow Agent has no oversight responsibility, and is not accountable, for the use or application by the District of the proceeds from the sale of the Series 2026A-B Bonds. The Paying Agent, Registrar, and Escrow Agent has no duty to, has not undertaken to evaluate, and has not evaluated, the risks, benefits, or propriety of any investment in the Series 2026A-B Bonds and makes no representation, and has reached no conclusions, regarding the investment quality of the Series 2026A-B Bonds, about all of which the Paying Agent, Registrar, and Escrow Agent expresses no opinion and expressly disclaims the expertise to evaluate.

LEGAL INVESTMENT IN DISTRICT OBLIGATIONS

Section 486 of the Home Rule Act (D.C. Official Code § 1-204.86) provides that, notwithstanding any restriction on the investment of funds by fiduciaries contained in any other District law, domestic insurance companies, domestic insurance associations, executors, administrators, guardians, trustees, and other fiduciaries within the District of Columbia may legally invest any sinking funds, moneys, trust funds, or other funds belonging to them or under or within their control in any bonds issued in accordance with the Home Rule Act. Section 486 of the Home Rule Act also provides that all federal building and loan associations and federal savings and loan associations and banks, trust companies, building and loan associations and savings and loan associations, domiciled in the District of Columbia, may purchase, sell, underwrite, and deal in, for their own account or for the account of others, all bonds or notes issued in accordance with the Home Rule Act.

LEGAL MATTERS

The validity of the Series 2026A-B Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Washington, D.C., Bond Counsel to the District. A complete copy of the proposed form of Bond Counsel opinion is set forth as APPENDIX A hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

Certain legal matters will be passed on for the District by the Office of the Attorney General for the District of Columbia. Hawkins Delafield & Wood LLP, Washington, D.C., Disclosure Counsel to the District, will deliver an opinion to the District and the Underwriters regarding certain matters. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Squire Patton Boggs (US) LLP, Washington, D.C., and Lewis & Munday, P.C., Washington, D.C.

CONTINUING DISCLOSURE

The District will undertake in a Continuing Disclosure Agreement to assist the Underwriters in complying with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the SEC, by providing annual financial information, operating data, and event notices required by the Rule. As described in APPENDIX C, such undertaking requires the District to provide only limited information at specified times. DAC is disclosure dissemination agent for the District. The District's continuing disclosure filings are available at www.emma.msrb.org.

During the previous five years, the District did not timely file certain event notices when due. In one instance, the late filing related to the incurrence of financial obligations, which were issued as "District of Columbia Income Tax Secured Bond Anticipation Notes." Such notice was due to be filed in connection with the District's continuing disclosure agreements for certain of its Income Tax Bonds. The notice was filed on June 8, 2021, but was due to be filed no later than April 8, 2021. In another instance, the late filing related to a notice of defeasance in connection with certain of the District's outstanding General Obligations Bonds. Such notice was filed on August 23, 2024, but was due to be filed no later than December 20, 2023. In another instance, the late filing related to the incurrence of financial obligations, which were issued as "District of Columbia General Obligation Commercial Paper Bond Anticipation Notes." Such notice was due to be filed in connection with the District's continuing disclosure agreements for certain of its General Obligation Bonds. The notice was filed on August 13, 2025, but was due to be filed no later than August 12, 2025. In other instances, the District timely filed its annual financial information and operating data but inadvertently did not associate such filings with all specific relevant outstanding obligations. The District has taken action to correct such issue. The foregoing descriptions of non-compliance by the District with its continuing disclosure undertakings should not be construed as an acknowledgement by the District that any such instance was material.

LITIGATION

There is no litigation pending in any court or, to the knowledge of the Office of the Attorney General for the District of Columbia, threatened, which may have the effect of restraining or enjoining the issuance, delivery or payment of the Series 2026A-B Bonds or the performance of the obligations of the District or the Mayor under the Series 2026A-B Bonds or the Bond Act or which in any way contests or may call into question the validity or enforceability of: (a) the Series 2026A-B Bonds or the pledge of the District's full faith and credit for their payment or (b) the Bond Act or the obligations of the District or the Mayor thereunder.

There is no litigation pending in any court, or to the knowledge of the Office of the Attorney General for the District of Columbia, threatened, which would have a material adverse impact on the District's ability to repay the Series 2026A-B Bonds or the District's long-term financial condition. The District is named as a party in legal proceedings and investigations that occur in the normal course of governmental operations. Certain of such matters could have a programmatic or budgetary impact on the District.

RATINGS

Fitch Ratings, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's"), and S&P Global Ratings, a division of S&P Global Inc. ("S&P"), have assigned ratings of "AA+" (with a stable outlook), "Aa1" (with a negative outlook), and "AA+" (with a stable outlook) respectively, to the Series 2026A-B Bonds. A rating, including any related outlook with respect to potential changes in such rating, reflects only the view of the rating agency assigning such rating and is not a recommendation to buy, sell or hold the Series 2026A-B Bonds. An explanation of the procedure and methodology used by each rating agency and the significance of the ratings may be obtained from Fitch, One State Street Plaza, New York, New York 10004; Moody's, 7 World Trade Center, New York, New York 10007; and S&P, 55 Water Street, New York, New York 10041. Such ratings may be changed at any time and no assurance can be given that they will not be revised, downgraded, or withdrawn entirely by any such rating agencies. Any such downgrade, revision, or withdrawal of a rating may have an adverse effect on the market price of or market for the Series 2026A-B Bonds.

UNDERWRITING

The Underwriters have agreed to purchase the Series 2026A Bonds from the District at an aggregate price of $_________, reflecting the aggregate principal amount of the Series 2026A Bonds of $__________, [plus/minus net original issue premium/discount] of $_________, and less the Underwriters' discount of $__________.

The Underwriters have agreed to purchase the Series 2026B Bonds from the District at an aggregate price of $_________, reflecting the aggregate principal amount of the Series 2026B Bonds of $__________, [plus/minus net original issue premium/discount] of $_________, and less the Underwriters' discount of $__________.

The obligations of the Underwriters to purchase the Series 2026A-B Bonds are subject to certain terms and conditions set forth in the Bond Purchase Agreement relating to the Series 2026A-B Bonds, dated February ___, 2026, between the District and the Underwriters. The Series 2026A-B Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial public offering prices, and such initial offering prices may be changed from time to time, by the Underwriters.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

In addition, certain Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by the District as underwriters) for the distribution of the Series 2026A-B Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

Academy Securities, Inc. has entered into third-party distribution agreements with Commonwealth Financial Network, R. Seelaus & Co., The GMS Group LLC, InspereX LLC, Mountainside Securities LLC, World Equity Group, Inc., CINCaP Investment Group LLC, Essex Securities LLC, Isaak Bond Investments, Institutional Securities Corporation, and Herold & Lantern Investments, Inc. for the retail distribution of certain municipal securities at the original issue prices. Pursuant to these third-party distribution agreements, Academy Securities may share a portion of its underwriting compensation with these firms.

RBC Capital Markets, LLC ("RBCCM"), an underwriter of the Series 2026A-B Bonds, has entered into a distribution arrangement with its affiliate City National Securities, Inc. ("CNS"). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBCCM may compensate CNS for its selling efforts with respect to the Series 2026A-B Bonds.

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EXECUTION OF OFFICIAL STATEMENT

This Official Statement has been approved by the District for distribution to prospective purchasers of the Series 2026A-B Bonds and is executed below.

DISTRICT OF COLUMBIA

By: ______________________________
Name: Glen Lee
Title: Chief Financial Officer

APPENDIX A

FORM OF APPROVING OPINION OF BOND COUNSEL

March __, 2026

District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

$________________	**$_____________**
District of Columbia	**District of Columbia**
General Obligation Bonds	**General Obligation Refunding Bonds**
Series 2026A	**Series 2026B**

Ladies and Gentlemen:

We have acted as bond counsel to the District of Columbia (the "District") in connection with the issuance by the District of its General Obligation Bonds, Series 2026A, in the aggregate principal amount of $________________, and its General Obligation Refunding Bonds, Series 2026B, in the aggregate principal amount of $________________ (collectively, the "Bonds"), pursuant to the District of Columbia Home Rule Act, as amended (the "Home Rule Act"), the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2023-2028 Authorization Act of 2023, D.C. Law 25-0009, effective June 14, 2023 (the "Bond Act"), the Fiscal Year 2026 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2025," Resolution 26-209 effective October 7, 2025, authorizing the District to issue the Bonds (the "Authorization Resolution" and together with the Home Rule Act and the Bond Act, the "Authorization Actions"), and the Bond Issuance Certificate of the Mayor dated as of March __, 2026 (the "Bond Issuance Certificate"). Terms used but not defined herein are defined in the Bond Issuance Certificate.

In such connection, we have reviewed the Bond Issuance Certificate, the General Obligation Master Escrow, Registrar and Paying Agent Agreement (Special Tax Fund) dated as of December 1, 2001 (the "Escrow Agreement"), as previously amended and supplemented, and as further supplemented by the Thirty – Second Supplement to Master Escrow Agreement, Registrar and Paying Agent Agreement dated as of March 1, 2026 (the "Thirty-Second Supplement to the Master Escrow Agreement" and, together with the Escrow Agreement, the "Master Escrow Agreement"), each by and between the District and Computershare Trust Company, N.A., successor in interest to Wells Fargo Bank, N.A, as the registrar, paying agent and escrow agent (the "Registrar and Escrow Agent"), the Tax Certificate of the District, dated the date hereof (the "Tax Certificate"), certificates of the District, the Registrar and Escrow Agent and others, opinions of counsel to the Registrar and Escrow Agent and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance and we disclaim any obligation to update this letter. We have assumed that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by, and constitutes a valid and binding agreement of, each party thereto other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Authorization Actions, the Bond Issuance Certificate and the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Bond Issuance Certificate, the Master Escrow Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against corporate bodies in the District of Columbia. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds have been duly authorized and issued in accordance with the Authorization Actions and constitute the valid and binding general obligations of the District, enforceable in accordance with their terms, to which the full faith and credit of the District is pledged for the payment of principal and interest on the Bonds when due.

2. The Authorization Actions have been duly and legally adopted and constitute valid and binding obligation of the District.

3. The District is authorized and required by the Authorization Actions to levy and collect the special real property tax, without limitation as to rate or amount, on all locally taxable real property in the District to pay principal and interest on the Bonds as they become due and payable.

4. The Bond Issuance Certificate has been duly executed and delivered by, and constitutes the valid and binding obligation of, the District. The Bond Issuance Certificate creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the revenues and any other amounts held by the Registrar and Escrow Agent in any fund or account established pursuant to the Bond Issuance Certificate, subject to the provisions of the Bond Issuance Certificate permitting the application thereof for the purposes and on the terms and conditions set forth therein.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from District taxation, except estate, inheritance and gift taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Very truly yours,

APPENDIX B

BOOK-ENTRY-ONLY SYSTEM

The information in this APPENDIX B concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2026A-B Bonds. The Series 2026A-B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the Series 2026A-B Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of a series exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026A-B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026A-B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026A-B Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026A-B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026A-B Bonds, except in the event that use of the book-entry system for the Series 2026A-B Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026A-B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026A-B Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026A-B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026A-B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026A-B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026A-B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026A-B Bond documents. For example, Beneficial Owners of Series 2026A-B Bonds may wish to ascertain that the nominee holding the Series 2026A-B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026A-B Bonds of a maturity within a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026A-B Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026A-B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Series 2026A-B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Escrow Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Escrow Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2026A-B Bonds purchased or tendered, through its Participant, to the Escrow Agent, and shall effect delivery of such Series 2026A-B Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2026A-B Bonds, on DTC's records, to the Escrow Agent. The requirement for physical delivery of Series 2026A-B Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2026A-B Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered securities to the Escrow Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2026A-B Bonds at any time by giving reasonable notice to the District or the Escrow Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2026A-B Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2026A-B Bond certificates will be printed and delivered to DTC.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") dated March ___, 2026, is executed and delivered by the District of Columbia (the "Issuer") in connection with the issuance and sale of the Issuer's General Obligation Bonds, Series 2026A, and General Obligation Refunding Bonds, Series 2026B (collectively, the "Series 2026A-B Bonds"), issued pursuant to the Authorizing Actions (as defined in the Official Statement). Capitalized terms used in this Agreement which are not otherwise defined in the Official Statement or the Authorizing Actions shall have the respective meanings specified above or in Article IV hereof.

ARTICLE I.

The Undertaking

Section 1.1 Purpose. This Agreement is being executed and delivered solely to assist the Underwriters in complying with subsection (b)(5) of the Rule.

Section 1.2 Annual Financial Information. (a) Commencing with the fiscal year ending September 30, 2025, the Issuer shall provide to the MSRB no later than February 28, 2026, and no later than each succeeding February 28 thereafter, Annual Financial Information with respect to each fiscal year of the Issuer.

(b) The Issuer shall provide, in a timely manner, notice of any failure of the Issuer to provide the Annual Financial Information by the date specified in subsection (a) above to the MSRB.

Section 1.3 Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 1.2(a) hereof because not available, the Issuer shall provide Audited Financial Statements, when and if available, to the MSRB.

Section 1.4 Notice Events. (a) If a Notice Event occurs, the Issuer shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event, notice of such Notice Event to (i) the MSRB and (ii) the Escrow Agent.

(b) Any notice of a defeasance of Series 2026A-B Bonds shall state whether the Series 2026A-B Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

(c) Each Notice Event notice relating to the Series 2026A-B Bonds shall include the CUSIP numbers of the Series 2026A-B Bonds to which such Notice Event notice relates or, if the Notice Event notice relates to all bond issues of the Issuer including the Series 2026A-B Bonds, such Notice Event notice need only include the CUSIP number of the Issuer.

Section 1.5 Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of Notice Event hereunder, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Financial Information or Notice Event notice in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such additional information or include it in any future Annual Financial Information or notice of a Notice Event hereunder.

Section 1.6 Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer and that, under some circumstances, compliance with this Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the Issuer under such laws.

Section 1.7 Previous Non-Compliance. The Issuer represents that, except as disclosed in the Official Statement, in the previous five years it has not failed to comply in all material respects with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE II.

Operating Rules

Section 2.1 Reference to Other Filed Documents. It shall be sufficient for purposes of Section 1.2 hereof if the Issuer provides Annual Financial Information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org), or (ii) filed with the SEC. The provisions of this Section shall not apply to notices of Notice Events pursuant to Section 1.4 hereof.

Section 2.2 Submission of Information. Annual Financial Information may be set forth or provided in one document or a set of documents, and at one time or in part from time to time.

Section 2.3 Notice Events. Each notice of a Notice Event hereunder shall be captioned "Notice Event" and shall prominently state the title, date and CUSIP numbers of the Series 2026A-B Bonds.

Section 2.4 Dissemination Agents. The Issuer may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Issuer under this Agreement, and revoke or modify any such designation.

Section 2.5 Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.6 Fiscal Year. (a) The Issuer's current fiscal year begins October 1 and ends on September 30, and the Issuer shall promptly notify (i) the MSRB and (ii) the Escrow Agent of each change in its fiscal year.

(b) Annual Financial Information shall be provided at least annually, notwithstanding any fiscal year longer than 12 calendar months.

ARTICLE III.

Effective Date, Termination, Amendment and Enforcement

Section 3.1 Effective Date; Termination. (a) This Agreement shall be effective upon the issuance of the Series 2026A-B Bonds.

(b) The Issuer's obligations under this Agreement shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Series 2026A-B Bonds.

(c) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (1) receives an opinion of Counsel to the effect that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Series 2026A-B Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 3.2 Amendment. (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Series 2026A-B Bonds, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments to or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have received an opinion of Counsel to the same effect as set forth in clause (2) above, (4) the Issuer shall have received an opinion of Counsel or a determination by an entity, in each case unaffiliated with the Issuer (such as bond counsel or the Paying Agent, Registrar, and Escrow Agent, as appointed under the Escrow Agreement), to the effect that the amendment does not materially impair the interests of the holders of the Series 2026A-B Bonds, and (5) the Issuer shall have delivered copies of such opinion(s) and amendment to the MSRB.

(b) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Series 2026A-B Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Issuer shall have received an opinion of Counsel to the effect that performance by the Issuer under this Agreement as so amended will not result in a violation of the Rule, and (3) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

(c) This Agreement may be amended by written agreement of the parties, without the consent of the holders of the Series 2026A-B Bonds, if all of the following conditions are satisfied: (1) the Issuer shall have received an opinion of Counsel to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of staff, of the SEC, and (2) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

(d) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(e) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the Issuer in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3 Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Series 2026A-B Bonds, except that beneficial owners of Series 2026A-B Bonds shall be third-party beneficiaries of this Agreement. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a) and in subsection (b) of this Section.

(b) The obligations of the Issuer to comply with the provisions of this Agreement shall be enforceable by any holder of outstanding Series 2026A-B Bonds. The holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Series 2026A-B Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Series 2026A-B Bonds for purposes of this subsection (b).

(c) Any failure by the Issuer to perform in accordance with this Agreement shall not constitute an event of default under the Authorizing Actions, and the rights and remedies provided by the Authorizing Actions upon the occurrence of an event of default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the District of Columbia, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the District of Columbia; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV.

Definitions

Section 4.1 Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Annual Financial Information" means, (i) collectively, updated versions of the following financial information and operating data contained in the Official Statement, for each fiscal year of the Issuer, as follows:

(a) Audited Financial Statements, if available, or Unaudited Financial Statements for the immediately preceding fiscal year; and

(b) the Issuer's Annual Comprehensive Financial Report, if any is prepared, for the immediately preceding fiscal year, and if not prepared, such annual financial information as the Issuer is advised by disclosure counsel or bond counsel would satisfy the definition of "annual financial information" in the Rule; and

(ii) the information regarding amendments to this Agreement required pursuant to Sections 3.2(d) and (e) of this Agreement.

Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in Section 4.1(1) hereof of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(2) "Audited Financial Statements" means the annual financial statements, if any, of the Issuer, audited by such auditor as selected by the Inspector General of the District or as shall otherwise then be required or permitted by the Issuer or federal law or the Authorizing Actions. Audited Financial Statements shall be

prepared in accordance with GAAP; provided, however, that pursuant to Sections 3.2(a) and (e) hereof, the Issuer may from time to time, if required by federal or District of Columbia legal requirements, modify the accounting principles to be followed in preparing its financial statements. The notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific federal or District of Columbia law or regulation describing such accounting principles, or other description thereof.

(3) "Counsel" means any nationally recognized bond counsel or counsel expert in federal securities laws.

(4) "Financial Obligation" means a: (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(5) "GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

(6) "MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

(7) "Notice Event" means any of the following events with respect to the Series 2026A-B Bonds, whether relating to the Issuer or otherwise:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2026A-B Bonds, or other material events affecting the tax status of the Series 2026A-B Bonds;

(vii) modifications to rights of bondholders, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Series 2026A-B Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

With regard to the reportable event described in subsection (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(8) "Official Statement" means the Official Statement dated February ___, 2026, of the Issuer relating to the Series 2026A-B Bonds.

(9) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(10) "SEC" means the United States Securities and Exchange Commission.

(11) "Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

(12) "Underwriters" means the financial institutions named on the cover of the Official Statement.

DISTRICT OF COLUMBIA

By: ______________________________________
Carmen Pigler
Deputy Chief Financial Officer and Treasurer

APPENDIX D

SCHEDULE OF REFUNDED BONDS

Series	Maturity Date	Par Amount	Redemption Date	Interest Rate	CUSIP	Redemption Price

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APPENDIX E

PURCHASED BONDS

Upon the issuance and delivery of the Series 2026B Bonds, the District expects to use proceeds from the sale of the Series 2026B Bonds to purchase the Target Bonds, as set forth below.

Series	CUSIP[1]	Maturity	Interest Rate	Target Bonds Outstanding Principal Amount	Purchased Bonds	Remaining Outstanding Principal Amount

[1] CUSIP is a registered trademark of the American Bankers Association (the "ABA"). CUSIP data herein is provided by CUSIP Global Services ("CGS"), which is managed on behalf of the ABA by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The District and the Underwriters are not responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness by the Authority or the Underwriters or as included herein.

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PART 2

of the

OFFICIAL STATEMENT

of the

DISTRICT OF COLUMBIA

relating to its

General Obligation Bonds,
Series 2026A

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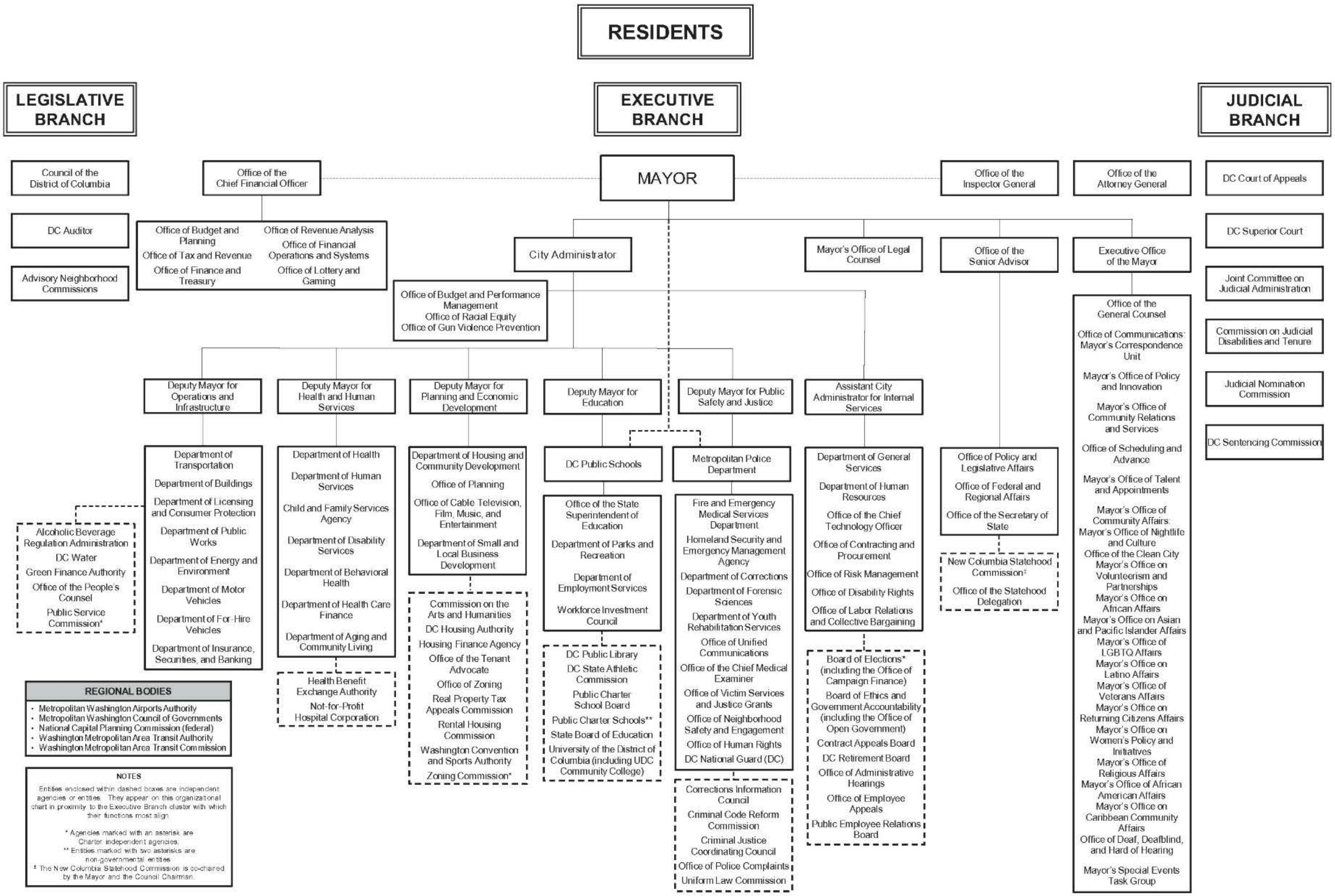
GOVERNMENT OF THE DISTRICT OF COLUMBIA



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THE DISTRICT OF COLUMBIA

Creation and Charter

The District of Columbia was created in 1791 by an act of the United States Congress (the "Congress") and Presidential proclamation and has served as the capital of the United States of America since 1800. Under Article I, Section 8 of the United States Constitution, Congress has exclusive legislative authority over the District as the Nation's Capital. Since January 2, 1975, the District has been governed in accordance with the District of Columbia Home Rule Act, Pub. L. No. 93-198, an Act of Congress signed by the President of the United States (the "President") on December 24, 1973, as amended (the "Home Rule Act"). Under the Home Rule Act, the District is governed by an elected Mayor and an elected Council. With limited exceptions, including the payment of debt service on District debt and statutory increases to appropriations, the District may not obligate or expend funds absent annual Congressional approval.

The District is a unique governmental entity, combining state, county and municipal characteristics. Functions performed by the District government include public safety, police, fire, corrections, consumer and business regulatory affairs, public works (highways, streets and traffic control and sanitation), human services (health, welfare and employment assistance), leisure services (recreation and libraries), economic development (planning, zoning, urban renewal and housing), public education and general administration. The District and its instrumentalities operate a university, a hospital (scheduled to close this year), a stadium and armory complex, a convention center, a water and sewer system, a housing finance agency and a lottery.

Organization of the District Government

Legislative Branch. The legislative powers granted to the District by the Home Rule Act are vested in the Council of the District of Columbia (the "Council"), which consists of 13 members elected on a staggered basis for four-year terms. The Chairman of the Council and four members are elected on an "at-large" basis and each of the eight wards of the District elects one member.

The legislative powers granted to the Council by the Home Rule Act extend to all rightful subjects of legislation within the District consistent with the United States Constitution and the Home Rule Act. Powers include the authority to pass laws, create and abolish any office (subject to certain protections applicable to the Office of the Chief Financial Officer (the "Office of the CFO") and the District of Columbia Auditor pursuant to the Home Rule Act described below), agency, or instrumentality of the District, define the duties of such offices, agencies and instrumentalities, and conduct investigations into matters relating to the affairs of the District. Acts of the Council are subject to approval by the Mayor. In the event of a Mayoral veto, the Council may override the veto by a two-thirds vote. Except for emergency legislation with a limited duration, acts authorizing general obligation revenue anticipation notes, and acts authorizing the renewal or refunding of bond anticipation notes, all acts of the Council are subject to a period of Congressional review (the "30-Day Congressional Review Period") before they take effect. For most acts of the Council, such review period is a 30-calendar-day period (excluding weekends, federal holidays, and any day on which the United States House of Representatives or the United States Senate is not in session because of an adjournment, a recess of more than three days, or an adjournment of more than three days). Such acts of the Council take effect unless a joint resolution disapproving the law is enacted prior to the expiration of such review period.

The power of the Council to enact certain taxes or pass other legislation is subject to certain limitations set forth in the Home Rule Act. For example, the Council cannot enact legislation that would tax, directly or at the source, the income of any individual who is not a resident of the District, or would permit the building of structures within the District that would exceed in height above the sidewalk the width of the street, avenue, or highway in its front, increased by 20 feet. In addition, the District cannot tax federal properties.

Judicial Branch. The judicial power of the District is vested in the District of Columbia Superior Court (the "Superior Court") and the District of Columbia Court of Appeals (the "Court of Appeals" and together with the Superior Court, the "Courts"). The Superior Court has jurisdiction of any civil action or other matter (at law or in equity) brought in the District of Columbia and of any criminal case under any law applicable exclusively to the District. The Superior Court has no jurisdiction over any civil or criminal matter over which a United States court has exclusive jurisdiction pursuant to an Act of Congress. The Court of Appeals has jurisdiction of appeals from the Superior Court and, to the extent provided by law, to review orders and decisions of the Mayor, the Council or any agency of the District. Generally, the President nominates judges of the Courts from a list of candidates recommended by the District of Columbia Judicial Nomination Commission and, with the advice and consent of the United States Senate, the President appoints the judges of the Courts. The federal government funds the operating and capital costs of the Courts; however, the Courts manage themselves.

Executive Branch. The Mayor, as the chief executive officer of the District under the Home Rule Act, is responsible for the proper execution of laws and administration of the District's affairs. Executive functions include supervision and direction of the District's administrative boards, offices and agencies, administration of the District's financial affairs through appointment of the Chief Financial Officer (the "CFO") (subject to Council approval and Congressional review), administration of personnel matters, central municipal planning, making legislative proposals to the Council, and similar matters. The Mayor also has the authority to veto legislation adopted by the Council. The Mayor is assisted in these duties by a City Administrator, who serves as the chief administrative officer of the District. The City Administrator is appointed by the Mayor and serves at the pleasure of the Mayor.

The Mayor is elected to a four-year term with no term limits. If there is a vacancy in the office of the Mayor, the Chairman of the Council serves as Acting Mayor until a special election for a new Mayor is held. Muriel Bowser was elected to a third term as Mayor in the general election held on November 8, 2022 and was sworn into office on January 2, 2023.

In addition to the City Administrator, the Mayor is assisted by a Deputy Mayor for Planning and Economic Development, a Deputy Mayor for Education, a Deputy Mayor for Health and Human Services, a Deputy Mayor for Public Safety and Justice, and a Deputy Mayor for Operations and Infrastructure.

The Home Rule Act requires the Mayor to prepare and submit to the Council an annual budget, including, among other things, the budget for the forthcoming Fiscal Year, a multiyear plan for all agencies and all sources of funding, a multiyear capital improvement plan, a performance report comparing actual performance to goals, an issue analysis statement, and a summary of the budget for public distribution. For a discussion on the District's budget process, see "BUDGETING AND FINANCIAL PROCEDURES – General" and "– Local Budget Autonomy Legislation."

The Attorney General for the District of Columbia. The Attorney General for the District of Columbia (the "Attorney General") is charged to conduct all legal business of the District and handle all lawsuits instituted by and against the District government. The Attorney General is also responsible for upholding the public interest and may intervene in legal proceedings on behalf of the public interest. Pursuant to an amendment to the Home Rule Act, the Attorney General became an elected official in 2014.

The Attorney General is elected to a four-year term with no term limits. If there is a vacancy in the office of the Attorney General, the Chief Deputy Attorney General serves as Acting Attorney General until a special election for a new Attorney General is held. Brian Schwalb was elected as Attorney General in the general election held on November 8, 2022 and was sworn into office on January 2, 2023.

Office of the Chief Financial Officer. The Office of the CFO has primary responsibility for oversight of the District's budgetary and financial records, activities and transactions, including the supervision and administration of all borrowing programs of the District for the issuance of long-term and short-term indebtedness (excluding industrial revenue bonds).

The CFO is responsible for supervising the activities of the District Treasurer, supervising and administering the District's borrowing, administering cash management, administering the District's payroll, Other Post-employment Benefit (OPEB) accounts, 401(a) accounts, and 457(b) accounts, governing the District's accounting policies and systems, preparing certain reports on the District's accounting and financial operations, preparing a comprehensive financial management policy for the District and preparing the financial statements and reports on the District's activities required by the Home Rule Act. The Office of the CFO supervises and assumes responsibility for financial transactions to ensure adequate control of revenues and resources and that appropriations are not exceeded, maintains systems of accounting and internal control, supervises and assumes responsibility for levying and collecting, with limited exceptions, taxes, fees and other revenues, maintains custody of all public funds and all investments and invested funds, and assists the Inspector General of the District of Columbia (the "Inspector General") in developing internal audits of accounts, operations and records of the District. In addition, the CFO is required to prepare and submit to the Mayor, for inclusion in the annual budget of the District, annual estimates of expenditures and appropriations necessary for the operation of the Office of the CFO. Further, the CFO must prepare annual estimates of all revenues of the District, which are binding on the Mayor and the Council for purposes of preparing and submitting the annual budget. The CFO also must prepare and submit to the Mayor and the Council, and make public, quarterly estimates of the revenues of the District during the year.

The CFO oversees the Office of Finance and Treasury, the Office of Financial Operations and Systems, the Office of Budget and Planning, the Office of Tax and Revenue, the Office of Finance and Resource Management, the Office of Revenue Analysis, and the Office of Lottery and Gaming. Moreover, certain personnel performing financial functions in the District's various agencies (including independent agencies) report to the CFO.

The Mayor, with the advice and consent of the Council, appoints the CFO for a term of five years. Upon confirmation by the Council, the appointment is then submitted to the Committees on Appropriations of the U.S. Senate and the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Government Reform of the House of Representatives for a 30-day period of review and comment before the appointment takes effect. The CFO may only be removed from office for cause by the Mayor, subject to the approval of that removal by a two-thirds vote of the Council. Upon approval of that removal by the Council, notice of the removal must be submitted to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives for a 30-day period of review and comment before the removal takes effect.

On May 23, 2022, the Mayor announced the appointment of Glen Lee as CFO to serve a five-year term, beginning July 1, 2022. Mr. Lee's appointment was confirmed by the Council on June 28, 2022 and, as noted above, became effective following a 30-Day Congressional Review Period.

Inspector General. The Inspector General is charged with conducting independent fiscal and management audits of District government operations, among other duties. The Inspector General must contract for an outside audit of the complete financial statements, report on the activities of the District for each Fiscal Year and establish an annual plan for audits of District programs during the Fiscal Year. The Inspector General may issue subpoenas relating to any matter under investigation and has the right to access all necessary District records relating to an investigation. Whenever the Inspector General has reasonable grounds to believe that there has been a violation of federal or District criminal law, he or she is required to report the matter expeditiously to the Office of the United States Attorney for the District of Columbia.

The Mayor appoints the Inspector General with the advice and consent of the Council. The Inspector General is subject to removal only for cause by the Mayor with the advice and consent of the Council. Neither the Mayor nor the Council may revise the proposed budget for the Office of the Inspector General ("OIG"), but they may make recommendations to Congress regarding the proposed budget. The Inspector General serves a six-year term. On October 28, 2014, the Council approved the Mayor's nomination of Daniel W. Lucas as the

Inspector General. He was sworn into office on November 17, 2014, for a six-year term through May 19, 2020, and confirmed on April 10, 2021, for a second six-year term to end on May 19, 2026.

District Auditor. The District of Columbia Auditor (the "District Auditor") conducts an annual audit of the accounts and operations of the government of the District. The District Auditor is required to submit audit reports and recommendations to the Council, the Mayor, and the Congress. The District Auditor has access to all books, accounts, records, reports, findings, and all other papers, things, or property belonging to or in use by any department, agency, or other instrumentality of the District government and necessary to facilitate the audit. The Mayor is required to state in writing to the Council what action he or she has taken to effectuate the recommendations made in the District Auditor's reports. The District Auditor is required to certify the Mayor's estimate of local revenues for purposes of the general obligation bond debt limitation. The Chairman of the Council, subject to the approval of a majority of the Council, appoints the District Auditor. The District Auditor serves a six-year term. Kathleen Patterson was sworn in as District Auditor on December 15, 2014 to complete the term of her predecessor. In 2023, Ms. Patterson was reconfirmed as District Auditor for another six-year term that runs through February 25, 2029.

Office of Integrity and Oversight. In 2003, the CFO created an Office of Integrity and Oversight ("OIO") for the purpose of conducting regular audits of the Office of the CFO operations, identifying those operational procedures and processes that need to be modified, updated or strengthened, recommending appropriate changes and monitoring the implementation of those changes. Such audits are in addition to the investigative audits conducted by the OIG, the District Auditor and the District's independent outside auditors.

Efforts for Statehood. In May 2016, the Mayor and the New Columbia Statehood Commission unveiled a draft state constitution that would serve as a part of a petition for the establishment of the State of New Columbia (the proposed state name was subsequently changed to the State of Washington, D.C.). Under such state constitution, the new state would assume the District's existing debts and liabilities and would continue to have a CFO and an elected Attorney General, among other things. The state constitution is a necessary element of a plan outlined by District officials to gain statehood. In November 2016, District voters approved a referendum that would allow voters to support statehood and ask the Council to petition Congress to enact statehood legislation, including boundaries of the future state and a constitution. District officials are expected to petition Congress to act on District statehood, but the timetable for any such action and likelihood of Congressional approval are not clear at this time.

The efforts described in the preceding paragraph assume that no amendment to the United States Constitution would be necessary for District statehood. It is unclear whether any such amendment would be required. If such an amendment were to be required, it would need approval of two-thirds of each House of Congress and ratification by three-fourths of the States. Over the years, there have been several attempts at statehood for the District.

Congressional Authority

Notwithstanding the Home Rule Act's delegation to the District of authority for self-government, Congress reserves the right to exercise its Constitutional authority as the legislature for the District by enacting legislation on any subject, whether within or without the scope of legislative power granted to the Council by the Home Rule Act, including legislation to amend or repeal any law in force in the District prior to or after enactment of the Home Rule Act and any act passed by the Council. Such legislative authority is subject to Constitutional limitations on the powers of the United States government.

The Home Rule Act provides, with exceptions for emergency legislation, acts authorizing general obligation revenue anticipation notes and acts authorizing the renewal or refunding of bond anticipation notes, that no act passed by the Council and approved either by the Mayor or through veto override by the Council shall take effect until the expiration of a period of 30 legislative days (for acts on civil matters) or 60 legislative days (for acts on criminal matters) after transmittal to Congress. During such periods, Congress and the President may disapprove an act of the Council by enacting a joint resolution of Congress approved by the President, in which event the act will not become effective. Congress, from time to time, at the request of the District, has enacted legislation waiving the legislative layover period for certain District legislation.

Disapproval of an act of the Council by Congress has occurred infrequently. Congress, however, has made revisions to the District's budget as adopted by the Council and generally has conditioned its approval of the District's budget on compliance by the District with a variety of Congressional mandates.

In 2023, Congress reviewed two pieces of District legislation, namely the Local Resident Voting Rights Amendment Act of 2022 (D.C. Law 24-242, effective February 23, 2023 and subject to appropriation, the "DCVRA") and the Revised Criminal Code Act of 2022, enacted Jan. 17, 2023 (D.C. Act 24-789; 70 DCR 1249, the "DC Revised Criminal Code"). The Congressional review period for the DCVRA may have expired before being voted on by the Senate. The DC Revised Criminal Code was transmitted to Congress for a 60-day Congressional review period on January 27, 2023. On February 9, 2023, the House of Representatives voted to disapprove the DC Revised Criminal Code by voting in favor of a disapproval resolution (specifically, H.J. Res. 26). H.J. Res. 26 was received in the Senate and passed on March 8, 2023. H.J. Res. 26 was approved by the President on March 20, 2023 as Public Law 118-1, and the DC Revised Criminal Code was disapproved.

Recent Federal Government Proposals on the Home Rule Act. On January 6, 2025, House Del. Norton introduced legislation that would amend the Home Rule Act to eliminate the Congressional review period for District of Columbia legislation. Such act was referred to the Committee on Oversight and Government Reform and the Committee on Rules. No further action has been taken on such bill at this time.

On February 6, 2025, House Republicans introduced legislation that would repeal that Home Rule Act. Such act was referred to the Committee on Oversight and Government Reform and the Committee on Rules. No further action has been taken on such bill at this time.

The Authority Act

Pursuant to the District of Columbia Financial Responsibility and Management Assistance Act of 1995, Pub. L. No. 104-8, as amended (the "Authority Act"), the District of Columbia Financial Responsibility and Management Assistance Authority (the "Authority") was established. Without repealing the District's Mayor/Council government structure, the Authority Act granted the Authority substantial powers over the financial activities and management operations of the District government during any "Control Period" and "Control Year" as defined in the Authority Act. The initial Control Period terminated on February 14, 2001, and the Authority suspended its activities on September 30, 2001.

Under the provisions of the Authority Act, a new Control Period will be initiated if: (i) the Mayor seeks a U.S. Treasury advance; (ii) the District fails to provide sufficient revenue to fund certain debt service reserve funds of the Authority (item (ii) is currently inapplicable due to suspension of activity of the Authority); (iii) the District defaults with respect to any loan, bond, note or other form of borrowing issued by the District; (iv) the District fails to meet its payroll for any pay period; (v) at the end of any quarter of any Fiscal Year, a cash deficit exists that exceeds the difference between the estimated District revenues and estimated District expenditures during the remainder of that Fiscal Year or the remainder of that Fiscal Year together with the first six months of the succeeding Fiscal Year; (vi) the District fails to make required payments relating to pensions and benefits for current and former District government employees; or (vii) the District fails to make payments to any entity under an interstate compact to which the District is a signatory, for example, the interstate compact pertaining to the Washington Metropolitan Area Transit Authority ("WMATA").

If a new Control Period were to be initiated under the existing Authority Act, the Authority would be reconstituted and resume its full statutory powers unless Congress were to change the law.

Cybersecurity

The District relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private, and sensitive information, the District and its departments and offices face multiple cyber threats including, but not limited to, hacking, viruses, malware, and other attacks on computers and other sensitive digital networks and systems. In recent years, cyber incidents have occurred within the District's systems and the impact of such incidents was reduced as a result of the District's cyber policies and procedures, which are described below.

The District has adopted cybersecurity best practices and deployed next generation security technologies to improve its overall cybersecurity resiliency. In implementing such best practices, the District has continued to grow its cybersecurity program and increase is cybersecurity workforce, including hiring a permanent Chief Information Security Officer.

In addition, the District works to protect its systems from cyber threats by adopting new technology to ensure system integrity, including (i) developing District-wide security policies, (ii) reducing the number of individuals having elevated or administrator access to devices, (iii) improving security controls on endpoints (e.g., desktops and laptops) to identify and isolate potential malware before it has an opportunity to execute; (iv) requiring multifactor authentication on all major systems and applications; (v) improving processes surrounding identity and access management; and (vi) implementing an improved cybersecurity awareness training program required of all staff and conducting periodic "phishing campaigns" to help staff become better able to identify real phishing attacks.

While the District closely monitors its networks and conducts periodic tests and reviews thereof, no assurances can be given that such security and operational control measures will be successful in guarding against all future cyber threats and attacks. New technical cyber vulnerabilities are discovered in the United States daily. In addition, cyberattacks have become more sophisticated and increasingly are capable of impacting municipal control systems and components. The techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasingly complex and sophisticated. In addition, there is heightened risk due to an increase in remote access to District systems by employees as a result of the outbreak of COVID-19. As cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. The results of any successful attack on the District's computer and information technology systems could impact its operations and damage the District's digital networks and systems, and the costs of remedying any such damage could be substantial.

Climate Change

The District of Columbia recognizes the impacts that a changing climate will have on its residents, economy, and infrastructure and has developed strategic plans that aim to ensure the District remains prepared for worsening weather conditions. In 2016, Mayor Bowser released Climate Ready DC, the District's plan to prepare for the impacts of climate change including the increased frequency and intensity of flooding, extreme heat and major storms. The plan includes 77 actions for District Government to take to reduce the risk to District residents, businesses and property posed by climate-related hazards. Released in 2019, Resilient DC is the District's strategy to build an economy, communities and infrastructure that are resilient to a wide range of acute shocks and chronic stressors. In addition to economic and technological growth, safety, and public health, the strategy includes 16 climate action initiatives that address persistent vulnerabilities while also preparing the District for emerging and future challenges. Combined, these strategies leverage interagency approaches to reducing natural hazard risk and prioritizing efforts that enhance climate resilience across the District.

As part of the Climate Ready DC initiative, the Department of Energy and Environment (DOEE) developed projections for multiple climate change indicators including average annual temperatures, number of extremely hot days, and number of storms per year with extreme precipitation, among others. In 2024, DOEE updated these climate change projections to reflect the latest available science and employ the best available federal tools. These projections are freely available on the District website and are used by multiple agencies to analyze climate risk and guide the development of projects and programs. Potential climate change impacts that the District of Columbia is working to address include an increase in the frequency of stronger storms, including hurricanes and derechos; an increase in heat emergencies, from the current average of 30 days per year to 54-65 days by the 2050s, and 60-91 days by the 2080s; an increase in the likelihood of more frequent flooding events, with a "100-year storm" being four times more likely by 2050; and rising river levels in the Potomac and Anacostia Rivers (up 11 inches in the past 90 years and potential to rise an additional 4.3 feet by 2080).

Since the release of Climate Ready DC, the District has advanced multiple notable initiatives to address these hazards. To better understand how water moves through the city and to identify where flood management investments are needed most, the District invested in the creation of an integrated flood model that models coastal, riverine, and inland flooding based on storm and sewer infrastructure, drain locations, topography, land cover and more. To better protect District homeowners from flooding, DOEE received $1,049,185 in FY23 to launch a Flood Smart Home program that provides free home audits to residents and implements flood risk reduction measures. To better address extreme heat, the District launched a data-driven extreme heat adaptation initiatives that resulted in the 2022 Keep Cool DC plan, which prioritizes investments in urban heat island reduction projects and safety improvements for residents during heat waves. To better protect buildings and infrastructure, the District released Resilient Design Guidelines in 2021, which provides a methodology for assessing the vulnerabilities of existing or proposed buildings and numerous best practices to reduce risks. The District has pursued numerous other climate risk reduction efforts, including a campaign to increase the efficiency of District government buildings by 2030; a resilience hub program with a pilot resilience hub located in one of the District's neighborhoods with highest flood risk that has received over $2 million of federal, non-District funding; a $635,000 project to identify roadways at risk for flooding and install warning signs and sensors; a $1.4 million pilot project to install and measure the effectiveness of cool pavement treatments on residential roadways; and a $1.4 million cross-jurisdictional project with Prince George's County, MD to understand flood risk and explore options for blue-green infrastructure.

The ability to quantify risk and make data-informed decisions using the best available science remains a key strength of the District's Homeland Security and Emergency Management Agency's (HSEMA) Hazard Mitigation Program. The program continues to function as a pivotal avenue for strengthening interagency collaboration, developing integrated approaches to climate risk reduction and resilience building, and pursuing funding to support a growing portfolio of projects. Ongoing projects include enhancing energy efficiency and disaster resilience requirements by updating the Department of Building's construction codes and improving compliance monitoring and developing a framework to incorporate climate, infrastructure, and community resilience data into emergency management decision making.

While it is likely that climate change will increase both the frequency and intensity of extreme weather events, planning for the effects of climate change can help to reduce the costs of these events and lessen the impacts to qualify of life in the District. As DOEE and HSEMA continue to track progress across Climate Ready DC and Resilient DC while updating both strategies with an anticipated FY26 completion, the District continues to monitor climate change impacts through its city-wide climate-related initiatives. Progress reporting on Climate Ready DC, Sustainable DC (the District's overall sustainability plan) and Clean Energy DC (the District's plan to reduce greenhouse gas emissions) can be found at Sustainable.dc.gov/progress and previous Resilient DC progress reports can be found on the District's investor relations website (www.DCbonds.com). Reference to such reports is included herein for convenience only, and the information contained therein is not incorporated by reference in this Official Statement.

BUDGETING AND FINANCIAL PROCEDURES

General

The Home Rule Act requires the Mayor to submit to the Council, at such time as the Council directs, an annual budget prepared on the basis that proposed expenditures do not exceed resources. The annual budget includes, among other things, the budget for the forthcoming Fiscal Year, a multiyear plan for all agencies and all sources of funding, a multiyear capital improvement plan, a performance report comparing actual performance to goals, an issue analysis statement and a summary of the budget for public distribution. The multiyear plan includes (i) prior year actual spending, (ii) the current year approved budget, (iii) the proposed revisions to the current year approved budget, (iv) the budget for the forthcoming Fiscal Year, and (v) estimates of the budgets for each of the three succeeding Fiscal Years.

The District's annual budget has two parts: (i) one funded by the federal government and (ii) one funded by the District, which is often referred to as the local funds budget. Following Council approval, each June or July, the Mayor submits to the President a request to include the federally funded part of the District's budget in the federal budget, which is subject to the Congressional appropriation process. Congress is free to alter the federal portion of the District's budget.

Local Budget Autonomy Legislation

The Local Budget Autonomy Amendment Act of 2012 (D.C. Law 19-321) (the "Budget Autonomy Act") was signed into law on February 15, 2013 and ratified by the District voters in an April 2013 referendum. Such act became effective January 1, 2014 and, thereunder, the District may enact and appropriate its local funds budget without the need for affirmative approval by Congress. The local funds budget legislation is only subject to the 30-Day Congressional Review Period (as described in "THE DISTRICT OF COLUMBIA – Organization of the District Government – Legislative Branch").

Congress has from time to time taken certain actions with regard to the Budget Autonomy Act and held hearings examining Congressional intent in drafting the Home Rule Act and the validity of the Budget Autonomy Act. To date, none of such actions has had an impact on the Budget Autonomy Act and no enacted federal appropriations legislation has included any language repealing the Budget Autonomy Act.

The District has followed the budgetary procedures set forth in the Budget Autonomy Act for its budgets for Fiscal Years 2017 through 2026, enacting legislation in June or July of the respective year that permits the District to appropriate its local funds budget, in the event there is a lapse in federal appropriations authority. For information on the District's current budget, see "DISTRICT BUDGET AND FINANCIAL PLAN."

Certain Expenditures and Payment of Debt Service Not Subject to Appropriations

Absent local budget autonomy, the District cannot spend money, including local funds, without Congressional appropriation or authorization. Exceptions to this restriction permit spending for certain designated purposes, including, among other things, the payment of debt service on income tax secured revenue bonds, general obligation bonds, general obligation tax revenue anticipation notes and certain other types of debt.

Federal Funding

Each Fiscal Year, the District receives federal revenues to fund certain expenditures incurred by the District. The federal government assumes the costs of certain District state-like functions, such as the Courts and incarceration of convicted felons. The federal government also provides revenues to the District for other functions and for certain programs, such as Medicaid, school improvements and the Tuition Assistance Grant program. In Fiscal Year 2024, the District directly received federal revenues in the total aggregate amount of approximately $6.512 billion. See Table 6 herein.

The federal government also provides many services required for its own operations within the District of Columbia or for the benefit of visitors to the Nation's Capital. The federal government operates and maintains its own buildings, national monuments and parks, and it provides financial support to visitor attractions such as the National Gallery of Art, the Smithsonian Institution, and the National Zoo. The federal government also maintains special police forces and guard services to protect the White House, the Capitol, the Supreme Court, other federal facilities and foreign embassies and missions.

Cash Reserves

The District is required by federal law to maintain the Emergency Reserve Fund and the Contingency Reserve Fund and is required by District law to maintain the Fiscal Stabilization Reserve Account and the Cash Flow Reserve Account. The Fiscal Year 2011 Budget Support Act of 2010 (D.C. Law 18-223, effective September 24, 2010) directed the CFO to create the Fiscal Stabilization Reserve Account and the Cash Flow Reserve Account as segregated non-lapsing accounts within the cumulative Fund Balance. These two accounts were established with the goal of replenishing and augmenting the spendable portion of the District's Fund Balance to a level that, together with the Emergency Reserve Fund and the Contingency Reserve Fund, equals approximately two months of operating expenditures.

Pursuant to §450A of the Home Rule Act, the District is required to maintain (i) a balance in the Emergency Reserve Fund of 2.0% of operating expenditures (including required replenishment of permitted draws) and (ii) a balance in the Contingency Reserve Fund of 4.0% of operating expenditures (including required replenishment of permitted draws).

Pursuant to §47–392.02 of the D.C. Official Code, at full funding, (i) the Cash Flow Reserve Account will be equal to 10.0% of the General Fund operating budget each Fiscal Year and (ii) the Fiscal Stabilization Reserve Account will be equal to 2.34% of the District's General Fund operating expenditures for each Fiscal Year.

The Cash Flow Reserve Account, the Fiscal Stabilization Reserve Account, the Emergency Reserve Fund, and the Contingency Reserve Fund are collectively referred to herein as the "Cash Reserves." Funding calculations for each reserve are described in more detail below. See Table 1 herein for the cash balances of the Cash Reserves for Fiscal Years 2020-2024.

Emergency Reserve Fund. The District is required by federal law to maintain an Emergency Reserve Fund, which is a separate account within the General Fund. The District is required to deposit not later than October 1 of each Fiscal Year into the Emergency Reserve Fund the amount in cash necessary to bring the balance in the fund to 2.0% of the actual operating expenditures (less the amount necessary to repay draws during the next two Fiscal Years) paid from local funds for the Fiscal Year of the most recently issued ACFR, after deducting from such expenditures those amounts attributed to debt service payments for which a debt service reserve or escrow fund is already established.

The CFO, in consultation with the Mayor, developed a policy to govern the use of such funds, which is limited by law to unanticipated and nonrecurring extraordinary needs of an emergency nature. Accordingly, the Emergency Reserve Fund may not be used to fund (i) any department, agency or office of the District that is administered by a receiver, (ii) shortfalls in any projected expenditure reductions that are included in the budget proposed by the District, or (iii) settlements and judgments made by or against the District. Funds may be allocated from the Emergency Reserve Fund only after the CFO has prepared an analysis regarding the availability of other sources of funding to carry out the purposes of the allocation and the impact of such allocation on the balance and integrity of the Emergency Reserve Fund.

The District must replenish any expenditures from the Emergency Reserve Fund so that not less than 50% of such expenditures or the amount needed to restore the 2.0% balance, whichever is less, is replenished by the end of the first Fiscal Year following the year in which the expenditure was made, with the balance being restored by the end of the second Fiscal Year. If funds in the Emergency Reserve Fund are expended, the Mayor and the Council must notify the Committees on Appropriation of the Senate and the House in writing not more than 30 days after such expenditure.

Contingency Reserve Fund. The District is required by federal law to maintain a Contingency Reserve Fund, which is a separate account within the General Fund. The District is required to deposit not later than October 1 of each Fiscal Year into the Contingency Reserve Fund the amount in cash necessary to bring the balance in the fund to 4.0% of the actual operating expenditures (less the amount necessary to repay draws during the next two Fiscal Years) paid from local funds for the Fiscal Year of the most recently issued ACFR, after deducting from such expenditures those amounts attributed to debt service payments for which a debt service reserve or escrow fund is already established.

The CFO, in consultation with the Mayor, developed the District of Columbia Comprehensive Financial Management Policy to govern the use of such funds, which is limited to nonrecurring or unforeseen needs that arise during the Fiscal Year, including natural disasters, unforeseen weather conditions, unexpected obligations created by federal law, new public safety or health needs or opportunities to achieve cost savings. The Contingency Reserve Fund also may be used to cover revenue shortfalls that continue for three consecutive months (based on a two-month rolling average) that are 5.0% or more below the budget forecast. Such policy is described in the District’s annual budget and financial plan.

The District must replenish any expenditures from the Contingency Reserve Fund so that not less than 50% of such expenditures or the amount needed to restore the 4.0% balance, whichever is less, is replenished by the end of the first Fiscal Year following the year in which the expenditure was made, with the balance being restored by the end of the second Fiscal Year.

In addition, the District has the authority to allocate and use amounts in the Emergency Reserve Fund and Contingency Reserve Fund for cash flow management purposes. Such allocations may not exceed 50% of the balance of the applicable reserve fund at the time such allocation is made. The aggregate amount allocated from a reserve fund during a Fiscal Year may not exceed 50% of the balance of such fund as of the first day of such Fiscal Year. Following any allocation, the District is required to fully replenish the amounts allocated from a reserve fund not later than the earlier of (i) nine months after the allocation or (ii) the last day of the same Fiscal Year. In addition, following any allocation from a reserve fund for cash flow management purposes, if the District makes any other allocation from such fund during a Fiscal Year the result of which is that the balance of the reserve fund is reduced to an amount that is less than 50% of the balance of the reserve fund on the first day of such Fiscal Year, the District must replenish the balance of such fund within 60 days to an amount equal to 50% of the balance of the reserve fund on the first day of such Fiscal Year. Nothing precludes the District from using such funds for cash flow management purposes more than once during a Fiscal Year, subject to the provisions regarding replenishment.

Cash Flow Reserve Account. The Cash Flow Reserve Account was established by the District in Fiscal Year 2011 and may be used by the CFO to cover cash-flow needs, provided that any amounts used must be replenished to the Cash Flow Reserve Account in the same Fiscal Year. In June 2024, Council voted to revise the full funding percentage to 10.0% of the General Fund operating budget for each Fiscal Year (the prior full funding percentage was 8.33% of the General Fund operating budget for each Fiscal Year).

Fiscal Stabilization Reserve Account. The Fiscal Stabilization Reserve Account was established by the District in Fiscal Year 2011 and may be used by the Mayor for certain purposes for which the Contingency Reserve Fund may be used, as specified in § 450A(b)(4) of the Home Rule Act, D.C. Official Code § 1-204.50a(b)(4), as certified by the CFO, with approval of the Council by act. At full funding, the Fiscal

Stabilization Reserve Account equals 2.34% of the District's General Fund operating expenditures for each Fiscal Year.

In June 2024, Council voted to revise the replenishment procedures for the Fiscal Stabilization Reserve Account. Replenishment will be from a deposit of excess revenues, if any. Such revisions also provide that if the Fiscal Stabilization Reserve Account is not at its full funding level by the time the ACFR for Fiscal Year 2025 is issued (scheduled to occur in early 2026), the operating budget for Fiscal Year 2027 is required to include sufficient funding to restore the account to the full funding level.

The revisions to Cash Flow Reserve Account (described above) and the Fiscal Stabilization Reserve Account were included in the Fiscal Year 2025 Budget Support Act of 2024 (the "Fiscal Year 2025 Budget Support Act"), which became law as of September 18, 2024.

As a result of the COVID-19 pandemic, $212.7 million from the Fiscal Stabilization Reserve Account was approved to be used to address a revenue shortfall in Fiscal Year 2021. At the time, this amount was expected to be fully replenished in Fiscal Year 2024, but revenues and underspending were sufficient to allow full replenishment by the end of Fiscal Year 2021.

If either of the Cash Flow Reserve Account or the Fiscal Stabilization Reserve Account is below full funding, immediately upon the issuance of the District's ACFR, the CFO is required to deposit 50% of the undesignated end-of-year Fund Balance into each account, or 100% of the undesignated end-of-year Fund Balance into the account that has not reached capacity, to fully fund these accounts to the extent that the undesignated end-of-year Fund Balance allows. If amounts required to satisfy the reserve requirements for the Emergency Reserve Fund or the Contingency Reserve Fund are reduced, the amount required to be deposited in the Fiscal Stabilization Reserve Account is required to be increased by a like amount.

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Cash Reserve Fund Balances. Table 1 shows cash reserve fund balances for Fiscal Years 2020-2024.

Table 1. Cash Reserve Fund Balances[1]
($ in millions)

Fiscal Year	2020	2021	2022	2023	2024
Emergency Reserve Fund	$156	$159	$165	$184	$213
Contingency Reserve Fund	311	317	330	369	271
Cash Flow Reserve Account	795	828	932	966	966
Fiscal Stabilization Reserve Account	218	226	250	34	123
Total	**$1,480**	**$1,530**	**$1,677**	**$1,552**	**$1,572**

(1) Figures may not sum due to rounding.
Source: The District's ACFRs for the applicable Fiscal Year.

The District ended Fiscal Year 2024 with total Cash Reserve fund balances of approximately $1.572 billion, which represents 52 days of operating expenditures. The Government Finance Officers Association (GFOA) recommends that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than 60 days of regular general fund operating revenues or regular general fund operating expenditures.

Financial Procedures

Audit and Accounting Practices. The District's Fiscal Year covers the 12-month period between October 1 of one calendar year and September 30 of the next calendar year. The District uses Generally Accepted Accounting Principles ("GAAP") for governments, established by the Governmental Accounting Standards Board ("GASB"), to account for its assets, liabilities, deferred inflows and outflows of resources, equity and results of operations. The budgetary basis of accounting is used to prepare budgetary comparison statements; however, the District's financial statements are prepared using GAAP. GAAP basis statements include a number of revenue, expenditure and source and use items, which are excluded from the budget. Consequently, the GAAP-based presentation provides a more comprehensive view of the activities in the General Fund (the District's principal operating fund). Since Fiscal Year 1980, the financial statements of the District have been prepared in accordance with GAAP for governments and audited by Independent Certified Public Accountants. Additional information concerning the District's accounting policies is provided in the disclosures contained in the Notes to the Basic Financial Statements (as set forth in the Fiscal Year 2024 Financial Statements), which explain the items presented in the main body of the financial statements.

D.C. Official Code § 47-119 requires that the District's financial operations be audited each Fiscal Year by an independent auditor. District law provides that an audit contract with the same auditor cannot be extended past five years. For Fiscal Year 2020, the District selected a new team of independent certified public accountants, McConnell & Jones, LLP, assisted by Regis & Associates, PC and UHY LLP, to audit the District's financial operations. Consistent with the executed contract, which covers a base year and four option years, the District is allowed to renew, on an annual basis, its agreement with the auditors for an additional year. The District exercised the fourth and final option year under the contract and a team from McConnell & Jones, LLP (assisted by Regis & Associates) conducted the audit for Fiscal Year 2024.

Consistent with GAAP, the District prepares government-wide financial statements and fund financial statements. Government-wide financial statements focus on all the economic resources of the District and use the full accrual basis of accounting (revenues are recognized when earned and expenses recorded when a liability is incurred). Fund financial statements focus primarily on the sources, uses and balances of current financial resources and use the modified accrual basis of accounting (revenues are recognized when they are available and measurable, and revenues are deemed available if they are collectible within the current Fiscal Year or within 60 days after the end of the current Fiscal Year).

As set forth in Part 1, the Fiscal Year 2024 Financial Statements, which are included in the District's ACFR for Fiscal Year 2024, have been incorporated herein by reference. The District's ACFR for Fiscal Year 2024 and the Fiscal Year 2024 Financial Statements can be found on the District's investor website at www.DCbonds.com, on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system at http://www.emma.msrb.org or by registering with and logging onto the website of Digital Assurance Certification, L.L.C. ("DAC") at http://www.dacbond.com. DAC is the disclosure dissemination agent for the District. Copies of the District's ACFRs may also be obtained by written request submitted to the Treasurer of the District of Columbia, Office of Finance and Treasury, 1101 Fourth Street, S.W., Suite 850, Washington, D.C. 20024, or by email at dcinvestorrelations@dc.gov. The District did not require the independent auditor's consent to incorporate by reference herein the Fiscal Year 2024 Financial Statements. The independent auditor did not review or perform any procedures relating to this Official Statement. Further, the independent auditor has not been engaged to perform and has not performed, since the date of the ACFR for Fiscal Year 2024, any procedures on the financial statements addressed in its report as a part of the ACFR for Fiscal Year 2024.

Revenue Estimates and Expenditure Projections. The Home Rule Act requires the CFO to submit quarterly estimates of all revenues of the District to the Mayor and Council. The CFO submitted the most recent revenue estimate for the District for Fiscal Years 2025-2029 on December 29, 2025 (the "December 2025 Revenue Estimate"), which certified that the revenue estimate for the Fiscal Years 2025-2029 District of Columbia Budget and Financial Plan remain unchanged from the September 2025 Revenue Estimate. Table 2 below shows the revenue estimates for the District for Fiscal Years 2025-2029, as included in the September 2025 Revenue Estimate.

Table 2. Local Source, General Fund Revenue Estimates
($ in millions)

	Actual	Estimated		Projected		
	FY 2024	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**
June 2025 Revenue Estimate	**$10,223.9**	**$10,923.9**	**$10,630.6**	**$10,917.4**	**$11,278.7**	**$11,656.4**
FY 2026 Budget Support Act Revenue	-	*(100.9)*	*18.2*	*94.2*	*103.4*	*106.8*
*Estimated Revenue Impact of OBBBA**	-	*(94.9)*	*(171.6)*	*(151.5)*	*(139.4)*	*(100.8)*
September Economic Revision to the Estimate	-	*208.9*	*263.6*	*161.1*	*153.7*	*116.8*
September 2025 Revenue Estimate	**$10,223.9**	**$10,937.5**	**$10,740.8**	**$11,021.2**	**$11,396.4**	**$11,779.2**
Revenue Change from the Previous Year						
Amount		713.6	(196.7)	280.4	375.3	382.8
Year-Over-Year Percent Change		*7.0%*	*(1.8%)*	*2.6%*	*3.4%*	*3.4%*

Source: December 2025 Revenue Estimate (data unchanged from the September 2025 Revenue Estimate).

* OBBA stands for the One Big Beautiful Bill Act.

As noted in the December 2025 Revenue Estimate, there has been little change in the District's economic outlook since the September 2025 Revenue Estimate. As such, the December 2025 Revenue Estimate carries forward the previous data. Nationally, economic growth has continued to moderate as the labor market has softened. While inflation has eased, it remains a risk to the economic outlook. From both a national and District of Columbia perspective, the federal funds interest rates, the overall job market, federal government jobs, and inflation remain key focal points. Below are key drivers and risks to the revenue forecast.

Key Drivers of the Revenue Forecast. The following are factors that have impacted the economic outlook from a national perspective: (i) the Federal Reserve cut the federal funds rate by a quarter percentage point to 3.5–3.75% in December 2025, determining that the risk of job market deterioration was higher than the risk of higher inflation; (ii) nonfarm payrolls increased by 64,000 in November, following a sharp decline of 105,000 jobs in October, and the unemployment rate rose to 4.6% in November, its highest level since September 2021; (iii) the federal government continued to contract, shedding 6,700 jobs in November following a 161,300 job loss in October, which was largely attributable to the federal Deferred Resignation Program; and (iv) the Consumer Price Index (CPI) for November 2025 was up 2.7% over the 12-month period, a drop from the 3.0% rate from September 2025. November CPI data should be viewed in the context of delayed data collection as a result of the federal government shutdown.

The following are factors that have impacted the economic outlook from a District of Columbia perspective: (i) while the September report of employment in the District of Columbia aligns closely with the economic forecast, federal government job losses were less than anticipated; (ii) federal government job losses forecasted for the financial period (estimated to be from the federal Deferred Resignation Program) are expected to appear in the October jobs report for the District of Columbia, which has been delayed due the federal government shutdown that ended in November 2025; (iii) total District of Columbia employment, resident employment, and federal government employment levels for Fiscal Year 2025 were revised upward based on the September 2025 jobs report; and (iv) income tax withholding and sales tax collections in the District of Columbia for November 2025 (reflecting October activity) declined, which is likely due to the impact of federal government layoffs (for income tax withholding, it fell by 1.5% from November 2024; for sales tax collections, the overall decrease was 0.6% from November 2024, with hotels being impacted the most with a 16.0% decrease).

Key Risks to the Revenue Forecast. For the District of Columbia, the December 2025 Revenue Estimate identifies key local risks to the revenue forecast, including (i) the impact of federal government layoffs, the magnitude of which continues to be assessed; (ii) immigration policies, which have reduced tourism-related revenue and are expected to be an ongoing risk to the District of Columbia's leisure and hospitality sector; (iii) substantial revenue from capital gains and corporate profits, which makes financial market performance a significant risk; and (iv) uncertain federal data availability and reliability, which pose a risk to monitoring and timely updating of the economic and revenue forecast.

Federal Government Shutdown. An additional risk to the revenue forecast is the prospect of another federal government shutdown. Federal government shutdowns can cause a strain on the District of Columbia's economy and have a wide range of impacts on revenue. The most recent federal government shutdown was from October 1, 2025 to November 12, 2025 and the District is still analyzing its impacts. The current federal funding legislation expires on January 30, 2026 and another federal government shutdown could be disruptive to the District economy.

The District also continues to monitor its monthly cash flow patterns, developments in the national economy and capital markets, geopolitical concerns, and vacancies in the office real estate market, all of which could impact the economic and revenue forecast.

As noted herein, the Series 2026A-B-C Bonds are secured by the Special Real Property Tax, required to be levied by the District in an amount sufficient to pay the principal of, and interest on, the Bonds payable in each year. See Part 1, "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Real Property Tax." In addition, the District has significant operating reserves, giving it the ability to handle temporary downturns in revenues that could occur as a result of a federal government shutdown or other factors. See "BUDGETING AND FINANCIAL PROCEDURES – Cash Reserves."

For additional information on demographic and socioeconomic statistics in the District of Columbia, see "THE DISTRICT'S ECONOMIC RESOURCES."

The District's revenue assumptions reflect a combination of statistical techniques, historical factors, local information, and experience with the regional economy. Statistical techniques used in developing some of these revenue estimates include trending, time series analysis, correlation analysis and other common statistical methods. The estimating process requires ongoing communication with local business officials and economists. For example, the Office of Revenue Analysis routinely consults business, trade and research organizations to determine the current status and future course of the various segments of the region's economy. These factors are considered and balanced against the past experience of revenue collections in the District. Only the CFO's revenue estimates may be used for the budget.

In preparing gross expenditure projections, the expenditures are categorized by types of spending, which are also referred to as "object classes." Object classes include categories such as personal and contractual services, supplies and materials, energy, telecommunications, rent, other services and charges, subsidies and transfers, capital outlay and debt service. In order to project overall expenditure growth for an agency, the expenditure growth rate for each object class is estimated and then applied to the base level of spending. The rationale for this approach is that growth rates among spending categories will vary since the factors that influence the growth in these areas vary. For instance, rent expenditures may depend upon long-term contract provisions; utilities expenditures may vary with service demands, energy costs and needs; and other expenditures (such as supplies) may change mainly with the rate of inflation.

Budgetary Basis. The District utilizes budgetary controls designed to monitor compliance with expenditure limitations contained in the annual appropriated budget approved by Congress. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is established, pursuant to the Local Budget Act, within the District's accounting system. The District also uses an encumbrance accounting system as another technique for establishing and maintaining budgetary control. Generally, encumbered amounts lapse at year-end in the General Fund but not in the Capital Projects Fund, Special Revenue Fund or the Federal and Private Resources Fund, described below.

Fund Accounting. Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities, which present the non-fiduciary activities of the District (governmental and business-type activities) and its discretely presented component units) are required by GASB's Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The District uses fund accounting to prepare financial statements that focus on specific District functions or activities rather than the District as a whole. Fund accounting is also used to demonstrate compliance with legal requirements established by external parties, governmental statutes or regulations. The three fund types for which separate financial statements are provided are governmental funds, proprietary funds and fiduciary funds. Because assets of fiduciary funds are held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not included in the government-wide financial statements.

Governmental Funds. The District's major governmental funds consist of the General Fund, the Federal and Private Resources Fund, the Housing Production Trust Fund and the General Capital Improvements Fund.

General Fund. The General Fund is the principal operating fund of the District. It is used to account for all financial resources except for those required to be accounted for in another fund. Expenditures for public safety and justice, public education, human support services, economic development and regulation, public works, joint venture (transit) subsidy, debt service on general obligation and income tax bond debt, and governmental direction and support are all recorded in the General Fund. The General Fund also partially supports, primarily through operating subsidies, the activities of certain component units, such as the University of the District of Columbia ("UDC"), the District of Columbia Green Finance Authority, and the Washington Convention and Sports Authority ("WCSA"). Major current tax revenue sources of the General Fund include real property taxes, sales and use taxes, and income and business franchise taxes.

The Federal and Private Resources Fund. The Federal and Private Resources Fund is used to account for proceeds of intergovernmental grants and other federal payments and private grants that are legally restricted to expenditure for specified purposes.

The Housing Production Trust Fund. The Housing Production Trust Fund is used to account for the financial resources that provide financial assistance to a variety of affordable housing programs and opportunities across the District.

General Capital Improvements Fund. The General Capital Improvements Fund is used to account for the purchase or construction of capital assets financed by operating transfers, capital grants or debt.

Governmental fund revenues are recognized when they become available and measurable. Revenues are deemed available if they are collectible within the current Fiscal Year or within 60 days after the end of the current Fiscal Year. Property taxes are recognized as revenue in the fiscal period for which they were levied and are deemed available if they are collected within 60 days of the end of the Fiscal Year. Income tax revenues are accrued net of estimated income tax refunds relating to the same Fiscal Year. Allowances for taxes that may ultimately be uncollectible are estimated and recorded as reductions of revenues. Grants that are restricted to specific uses are recognized as revenues when the related costs are incurred. For expenditure-driven grants, revenues are recognized when all eligibility criteria and compliance requirements have been met and allowable costs have been incurred. Grants that are collected before eligibility and compliance requirements are met or the related costs are incurred are reported as unearned revenue. In addition, grants collected with all eligibility requirements met but before the period for which use is intended are reported as deferred inflow of resources. Expenditures and expenses are recognized when the liabilities are incurred, if measurable.

Proprietary Funds. Proprietary funds are used to account for activities similar to those found in the private sector where the costs (including depreciation) of providing goods and services primarily or solely to the public on a continuing basis are or could be financed or recovered primarily through user charges. The District's two major proprietary funds are the Lottery and Games Fund, the net proceeds from the operation of which are deposited into the General Fund at the end of each Fiscal Year, and the Unemployment Compensation Fund, which is used to account for the accumulation of resources to be used for benefit payments to unemployed former employees of the District and federal government and of private employers in the District.

Fiduciary Funds. Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and other governments. The District reports the following fiduciary funds: Pension Trust Funds, Other Postemployment Benefits Trust Fund, Private Purpose Trust Fund (Section 529 college savings plan) and Custodial Funds. Custodial Funds are used to account for refundable deposits required of various licensees, monies held in escrow and other assets held in the custody of the District, as an agent for individuals, private organizations, other governments or other funds.

Component Units. At the end of Fiscal Year 2024, the District reported five discretely presented component units: WCSA, UDC, the District of Columbia Housing Finance Agency, the District of Columbia Health Benefit Exchange Authority, and the District of Columbia Green Finance Authority. The District also reports two blended component units: the Tobacco Settlement Financing Corporation (the "Tobacco Corporation") and the Not-For-Profit Hospital Corporation (d/b/a the "United Medical Center" or "UMC").

Performance Audits and Reports. The District is subject to performance audits by the Comptroller General of the United States, who heads the Government Accountability Office (formerly the General Accounting Office), the District Auditor, and the OIG. Such officials and others, including the Congressional Budget Office, have issued reports and made public statements regarding the District's financial condition, including some that have been critical of the District's management and financial operations. It is reasonable to expect that reports and statements that prompt public comment will continue to be issued.

FINANCIAL INFORMATION

The District's financial statements are prepared in accordance with GAAP for state and local governments as promulgated by GASB. Accounting standards issued by GASB and applicable to the District are adopted and implemented by the required effective dates, as reflected in the presentation of financial information in the District's financial statements.

District's General Fund: Fund Balance

The net change in the fund balance of the General Fund was an increase of $6.1 million in Fiscal Year 2024 from $4.917 billion on September 30, 2023 to $4.923 billion on September 30, 2024. Based upon GAAP, the District ended Fiscal Year 2024 with a deficiency of revenues under expenditures totaling $699.6 million in the General Fund. However, the General Fund had other financing sources totaling $705.7 million, which resulted in a net change in fund balance of $6.1 million in the General Fund. See Exhibit 2-b in the Fiscal Year 2024 Financial Statements.

From time to time, the District budgets funds from the fund balance of the General Fund for various expenditures. The total amount budgeted for Fiscal Year 2024 was $1.041 billion. In Fiscal Year 2024, the District drew from the General Fund to finance costs associated with District operations and activities that were not covered by the revenues generated during the Fiscal Year. See Table 7 for information on General Fund expenditures.

Fund balances in the governmental funds financial statements will generally differ from net position in the government-wide financial statements due to the difference in the measurement focus and basis of accounting used in the respective financial statements. Fund financial statements focus on the sources, uses and balances of current financial resources and use the modified accrual basis of accounting. The government-wide financial statements focus on all economic resources and use the full accrual basis of accounting. Non-current liabilities such as claims and judgments, compensated absences, general obligation debt and interest on other long-term debt are included in the government-wide financial statements but are not included in the governmental funds financial statements. The difference is the recording of long-term obligations that will be liquidated with future years' resources.

The following table sets forth the composition of the fund balance in the General Fund as detailed in the District's ACFRs from Fiscal Year 2020 through Fiscal Year 2024.

Table 3. Composition of Fund Balance in the General Fund, Fiscal Years 2020-2024
($ in millions)

	2020	2021	2022	2023	2024
Emergency & Contingency Cash Reserves[1]	$ 466.9	$ 475.6	$ 495.7	$553.1	$483.5
Fiscal Stabilization & Cash Flow Reserves[1]	1,013.3	1,054.1	1,182.6	999.2	1,088.6
Bond Escrow for Debt Service[2]	391.0	375.7	436.8	444.0	494.4
Other Non-spendable, Restricted, Committed, Assigned or Unassigned	1,388.6	1,693.3	2,777.2	2,920.7	2,856.5
Total	**$3,259.8**	**$3,598.7**	**$4,892.3**	**$4,917.0**	**$4,923.0**

(1) See "BUDGETING AND FINANCIAL PROCEDURES – Cash Reserves" herein for more details on the reserve funds.
(2) Includes general obligation and income tax bond debt service.
Source: Note 10 of the District's ACFRs for the applicable Fiscal Year.

Summary of General Fund Revenues

Local General Fund Revenues. Local General Fund Revenues exclude federal grants, private and other grants and intra-District transfers, but include income taxes, property taxes, sales and use taxes, the public utility tax and a combination of other taxes and fees, applicable rates of which are shown in Table 4.

The Home Rule Act requires the Council to provide in each annual budget sufficient funds to pay the principal of and interest on general obligation bonds and notes issued by the District under the Home Rule Act.

The acts which provide for the issuance of general obligation bonds and notes also permit the District to levy, without limitation as to rate or amount, for each real property tax year in which general obligation bonds and notes are outstanding, a "Special Tax" on real property in amounts sufficient to pay the principal of and interest on any such bonds and notes coming due each year. Special Tax proceeds are irrevocably dedicated and pledged to the payment of principal of and interest on general obligation bonds and notes. See "FINANCIAL INFORMATION – Summary of General Fund Revenues – Property Taxes" herein.

In addition to the Special Real Property Tax dedicated to the payment of general obligation bonds and notes, other District taxes are dedicated to the payment of District obligations including: (i) a portion of certain sales and use taxes dedicated to paying debt service on revenue bonds issued by WCSA; (ii) portions of certain sales and use taxes, utility taxes, and the Ballpark Fee dedicated to the payment of the Ballpark Bonds (as hereinafter defined); (iii) portions of taxes collected in certain geographical areas for improvements that secure tax-increment financing bonds and notes of the District; (iv) individual income tax and business franchise taxes pledged to secure Income Tax Bonds (as hereinafter defined); and (v) portions of deed recordation and deed transfer taxes dedicated to the Housing Production Trust Fund that pay debt service on bonds issued to provide funding for certain housing-related projects. See "INDEBTEDNESS – Summary of Statutory Debt Provisions." Based on the June 2024 Revenue Estimate, the total amount of these pledged revenues represented approximately 7.69% of the District's total General Fund revenue as set forth in the Fiscal Year 2024 Approved Budget and are estimated to comprise approximately 7.93% of the District's total General Fund revenue for Fiscal Year 2024.

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Table 4. Major Tax Rates
Fiscal Years 2020-2024

	2020	2021	2022	2023	2024
Property(1)					
Real					
Class 1	0.85	0.85	0.85	0.85	0.85
Class 2	1.65/1.77/1.89(2)	1.65/1.77/1.89(2)	1.65/1.77/1.89(2)	1.65/1.77/1.89(2)	1.65/1.77/1.89(2)
Class 3	5.00	5.00	5.00	5.00	5.00
Class 4	10.00	10.00	10.00	10.00	10.00
Personal	3.40	3.40	3.40	3.40	3.40
Sales and Use(3)					
General(4)	0.06	0.06	0.06	0.06	0.06
Selective					
Cigarettes(5)	4.94(6)	5.00(6)	5.01(6)	5.01(6)	5.03(6)
Motor Fuel(7)	0.235	0.235	0.235	0.235	0.235
Income and Receipts(8)					
Individual	0.04-0.0895	0.04-0.0895	0.04-0.1075	0.04-0.1075	0.04-0.1075
Business	0.0825	0.0825	0.0825	0.0825	0.0825
Gross Receipts					
Public Utility(9)					
Residential Customers(10)	0.10	0.10	0.10	0.10	0.10
Non-Residential Customers(11)	0.11	0.11	0.11	0.11	0.11
Public Utility (Electrical)(12)					
Residential Customers	0.0070	0.0070	0.0070	0.0070	0.0070
Non-Residential Customers(13)	0.0077	0.0077	0.0077	0.0077	0.0077
Ballpark Fee(14)	$5,500-16,500	$5,500-16,500	$5,500-16,500	$5,500-16,500	$5,500-16,500

(1) Per $100 of assessed value. Property Tax rates represent the aggregate of the Real Property Tax rate and the Special Real Property Tax rate. For the purpose of levying taxes on real property in the District of Columbia, the Council may establish different classes of real property. Class 1 is comprised of residential real property that is improved and whose legal use (or in the absence of use, its highest and best permitted legal use) is for non-transient residential dwelling purposes or unimproved property zoned for residential use; Class 2 is comprised of all real property that is not classified as Class 1, Class 3 or Class 4 property (being principally commercial real property); Class 3 is comprised of all improved real property that appears on the list of registered vacant properties submitted semiannually by the Mayor to the Office of Tax and Revenue; and Class 4 is comprised of all improved real property that appears on the list of blighted vacant properties submitted semiannually by the Mayor to the Office of Tax and Revenue.

(2) Beginning in Fiscal Year 2019, the rate is $1.65 for each $100 of assessed value if assessed value less than $5 million; $1.77 for each $100 of assessed value if value between $5 million and $10 million; and $1.89 per $100 of assessed value if assessed value greater than $10 million. Before Fiscal Year 2019, the rate was $1.65 for each $100 of assessed value for the first $3 million of assessed value and $1.85 for the portion of assessed value exceeding $3 million.

(3) A portion of sales and use taxes on restaurant meals and hotel accommodations is dedicated to paying debt service on revenue bonds issued by the Washington Convention and Sports Authority (WCSA) and its predecessor, the Washington Convention Center Authority (WCCA), to finance the Walter E. Washington Convention Center and a hotel in connection with the Convention Center and to paying operating expenses of WCSA.

(4) Per $1 of general sales. Does not include the additional 4.25% Ballpark Sales Tax (as defined herein) or taxes on lodging, restaurants, parking or tangible personal property or services by legitimate theaters, or by entertainment venues with 10,000 or more seats.

(5) Dollars ($) per pack.

(6) Beginning in Fiscal Year 2012, a wholesale surcharge of $0.36 was added to the $2.50 per pack stamp tax on cigarettes. This surcharge is reviewed and adjusted as necessary annually in March. Beginning in Fiscal Year 2021, a surtax of $0.50 is added to the excise tax bringing the overall tax up to $5.00.

(7) Dollars ($) per gallon. Motor fuel tax rate does not include a sur charge levied separately on gallons consumed.

(8) Per $1 of taxable income.

(9) Per $1 of gross receipts. Applies to companies selling natural gas, landline telephone service, toll telecommunications service, mobile telecommunications service, heating oil and artificial gas.

(10) Each gas company that provides distribution services to customers in the District of Columbia is required to pay a tax of $0.0707 for each therm of natural gas delivered to end-users in the District of Columbia and each person who delivers heating oil to an end-user in the District of Columbia is required to pay a tax of $0.17 for each gallon of home heating oil delivered to an end-user in the District of Columbia for the preceding billing period.

(11) One-eleventh of the non-residential tax is deposited into the District's Ballpark Revenue Fund (as defined herein) to be used for debt service on the Ballpark Bonds. In addition, each gas company that provides distribution services to customers in the District of Columbia is required to pay a tax of $0.0777 for each therm of natural gas delivered to non-residential end-users in the District of Columbia, of which $0.00707 for each therm is required to be deposited into the District's Ballpark Revenue Fund. Each person who delivers heating oil to an end-user in the District of Columbia is required to pay a tax of $0.187 for each gallon of home heating oil delivered to a non-residential end-user in the District, of which $0.017 for each gallon is required to be deposited into the District's Ballpark Revenue Fund.

(12) $0.007 per Kilowatt–hour of electricity delivered to end-users in the District.

(13) $0.0007 of the tax collected for every kilowatt-hour of electricity delivered to non-residential end-users in the District of Columbia is deposited in the Ballpark Revenue Fund to be used for debt service on the Ballpark Bonds.

(14) The Ballpark Fee is a gross receipts fee that is levied on businesses within the District of Columbia with $5 million or more in annual District gross receipts and that are either subject to filing business franchise tax returns (whether corporate or unincorporated) or are employers required to make unemployment insurance contributions, in accordance with the following schedule: for gross receipts totaling $5,000,000 to $8,000,000, the required fee is $5,500; for gross receipts totaling $8,000,001 to $12,000,000, the required fee is $10,800; for gross receipts totaling $12,000,001 to $16,000,000, the required fee is $14,000, and for gross receipts totaling $16,000,001 and greater, the required fee is $16,500.

Source: Office of the CFO.

Table 5 shows tax revenues by source, as collected by the District over Fiscal Years 2015-2024 and presented on a modified accrual basis.

Table 5. Tax Revenues by Source, Governmental Funds
Fiscal Years 2015-2024
(modified accrual basis of accounting, $ in thousands)

	Property Tax							
Fiscal Year	**Real**	**Personal**	**Rental**	**Sales and Use**	**Income and Franchise**	**Gross Receipts**	**Other Taxes** [2]	**Total**
2015	$2,219,859	$57,225	$79,243[1]	$1,425,525	$2,316,727	$361,293	$528,866	$6,988,738
2016	2,386,010	59,101	58,780	1,451,441	2,464,330	365,305	498,161	7,283,128
2017	2,500,732	63,305	53,066	1,527,120	2,512,522	364,791	502,117	7,523,653
2018	2,579,542	72,268	56,628	1,597,939	2,641,586	368,446	508,151	7,824,560
2019	2,725,774	92,065	57,338	1,707,745	2,941,982	397,684	583,429	8,506,017
2020	2,869,204	77,698	56,716	1,317,112	3,104,933	374,112	489,989	8,289,764
2021	2,949,356	80,479	61,974	1,310,269	3,506,271	373,420	585,256	8,867,025
2022	2,849,757	82,885	61,077	1,814,080	4,108,313	407,580	738,184	10,061,876
2023	2,876,153	83,902	64,460	2,011,790	4,174,533	409,178	433,162	10,053,178
2024	2,953,558	83,354	67,373	2,084,662	4,271,954	425,297	375,078	10,261,276

(1) In Fiscal Year 2015, revenue for public spaces included special purpose revenue from bus shelter advertisements, which included a one-time balloon payment of approximately $25 million.
(2) "Other Taxes" includes deed recordation and transfer taxes; fluctuations in such taxes are dependent on real property transactions in a given Fiscal Year.

Source: District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-1E for Fiscal Years 2015-2024.

Property Taxes. The District levies three types of property taxes: the real property tax, the personal property tax, and the public space rental.

Real Property Tax. Real property taxes generate the second largest proportion of Local General Fund Revenues. The District levies a real property tax on approximately 65-69% of the value of the District's real property assessment base. The remaining 31-35% of the value of the real property assessment base is classified as tax-exempt and belongs to the federal government, the District government, foreign governments, nonprofits, or entities receiving specific tax relief. For information on the relative percentages of land in the District devoted to various taxable and tax-exempt uses, including the area of land encompassing tax-exempt federal government property, see Table 30.

The District levies its real property tax pursuant to D.C. Official Code § 47-811. The Special Real Property Tax and the special real property tax for notes (the "Special Real Property Tax for Notes") pledged to the payment of the general obligation bonds and notes, as applicable, are authorized by the Home Rule Act. There is no limitation in the Home Rule Act on the amount or rate of real property tax levies. The District's real property tax year is the 12-month period beginning October 1 and ending September 30, the same as the District's Fiscal Year.

Pursuant to D.C. Official Code § 47-812, the Council sets real property tax rates that remain in effect until changed for a subsequent tax year. Pursuant to D.C. Official Code § 47-815, (i) the Council receives from the Mayor an estimate of the assessment roll by September 15 of each year, and (ii) if the Council establishes the real property tax rates and the Special Tax rates as a sum (combined referred to as the "general tax"), the CFO will determine and publish a notice annually by September 15 of each preceding tax year the Special Tax rates to be applied during the upcoming tax year. The Home Rule Act requires the Council to provide in each annual budget sufficient funds to pay the principal of and interest on general obligation bonds and notes issued by the District under the Home Rule Act. The Special Tax is collected at the same time as the real property tax, and together they comprise the general tax levied on the real property tax bill.

Each Fiscal Year a certain percentage of real property tax collections (designated as the Special Real Property Tax and the Special Real Property Tax for Notes) is dedicated to the payment of principal and interest on the District's outstanding general obligation bonds and notes. The percentages for Fiscal Years 2020 through 2024 are shown in Table 6.

Table 6. Percent of General Tax on Real Property Dedicated to General Obligation Debt Service[1]
(Fiscal Years 2020-2024)

Fiscal Year	Dedicated Percentage
2020	17.0%
2021	16.0
2022	16.0
2023	18.0
2024	20.0

(1) See Table 27, which shows the District's Outstanding Tax-Supported Debt, as calculated for purposes of the Debt Ceiling Act, with $6.3 billion in General Obligation Bonds.

General Tax Rates on Real Property. The District has established five classes of real property: Class 1A and Class 1B, which generally consists of occupied, improved, non-transient residential real property or unimproved real property zoned for residential use; Class 2, which consists of all real property not in Class 1A, Class 1B, Class 3 or Class 4 (being principally occupied commercial real property or vacant land zoned as commercial); Class 3 is comprised of all improved real property that appears on the list of registered vacant properties submitted semiannually by the Mayor to the Office of Tax and Revenue; and Class 4 is comprised of all improved real property that appears on the list of blighted vacant properties submitted semiannually by the Mayor to the Office of Tax and Revenue. See Table 4 for the General Tax rates reflecting the aggregate of the real property tax rate and the Special Real Property Tax rate. The effective rate for Class 1A or Class 1B property may be reduced in individual cases by credits and deductions. For instance, homeowners over 65 years old or who are disabled whose household Federal adjusted gross income is less than $159,750 were eligible for a 50% reduction in the real property taxes on their homes for tax year 2025.

Deferral for Low-Income Seniors. The District has established a deferral of general taxes for eligible senior taxpayers. One program allows eligible seniors over the age of 75, with less than $50,000 of household income and $12,500 of household interest and dividend income, who have lived in the District for more than 25 years, to defer payment of property taxes at no interest charge. Another program allows eligible seniors with less than $50,000 of household income to defer payment of property taxes at a reduced interest charge. Any such deferred real property tax, interest thereon, and any penalties, are payable within 30 days from the transfer of the real property.

Assessment. The assessed value of all real property is the estimated full market value of the property as of the January 1 preceding the tax year during which the property will be taxed. The District currently assesses real property on an annual basis.

For tax year 2025, a property owner entitled to claim a homestead deduction for his or her owner-occupied, primary residence property is allowed a $89,850 deduction in assessed value before the tax rate is applied to the remaining value (this remaining value is known as the "taxable assessment"). In addition, the taxable assessment cannot, by law, increase by more than 10% (2% in the case of a property receiving the senior/disabled reduction) from year to year, even though real property assessments will continue to be based upon the estimated market value, as required under District law. The $89,850 homestead deduction is subject to annual adjustments upward by the annual increase in the Washington area consumer price index. Beginning with tax year 2023, a disabled veteran can qualify for a special homestead deduction that reduces the assessed value of the veteran's primary residence property by $445,000 before the tax rate is applied to the remaining value.

Property owners may appeal the proposed assessed value of property by petitioning for an administrative review. The first-level administrative review provides an opportunity for considering information that may enhance the accuracy of the property assessment. A property owner may appeal the first-level administrative review determination to the Real Property Tax Appeals Commission ("RPTAC"). The petition for a first-level administrative review is a prerequisite for filing an appeal with RPTAC. RPTAC must hear and decide each appeal and present any revised assessment to the Office of Tax and Revenue. A property owner may appeal RPTAC's final determination to the Superior Court. To seek review of the assessment by the Superior Court, however, the property owner must first exhaust his or her administrative remedies described above, pay the tax and any interest and penalty thereon and file an appeal with the Superior Court on or before September 30 (the end of the tax year).

General taxes become delinquent upon the failure to timely pay any installment thereof. Delinquent general taxes are subject to a penalty of 10% of the unpaid amount if payment is not received on or before the due date and interest accrues at the rate of 1.5% per month on the amount due for each month or part thereof that the tax is in arrears. General taxes are due semiannually on March 31 and September 15. Delinquent general taxes subject the related property to an automatic lien, which is perfected whenever full payment, including penalty and interest, is not made on or before the due date of the applicable semiannual bill.

Real Property Tax Sale. Each year, the Office of Tax and Revenue mails tax sale notices to all delinquent real property owners. All delinquent general tax accounts as of October 1 of the preceding year that continue to remain delinquent are advertised in at least two local newspapers to inform property owners of a tax sale auction that will occur with respect to such delinquent properties.

The Office of Tax and Revenue does not sell improved real property for less than $2,500 in outstanding tax liability and vacant land for less than $200 in outstanding tax liability, per the District of Columbia Municipal Regulations (9 DCMR § 317.6). Additionally, Chapter 13A of Title 47, D.C. Code, requires a cap on attorney's fees of $1,500 (subject to escalations for protracted litigation), prohibits the sale of homestead properties within 4 years from the last tax sale, requires posting a notice of tax sale on the property by the tax sale purchaser, stops interest earned by the purchaser when the taxes are paid by the property owner, creates an equity share for formerly owner-occupied properties where the equity is returned to the former owner after a sale of the property (except the tax sale purchaser retains a premium of 10% or $20,000, whichever is less), and mandates additional measures to ensure "clean hands" of purchasers. Further relief for homeowners includes a forbearance program of up to $7,500 in delinquent general tax for homestead properties, providing for mandatory pre-tax sale notices, and granting interest-free general tax deferrals for low-income seniors who are also long-term homeowners in the District.

Data Relating to Assessments, Collections, and Valuations. Tables 7 through 9 provide information relating to the general tax levies and collections for the fiscal years indicated, the changes in the assessed values of residential, commercial and tax-exempt real property in the District over time, and the principal property taxpayers.

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Table 7. Real Property Tax Levies and Collections (All Classes)

Fiscal Years 2020-2024

($ in thousands)

Fiscal Year Ended Sept. 30	Current Levy			Prior Years			Total		
	Levy	Collections	Percent Collected	Outstanding Balances Billed	Collections	Percent Collected	Billed	Collections	Total
2020	$2,844,258	$2,725,243	95.8%[1]	$158,155	$102,544	64.8%	$3,002,413	$2,827,787	94.2%
2021	3,011,545	2,868,380	95.3	271,394	60,971	22.5	3,282,939	2,929,351	89.2
2022	2,938,299	2,818,101	95.9	253,930	129,490	51.0	3,192,229	2,947,591	92.3
2023	2,942,475	2,821,602	95.9	412,485	113,236	27.5	3,354,960	2,934,838	87.5
2024	2,982,628	2,873,193	96.3	502,702	152,307	30.3	3,485,330	3,025,500	86.8

(1) In Fiscal Year 2021, due to delayed real property billings and other timing issues related to COVID-19, an estimated $27.1 million was collected outside of the timeframe for producing the data for Table 7. With the delayed additional amounts included, the percent collected increases to 96.8%.

Source: District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-2F.

Table 8. Assessed Value of Taxable Property [1]

Fiscal Years 2020-2024

($ in thousands)

Fiscal Year	Estimated actual value		Total Taxable	Tax-Exempt	Total Value	Total Direct Tax Rate[3]	Tax-Exempt as a % of total actual value
	Commercial Property	Residential Property[2]					
2020	$95,678,551	$133,008,766	$228,687,317	$108,517,588	$337,204,905	1.29	32.2
2021	112,714,515	131,700,420	244,414,935	110,856,650	355,271,585	1.40	31.2
2022	102,668,201	146,094,307	248,762,508	106,983,246	355,745,754	1.44	30.1
2023	101,175,637	153,433,839	254,609,476	106,833,726	361,443,202	1.43	29.6
2024	100,569,312	159,463,976	260,033,288	110,275,180	370,308,468	1.43	29.8

(1) Assessed value is 100% of estimated actual value.

(2) After deduction of homestead deduction and credits against tax. Does not reflect the effect of the tax cap, which limits the taxable assessment increase of any residential property receiving the homestead deduction to 10% per year.

(3) The total direct rate is the weighted rate of all taxable real property, obtained by multiplying the weighted rate by the percentage of the total value of real property for each class.

Source: District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-2A.

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Table 9. Principal Property Taxpayers
Fiscal Year 2024
($ in thousands)

Taxpayer	Taxable Assessed Value	% of Total Taxable Assessed Value
1100 15th Street LLC	$739,281	0.28%
CC Owner LLC	723,488	0.28
555 12th REIT LLC	565,395	0.22
CARR CRHP Properties LLC	550,832	0.21
Romano, Nunziata L	535,774	0.21
655 New York LLC	531,310	0.20
2000 L Owner LLC	466,052	0.18
United Brotherhood of Carpenters and Joiners of America	456,427	0.18
District of Columbia/CCDC Office LLC	434,285	0.17
13th & F Associates LP & WMATA	428,979	0.16

Source: District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-2D.

Personal Property Tax. The District levies a personal property tax on the tangible personal property of businesses, excluding inventories. The current personal property tax rate is $3.40 per $100 of assessed value of tangible personal property in excess of $225,000.

Rental Tax. The "Rental Tax" is the fee the District charges to rent public space. The tax is imposed on commercial use of publicly owned property between the property line and the street. The primary source of revenue is from the rental of vaults, subsurface areas designated as public space. Public space rental also includes sidewalk space used for dining and advertising in public spaces, such as bus shelters.

Sales and Use Taxes. This group of taxes generates the third largest proportion of Local General Fund Revenues. The District levies a Sales and Use tax of 6% on the sale of tangible property, selected services, food sold from vending machines, tickets to legitimate theaters and entertainment venues, and medical marijuana. Some sweetened beverages are taxed at 8% whereas food and drinks prepared for immediate consumption are taxed at 10%. Alcoholic beverages sold for consumption off-site, rental vehicles, tickets to games and events and merchandise at events at the ballpark and the Capital One Arena are taxed at 10.25%. Transient accommodations are currently taxed at 15.95% but will revert to 14.95% in Fiscal Year 2028. Parking of motor vehicles in commercial lots is taxed at 18%.

A portion of these taxes are dedicated to paying debt service on revenue bonds issued by WCSA to finance the construction of the Walter E. Washington Convention Center and a hotel in connection with the Convention Center, and to paying operating expenses of the WCSA. The convention center taxes are collected by the District in accordance with certain lockbox and collection agreements and consist of 4.45% of the gross receipts for the sale or charges for any hotel room in the District and 1% of the gross receipts from the sale or charges made in the District for restaurant meals, alcoholic beverages consumed on premises, prepaid phone cards and rental vehicle charges. After a temporary increase in April 1, 2023, which raised the amount of gross hotel receipts dedicated to Destination DC to 1.3%, as of October 1, 2025, the dedication to has reverted to 0.3%. In addition, a portion of general sales taxes collected in certain areas of the District is dedicated to paying debt service on District TIF bonds and notes, including the Ballpark and Capital One Arena. Other dedications from sales and use tax include fund transfers to Washington Metropolitan Transit Authority (WMATA), Healthy DC Fund, Healthy Schools Fund, Alcoholic Beverage and Cannabis Administration (ABCA), and the Commission on Arts and Humanities.

Income Taxes. The District levies two major types of income taxes: the individual income tax and business franchise taxes. The individual income tax and the business franchise taxes combined generate the largest proportion of Local General Fund Revenues.

Individual Income Tax. The District imposes the Income Tax on individuals residing within the District of Columbia at any time during a tax year or who maintain a place of abode within the District of Columbia for an aggregate of 183 days or more during a tax year.

Presently, the marginal income tax rate is 4.0% on taxable income (less certain personal exemptions) less than $10,000, 6.0% on taxable income over $10,000 but not over $40,000, 6.5% on taxable income over $40,000 but not over $60,000, 8.5% on taxable income over $60,000 but not over $250,000, 9.25% on taxable income over $250,000 but not over $500,000, 9.75% on taxable income over $500,000 but not over $1 million, and 10.75% on taxable income in excess of $1 million.

Business Franchise Taxes. The Business Franchise Tax consists of two taxes: the corporate franchise tax and the unincorporated business franchise tax. The District imposes a corporate franchise tax on income derived by corporations (including trusts, associations, and partnerships classified as corporations for purposes of federal income taxation) from sources within the District of Columbia, less certain tax credits. For other nonexempt businesses, the District imposes an unincorporated business franchise tax on income from sources within the District of Columbia exceeding $12,000, less certain deductions. The District's Business Franchise Tax rate is 8.25%.

District legislation authorizes the issuance of revenue bonds secured by a pledge of the revenues generated by the individual income tax and business franchise taxes (described immediately above) imposed by the District. See "INDEBTEDNESS – Summary of Statutory Debt Provisions" and "– Long-Term Obligations – Income Tax Secured Revenue Bonds."

Gross Receipts Taxes. The District levies a tax on the gross receipts of gas, electric and local telephone companies. The effective rate for gas and local telephone companies is 11% of gross receipts from non-residential (i.e., commercial) customers and 10% of gross receipts from residential customers. One-eleventh of the tax on the gross receipts from non-residential customers that used to be deposited into the Ballpark Revenue Fund will instead be deposited into the Ballpark Maintenance Fund following the payment of Ballpark Revenue Bonds (as hereinafter defined).

The District also collects a tax of $0.007 for each kilowatt-hour of electricity delivered to end-users in the District of Columbia. An additional $0.0007 for each kilowatt-hour of electricity delivered to non-residential end-users in the District of Columbia is also deposited into the Ballpark Maintenance Fund once the requirements of the debt service on the Ballpark Bonds are fully satisfied. These taxes are collectively referred to herein as the "Ballpark Utilities Tax."

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Beginning January 1, 2005, the District began collecting a gross receipts tax on certain businesses within the District, in accordance with the following schedule (the "Ballpark Fee"):

Table 10. Ballpark Fee

Gross Receipts	Fee
$ 5,000,000 - $ 8,000,000	$ 5,500
$ 8,000,001 - $12,000,000	10,800
$12,000,001 - $16,000,000	14,000
Greater than $16,000,001	16,500

On or before December 1 of each year, the CFO is required to compute the amount of the Ballpark Fee collected in the prior Fiscal Year and the amount estimated to be collected in the then-current Fiscal Year. If the estimate for the current Fiscal Year is less than $14 million, plus any amount necessary to replenish any reserve funds established by the ballpark trust indenture and to meet any projected debt service shortfalls on Ballpark Bonds, the CFO must calculate an adjustment of the schedule above to provide for receipt in the current Fiscal Year of $14 million plus any additional amounts to cover projected shortfalls as described. To date, the CFO has not had to adjust the schedule. The Ballpark Revenue Bonds are scheduled to be fully redeemed by Fiscal Year 2027. Once such bonds are redeemed, the Ballpark Fee will become a source of revenue for the RFK Campus Infrastructure Fund. See "INDEBTEDNESS – Long-Term Obligations – Ballpark Financing" herein.

Other Local General Fund Revenues. The District collects additional local General Fund revenues through a variety of smaller taxes and fees. In addition to those taxes and fees, in Fiscal Year 2000, the District began receiving funds pursuant to the Master Settlement Agreement (the "MSA" or "Master Settlement Agreement") between certain states and localities and the major U.S. tobacco companies. During Fiscal Years 2001 and 2006, the District sold to the Tobacco Corporation substantially all of its right, title and interest in the amounts payable to the District in future years under the MSA in exchange for receiving the proceeds of bonds issued in 2001 and 2006, the repayment of which is secured by payments under the MSA with no recourse to the District.

Federal Payments. The federal government provides the District with federal payments to pay for certain specified purposes, such as school improvements and the Tuition Assistance Grant program.

The District received federal payment revenues for such purposes of approximately $70 million in Fiscal Year 2020, $99 million in Fiscal Year 2021, $72 million in Fiscal Year 2022, $78 million in Fiscal Year 2023, and $78 million in Fiscal Year 2024.

In addition to these amounts, the federal government contributed funds for certain retirement programs for District employees, totaling approximately $540 million in Fiscal Year 2020, $577 million in Fiscal Year 2021, $540 million in Fiscal Year 2022, $609 million in Fiscal Year 2023, and $681 million for Fiscal Year 2024, which amounts were paid directly by the federal government and were not part of the District's budget.

Federal Grants. The District, similar to most states, participates in a number of federal programs that are funded through formula and project grants, direct payments for specified and unrestricted use, food stamps, and other pass-through grants and direct and guaranteed loans.

The federal government provided federal operating grants to the District in the amount of approximately $3.7 billion in Fiscal Year 2020, $4.5 billion in Fiscal Year 2021, $5.2 billion in Fiscal Year 2022, $5.3 billion in Fiscal Year 2023, and $4.9 billion in Fiscal Year 2024.

Capital grants to the District, which are almost exclusively Highway Trust Fund grants for federal-eligible road and highway projects, totaled approximately $278.8 million in Fiscal Year 2020, $309.2 million in

Fiscal Year 2021, $209.7 million in Fiscal Year 2022, $219.3 million in Fiscal Year 2023, and $245.4 million in Fiscal Year 2024.

Federal Direct Subsidy Payments. In 2010, the District issued its Income Tax Secured Revenue Bonds, Series 2010D (Federally Taxable – Qualified School Construction Bonds – Direct Pay to Issuer) (the "Series 2010 QSCBs"), which are supported by federal direct subsidy payments. There is one maturity of the Series 2010 QCSBs that remains outstanding in the amount of approximately $32 million, which matures on December 1, 2026. Sinking fund installments from the District and federal direct subsidy payments support debt service on the Series 2010 QSCBs. The Series 2010 QCSBs are the only outstanding District bonds that are eligible to receive federal direct subsidy payments.

There can be no assurances that the District will receive the federal direct subsidy payments, as such payments do not constitute a full faith and credit guarantee of the United States of America. Federal direct subsidy payments are required to be paid by the United States Department of the Treasury (the "Treasury") under the American Recovery and Reinvestment Act (ARRA). The amount of any federal direct subsidy payment is subject to change by Congress. The federal direct subsidy payments will only be paid if the applicable bonds continue to be qualified under federal requirements. The District is obligated to make all payments of principal of and interest on such bonds whether or not it receives the federal direct subsidy payments from the Treasury.

Federal direct subsidy payments are also subject to offset against certain amounts that may, for unrelated reasons, be owed by the District to an agency of the federal government. Any such offset would occur as part of the Treasury's Offset Program, which collects delinquent amounts due to federal agencies and states in accordance with 26 U.S.C. §6402(d), 31 U.S.C. §3720A, and other applicable laws. From time to time payments of various amounts due to the District, including federal direct subsidy payments, have been delayed by the federal government pending resolution of a particular claim or dispute. In each case, the District has promptly resolved the matter.

Table 11. Federal Revenues, by Category
Fiscal Year 2024
($ in thousands)

Pension Contributions[(1)]	$680,788
Federal Operating Payments	77,579
ARPA Funding	588,745
Federal Payments, Total	**$1,347,112**
Federal Operating Grants	$4,919,965
Federal Capital Grants	245,369
Federal Grants, Total	**$5,165,334**
Total Federal Revenue	**$6,512,446**

(1) Pension contributions do not pass through the District's budget. Pension contributions are for liabilities the federal government assumed through the National Capital Revitalization and Self-Government Improvement Act of 1997, Pub. L. No. 105-33.

Source: District's ACFR for Fiscal Year 2024.

CARES Act. On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The CARES Act provided the District with approximately $495.1 million in federal funding for COVID-19 related expenses that was available for expenditure through December 31, 2020. All of such CARES Act funding was budgeted by the District for use in Fiscal Years 2020 and 2021. A small amount of such funding was carried over to Fiscal Year 2022 and used early in the Fiscal Year.

American Rescue Plan. On March 6, 2021, Congress passed the American Rescue Plan Act of 2021 ("ARPA"). The District received more than $3 billion of ARPA funds, including about $2.3 billion of State Fiscal Relief and Local Fiscal Relief funds for COVID-19-related expenses. The District budgeted to spend such funds by the end of Fiscal Year 2024. Any unused funds expired after the first quarter of Fiscal Year 2025.

Infrastructure Investment and Jobs Act. The District has begun receiving some funding from the Infrastructure Investment and Jobs Act, which was signed into law on November 15, 2021, and is expected to receive more than $3 billion over the next five years. The Mayor's Office has created a task force to focus on securing and deploying these funds. Expenditures are planned for items such as enhancing District infrastructure, supporting the removal of all lead pipes from the District, and enhancing internet service connectivity across the District.

Federal Emergency Management Agency ("FEMA") Funds. The District also received Public Assistance funding from FEMA, which reimbursed the District and other states 100% for certain COVID-19-related expenditures. In Fiscal Year 2024, the District received about $68 million from FEMA for these purposes.

Summary of General Fund Expenditures

The following are major categories of General Fund expenditures.

Human Support Services. This category includes expenditures for services essential to the health and well-being of the District's residents. It encompasses the operations of the Department of Human Services, the Department of Health Care Finance, the Department of Behavioral Health, and the Department of Health, which provide health, social and rehabilitative programs and administer the major federal grant-supported assistance programs, including Medicaid and Temporary Assistance to Needy Families, the successor program to Aid to Families with Dependent Children. This category also includes parks and recreation, mental health, youth rehabilitation services, supports and services for District's residents with intellectual disabilities and child and family services.

Also, within the Department of Behavioral Health, there are expenditures for Saint Elizabeths Hospital, a psychiatric institution serving District residents and certain federal beneficiaries. The federal government has financial responsibility for certain categories of patients, including those referred by the federal courts and those referred by federal facilities.

In Fiscal Year 2024, Human Support Services expenditures totaled $2.71 billion, representing approximately 21.8% of all General Fund expenditures. The Fiscal Year 2025 Approved Budget includes General Fund Human Support Services expenditures of $2.80 billion, representing approximately 21.2% of all General Fund expenditures.

United Medical Center (UMC). In July 2010, through foreclosure, the District took possession of UMC, the only hospital in the District of Columbia east of the Anacostia River and created an independent instrumentality of the District to operate UMC. UMC is accredited by the Joint Commission, an independent, not-for-profit organization that accredits and certifies health care organizations and programs in the United States.

From July 2010 through the end of Fiscal Year 2020, the District provided UMC with $141.5 million of operating subsidies. In Fiscal Year 2021, the budgeted amount of the operating subsidy for UMC was $15 million. An additional $25 million was allocated from the Contingency Reserve to the operating subsidy in Fiscal Year 2021. Under District law, as a result of this additional $25 million payment in Fiscal Year 2021, UMC is now governed by a Fiscal Management Board, which serves as a control board (the "UMC Control Board").

The UMC Control Board consists of nine members, with seven voting members and two non-voting members. The voting members include the CFO, or his designee, who serves as chair. Other voting members include the Deputy Mayor for Health and Human Services (or designee); a citizen member from Ward 7 or Ward 8 appointed by the Mayor; a citizen member appointed by the Mayor with experience serving as City Administrator; an individual appointed by the Mayor with expertise in hospital management or finance; and one representative each from the two unions of the largest collective bargaining units. The two non-voting, ex-officio members include the Chief Executive Officer and the Chief Medical Officer of UMC. The UMC Control Board members served until September 30, 2025, when the operations of the hospital ceased.

In Fiscal Year 2024, the District's budget included an operating subsidy of $15 million for UMC, with an additional $7 million allocated to UMC later in that Fiscal Year for a total subsidy of $22 million. The Fiscal Year 2025 Approved Budget included an operating subsidy of $17.2 million for UMC. Funding for the agency, functions, and responsibilities ceased at the end of FY 2025.

The 136-bed full-service Cedar Hill Regional Medical Center GW Health opened in April 2025. With future capacity for 184 beds, the medical center is in Ward 8 on the St. Elizabeths East campus and was built in partnership with the George Washington University Hospital (GW). Cedar Hill Regional Medical Center GW Health is staffed by the physician group associated with GW Medical Faculty Associates who manages the day-to-day operations.

Public Education. On April 23, 2007, subsequent to its passage by the Council, the Mayor signed the District of Columbia Public Education Reform Amendment Act of 2007 (D.C. Law 17-9, effective June 12, 2007) (the "School Reform Act"), which transferred significant control over the budget, operation and management of the D.C. Public Schools System ("DCPS") from the school board to the Mayor. Following Congressional enactment of legislation amending the Home Rule Act, the School Reform Act became law. In the School Reform Act, the District of Columbia State Board of Education ("SBOE"), an agency that monitors and provides policy recommendations regarding education in the District, was established.

In Fiscal Year 2024, General Fund Public Education expenditures totaled $3.42 billion, which equaled approximately 27.6% of all General Fund expenditures. The Fiscal Year 2025 Approved Budget includes General Fund Public Education expenditures of $3.7 billion, totaling approximately 28.0% of all General Fund expenditures.

The Department of General Services ("DGS") manages many of the District's "vertical" construction projects (including those of DCPS); acquires and disposes of real property; manages building space; and provides building services for facilities owned and occupied by the District, including engineering services, custodial services, security services, energy conservation and utilities management. In Fiscal Year 2024, capital funds budget expenditures on DCPS facilities totaled $429.6 million. The Fiscal Year 2025 Approved Budget includes $554.0 million for DCPS capital project spending in Fiscal Year 2025. Such capital project spending is expected to be primarily bond-financed.

The District also provides financial support to UDC, a land-grant institution offering higher education to the public. In Fiscal Year 2024, capital funded expenditures totaled $37.4 million for UDC. The Fiscal Year 2025 Approved Budget includes $31.5 million for UDC capital project spending in Fiscal Year 2025. Such capital project spending is expected to be bond-financed.

Public Safety and Justice. This category includes the Metropolitan Police Department, the Fire and Emergency Medical Services Department, the Department of Corrections, the National Guard, the Homeland Security and Emergency Management Agency, the Office of Unified Communications, the Department of Forensic Sciences, the Office of the Chief Medical Examiner, the Office of Police Complaints, and the District's retirement contributions for police officers and firefighters.

In Fiscal Year 2024, General Fund Public Safety and Justice expenditures totaled $1.52 billion, representing approximately 12.2% of all General Fund expenditures. The Fiscal Year 2025 Approved Budget includes General Fund for Public Safety and Justice expenditures of $1.62 billion, representing approximately 12.3% of all General Fund budget for expenditures.

Operations and Infrastructure. This category includes the Department of Public Works ("DPW"), the District Department of Transportation ("DDOT"), the Department of Motor Vehicles ("DMV"), the Department of Energy and Environment ("DOEE"), and the District's subsidy contribution to WMATA. DDOT is responsible for transportation-related operations such as street maintenance and repair. DDOT also provides WMATA funding policy recommendations, and the two agencies coordinate services within the region. DPW is responsible for trash collection, snow removal, street cleaning and parking enforcement. DMV is responsible for licensing/identification, vehicle inspection, titling and registration and ticket adjudication services. DOEE is responsible for creating environmental protection, education and enforcement standards, providing natural resource conservation techniques and supplying energy assistance programs to District residents and businesses.

In Fiscal Year 2024, General Fund operations and infrastructure expenditures totaled $1.26 billion, representing approximately 10.2% of all General Fund expenditures. The Fiscal Year 2025 Approved Budget includes General Fund operations and infrastructure expenditures of $1.53 billion, representing approximately 11.5% of all General Fund expenditures.

Employee Benefits. District full-time employees receive pension benefits through the federally-administered Civil Service Retirement System ("CSRS"), the U.S. Social Security System ("Social Security") or the District's retirement programs. In addition, the District provides health and life insurance benefits to retirees of the District first employed after September 30, 1987. Retirees of the District government first employed before October 1, 1987 remain eligible for federal health and life insurance benefits. For more information on employee benefits provided to District employees, see "RETIREMENT PROGRAMS" and Notes 8 and 9 to the District's ACFR for Fiscal Year 2024.

DISTRICT BUDGET AND FINANCIAL PLAN

The discussion below is based, in part, on projections and forward-looking statements related to Fiscal Years 2025 and 2026. No assurance can be given that the budget estimates and forward-looking statements discussed below will be realized. The accuracy of the budget estimates and forward-looking statements contained under this caption cannot be verified until after the close of such Fiscal Year and the completion of the related audits. In addition, the accuracy of all projections and forward-looking statements is dependent on a number of factors, including: (1) general economic factors that affect local source revenues such as sales taxes and individual income taxes, (2) the effectiveness of monitoring agency expenditures, (3) the ability of the District to meet spending reduction initiatives, (4) the amount of federally mandated expenditures, (5) year-end accruals of revenues and expenses, and (6) the implementation of new federal legislation or initiatives, among others.

Fiscal Year 2025

In accordance with the Budget Autonomy Act, the Mayor submitted the Fiscal Year 2025 Budget and Financial Plan, including both the operating and capital budgets, to the Council on April 3, 2024. The submission included the Fiscal Year 2025 Local Budget Act of 2024 (the "FY 2025 Local Budget Act") and the Fiscal Year 2025 Federal Portion Budget Request Act of 2024 (the "FY 2025 Federal Budget Act").

The Council's votes approving the FY 2025 Local Budget Act, with changes to the Mayor's proposal, took place on May 29, 2024 and June 12, 2024. The Council transmitted the FY 2025 Local Budget Act to the Mayor for signature in July 2024. The FY 2025 Local Budget Act was then transmitted to Congress for a 30-Day Congressional Review Period. Pursuant to the Budget Autonomy Act, the FY 2025 Local Budget Act, once enacted and following the 30-Day Congressional Review Period, appropriates local funds in the event of an absence of overriding Congressional legislation, such as a federal continuing resolution. The 30-Day Congressional Day Review Period for the FY 2025 Local Budget Act ended and became effective on September 18, 2024.

The Council approved the FY 2025 Federal Budget Act on June 12, 2024. The Council transmitted the FY 2025 Federal Budget Act to the Mayor for signature in July 2024 after which it was to be submitted to Congress for inclusion in the annual federal appropriation.

Fiscal Year 2026

In accordance with the Budget Autonomy Act, the Mayor submitted the Fiscal Year 2026 Budget and Financial Plan, including both the operating and capital budgets, to the Council on May 27, 2025. The submission included the Fiscal Year 2026 Local Budget Act of 2025 (the "FY 2026 Local Budget Act") and the Fiscal Year 2026 Federal Portion Budget Request Act of 2025 (the "FY 2026 Federal Budget Act").

The Council's votes approving the FY 2026 Local Budget Act, with changes to the Mayor's proposal, took place on July 14, 2025, and July 28, 2025. The Council transmitted the FY 2026 Local Budget Act to the Mayor for signature on August 25, 2025. To provide funding for the District, the Fiscal Year 2026 Local Budget Emergency Act of 2025 was approved and became effective on August 27, 2025. On September 10, 2025, the FY 2026 Local Budget Act was then transmitted to Congress for a 30-Day Congressional Review Period. Pursuant to the Budget Autonomy Act, the FY 2026 Local Budget Act, once enacted and following the 30-Day Congressional Review Period, appropriates local funds in the event of an absence of overriding Congressional legislation, such as a federal continuing resolution. The 30-Day Congressional Day Review Period for the FY 2026 Local Budget Act ended and became effective on October 23, 2025.

General Fund. Table 12 sets forth, on a budgetary basis, the District's General Fund revenues and other resources, expenditures, and fund balances, among other details, for Fiscal Year 2024 (actual), Fiscal Year 2025 (approved and revised budget), Fiscal Year 2026 (approved budget), and Fiscal Years 2027-2029 (projected).

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Table 12. District's General Fund
Fiscal Years 2024 (Actual), 2025 (Approved and Revised), 2026 (Approved), and 2027-2029 (Projected) Budgetary Basis
(in thousands; totals may not sum due to rounding)

	FY 2024 Actual	FY 2025 Approved	FY 2025 Revised	FY 2026 Approved	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Revenues							
Taxes	9,319,511	9,378,217	9,799,040	9,510,273	9,825,680	10,197,848	10,582,013
Dedicated Taxes	646,091	644,918	802,327	853,139	848,424	845,903	861,064
General Purpose Non-Tax Revenues	865,034	834,048	1,093,975	1,089,223	1,059,564	1,048,938	1,042,364
Special Purpose (O-type) Revenues	788,271	788,573	815,562	740,744	746,043	743,627	738,636
Transfer from Lottery	39,350	41,757	30,840	31,112	32,112	31,962	32,000
Subtotal, General Fund Revenues	**11,658,257**	**11,687,513**	**12,541,743**	**12,224,491**	**12,511,823**	**12,868,278**	**13,256,078**
Bond Proceeds for Issuance Costs	7,458	11,000	11,000	11,000	11,000	11,000	11,000
Fund Balance Use	1,040,735	904,221	1,394,546	1,167,078	285,887	60,804	0
Excess Resources to be used in Future Years	0	0	0	234,177	0	0	0
Central Services Cost Allocation (Includes FEMA Match)	57,765	954	28,890	954	954	954	954
Transfer from Enterprise and Other Funds	101,540	116,234	106,587	55,940	30,554	19,715	20,336
Revenue Proposals and ARPA - Federal Funds for Local	592,333	537,357	70,471	(54,597)	14,402	30,818	(18,681)
Total General Fund Resources	**13,458,087**	**13,257,279**	**14,153,238**	**13,639,043**	**12,854,621**	**12,991,570**	**13,269,687**
Expenditures (by Appropriation Title)							
Governmental Direction and Support	1,136,085	1,147,955	1,203,369	1,191,162	1,109,804	1,128,390	1,141,862
Economic Development and Regulation	664,197	484,000	464,444	473,452	432,946	405,544	415,845
Public Safety and Justice	1,517,964	1,622,501	1,696,216	1,650,500	1,556,540	1,584,828	1,601,434
Public Education System	3,419,739	3,697,627	3,706,867	3,831,660	3,540,403	3,567,270	3,602,975
Human Support Services	2,710,635	2,800,025	2,937,249	2,792,913	2,632,148	2,619,209	2,531,989
Operations and Infrastructure	1,264,113	1,526,341	1,502,145	1,490,360	1,503,655	1,511,813	1,511,141
Financing and Other - Selected Agencies	60,006	140,158	136,876	283,374	164,865	199,341	203,619
Bond Issuance Costs	4,114	11,000	11,000	11,000	11,000	11,000	11,000
Debt Service	1,021,410	1,248,219	1,180,121	1,341,624	1,376,976	1,442,980	1,479,620
Subtotal, Operating Expenditures	**11,798,263**	**12,677,826**	**12,838,287**	**13,066,044**	**12,328,337**	**12,470,377**	**12,499,484**
Paygo Capital	259,997	242,393	242,393	257,963	217,319	216,301	467,821
Transfer to Trust Fund for Post-Employment Benefits	72,700	63,900	63,900	73,600	78,900	72,500	72,300
Repay Contingency Reserve Fund	14,388	0	62,194	0	0	0	0
Transfer to Enterprise and Other Funds	264,984	240,980	244,670	233,729	229,565	231,893	229,582
Total Expenditures and Transfers	**12,410,331**	**13,225,099**	**13,451,444**	**13,631,335**	**12,854,121**	**12,991,070**	**13,269,187**
Operating Margin Before Reservations	**1,047,756**	**32,180**	**701,794**	**7,708**	**500**	**500**	**500**
Set-Aside for Year-end Close	**0**	**0**	**423,686**	**0**	**0**	**0**	**0**
Reserved for Subsequent Years' Expenditures	**0**	**0**	**234,177**	**0**	**0**	**0**	**0**
Operating Margin After Reservations	**1,047,756**	**32,180**	**43,931**	**7,708**	**500**	**500**	**500**
Beginning General Fund Balance	4,916,906	4,922,975	4,922,975	3,693,270	2,299,723	2,014,335	1,954,031
Operating Margin Before Reservations	1,047,756	32,180	701,794	7,708	500	500	500
Projected GAAP Adjustments (Net)	(952)	(76,043)	(536,953)	0	0	0	0
Fund Balance Use	(1,040,735)	(904,221)	(1,394,546)	(1,401,255)	(285,887)	(60,804)	0
Ending General Fund Balance	**4,922,975**	**3,974,892**	**3,693,270**	**2,299,723**	**2,014,335**	**1,954,031**	**1,954,531**
Composition of Cash Reserves							
Emergency Cash Reserve Balance (2%)	212,935	217,140	213,891	225,908	229,959	215,117	216,515
Contingency Cash Reserve Balance(4%)	270,570	434,280	427,781	451,815	459,919	430,235	433,031
Cash Flow Reserve Account (10%)	965,731	1,101,651	965,731	965,731	965,731	965,731	965,731
Fiscal Stabilization Reserve Account (2.34%)	122,877	0	122,877	122,877	122,877	122,877	122,877
Total Cash Reserves	**1,572,113**	**1,753,070**	**1,730,280**	**1,766,331**	**1,778,486**	**1,733,961**	**1,738,154**

Expenditures and Financial Plan

The District's government is funded by a combination of local funds and other funds, including Enterprise Funds, Federal Payments, Special Purpose Revenues, Federal Grants and Medicaid, and Dedicated Taxes. Table 13 sets forth the Local funds portion of the budgets for Fiscal Year 2025 (approved budget) and Fiscal Year 2026 (approved budget).

Table 13. Local Funds Portion of Budgeted Expenditures (1)
(Fiscal Years 2025-2026)
($ in thousands)

Appropriation Title	Fiscal Year 2025 Approved Budget	Fiscal Year 2026 Approved Budget	Variance
Governmental Direction and Support	$1,031,991	$1,016,465	-2%
Economic Development and Regulation	363,333	362,538	0%
Public Safety and Justice	1,579,104	1,602,428	1%
Public Education System	3,601,569	3,734,639	4%
Human Support Services	2,498,010	2,446,981	-2%
Operations and Infrastructure	1,081,033	1,122,934	4%
Financing and Other Expenditures	1,477,888	1,755,411	19%
Total	**$11,632,928**	**$12,041,394**	

(1) Figures may not sum due to rounding.

Capital Budgeting and Financing

The following describes the six-year capital improvements plan for Fiscal Years 2026-2031 (the "FY 2026-2031 Capital Improvements Plan").

The FY 2026-FY 2031 Capital Improvements Plan anticipates funding from a variety of sources, including long-term, tax-exempt and taxable income tax secured revenue bonds and/or general obligation bonds, pay-as-you-go transfers from the General Fund, federal grants, a local match to the grants from the Federal Highway Administration, and local transportation fund revenue, totaling $10.7 billion of capital funds over the six-year period.

The FY 2026-FY 2031 Capital Improvements Plan assumes approximately $1.8 billion of long-term, income tax secured revenue bonds and/or general obligation bonds (both tax-exempt and taxable) supporting the capital improvements plan during FY 2026 and approximately $5.8 billion of long-term, income tax secured revenue bonds and/or general obligation bonds (both tax-exempt and taxable) supporting the capital improvements plan over the course of the six-year period from 2026 through 2031.

Table 14 summarizes the funding sources for the FY 2026-FY 2031 Capital Improvements Plan. References to the issuance of long-term bonds to fund the capital improvements plan may refer to either income tax secured revenue bonds or to general obligation bonds, either of which may be issued by the District for such purposes. The actual amount of capital projects financed with income tax secured revenue bonds or general obligation bonds each year will be re-evaluated in each annual budget development process or prior to each issuance and will depend on capital project priorities and the progress of such projects over their development or life cycles, as constrained by the District's intent to moderate its borrowing levels in order to prudently manage its debt ratios and debt burden. Actual issuance amounts by year may differ from the amounts shown in Table 14.

Table 14. FY 2026-2031 Capital Improvements Plan – Funding Sources[3]
(Budgetary Basis)
($ in thousands)

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2026–FY 2031 Total
General Obligation/Income Tax Bonds[4]	$1,809,821	$1,425,396	$1,162,122	$466,566	$645,119	$304,965	$5,813,989
Pay-As-You-Go	243,577	202,933	202,433	434,609	426,383	447,330	1,957,266
Local Transportation Fund Revenue	14,386	14,386	13,867	33,212	34,939	34,132	144,921
Local Highway Trust Fund	47,891	48,928	49,415	43,161	41,139	41,660	272,193
Revenue Funded Bonds	0	190,000	190,000	200,000	215,000	90,000	885,000
Federal Grants	344,698	297,785	255,310	247,360	247,310	247,360	1,639,825
Total Funding	**$2,460,373**	**$2,179,428**	**$1,873,148**	**$1,424,908**	**$1,609,891**	**$1,165,447**	**$10,713,194**

(3) Figures may not sum due to rounding.
(4) Includes both tax-exempt and taxable bonds.

Table 14 does not include the issuance of TIF Bonds, PILOT Notes or refunding bonds, all of which the District may issue from time to time. See "INDEBTEDNESS – Long-Term Obligations – Economic Development Initiatives of the District" herein. The FY 2026-FY 2031 Capital Improvements Plan may include funding of certain long-term and short-term capital assets with bond anticipation notes ("BANs"). Long-term refinancing of BANs is reflected in the General Obligation/Income Tax Bonds line item in the table above.

Table 15 sets forth the major categories of expenditure in the FY 2026-FY 2031 Capital Improvements Plan.

Table 15. FY 2026-2031 Capital Improvements Plan – Projected Expenditures
($ in millions)

Category	Amount
Department of Transportation	$3,319
District of Columbia Public Schools	2,277
Washington Metropolitan Area Transit Authority	1,789
Office of the Deputy Mayor for Planning and Economic Development	806
RFK Campus Infrastructure Fund	500
Ballpark Revenue Fund	385
Department of Parks and Recreation	314
Fire and Emergency Medical Services	205
District of Columbia Public Library	172
Metropolitan Police Department	131
Office of the Secretary	121
Department of Public Works	111
Department of Human Services	107
Department of General Services	84
All Other	391
Total	**$10,713**

The Fiscal Year 2011 Budget Support Act of 2010 (D.C. Law 18-223, effective September 24, 2010) created a pay-as-you-go capital account to be used to reduce future District borrowing for capital purposes (codified in D.C. Official Code § 47-392.02(f)). The Fiscal Year 2018 Budget Support Act of 2017 (D.C. Law 22-33, effective December 13, 2017) amended subsection (f). As amended, the new provision specifies that for Fiscal Year 2020 the financial plan shall include a minimum local fund total transfer of "pay-as-you-go" ("paygo") to the Capital Improvements Plan (CIP) of $58,950,000. Then, beginning in Fiscal Year 2021, and for each subsequent Fiscal Year thereafter, the financial plan shall include a minimum local fund transfer for paygo of $58,950,000 plus twenty five percent (25%) of the increase in local fund revenues over the Fiscal Year 2020 base year. The Fiscal Year 2022 Budget Support Act of 2021 (D.C. Act 24-176, effective September 27, 2021) amended subsection (f)(a) by striking the phrase "Local funds revenue transfer" and inserting the phrase "Transfer of local or dedicated funds." Subsection (f)(b) paragraph (2) was amended by striking the phrase "local funds transfer" and inserting the phrase "transfer of local or dedicated funds" in its place and by striking the phrase "Fiscal Year 2020" and inserting the phrase "Fiscal Year 2020 ("minimum transfer amount"); except, that in Fiscal Year 2025, the minimum transfer amount shall be $206 million" in its place. The Fiscal Year 2023 Budget Support Act of 2022 (D.C. Act 24-714, approved by Council on June 7, 2022), amended subsection (f)(a) by striking the phrase "transfer of local or dedicated funds to the CIP of" and inserting the phrase "transfer to or inclusion in the CIP of local funds, dedicated funds, or federal funds received by the District government pursuant to the Infrastructure Investment and Jobs Act (IIJA), approved November 15, 2021 (Pub. L. 117-58: 135 Stat. 429), in the amount of" in its place. The amount of local or dedicated fund revenues transferred to the CIP is capped, to not exceed annual depreciation as reported in the District's most recent ACFR. The Fiscal Year 2025 Budget Support Act of 2024 amends subsection (f). As amended, the new provision specifies that for each proposed budget moving forward, one of the following three minimums must be met; (1) the amount reported for additions to total accumulated depreciation of capital assets shown in the most recent ACFR, (2) at least six times the additions to the total accumulated depreciation of capital assets shown in the most recent ACFR cumulatively in all Fiscal Years of the CIP, or (3) for FY 2025 only, at least five times the additions to the total accumulated depreciation of capital assets shown in the most recent ACFR plus $206 million. Additionally, subsection (f)(2) states that the definition of operating funds now includes local funds, dedicated funds, special purpose revenue funds, enterprise funds, and federal funds received by the District as a part of the IIJA.

CFO Report on Capital Needs

In 2015, the Council legislated a requirement for the CFO to develop and report on a replacement schedule for capital assets on an annual basis. Each October, the CFO delivers a report outlining a replacement schedule for capital assets in the District, which includes a fifteen-year, long-range capital financial plan for the District that addresses capital asset replacement needs beyond the normal six-year capital planning period (the "2025 Long-Range Capital Financial Plan Report" or the "2025 Report").

The District's approach to asset management led to the development of its Capital Asset Replacement Scheduling System ("CARSS"), which resulted in all District-owned assets being inventoried and all capital projects being ranked and prioritized. This process ensured that the District's highest priority capital needs are funded in the capital improvements plan for Fiscal Years 2026-2031. The CARSS analysis highlighted a total capital funding need of approximately $16.70 billion during the six-year CIP period. However, as is detailed in the 2025 Report, not all capital projects or recommended maintenance needs can be funded in the six-year CIP period. The District's highest priority capital needs are funded in the capital improvements plan for Fiscal Years 2026-2031 at a cost of roughly $10.71 billion; however, approximately $5.98 billion in capital needs require funding outside of the six-year CIP period, which is higher than what was outlined in the 2024 report. Approximately $2.44 billion of that unfunded amount, or roughly forty-one percent, are related to maintenance of existing assets. Over the last several years, the District has made significant progress in addressing its unmet capital and deferred maintenance needs. To that end, a greater emphasis has now been placed on investments in economic development initiatives to stimulate long-term growth.

The District's diverse economy, borrowing capacity and paygo legislation allow it to effectively address those unfunded capital projects in a moderate period of time. As is detailed in the 2025 Report, if the District commits to borrowing up to its statutory maximum level of twelve percent (12%) of general fund expenditures, as well as commits to increase paygo (or cash) funding for capital improvements to an amount averaging nearly four and a half percent (4.2%) of the general fund budget, it can fund all deferred maintenance and new capital needs as early as 2037. Additionally, the District has continued to meet its commitment to provide its share of an additional $500 million in capital funding for WMATA agreed upon by the District, the Commonwealth of Virginia, and the State of Maryland by pledging a portion of its sales tax base for this purpose beginning in Fiscal Year 2020. Given this commitment of dedicated taxes for WMATA, if the District commits approximately sixteen and two tenths percent (16.2%) of its general fund budget to capital needs, with the remaining eighty-three and eight tenths percent (83.8%) spent on operations and programs, the District can achieve the status of having amongst the best funded and maintained infrastructure of any state or local government in the nation.

Additional information on the District's asset management system, its approach to its unfunded capital needs, and its 2025 Long-Range Capital Financial Plan Report can be found on the CFO's website, as well as the District's investor relations website. Such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose.

INDEPENDENT ENTITIES

The following section discusses borrowing by certain independent entities and instrumentalities of the District. By statute, the debt issued by these entities and instrumentalities is not a general obligation of the District and does not involve a pledge of the full faith and credit of the District.

The District of Columbia Water and Sewer Authority

The District of Columbia Water and Sewer Authority ("DC Water") is an independent authority of the District of Columbia government. DC Water is a corporate body, created to effectuate certain public purposes, that has a separate legal existence within the District government. DC Water was established in 1996 pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, D.C. Law 11-111, as amended, effective April 18, 1996.

DC Water provides retail water and wastewater treatment services to the District of Columbia and wholesale wastewater conveyance and treatment services to the user jurisdictions of Montgomery and Prince George's Counties in Maryland and Fairfax and Loudoun Counties in Virginia. DC Water is governed by a Board of Directors consisting of 11 principal and 11 alternate members. Six principal members are District residents appointed by the Mayor of the District with advice and consent of the Council of the District of Columbia. Five principal members are appointed by the Mayor on the recommendations of the user jurisdictions.

Washington Convention and Sports Authority

Washington Convention and Sports Authority ("WCSA") is an independent authority of the District government created to effect certain public purposes, including promoting, developing, and maintaining the District as a location for conventions, trade shows, meetings, concerts, sporting and entertainment events, and other special events, as set forth in D.C. Code § 10-1202.02 (the "WCSA Act"). As of December 1, 2025, the WCSA had bonds outstanding in the aggregate principal amount of $316.6 million. Such bonds are secured by certain specified tax revenues dedicated pursuant to the WCSA Act (the "Dedicated Taxes"). See "FINANCIAL INFORMATION – Summary of General Fund Revenues – Sales and Use Taxes." Each year the District Auditor is required to certify to the Mayor, the Council, the CFO and the Chairman of WCSA whether the revenues projected to be realized in the upcoming Fiscal Year from the Dedicated Taxes, the projected operating revenues of WCSA and any amounts in excess of the minimum required reserves for the upcoming Fiscal Year are sufficient to pay the projected operating and debt service expenditures and reserve requirements. If the certification of the District Auditor indicates that such projected revenues are insufficient to meet such projected expenditures, the Mayor must impose a surtax on the Dedicated Taxes for the upcoming Fiscal Year at a rate calculated according to a statutory formula intended to generate sufficient revenue to equal the difference between the projected expenditures and revenues. To date, the Mayor has not been required to impose a surtax on the Dedicated Taxes. The District Auditor has determined for Fiscal Year 2026 that projected Fiscal Year 2026 Dedicated Taxes and WCSA's Fiscal Year 2026 projected revenues and excess reserves are sufficient to meet its Fiscal Year 2026 projected operating and debt service expenditures and reserve requirements.

Washington Metropolitan Area Transit Authority

General. WMATA was created by interstate compact in 1967, with the consent of Congress, by the District, the State of Maryland, and the Commonwealth of Virginia ("Interstate Compact"), to construct a 103-mile, 83-station rapid transit system ("Metrorail"). WMATA was later authorized to purchase and operate several of the area's privately owned bus systems and to operate the Metrorail system (collectively, the "Metro System"), as well as the complementary paratransit system, known as MetroAccess. Metrorail construction began in 1967 and the final segment of the originally-planned system opened to passengers in January 2001.

In March 2009, construction began on the extension of the Metrorail system to Washington Dulles International Airport and beyond into Loudoun County, Virginia (the "Silver Line Project"). Phase 1 of the Silver Line Project ("Silver Line Phase 1"), which extended service 11.6 miles to Reston, Virginia, opened in July 2014 and was incorporated into the Metrorail system on such date. The second phase of the Silver Line Project ("Silver Line Phase 2") was opened in November 2022 and provides an additional 11.4 miles of service and six new rail stations. Funding for the Silver Line Project was provided by the federal government, the Commonwealth of Virginia, Fairfax County, Loudoun County, and the Metropolitan Washington Airports Authority. Silver Line Phase 2 has been added to the Metrorail system. It is a capital asset of WMATA, WMATA funds its operation, and Loudoun County has become one of the Funding Partners (as defined below).

In May 2023, WMATA opened a new station at Potomac Yard on the Yellow and Blue Lines in the City of Alexandria, Virginia.

Annual Funding. WMATA relies on operating revenues and annual contributions from the federal government, the District of Columbia, the State of Maryland, the Commonwealth of Virginia, and the local jurisdictions that are served by the Metro System (the "Funding Partners"), to fund operations, maintenance, and capital improvement projects. With respect to the Funding Partners, the funds provided to WMATA for operations, maintenance, and capital improvement projects are proportionately allocated among such jurisdictions in WMATA's annual budget for each fiscal year beginning July 1 through June 30.

Operating Budget. The District contributes, along with certain other Funding Partners that receive WMATA service, a proportionate share of WMATA's operating and certain debt service costs because WMATA's operating revenues are insufficient to cover such costs. The District's contribution to WMATA is subject to annual appropriations and in accordance with the amounts stated in the District's budget. The District's contribution to WMATA's operating budget for Fiscal Years 2021 through 2025 is shown in Table 16 below. This budget includes the District's payments used by WMATA for debt service on WMATA bonds described below. The District's share of both the debt service payments and the operating loss is reported by the District as a current expenditure for transportation services in the General Fund.

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Table 16. District's Contribution to WMATA's Operating Budget (Fiscal Years 2021-2025)

Fiscal Year*	District's Contribution to WMATA's Operating Budget
2021	$458,346,163
2022	447,069,098
2023	479,610,241
2024	507,183,190
2025	723,917,612

* Fiscal Years 2021-2024 are actual expenditures, and Fiscal Year 2025 is a budgeted amount.

Source: Office of the CFO.

Capital Budget. In order to provide a more predictable source of funding for long-term capital improvement projects, in addition to the debt service contributions described above, WMATA and the Funding Partners entered into a capital funding agreement in 2021, pursuant to which the Contributing Jurisdictions committed to approximately $5.9 billion of funding (subject to appropriation) (the "Capital Funding Agreement for WMATA Fiscal Years 2022-2027") for WMATA to finance capital improvement projects for the Metro System. The term of such agreement runs from July 1, 2021 through June 30, 2027. The Capital Funding Agreement for WMATA Fiscal Years 2022-2027 provides that the District is not responsible for funding commitments or other obligations of the other Funding Partners.

The District's financial obligations in the Capital Funding Agreement for WMATA Fiscal Years 2022-2027 are not contingent on federal funding to WMATA. Thus, a reduction in federal funding would not legally obligate the District to increase funding for WMATA.

The District's share of WMATA's capital budget for Fiscal Years 2021 through 2025 is shown in Table 17 below.

Table 17. District's Share of WMATA's Capital Budget (Fiscal Years 2021-2025)

Fiscal Year*	District's Share of WMATA's Capital Budget
2021	$323,500,000
2022	327,663,708
2023	336,157,842
2024	335,241,458
2025	338,364,714

* Fiscal Years 2021-2024 are actual expenditures, and Fiscal Year 2025 is a budgeted amount.

Source: Office of the CFO.

Long-Term Funding Solutions. The Funding Partners and other local governmental organizations have analyzed the long-term funding needs at WMATA and explored potential dedicated revenue opportunities. In 2018, the Funding Partners agreed to provide WMATA with an annual contribution of $500 million in dedicated funding for capital needs. As discussed in more detail under the caption "DISTRICT BUDGET AND FINANCIAL PLAN – CFO Report on Capital Needs" and in the succeeding paragraphs, the District provides $178.5 million in funding to WMATA for its share of such $500 million annual contribution, which is derived from the District's general sales tax revenue. Maryland and Virginia also provide approximately $167 million and $154.5 million, respectively, in annual dedicated funding to WMATA from a variety of local revenue sources. The contributions are issued as cash equivalent grants and can thus be leveraged by WMATA for long-term borrowing to help fund State of Good Repair needs in a reasonable time-frame. All three jurisdictions have enacted legislation to identify dedicated funding sources in the amounts referred to in this paragraph, which are collectively defined as the "Dedicated Revenues" as that term is used under this "Washington Metropolitan Area Transit Authority" subsection.

District Dedicated Revenue Statute and Dedicated Funding Grant Agreement. On September 5, 2018, the District enacted its Fiscal Year 2019 Budget Support Act of 2018, which included a section to establish a special fund, the WMATA Dedicated Financing Fund, which is administered by the Mayor (the "District Dedicated Revenue Statute"). The District Dedicated Revenue Statute, as amended, provides that there is to be deposited into the WMATA Dedicated Financing Fund general retail sales tax revenue in the amount of $178.5 million each Fiscal Year. The money in the WMATA Dedicated Financing Fund does not revert to the District at the end of any Fiscal Year.

The District and WMATA entered into a Dedicated Funding Grant Agreement, dated October 22, 2020 (the "District Dedicated Funding Grant Agreement"), which provides for the disbursement of the District Dedicated Capital Funding Revenues from the WMATA Dedicated Financing Fund to WMATA. The District Dedicated Funding Grant Agreement provides, among other things, that any commitment or agreement of the District required by the District Dedicated Funding Grant Agreement is subject to the annual appropriation and allocation of funds and other limitations on expenditures or obligations under District and federal law. The District Dedicated Grant Funding Agreement provides that the District is not responsible for the dedicated funding commitments or other obligations of the other Funding Partners.

Other Funding Sources. In addition to capital and operating funds from the Funding Partners, in 2008 Congress appropriated $1.5 billion in federal transportation grants to WMATA for capital needs and preventive maintenance of the Metro System over ten years, beginning with federal fiscal year 2009. The authorized grants are for 50% of the cost of the Metro System's eligible projects, with Funding Partners providing 50% match funding from sources other than federal funds or revenues from the operation of the Metro System. In 2021, the federal funding referenced in this paragraph was renewed as part of the Infrastructure Investment and Jobs Act (Pub. L. 117-58 §30019(b)) and lasts through federal Fiscal Year 2030.

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WMATA Indebtedness. The table below summarizes WMATA's outstanding transit bonds as of the dates indicated in the table's footnotes.

Table 18. Outstanding WMATA Transit Bonds

Principal Amount and Series	**Amount Outstanding**	**Final Maturity Date**	**Source of Payment**
Series 2017A Bonds	$135,110,000[1]	July 1, 2034	Gross Revenues and Dedicated Capital Funding Revenues (Senior Lien)
Series 2017B Bonds	406,830,000[1]	July 1, 2042	Gross Revenues and Dedicated Capital Funding Revenues (Senior Lien)
Series 2018 Bonds	203,745,000[1]	July 1, 2043	Gross Revenues (Senior Lien)
Series 2020A Bonds	503,895,000[1]	July 15, 2045	Dedicated Revenues (Senior Lien)
Series 2021A Bonds	726,930,000[1]	July 15, 2046	Dedicated Revenues (Senior Lien)
Series 2023A Bonds	378,380,000[1]	July 15, 2051	Dedicated Revenues (Senior Lien)
Series 2023A Bonds	776,815,000[(1]	July 15, 2053	Dedicated Revenues (Subordinate Lien)
Series 2024A Bonds	635,990,000[1]	July 15, 2059	Dedicated Revenues (Subordinate Lien)
Series 2025A Bonds	635,500,000[1]	July 15, 2060	Dedicated Revenues (Subordinate Lien)

1. As of July 9, 2025 (date of last WMATA official statement for WMATA's Series 2025A Bonds described above).

The District has agreed to pay its portion of the debt service due on the WMATA Gross Revenue Transit Bonds and has budgeted for it annually as part of the operating budget subsidy to WMATA.

As of July 1, 2025, WMATA had no outstanding balance drawn on its $500 million lines of credit. Such lines of credit expire in October 2026. WMATA's repayment obligations under the lines of credit (i) are to be paid from gross revenues and capital contributions, (ii) are subordinate to WMATA's gross revenue transit bonds, and (iii) have no claim on the Dedicated Revenues.

The debt issued by WMATA is not a general obligation of the District and does not involve a pledge of the full faith and credit of the District. In addition, WMATA cannot pledge the credit of the District or any other Funding Partners for the payment of its gross revenue transit bonds. However, to the extent there is a contribution from the District or another Funding Partner to WMATA, WMATA may pledge the receipts received (but only after they are received) to the payment of its gross revenue transit bonds. Dedicated Revenue bonds are payable solely from the Dedicated Revenues.

Integral Part of the Transportation Network. WMATA, with respect to its bus, subway, and paratransit transportation systems, is an integral part of the transportation network in the District of Columbia and the metropolitan area. However, WMATA continues to experience financial and operational concerns. The District and the other Funding Partners have agreed to the dedicated funding solution described above to help address some of WMATA's capital needs. While recognizing WMATA's essential service to the District and its economy, it is unclear whether the District, or the other Funding Partners, would make additional contributions to WMATA's capital and operating costs, and it is unclear what impact any changes in services provided by WMATA or WMATA's need for additional funding would have on the District's financial condition.

District of Columbia Housing Finance Agency

The District of Columbia Housing Finance Agency ("DCHFA") is a corporate body and an instrumentality of the District created under the District of Columbia Housing Finance Agency Act, Chapter 27 of Title 42 of the District of Columbia Official Code, as amended, and has a legal existence separate from the government of the District. DCHFA has the power to issue revenue bonds, notes and other obligations to finance or assist in financing low and moderate income housing projects and homeownership programs. DCHFA has issued bonds and notes to provide financing for its housing programs/projects that are collateralized by (a) mortgage-backed securities and mortgage loans made on the related multifamily housing developments and single-family residences, (b) substantially all revenues, mortgage payments, and recovery payments received by DCHFA from mortgage-backed securities and mortgage loans, and (c) certain funds and accounts, including debt service reserve funds, established pursuant to indentures authorizing issuance of the bonds. DCHFA had approximately $2.652 billion of debt obligations outstanding as of September 30, 2025.

District of Columbia Tobacco Settlement Financing Corporation

The Tobacco Corporation is a special purpose, independent instrumentality of the District created by the Tobacco Settlement Financing Act of 2000 (the "Tobacco Act"). Pursuant to the Tobacco Act, and a purchase and sale agreement, between the District and the Tobacco Corporation, the District sold to the Tobacco Corporation, substantially all of its rights, title and interests in certain amounts paid or payable to the District under the Master Settlement Agreement, or MSA (settlement of smoking-related litigation), entered into by participating cigarette manufacturers, the District, forty-six states and five other U.S. jurisdictions in 1998. The Tobacco Corporation issued bonds, first in 2001 in the amount of approximately $521.1 million and in 2006 in the amount of approximately $248.3 million. The bonds are secured by, and payable solely from, the amounts payable to the District under the MSA. The Tobacco Corporation had approximately $381 million bonds outstanding as of December 1, 2025.

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OTHER INFORMATION

The District Government – Employment and Labor Relations

The authority to conduct labor negotiations is contained in the Comprehensive Merit Personnel Act ("CMPA") and in Mayor's Order 2001-168 (November 14, 2001). The Office of Labor Relations and Collective Bargaining ("OLRCB"), administers the Executive's comprehensive labor relations program for the District government.

Forty-one local unions represent employees in agencies under the Mayor's personnel authority. These 41 local unions, under the umbrella of 14 different national labor organizations, represent approximately 75% of the District's total employee complement of approximately 35,000 employees. The employees under the Mayor's personnel authority are further organized in 89 bargaining units and 21 compensation units.

In addition to agencies under the Mayor's personnel authority, independent entities including the University of the District of Columbia, DCHFA, D.C. Water, the Public Service Commission and the Armory Board have separate personnel authorities. The CFO has personnel authority over almost all District accounting, budget and financial management positions, and over all personnel of the Office of Finance and Treasury, the Office of Financial Operations and Systems, the Office of Budget and Planning, the Office of Revenue Analysis, and the Office of Tax and Revenue. The Attorney General has personnel authority over all District legal service positions with the exception of PSC attorneys, attorneys for independent entities and attorneys employed by the Mayor's subordinate agencies, including the Mayor's Office of Legal Counsel and Office of the General Counsel.

During Fiscal Year 2025, the District completed negotiations for three successor compensation agreements, including the Washington Teachers' Union (WTU), the Fraternal Order of Police (FOP), and AFGE Local 1403. The negotiated annual wage increases and total financial impact of each agreement is as follows (dollar amounts in millions):

Union	FY2024	FY 2025	FY 2026	FY 2027	FY 2028	Total Cost
WTU	4% Bonus	2%	3%	3%	4%	$238.9
FOP	4.5%	4.25%	4.25%	-	-	$277
AFGE 1403	3%	3	3%	-	-	$25

OLRCB began negotiations with the International Association of Firefighters (IAFF) Local 36 in July 2024. Compensation bargaining for Teamsters Local 639, the Federation of Administrative Law Judges, and the Council of School Officers also started in Fiscal Year 2025, but, along with a number of other compensation CBAs, have been placed on hold due to budget limitations.

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The CFO must determine the fiscal impact of all collective bargaining agreements and certify that sufficient funds under the budget for the applicable fiscal year are available. The Workforce Investments budget amounts for Fiscal Year 2026 anticipate raises for bargaining units across the District.

Table 19. District Government –
Number of Authorized Operating Budget Full-Time
Equivalent (FTE) Positions[1]

FUNCTION	FY 2023 Approved FTEs	FY 2024 Approved FTEs
Governmental direction and support	4,135.2	4,028.6
Economic development and regulation	498.0	496.4
Public safety and justice	10,393.8	10,256.8
Public education system	14,653.0	14,759.9
Human support services	5,492.5	5,446.5
Operations and Infrastructure	4,267.5	4,266.6
Non-Departmental	0.0	0.0
Total General Operating Funds	**39,440.0**	**39,254.8**
Enterprise and Other Funds	1,337.7	1,345.0
Grand Total, District Government	**40,777.7**	**40,599.8**

(1) Numbers may not add due to rounding.

Source: District's operating budgets for Fiscal Years 2023 and 2024.

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RETIREMENT PROGRAMS

General

The District provides full-time employees certain pension benefits through the CSRS, Social Security or the District's retirement programs. The District also has established a post-retirement health and life insurance plan for eligible employees.

Brief descriptions of these plans are set forth below. See also Notes 8 and 9 to the Fiscal Year 2024 Financial Statements and the Required Supplementary Information pertaining to the District's retirement programs and other post-employment benefit ("OPEB") programs set forth in the Fiscal Year 2024 Financial Statements.

As described in more detail below, the District makes contributions on behalf of its employees to (i) CSRS, (ii) Social Security, (iii) the District-sponsored defined benefit retirement programs, (iv) the District-sponsored defined contribution retirement programs, and (v) Medicare. The District contributed 100% of the ADC (defined below) to the District-sponsored defined benefit retirement programs for Fiscal Year 2024 and has done so for each of the last ten fiscal years. A summary of the aggregate payments made by the District for the last five Fiscal Years is shown in Table 20.

Table 20. Summary of District's Aggregate Payments to Retirement Programs
(Fiscal Years 2020-2024, as of September 30 in each Fiscal Year)
($ in millions)

Program	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
CSRS	$7.0	$6.2	$5.4	$4.8	$4.4
Social Security	115.2	118.0	129.1	132.6	139.7
District Defined Benefit Plans	151.9	180.4	184.0	125.3	130.1
District Defined Contribution Plans	79.3	83.0	84.9	87.2	93.1
Medicare	43.7	44.8	47.5	53.1	53.7
Total Retirement Program Expenditures	**$397.1**	**$432.4**	**$450.9**	**$403.0**	**421.0**
Total General Fund Expenditures	**$8,984.0**	**$9,318.4**	**$11,287.0**	**$11,617.3**	**$12,298.0**
% of General Fund Expenditures	**4.42%**	**4.64%**	**3.99%**	**3.47%**	**3.42%**

The District's budgeted contribution for the District Defined Benefit Plans in the Fiscal Year 2025 Approved Budget was $224,434,000. The District's budgeted contribution for the District Defined Benefit Plans in the Fiscal Year 2026 Approved Budget is $213,117,000.

Pension and Retirement Plans Not Sponsored by the District

U.S. Civil Service Retirement & Social Security Systems. Permanent full-time employees hired before October 1, 1987, except those covered by the District's retirement program, are covered by the CSRS. As of September 30, 2024, approximately 494 active District employees were covered by the CSRS. Permanent full-time employees, except those covered by the District's retirement program, hired after September 30, 1987, are covered by Social Security. As of September 30, 2024, approximately 25,072 active employees were making contributions to Social Security. CSRS and Social Security are the responsibility of the federal government, and the District is only responsible for making regular payments at specified rates to those plans. Pub. L. No. 99-335, effective January 1, 1987, precludes the District's participation in the CSRS and the Federal Health and Life Insurance Program for employees hired after September 30, 1987. Employees hired after that date are covered under the District's health insurance, life insurance and defined contribution plans.

College Teachers' Retirement System. The College Teachers' Retirement System, which covers UDC employees, is a multi-employer plan administered by the nationwide Teachers' Insurance and Annuity Association/College Retirement Equities Fund.

Pension and Retirement Plans Sponsored by the District

Defined Benefit Pension Plans. The District of Columbia Retirement Board ("DCRB"), pursuant to the authority set forth in §§ 191 and 121(e) of the District of Columbia Retirement Reform Act (the "Reform Act"), Pub. L. No. 96-122, 93 Stat. 866, November 17, 1979 (codified at D.C. Official Code §§ 1-711(e) and 1-715) is responsible for managing and controlling the Police Officers and Fire Fighters' Retirement Fund and the Teachers' Retirement Fund (collectively, the "Fund"), as well as implementing and administering the Police Officers and Firefighters' Retirement Plan (codified in D.C. Official Code Title 5, ch. 7) and the Teachers' Retirement Plan (codified in D.C. Official Code Title 38, subtitle V, ch. 20, subch. II) (collectively, the "Plans") for members of the Plans, their survivors and beneficiaries. The District is responsible for funding and administering these plans. These employees are not covered by Social Security.

The Fund was split in 1997 pursuant to Title XI of the Balanced Budget Act of 1997, Pub. L. No. 105-33, 111 Stat. 715, as amended (the National Capital Revitalization and Self-Government Improvement Act of 1997, or "Revitalization Act"). Under the Revitalization Act, the U.S. Department of the Treasury ("Treasury") is responsible for funding benefits based upon service as of June 30, 1997, in accordance with the Plans in effect on June 29, 1997 ("Federal Benefit Payments") (D.C. Official Code § 1-809.02). Treasury maintains a separate fund to pay Federal Benefit Payments. The District is responsible for funding benefits based on service after June 30, 1997, in accordance with a "Replacement Plan" the District was required to adopt ("District Benefits Payments"). These payments are made from the Fund.

The Replacement Plan, enacted by the District in 1998 (the Police Officers, Firefighters, and Teachers Retirement Benefit Replacement Act of 1998, D.C. Law 12-152), continued the terms of the Plans as those plans existed on June 30, 1997 (D.C. Official Code § 1-905.01). Amendments to the Replacement Plan by the District government only apply to District Benefit Payments.

Although most benefit payments are only Federal Benefit Payments, an increasing number of payments are either a combination of Federal Benefit Payments and District Benefits Payments (referred to as "Split Benefit Payments") or District Benefit Payments only. Generally, if a member's service began and ended on or before June 30, 1997, the member receives Federal Benefit Payments. If a member's service began on or before June 30, 1997, and ended after June 30, 1997, the member receives Split Benefit Payments (federal benefit payment regulations apply in determining the split financial obligations between Treasury and the District for Split Benefit Payments; see 31 CFR part 29). If a member's service began and ended after June 30, 1997, the member receives District Benefit Payments.

Overview. The DCRB administers the District's Retirement Programs (D.C. Official Code Title 5, ch. 7 and D.C. Official Code Title 38, subtitle V, ch. 20, subch. II), which consist of two single-employer defined benefit pension plans, one established for police officers and firefighters, and the other for teachers. Membership in the Retirement Programs as of October 1, 2024, the date of the most recent valuation, is as follows:

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Table 21. Retirement Programs Membership
(as of October 1, 2024)

	Police and Firefighters	Teachers
Active	5,074	6,259
Retirees and Survivors Receiving Benefits	4,712	4,040
Vested Terminations	399	2,007
Total*	**10,185**	**12,306**

* District only, does not include federal members.

Each Plan provides retirement, death and disability benefits, and annual cost of living adjustments to Plan members and beneficiaries. Retirement and disability benefit provisions for police and firefighters are established by the Policemen and Firemen's Retirement and Disability Act (D.C. Code §5-701 et seq.). For the Teachers Plan, Title 38, Chapter 20 of the D.C. Code (D.C. Code § 38-2001, et seq.) assigns the authority to establish and amend benefit provisions to the Council. The DCRB issues a publicly available financial report, which includes financial statements and required supplementary information for the plans and can be obtained from the DCRB's website at https://dcrb.dc.gov/service/annual-comprehensive-financial-reports-acfr.

The twelve-member DCRB administers the assets of the District's Defined Benefit Replacement Plans, and the District accounts for them as Pension Trust Funds. The District's Defined Benefit Replacement Plans have defined retirement benefits, which increase after retirement in proportion to changes in the Consumer Price Index or, in some cases, current salary levels. Benefits are payable upon retirement, disability, death, or other termination. Required employee contributions are 7% for police officers, firefighters, and teachers hired before the first pay period beginning after November 1, 1996, and 8% for those employees hired after the first pay period beginning after November 1, 1996.

The District is required to contribute the remaining amounts necessary to finance the coverage of its employees through periodic contributions at actuarially determined amounts in accordance with the provisions of the Replacement Plan. The Replacement Plan defines the eligibility and the calculation of the amount of the benefit payment for covered District employees for service accrued after June 30, 1997. For the last ten Fiscal years, the District's contributions were equal to the plans' independent actuary's recommendation.

Actuarial Valuation. The most recent actuarial valuation of the Retirement Programs was prepared by the DCRB's actuary, Bolton Partners Inc., as of October 1, 2024. This valuation (the "2024 Valuation") is available on the DCRB's website, along with prior valuations for comparison purposes.

The purpose of the actuarial valuations prepared for the DCRB is to provide a summary of the funded status of each plan as of the valuation date, to recommend rates of contribution to be paid by the District in the following Fiscal Year (i.e., the 2024 Valuation recommends contribution rates for Fiscal Year 2026) and to provide accounting information under GASB Statements No. 25 and 27.

An actuarial valuation calculates the actuarial accrued liability in each of the plans, which represents the present value of benefits the plan will pay to its retired members and active members upon retirement based on certain demographic and economic assumptions. The actuarial valuation compares the actuarial accrued liability with the actuarial value of assets and any excess of that liability over the assets forms the unfunded actuarial accrued liability ("UAAL"), if any, of the plans. The actuarial valuation will express the percentage that a system is funded through a "funded ratio," which represents the actuarial value of assets of the plan divided by the actuarial accrued liability of such plan. The actuarial valuation will also state an actuarially determined contribution ("ADC"), which is a recommended amount that the District contribute annually to the applicable plan. The ADC consists of: (1) normal cost, which represents the portion of the present value of retirement benefits that are allocable to active members' current year service, less expected member contributions; (2) expenses; and (3) an amortized portion of the UAAL, if any.

To calculate the actuarial value of assets and actuarial accrued liability of each plan, the actuarial valuations use various actuarial assumptions. Some examples of these assumptions include an expected rate of return on assets, age of retirement of active members, future salary increases for current employees and assumed mortality rates for retirees and beneficiaries. If the actual experience of a plan differs from these assumptions, the UAAL of such plan may increase or decrease to the extent of any such variance. With respect to expected rate of return of assets, for example, the actual rate of return for each plan depends on the performance of its investment portfolio. The value of the securities in the investment portfolio changes from one Fiscal Year to the next, which, in turn, causes increases or decreases in the plan's UAAL. This could have a resulting impact on the ADC, which may increase the amount of the District's contribution to the plans.

Funded Status and Funding Progress

Table 22 provides an analysis of funding progress for each of the District's defined benefit pension plans from 2020 through 2024, based on the annual actuarial valuation report for each respective year.

Table 22. Schedule of Funding Progress
($ in thousands)

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
Teachers' Retirement Plan							
	10/1/2020	2,431,075	2,640,803	209,728	92.1	551,835	38.0%
	10/1/2021	2,684,368	2,698,618	14,250	99.5	600,481	2.4
	10/1/2022	2,838,193	2,871,570	33,376	98.8	612,463	5.4
	10/1/2023	2,966,048	3,229,928	263,880	91.8	700,092	37.7
	10/1/2024	3,185,383	3,409,385	224,002	91.8	722,701	31.0
Police Officers and Firefighters' Retirement Plan							
	10/1/2020	6,676,013	6,023,843	(652,169)	110.8	507,348	(128.5)
	10/1/2021	7,290,173	6,181,614	(1,108,559)	117.9	492,787	(225.0)
	10/1/2022	7,612,268	6,639,124	(973,145)	114.7	482,092	(201.9)
	10/1/2023	7,864,126	7,358,696	(505,430)	106.9	525,218	(96.2)
	10/1/2024	8,347,631	7,708,727	(638,904))	108.3	537,537	(118.9)
Total for Both Plans							
	10/1/2020	9,107,088	8,664,646	(442,442)	105.1	1,059,182	(41.8)
	10/1/2021	9,974,541	8,880,232	(1,094,309)	112.3	1,093,267	(100.1)
	10/1/2022	10,450,461	9,510,693	(939,768)	109.9	1,094,555	(85.9)
	10/1/2023	10,830,174	10,588,624	(241,550)	102.3	1,225,309	(19.7)
	10/1/2024	11,533,014	11,118,112	(414,903)	103.7	1,260,238	(32.9)

Source: DCRB's Annual Actuarial Valuation Reports.

Actuarially Determined Contributions

The ADC is determined annually based on the most recent actuarial valuation, although due to the timing of receipt of each valuation, there is a lag between the Fiscal Year results used to determine the ADC for any particular future Fiscal Year. For Fiscal Year 2025, the ADC for the Teachers' Retirement Fund was $80.9 million and the percentage contributed was 100.0%. For Fiscal Year 2025, the ADC for the Police Officers and Firefighters' Retirement Fund was $143.4 million and the percentage contributed was 100.0%. As noted herein, the District contributed 100% of the ADC to the District-sponsored defined benefit retirement programs for Fiscal Year 2025 and has done so for each of the last ten Fiscal Years.

As included in the 2024 Valuation, for Fiscal Year 2026, the ADC for the Teachers' Retirement Fund is $75.4 million, while the ADC for the Police Officers and Firefighters' Retirement Fund is $137.6 million ($213.1 million together). Based on preliminary projections for Fiscal Year 2027, the DCRB's actuary estimates that the ADC for the Teachers' Retirement Fund is expected to be $77 million, while the ADC for the Police Officers and Firefighters' Retirement Fund is expected to $143.9 million ($221 million together). DCRB's actuary currently estimates that the funded ratios of the Teachers' Retirement Fund and the Police Officers and Firefighters' Retirement Fund will continue to decrease for several years as 2022 asset losses are phased in. Similarly, contribution levels are expected to increase for several years to address such asset losses. These estimates are preliminary and subject to change.

Investments

The DCRB ACFRs include a section labeled "Investment Section," which contains detailed information concerning the DCRB's investment objectives and policies, investment results, asset allocation, a report on investment activity, a list of the largest assets held, a schedule of fees and commissions and an investment summary. Additional information regarding the DCRB's investment objectives and policies and investment reports is available at https://dcrb.dc.gov/service/annual-comprehensive-financial-reports-acfr.

Net Pension Liability/Asset

Under GASB Statement No. 68 ("GASB 68"), which changed certain aspects of the accounting and financial reporting by state and local governments for pensions, the District is required to report in its statement of net position a net pension liability, defined as the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the asset (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees and their beneficiaries. GASB 68 was effective for the District's ACFR for Fiscal Year 2015. While GASB 68 changed many of the aspects of calculating the District's reported pension fund assets and liabilities, it did not change how the District calculates its pension contributions, which continue to be determined as described above. The Defined Benefits Plans also follow GASB Statement No. 67 guide for accounting and financial reporting for pensions.

As of September 30, 2024, the net pension liability for the Teachers Plan was approximately $23 million and the net pension asset of the Police Officers and Firefighters Plan was approximately $1.2 billion. The combined effect on the District's statement of net position is a net asset of approximately $1.1 billion, which represents a ratio of assets to liabilities of 110.3%.

For additional information pertaining to the District's net pension liability, including more detailed information on the changes in net pension liability and the sensitivity of such liability to changes in the discount rate used to calculate the liability and other matters, see Note 8 and the Required Supplementary Information to the Fiscal Year 2024 Financial Statements.

Defined Contribution Plan

Permanent full-time employees hired after September 30, 1987, are covered by the District's Defined Contribution Plan. As of September 30, 2024, there were 20,485 employees receiving payments under the Defined Contribution Plan. These employees also make payments to Social Security and are the beneficiaries of payments made by the District to that system on their behalf.

The District-sponsored Defined Contribution Plan is an Internal Revenue Code Section 401(a) plan for permanent full-time and part-time employees who otherwise would have been covered by the Civil Service Retirement System, but who were employed after September 30, 1987. The District contributed approximately $84.9 million in Fiscal Year 2022, $87.2 million in Fiscal Year 2023, and $93.1 million in Fiscal Year 2024. The current level of the District's defined contribution payment is 5% of base salary, except for detention officers, who receive 5.5% of base salary. Employees do not contribute to the plan and are eligible to participate after one year of service. Contributions and earnings vest fully after five years of creditable service. Vested contributions are not assets of the District and the District has no additional liability to this plan.

403(b) and 457(b) Plans

The District also sponsors an annuity purchase plan under Internal Revenue Code Section 403(b) and a deferred compensation plan under Internal Revenue Code Section 457(b). Both plans are funded entirely from employee contributions. The assets of both plans are not assets of the District and the District has no financial liability to either plan.

Employees of the Council, the District Auditor, and the Office of Advisory Neighborhood Commissions that are enrolled in the Section 457(b) deferred compensation plan are eligible for a one-to-one mandatory match from the District of up to three percent (3%) of their salary during each pay period.

Other Post-Employment Benefits (OPEB)

Before 1987, all employees and retirees of the District government were eligible for coverage under federal health and insurance plans. In 1987, in response to a federal request, the Council enacted the District of Columbia Government Comprehensive Merit Personnel Act of 1978 Employee Benefits Amendment Act of 1987 (D.C. Law 7-27). This law requires the District government to provide health and life insurance benefits to retirees of the District first employed after September 30, 1987. Retirees of the District government first employed before October 1, 1987, remain eligible for federal health and life insurance benefits. A separate trust fund, the Other Post-Employment Benefits Fund (formerly the Annuitants' Health and Life Insurance Employer Contribution Trust Fund), was established to provide OPEB to retirees of the District first employed after September 30, 1987. Similar to most other jurisdictions, the District initially funded these programs on a pay-as-you-go basis, but began funding OPEB on an actuarial basis in Fiscal Year 2008. "Pay-as-you-go" is a method of financing a pension or other post-retirement benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

The District provides post-employment benefits to retirees. Based on years of service, the District pays up to a maximum of 75% of the cost of retiree health insurance, 30% of the cost of retiree life insurance and 60% of the cost of retiree spouse and dependent health insurance. The District pays 75% of the cost of the selected health benefit plan for covered family members of police officers or firefighter annuitants who are injured or killed in the line of duty. These benefits are available to all employees with five years of continuous service prior to retirement.

Since the District adopted GASB 45, which sets forth standards for the measurements, recognition and display of OPEB expenses/expenditures and related assets and liabilities and financial statement disclosures, the District established a restricted trust and began making annual payments to the trust. The District's contributions to the trust for Fiscal Years 2023 and 2024 were $41.5 million and $72.7 million, respectively, each of which represented 100% of the actuarially determined contributions for such fiscal years. As of September 30, 2024 (as set forth in the District's ACFR for Fiscal Year 2024), the District's OPEB plan had a 108.24% funded ratio and a total OPEB liability of $1.84 billion, with a plan fiduciary net position of $2.29 billion.

The 2024 OPEB Actuarial Valuation includes projections for Fiscal Years 2025-2030, based on a projection of the September 30, 2024, valuation results and a 15-year Layer of the unfunded actuarial accrued liability. The 2024 OPEB Actuarial Valuation projects actuarially determined contributions ranging from $63.9 million in Fiscal Year 2025 to $72.3 million in Fiscal Year 2029.

Actual contributions will likely be different in the future as funding requirements will be based upon various matters, including actuarial assumptions, investment returns, plan benefits and participant demographics.

Additional information regarding the District's OPEB plan and costs is set forth in Note 9 and the Required Supplementary Information to the Fiscal Year 2024 Financial Statements.

INDEBTEDNESS

Summary of Statutory Debt Provisions

The Home Rule Act authorizes the issuance of short-term and long-term general obligation debt of the District. Short-term debt may be issued in the form of (i) revenue anticipation notes, in anticipation of the collection or receipt of revenues for a Fiscal Year or (ii) bond anticipation notes, in anticipation of the issuance of general obligation bonds.

The total amount of revenue anticipation notes outstanding at any time during a Fiscal Year may not exceed 20% of the total anticipated revenue of the District for such Fiscal Year and such notes must mature within the Fiscal Year in which they are issued. Not more than 15 days before the issuance of any revenue anticipation notes, the Mayor must certify the total anticipated revenue of the District for such Fiscal Year.

Bond anticipation notes must be paid no later than the last day of the third Fiscal Year following the Fiscal Year of issuance. The act of Council authorizing the notes must set forth an estimated maximum annual debt service amount for the bonds in anticipation of which the notes are issued, and such debt service must be included in the 17% maximum debt service calculation described below.

The District also may issue long-term debt in the form of general obligation bonds and income tax secured bonds to finance capital projects and to refund indebtedness of the District. Any general obligation bond and income tax secured revenue bond issuances are not permitted during any Fiscal Year if total debt service in any Fiscal Year will exceed 17% of District revenues (as described in section 603(b) of the Home Rule Act, D.C. Official Code §1-206.03(b)(1), which has been applied to income tax secured bonds by District statute) during the Fiscal Year in which such issuances are made. General obligation bonds and notes are secured by the full faith and credit of the District and may be secured additionally by a security interest in specified District revenues, including a Special Real Property Tax.

In 2009, the District passed the Limitation on Borrowing and Establishment of the Operating Cash Reserve Act of 2008, effective March 25, 2009, as amended (D.C. Law 17-360; D.C. Official Code §47-334 et seq.) (the "Debt Ceiling Act") imposing a further limit on the issuance of any District general obligation bonds, Treasury capital-project loans, tax-supported revenue bonds (including income tax secured bonds), notes or other debt instruments secured by revenues derived from taxes, fees, or other general revenues of the District, or its agencies and authorities, pursuant to the District's power to tax and impose fees, including TIF Bonds and PILOT Notes (as hereinafter defined), certificates of participation and lease purchase financing obligations (collectively, with the exceptions noted in the Debt Ceiling Act, "Tax-Supported Debt"), but excluding revenue bonds, notes, or other debt instruments issued for the purpose of funding water and sewer facilities, as described in section 490(a) of the Home Rule Act, and bonds, notes, or other debt instruments paid or secured by revenues from the Master Settlement Agreement with tobacco companies, federal grants, or revenues from the operation of public enterprises, so long as those enterprises are fully self-supporting, if such issuance would result in total debt service in the Fiscal Year of issuance, or any of the five succeeding Fiscal Years, on all outstanding Tax-Supported Debt exceeding 12% of annual District General Fund expenditures and transfers in any applicable Fiscal Year, as contained in the most recently enacted District budget (the "Debt Ceiling").

As of December 1, 2025, the District had approximately $13.61 billion of Tax-Supported Debt outstanding. Following the issuance of the Series 2026A-B-C Bonds, the District will have approximately $13.67 billion of Tax-Supported Debt outstanding. The resulting debt service to expenditure ratio is projected to be 9.396% for Fiscal Year 2026, which complies with the Debt Ceiling Act. See Table 23 for additional information regarding the District's outstanding Tax-Supported Debt for purposes of the Debt Ceiling Act.

The projected Debt Ceiling percentages for Fiscal Years 2026 through 2030 are set forth below. Such projections assume the issuance of the bonds, notes, or other obligations set forth in the capital improvements plan for Fiscal Years 2026-2029 and assume the issuance of the Series 2026A-B-C Bonds.

Table 23. Projected Annual Debt Ceiling Percentages*

2026	9.396%
2027	11.074
2028	11.209
2029	11.179
2030	11.220

* Debt Ceiling percentages are preliminary, subject to change.

Source: The percentages are derived from the Fiscal Year 2026 Approved Budget.

The Council may authorize the issuance of revenue bonds, notes or other obligations (including refunding bonds, notes or other obligations) to borrow money to finance governmental purposes authorized for financing by general obligation bonds or notes by creating a security interest in any District revenues. Such bonds, notes or other obligations, if issued, are to be secured by a pledge of the revenues realized from the property, facilities, developments and improvements financed by the issuance of such bonds, notes, or other obligations or by the mortgage of real property or the creation of a security interest in available revenues, assets or other property. Such bonds, notes, or other obligations will not be general obligations of the District and will not constitute a debt of the District or lending of the public credit. The District has issued and expects to issue, revenue debt on behalf of various for-profit and non-profit undertakings, the proceeds of which are used for public purposes beneficial to the District.

All debt of the District must be authorized and issued pursuant to an act of Council and, in the case of general obligation bonds, the Council may require a voter referendum. The issuance of income tax secured revenue bonds or general obligation bonds for capital project purposes also is subject to prior approval by Council. Acts authorizing the issuance of general obligation revenue anticipation notes take effect on the date of enactment of such acts. Acts authorizing the issuance of any borrowings of the District, except those authorized as emergency legislation, acts authorizing the renewal or refunding of bond anticipation notes, and acts authorizing general obligation revenue anticipation notes, are subject, unless waived, to a 30-legislative day Congressional review period and possible disapproval by Congress and the President. To date, there has never been a voter referendum on the issuance of general obligation bonds.

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Long-Term Obligations

General Obligation Bonds. As of December 1, 2025, the District had approximately $6.3 billion of general obligation bonds outstanding, of which $680.4 million are long-term variable rate, unhedged bonds, and the remainder are long-term fixed rate or hedged bonds.

General Obligation Direct Purchase Bond Program. On November 21, 2017, the District entered into a direct purchase agreement with RBC Municipal Capital, LLC in connection with the District's Multimodal General Obligation Bonds, Series 2017B and Multimodal General Obligation Refunding Bonds, Series 2017C (together, the "Series 2017 Multimodal Bonds"). The Series 2017 Multimodal Bonds were issued as variable rate general obligation bonds in the aggregate par amount of $199,935,000. This direct purchase agreement became effective November 21, 2017, was scheduled to expire on December 1, 2022, and was extended to November 16, 2027, on November 17, 2022.

On November 12, 2021, the District entered into a direct purchase agreement with Wells Fargo Municipal Capital Strategies, LLC in connection with the District's Multimodal General Obligation Refunding Bonds Series 2021A (the "Series 2021A Bonds") and Multimodal General Obligation Refunding Bonds Series 2021B (the "Series 2021B Bonds" and together with the Series 2021A Bonds, the "Series 2021 Multimodal Refunding Bonds"). The Series 2021 Multimodal Refunding Bonds were issued as variable rate general obligation bonds in the aggregate par amount of $345,285,000 to refund the Series 2016 Multimodal Bonds (the "Series 2016B and Series 2016C Bonds"). This direct purchase agreement became effective November 12, 2021 and expires on June 1, 2027.

On November 30, 2021, the District entered into a direct purchase agreement with U.S. Bank National Association in connection with the District's Multimodal General Obligation Bonds Series 2021C (the "Series 2021 Multimodal Bonds"). The Series 2021 Multimodal Bonds were issued as variable rate general obligation bonds with a par amount of $350,000,000. This direct purchase agreement became effective November 30, 2021 and expired on June 2, 2025. On June 2, 2025, the District refunded the 2021C Bonds with the 2025A Bonds, a new direct purchase series with Wells Fargo Bank, National Association, in the amount of $348 million and which will expire on June 2, 2028.

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Table 24 provides summary information with respect to the District's direct purchase obligations as of March 1, 2025.

Table 24. General Obligation Direct Purchase Bonds
as of December 1, 2025

Series	Par Outstanding	Final Maturity	Index	Reset Mode/Payment Frequency	Direct Purchase Bank	Direct Purchase Agreement Date	Direct Purchase Expiration Date
2017B	$99,970,000	6/1/2042	SIFMA	Monthly Reset / Monthly Pay	RBC Municipal Capital, LLC	11/21/2017	11/16/2027
2017C	30,930,000	6/1/2033	SIFMA	Monthly Reset / Monthly Pay	RBC Municipal Capital, LLC.	11/21/2017	11/16/2027
2021A	139,785,000	6/1/2039	SIFMA	Monthly Reset / Monthly Pay	Wells Fargo Municipal Capital	11/12/2021	6/1/2027
2021B(1)	62,725,000	6/1/2027	SOFR	Monthly Reset / Monthly Pay	Wells Fargo Municipal Capital	11/12/2021	6/1/2027
2025A	347,000,000	11/1/2046	SIFMA	Monthly Reset / Monthly Pay	Wells Fargo Municipal Capital	6/2/25	6/2/2028
Total	**$680,410,000**						

(1) Interest on the Series 2021B Bonds, which are the subject of a swap agreement, is payable at the fixed swap rate plus a spread to SOFR.

Source: Office of the CFO.

Income Tax Secured Revenue Bonds. The Income Tax Secured Bond Authorization Act of 2008 (D.C. Law 17-254; D.C. Official Code §§ 47-340.26-36), as amended (the "Income Tax Bond Act") authorized the District to issue income tax secured revenue bonds (the "Income Tax Bonds") to finance some or all of the capital projects in the District's on-going capital improvements program. Income Tax Bonds are secured by a pledge of the revenues generated by the individual income tax and business franchise taxes imposed by the District (the "Income Tax Revenues"), which are generally paid directly to and collected by a collection agent. After transfers by the collection agent to the trustee for the Income Tax Bonds of amounts necessary to fulfill monthly set-aside requirements, all remaining income tax proceeds are released to the District. The holders of any Income Tax Bonds have a first lien on and a pledge of Income Tax Revenues superior to that of any other person, including the holders of general obligation bonds. As of December 1, 2025, approximately $6.2 billion of Income Tax Secured Revenue Bonds were outstanding.

Economic Development Initiatives of the District. ***Economic Development Initiatives of the District***. The District finances a portion of the costs of certain privately owned, economic development projects and public infrastructure projects through the issuance of tax increment bonds or notes ("TIF Bonds") and Payment In Lieu of Taxes (PILOTs) revenue bonds and notes ("PILOT Notes"). TIF Bonds are generally payable from incremental increases in certain dedicated real property and sales tax revenues generated from the respective project TIF areas. Similarly, PILOT Notes are generally payable from pledged PILOTs on certain real property that is currently or was formerly tax-exempt. Some TIF and PILOT projects are additionally secured by incremental tax revenues generated in the Downtown TIF Area. The Downtown TIF Area is located substantially in the northwest quadrant of the District of Columbia and covers a significant portion of the downtown area of the District of Columbia (the "Downtown TIF Area"). TIF Bonds and PILOT Notes are not general obligation debt of the District, and do not involve a pledge of the full faith and credit of the District.

Table 25 lists all outstanding TIF Bonds and PILOT Notes of the District, as well as additional debt that has been authorized but remains unissued.

Table 25. TIF Bonds and PILOT Notes[1]

Project Name	Total Amount Issued	Amount Outstanding as of December 1, 2025	Authorization Remaining
Authorized Under the Tax Increment Financing Authorization Act of 1998 (as amended)			
Gallery Place TIF	$52,365,000	$5,360,000	$0
Subtotal	**$52,365,000**	**$5,360,000**	**$0**
Authorized Under the Retail Incentive Act of 2004 (as amended)			
Great Streets Retail Priority Area TIF Notes	$1,934,731	$1,525,465	0
Subtotal	**$1,934,731**	**$1,525,465**	**$0**
Authorized Under the Payment In Lieu of Taxes Act of 2004 (as amended)			
Southeast Federal Center PILOT Notes	$68,460,000	3,526,523	0
Subtotal	**$68,460,000**	**$3,526,523**	**$0**
Authorized Under Other Acts			
Convention Center Hotel TIF/Revenue Bonds	$176,380,000	$63,513,746	$0
O Street Market TIF	38,650,000	28,905,000	0
Verizon Center Sales Tax Revenue Notes	50,000,000	33,230,000	0
Skyland TIF	17,400,000	13,709,254	7,600,000
Reunion Square	15,100,000	14,650,000	30,700,000
Union Market[2]	60,935,594	60,935,594	21,464,406
Bryant Street TIF	17,300,000	15,690,000	0
Subtotal	**$573,765,594**	**$230,633,594**	**$59,764,406**
TOTAL	**$696,525,325**	**$241,045,582**	**$59,764,406**

(1) The Downtown TIF Area secures, as credit enhancement, seven projects should the footprint tax increment be insufficient to pay debt service: (i) Gallery Place, (ii) O Street Market, (iii) Verizon Center, (iv) Skyland, (v) Bryant Street, and (vi) Reunion Square. Of this group, in the past five years, Skyland has required a contribution from the Downtown TIF Area increment to make debt service payments.

(2) Union Market issuances include convertible capital appreciation bonds. The amount outstanding reflects the par amount.

Source: Office of the CFO.

Ballpark Financing. The Ballpark Omnibus Financing and Revenue Act of 2004 (the "Ballpark Financing Act") provided public financing for (i) the construction of a baseball stadium in the District (the "Ballpark"), to be owned by the District and leased (the "Stadium Lease") to the owners of the Washington Nationals, and (ii) the renovation of Robert F. Kennedy Memorial Stadium ("RFK") (collectively, the "Ballpark Project"). The Ballpark Financing Act provided for the creation of a Ballpark Revenue Fund (the "Ballpark Revenue Fund") within the General Fund, into which all receipts are deposited from the following (collectively, "Ballpark Revenues"): (i) taxes on ticket sales, parking and concessions of food, beverages and merchandise at the Ballpark and RFK (during baseball games) (the "Ballpark Sales Tax"), (ii) a gross receipts tax on certain businesses within the District in accordance with the schedule described in footnote 14 to Table 4 (the "Ballpark Fee"), (iii) the Ballpark Utilities Tax (one-eleventh of the 11% gross receipts tax imposed on the sale of natural gas, landline telephone service, toll telecommunications service, mobile telecommunications service, heating oil and artificial gas to non-residential customers and a tax of $0.0007 per kilowatt-hour of electricity delivered to non-residential end-users in the District of Columbia), and (iv) rent payments under the Stadium Lease.

The Ballpark Revenue Fund is pledged as the source of payment for bonds issued by the District to fund the Ballpark Project (the "Ballpark Bonds"), which were originally issued in the amount of $534.8 million in

May 2006. As of December 1, 2025, $70.2 million of the Ballpark Bonds were outstanding. The Ballpark Bonds are scheduled to be fully redeemed by Fiscal Year 2027.

Other Long-Term Obligations. For accounting and reporting purposes, the District's ACFR for Fiscal Year 2024 treats the 20-year lease between the District and S/C 225 Virginia Avenue, LLC as a financing agreement, reports it as Other Loans Payable in the District's long-term liabilities and includes it in the Debt Ceiling calculations.

The Mayor proposed and the Council approved bonds issued in 2007 (in the initial aggregate principal amount of $34.1 million), 2010 (in the initial aggregate principal amount of $53.2 million), and 2012 (in the initial aggregate principal amount of $39.6 million) to finance a portion of the District's New Communities Initiative, which is a large scale and comprehensive plan that provides housing infrastructure with a special focus on public housing, provides critical social support services, decreases the concentration of poverty and crime, enhances access to education and provides training and employment education to neighborhoods where crime, unemployment and truancy converge to create intractable physical and social conditions. Such bonds are revenue bonds secured by that portion of the District's deed recordation tax and real property transfer tax revenues that is deposited into the District's Housing Production Trust Fund and are currently outstanding in the combined principal amount of approximately $27.9 million. Based on the Fiscal Year 2014 Budget Support Technical Clarification Amendment Act of 2014 (D.C. Law 20-117), beginning in Fiscal Year 2014, New Communities projects selected for financing with bond proceeds will no longer be funded from the Housing Production Trust Fund but will be funded with Income Tax Bonds.

As of December 1, 2025, the District had approximately $202.1 million of GARVEE bonds outstanding. GARVEE bonds are secured by and payable solely from certain transportation grants received from, or anticipated to be received from, the federal government from moneys available in the Highway Transportation Fund. No District funds are pledged to pay GARVEE bonds and the Home Rule Act and the Debt Ceiling Act exclude GARVEE bonds from their respective debt limitation provisions, as discussed above.

In addition to the standard fixed-rate general obligation bonds and income tax secured revenue bonds, the District uses variable-rate bonds, synthetic fixed-rate bonds (through interest rate swaps), or revenue bonds (including TIF Bonds and PILOT Notes) for special projects, and a commercial paper program to diversify its debt portfolio, minimize debt service costs, and efficiently manage its capital assets and liabilities.

Interest Rate Swap Agreements. The District has used interest rate swaps as part of prudent fiscal management to lower its overall cost of borrowing. The District's swap agreements, subject to one exception relating to a floating-to-floating interest rate swap, were entered into in conjunction with the issuance of floating-rate general obligation bonds. At the time each such swap agreement was executed, the fixed rate paid by the District pursuant to the floating-to-fixed interest rate swap agreement was less than the fixed rate that would have been payable on fixed rate bonds. To manage its exposure to counterparty risk, the District entered into agreements only with counterparties that had a rating of at least "A." To manage its exposure to basis risk, the floating rate index selected at the time of execution of each agreement was that which, in the District's judgment, would approximate the rate on the related variable-rate bond series.

The District can elect to terminate a swap, but the counterparty does not have an option to terminate the transactions, and the counterparty is expected to perform through the transaction's maturity. The District or a counterparty may terminate a swap if the other party fails to perform under the terms of the contract. In addition, the Schedules to the International Swaps and Derivatives Association ("ISDA") Master Agreement define an "additional termination event," which provides that the swap may be terminated if the counterparty, the counterparty's credit support provider, if any, or the District has triggered such event. The District is not required to post collateral support under the swap agreements based on credit ratings of the District and the mark-to-market of the swaps as of December 1, 2025, and in the event a termination payment is payable by the District, it is payable from the general funds of the District, subject to appropriation. See Table 13 for specific termination trigger events.

The following table provides a brief description of the principal features of each interest rate swap agreement to which the District is a party as of December 1, 2025. For a description of the underlying obligations to which the swap agreements described below relate, see Note 7 to the Fiscal Year 2024 Financial Statements.

Table 26. Interest Rate Swaps – Summary Information
as of December 1, 2025

1.	Related Bond Series	General Obligation Bonds Series 2001C, 2001D	General Obligation Variable Rate Refunding Bonds Series 2021B[1]
2.	Initial Notional Amount	$278,080,000	$224,300,000
3.	Current Notional Amount	$28,730,000	$6,272,500
4.	Mark-to-market	$192,858	$(741,515)
5.	Termination Date	June 1, 2029	June 1, 2027
6.	Type of Swap	Floating-to-Floating	Floating-to-Fixed
7.	Rate Paid by Counterparty	60 to 90% the one-month ISDA IBOR Fallback Rate on reset date	67% of one-month ISDA IBOR Fallback Rate
8.	Rate Paid by District	67% of the one-month ISDA IBOR Fallback Rate	3.615%
9.	Counterparty	JPMorgan Chase Bank, N.A.	Morgan Stanley Capital Services LLC[2]
10.	Counterparty Rating (S&P/Moody's/Fitch)	A/A1/AA-	A-/A1/A+
11.	Collateral/Credit Support	None	None
12.	Priority of Payments		
	a. interest payments	General obligation of the District	General obligation of the District
	b. termination payments	General funds of the District, subject to appropriation	General funds of the District, subject to appropriation
13.	Additional Termination Events	Senior unsecured debt rating of the District falls below BBB by S&P or Baa2 by Moody's	Senior unsecured debt rating of the District or the counterparty falls below BBB- by S&P or Baa3 by Moody's

(1) In connection with the issuance of the Series 2002B General Obligation Bonds, the District entered into a swap agreement. The Series 2002B Bonds were subsequently refunded and the swap agreement was related to the Series 2016C Bonds which were issued as variable rate general obligation bonds in the par amount of $224,315,000 on November 18, 2016 pursuant to a direct purchase agreement which expired on November 12, 2021. The Series 2016C Bonds were subsequently refunded, and the swap is now related to the Series 2021B Bonds, which were issued as variable rate general obligations bonds in the par amount of $174,675,000 on November 12, 2021 pursuant to a direct purchase agreement, which expires on June 1, 2027.

(2) Pursuant to the swap agreement(s) with the District, obligations of Morgan Stanley Capital Services LLC are guaranteed by Morgan Stanley & Co.

Source: Office of the CFO.

Energy Efficiency Initiative. The District finances the energy efficiency initiative ("PACE Program") through a special assessment imposed on participating real property pursuant to the Energy Efficiency Financing Act of 2010, effective May 27, 2010 (D.C. Law 18-183) ("Energy Efficiency Act"). If a qualified owner of real property located in the District wishes to participate in the PACE Program, the Energy Efficiency Act authorizes the District to issue debt for energy efficiency improvements and is a special obligation of the District. As of December 1, 2025, the District had approximately $92.7 million outstanding notes under the PACE Program. Administration of the PACE Program transferred from the District's Department of Energy and Environment to the DC Green Bank in October 2021.

Other Capital Funding

The District uses Bond Anticipation Notes ("BANs") to provide interim financing for capital project expenditures under the applicable capital improvements plan. The BANs program permits borrowing in the form of draw-down bonds and commercial paper notes.

Draw-Down Bonds. In March 2021, the District established a $200 million revolving credit facility with U.S. Bank National Association that was amended and restated in November 2022 to $300 million in the form of Income Tax Secured Revenue Bond Anticipation Notes. The facility was amended again in March 2024 and then terminated in July 2025. A new facility was established in July 2025 in the amount of $500 million allowing the District to draw up to a maximum principal amount of $500 million in the form of Income Tax Secured Revenue Bond Anticipation Notes. The $500 million facility expires in January 2027. As of December 1, 2025, $184,132,880 was outstanding.

Commercial Paper Notes. In May 2022, the District established a $300 million direct pay letter of credit facility with Barclays Bank, PLC. This facility was terminated in June 2025. The District established another facility in June 2025 with a maximum principal amount of $500 million that expires in June 2028. As of December 1, 2025, $398.3 million notes were outstanding.

Summary of Tax-Supported Debt

Table 27 shows the District's outstanding Tax-Supported Debt as Calculated for Purposes of the Debt Ceiling Act. See also "– Summary of Statutory Debt Provisions" herein.

Table 27. Outstanding Tax-Supported Debt as Calculated for Purposes of the Debt Ceiling Act as of December 1, 2025

Security	Par Outstanding	Percentage
General Obligation Bonds	$6,328,335,000.00	46.49%
Income Tax Secured Revenue Bonds	6,212,370,000.00	45.64
Bond Anticipation Notes	398,340,000.00	2.93
TIFs & PILOTS	241,045,582.00	1.77
Ballpark Revenue Bonds	70,555,000.00	0.52
HPTF Bonds	27,920,000.00	0.21
Convention Center Bonds	332,925,000.00	2.45
TOTAL	**$13,611,490,582.00**	**100.00%**

Source: Office of the CFO.

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Tables 28 and 29 show the District's Tax-Supported Debt for Fiscal Years 2020-2024 on a per capita basis and as a percentage of assessed value as reflected in the District's ACFR for each Fiscal Year. The Tax-Supported Debt as shown in Tables 28 and 29 is different from and does not necessarily reflect Tax-Supported Debt for purposes of the Debt Ceiling Act.

Table 28. Tax-Supported Debt Per Capita
Fiscal Years 2020-2024

Fiscal Year	Tax-Supported Debt[(1)]	Population[(2)]	Tax-Supported Debt Per Capita
2020	$12,172,437,000	670,917	$18,142
2021	11,797,717,000	669,256	17,628
2022	12,886,649,000	676,725	19,043
2023	12,866,476,000	687,324	18,720
2024	12,869,582,000	702,250	18,326

(1) Tax-Supported Debt is as of September 30 of each year, based on the District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-3C, excluding Convention Center, GARVEE and Tobacco obligations.
(2) 2024 population data is based on estimates as of July 1 of each year, adjusted for Census updates and as presented in the District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-4A.
Source: District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-3C and Exhibit S-4A.

Table 29. Tax-Supported Debt and Assessed Value of Taxable Property

Fiscal Year	Estimated Actual Values[(1)]	Tax Supported Debt[(2)]	Debt/Estimated Actual Value
2020	$228,687,317,000	$12,172,437,000	5.3
2021	244,414,935,000	11,797,717,000	4.8
2022	248,762,508,000	12,886,649,000	5.2
2023	254,609,476,000	12,866,476,000	5.1
2024	260,033,288,000	12,869,582,000	4.9

(1) Assessed value is 100% of estimated actual value.
(2) Tax-Supported Debt is as of September 30 of each year, based on the District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-3C, excluding Convention Center, GARVEE and Tobacco obligations.
Source: District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-2A and Exhibit S-3C.

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THE DISTRICT'S ECONOMIC RESOURCES

Overview

Although the District of Columbia is primarily known as the Nation's Capital, it is also an international city, a cultural center, and the central city in one of the largest metropolitan areas in the United States. The Washington Primary Metropolitan Statistical Area (the "PMSA") encompasses 20 jurisdictions in Maryland, Virginia, and West Virginia, as well as the District. The District of Columbia covers approximately 61 square miles. Based on current estimates by the U.S. Census Bureau, the District's resident population was 702,250 in 2024, an increase of 14,926 over 2023.

As the Nation's Capital, the District of Columbia is the seat of the three branches of the federal government and headquarters for most federal departments and agencies. In addition, the District is host to foreign embassies and other recognized diplomatic missions. A number of international organizations, such as the International Monetary Fund, the World Bank, the World Health Organization, and the Organization of American States, have their headquarters in the District.

The Washington, D.C. area has developed into a diverse economic region with federal government employment, providing a base for significant expansions in services, aerospace, high technology, and communications, as well as a site for corporate headquarters. The District of Columbia is served by three airports (Ronald Reagan Washington National Airport, primarily for domestic flights, and Washington Dulles International Airport and Baltimore-Washington Thurgood Marshall International Airport for domestic and international flights), as well as passenger and freight rail networks and passenger buses.

Land and Land Use

The boundaries of the District were fixed originally by Presidential proclamation in 1791 and later amended by Acts of Congress in 1846, 1927, and 1945. By statute, the District cannot annex land in surrounding jurisdictions. Due to the presence of the federal government and the many other governmental and nonprofit organizations that maintain offices and facilities in the District, the majority of land is exempt from real property taxation. Table 30 sets forth the relative percentages of land in the District devoted to various taxable and tax-exempt uses.

Table 30. Land Uses by Tax Classification for Tax Year 2024

USE	AREA
Tax-Exempt	
Federal tax-exempt	36%
Other tax-exempt	12
District government	7
Taxable	
Residential	36
Commercial	9
Vacant	1
TOTAL	**100%**

Source: District of Columbia Office of Tax and Revenue; derived from data included in the D.C. Data Book publication Table 4-3 and 4-4. May not add up to 100% because of rounding.

Population and Income

Based on current estimates by the U.S. Census Bureau, the District's resident population was 702,250 in 2024. See Table 31. Per capita personal income in the District of Columbia has been consistently higher than in all 50 states. In the second quarter of 2025, per capita personal income in the District of Columbia was $113,921, compared to $76,212 for the United States as a whole, based on data from the U.S. Bureau of Economic Analysis. The high per capita and household incomes in the District result from a combination of factors, including multiple-earner households, small household size, and a large percentage of college graduates employed in highly skilled occupations. The District has a significant number of lower-income residents, with an average of 17.3% of the population below the poverty line for 2024. For 2024, an average of 92.0% of District of Columbia residents aged 25 or older were high school graduates, compared to 89.9% nationwide; 65.5% of District of Columbia residents in the same age group had earned a bachelor's degree (or higher), compared to 36.8% nationwide.

Table 31. Demographic Statistics (Fiscal Year)

Population Estimates		Median Age (Years)	Per Capita Personal Income		
Year	D.C.	D.C.	D.C.	U.S.	Ratio of D.C. to U.S.
2020	670,917	N/A	$92,449	59,125	1.56
2021	669,256	34.8	97,498	64,419	1.51
2022	676,725	34.9	101,762	66,061	1.54
2023	687,324	34.9	107,040	69,415	1.54
2024	702,250	34.9	111,232	72,500	1.53

Sources: For population and median age, the District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-4A. For per capita personal income, the U.S. Department of Commerce, Bureau of Economic Analysis.

Table 32. Sources of Income of District Residents (1)

Source of Income	2021	2022	2023	2024	2025(3)
Net earnings	67.1%	68.4%	68.3%	68.1%	68.0%
Dividends, int, and rents	16.2%	17.9%	18.6%	19.3%	19.1%
Transfer payments (2)	16.7%	13.7%	13.1%	12.6%	12.9%

(1) Each of the years listed is a calendar year. Figures may not equal due to rounding.
(2) Transfer payments consist largely of government benefits received by individuals, including retirement and disability insurance benefits (e.g., workers' compensation), medical benefits (e.g., Medicare), income maintenance benefits (e.g., Supplemental Security Income benefits, family assistance payments and food stamps) and unemployment insurance compensation.
(3) Data through the second quarter of 2025

Source: U.S. Department of Commerce, Bureau of Economic Analysis and the District's Office of Revenue Analysis.

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Table 33. Personal Income Tax Filers and Liability by Income Level[1]
(Fiscal Year 2024)

Income Level	Number of Filers	Percentage of Total Filers	Percentage of Total Income Taxes
$100,001 and higher	110,052	31.2%	82.5%
$75,001 - $100,000	38,981	11.1	7.5
$50,001- $75,000	55,807	15.8	6.3
$25,001- $50,000	67,931	19.3	3.3
$10,001 - $25,000	43,988	12.5	0.4
$10,000 and lower	36,047	10.2	0.0
Total	**352,806**	**100.0%**	**100.00%**

(1) Figures may not equal due to rounding.

Source: District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-2H.

Employment and Industry

Employment. The following statistics are based on estimates by the U.S. Bureau of Labor Statistics and are not seasonally adjusted. In 2025 through September, total resident employment in the PMSA was approximately 3,419,063, and total resident employment in the District of Columbia was approximately 394,129.

Through September 2025, wage and salary employment in the District of Columbia was down by 6,800 jobs (0.9%) compared to a year earlier. The Federal Government saw a decline of 5,100 (-2.6%) jobs.

Income. Wages and salaries earned in the District of Columbia were 2.9% higher through the second quarter of 2025 compared to 2024. Wages earned by District residents grew by 2.8% through the second quarter of 2025 compared to 2024.

Tourism. The convention and tourism industry that services the business traveler, conventioneer and tourist is one of the District of Columbia's core industries and is a major source of jobs and sales tax revenue.

The Walter E. Washington Convention Center opened in 2003 and has helped the District become a destination for business meetings and conventions. The Convention Center is approximately three times as large as the former convention center, with approximately 2.3 million square feet, including 703,000 square feet of exhibit space, 198,000 square feet of meeting space divisible into 77 rooms, and 19,000 square feet for retail space and street-level restaurants. The meeting space includes a 52,000-square-foot ballroom, which is one of the largest in the Mid-Atlantic region.

In 2024, approximately 25.0 million domestic visitors and 2.2 million overseas visitors traveled to the District of Columbia for a total of 27.2 million visitors. Visitors are attracted not only by the need to do business with the federal government and regional businesses, but also by national monuments, historic sites, restaurants, museums, and other major cultural attractions. The John F. Kennedy Center for the Performing Arts, the National Gallery of Art, the Smithsonian Institution and the Library of Congress are among the cultural institutions of international renown located in the District.

Hospitality. Through September 2025, the number of hotel room days sold was 5.1% more than in 2024. The average room rate was up 0.8% and hotel room sales were 6.3% higher. In September 2025, employment in food services was 1.5% more than in September 2024 and hotel employment was up 2.1%.

Universities. Several colleges and universities are located in the District of Columbia, including Georgetown University, The George Washington University, Howard University, The Catholic University of America, Gallaudet University, American University, and UDC. Other major universities in the MSA include George Mason University and the University of Maryland.

Real Estate. Single-family home sales through September 2025 were up 5.0% from a year earlier, and the average selling price through September 2025 ($1,175,090) was 1.7% higher. Condominium sales were down 18.2% through September 2025 over 2024, and the average selling price ($599,313) was 2.8% higher.

Through September 2025, 965 housing permits were issued, up 58.2% from the same span in 2024. In the quarter ended September 2025, 5,022 multi-family units were under construction in 58 buildings. Of these, apartments accounted for 86.7% of the units.

According to CoStar Group, Inc., for the quarter ending September 2025, the vacancy rate for all office space in the District of Columbia was 17.7%, down from 17.8% in the same quarter of 2024. During this period, rents were up 0.3%. Commercial office space construction was 0.4 million square feet in 1 building, which is no change from a year earlier.

Outlook. Wage and salary employment fell in the District of Columbia, down 0.9% through September 2025 compared to 2024. Although the District's economy is steadily recovering from the pandemic-induced recession of 2020, employment levels in the city are still below pre-pandemic numbers. As of the third quarter of 2025, there are approximately 40,100 fewer jobs compared to the 3rd quarter of 2019. Wages in the District grew by 2.9% in 2025, but the pace was slower than the national wage growth rate of 5.2% in the second quarter of 2025. With adjustments for inflation, real wages grew modestly. Personal income in the District grew in the second quarter of 2025, with an increase of 4.2 percent. The District's population has witnessed three consecutive years of increase. The U.S. Census Bureau issued an updated population estimate which showed that the District's population grew from 687,324 to 702,250 from July 2023 to July 2024, a net gain of 14,926.

The District's economy has displayed notable resilience to elevated interest rates, surpassing economists' expectations. However, looking ahead, there are challenges in the medium to long term, with a considerable amount of uncertainty coming from the Trump administration's efforts to reduce the federal workforce. While federal jobs (excluding the U.S. Postal Service) make up just 1.4 percent of the U.S. civilian workforce, they account for close to 24.3 percent of total civilian employment in the District. Additionally, a significant portion of the Professional and Management Services sector depends on federal funding and contracts. As a result, widespread federal layoffs could have major ripple effects throughout the District's economy. A softening commercial property market also poses a significant risk to the outlook.

For additional information on the economic outlook in the District, see "BUDGETING AND FINANCIAL PROCEDURES – Financial Procedures – Revenue Estimates and Expenditure Projections" and "DISTRICT BUDGET AND FINANCIAL PLAN."

Tables 34 through 37 illustrate the growth and decline of various District of Columbia employment sectors over time, the largest private and non-profit employers in the District and the change in employment over time for the District, the PMSA and the nation.

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Table 34. Employment in the District of Columbia By Industry
(Annual Average Data)[(1), (2), (3), (4)]
(in thousands)

Calendar Year	**2021**	**2022**	**2023**	**2024**	**2025[(5)]**
Federal Government	198.9	193.2	190.6	193.3	169.3
District Government	42.6	42.4	42.8	43.5	43.0
Trade, Trans. & Utilities	29.1	30.3	30.3	30.2	29.4
Financial Activities	26.6	26.3	26.0	25.4	25.1
Professional & Business Services	166.8	174.1	175.8	173.1	168.2
Other Private	272.3	292.9	301.1	303.9	309.0
Total Service-Providing	**720.2**	**742.7**	**750.4**	**753.7**	**727.1**
Total Goods-Producing	**16.2**	**16.4**	**16.1**	**15.6**	**16.9**
Total Non-Farm	**736.3**	**759.2**	**766.6**	**769.4**	**744.0**

(1) Reflects place of employment, not place of residence.
(2) Not seasonally adjusted. Data may not equal totals due to independent rounding. Industry classification is based on the North American Industry Classification System ("NAICS").
(3) Data includes all full-time and part-time employees who received pay for any part of the pay period that includes the 12th of the month.
(4) Proprietors, self-employed individuals, unpaid family and volunteer workers, military personnel, internationally stationed workers, and private household workers are excluded.
(5) Data through Nov. 2025

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table 35. Top 10 Private Sector Employers in the District[(1)(2)]
(2024)

Employer	**Rank[(3)]**
Georgetown University	1
Children's National Medical Center	2
Washington Hospital Center	3
George Washington University	4
Georgetown University Hospital	5
American University	6
Universal Protection Service LLC	7
Booz Allen & Hamilton, Inc.	8
Howard University	9
Insperity Peo Service	10

(1) This data is produced through the Quarterly Covered Employment and Wage Program, a Bureau of Labor Statistics federal/state cooperative statistical program. The release of data under this program is subject to the Confidential Information Protection and Statistical Efficiency Act of 2002. The District cannot release company specific employment information without the written consent of each of the companies that are included in the release of such data. As a result, only rank information for the top ten principal employers is presented.
(2) Table 19 does not include the federal and local government as employers.
(3) Ranked by size of workforce.

Source: District's ACFR for Fiscal Year 2024, Statistical Section, Exhibit S-4B.

Table 36. Employment and Unemployment in the Civilian Labor Force
Washington, D.C., Washington PMSA and the United States
(Annual Average Data; Not Seasonally Adjusted)

Washington, D.C.

	2021	2022	2023	2024	2025[1]
Labor Force	379,236	393,025	405,631	416,148	413,411
Number Employed	353,551	374,524	385,980	394,332	384,699
Number Unemployed	25,685	18,501	19,651	21,816	28,712
Unemployment Rate	6.8	4.7	4.8	5.2	6.9

Source: U.S. Department of Labor, Bureau of Labor Statistics.

(1) Data through Nov. 2025

Washington, PMSA

	2021	2022	2023	2024	2025[1]
Labor Force	3,383,424	3,445,487	3,514,721	3,558,089	3,490,649
Number Employed	3,229,659	3,349,019	3,425,550	3,451,472	3,331,913
Number Unemployed	153,765	96,468	89,171	106,617	158,736
Unemployment Rate	4.5	2.8	2.5	3.0	4.5

Source: U.S. Department of Labor, Bureau of Labor Statistics.

(1) Data through Nov. 2025

United States
(in thousands, other than unemployment rate)

	2021	2022	2023	2024	2025[1]
Labor Force	161,204	164,287	167,116	168,106	171,467
Number Employed	152,581	158,291	161,037	161,346	164,066
Number Unemployed	8,623	5,996	6,080	6,761	7,401
Unemployment Rate	5.3	3.6	3.6	4.0	4.3

Source: U.S. Department of Labor, Bureau of Labor Statistics.

(1) Data through Nov. 2025

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Table 37. Unemployment Rates(1), (2)

Calendar Year	District	Washington, PMSA	U.S.
2021	6.8%	4.5%	5.3%
2022	4.7	2.8	3.6
2023	4.8	2.5	3.6
2024	5.2	3.0	4.0
2025	6.9	4.5	4.3

(1) Not seasonally adjusted. Annual rates are an average of monthly rates for the given year.
(2) Data through November 2025.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

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District of Columbia (Washington, D.C.) • General Obligation Bonds, Series 2026A and Refunding Series 2026B

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