

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**



**Jeff DeWitt**  
Chief Financial Officer

FEB 28 2014

The Honorable Vincent C. Gray  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, N.W., Suite 600  
Washington, D.C. 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, N.W., Suite 504  
Washington, D.C. 20004

**SUBJECT: First Quarter FY 2014 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2013**

Dear Mayor Gray and Chairman Mendelson:

Enclosed is the status report on the monthly activities and balances in the District of Columbia's Emergency and Contingency Cash Reserve Funds as of December 31, 2013. The numbers contained in this status report are preliminary and unaudited.

***Summary and Background***

The Emergency Cash Reserve Fund may be used for unanticipated and nonrecurring extraordinary needs of an emergency nature, including a natural disaster or calamity and unexpected obligations created by federal law. The Contingency Cash Reserve Fund may be used for nonrecurring or unforeseen needs that arise during the fiscal year, including natural disasters, unexpected obligations created by federal law, new public safety or health needs identified after the budget process has occurred, and revenue shortfalls experienced by the District for three consecutive months that are 5 percent or more below the budget forecast. Both funds may be used for cash flow management purposes.

The District is required to maintain minimum balances (including required replenishment of permitted draws) in the Emergency and Contingency Cash Reserve Funds of 2 percent and 4 percent, respectively, of Local Fund operating expenditures less repayment of bonds and interest, for which a separate fund is already established. The minimum levels are based on the operating expenditures contained in the most recently published Comprehensive Annual Financial Report (CAFR) of the District for the fiscal year immediately preceding the current fiscal year.

The year-end FY 2013 CAFR fund balances included \$112.1 million for the Emergency Cash Reserve Fund and \$227.4 million for the Contingency Cash Reserve Fund, for a combined total of \$339.5 million.

As of December 30, 2013, the first quarter FY 2014 reserve fund balances were as follows:

Emergency Reserve Fund	\$112.1 million
Contingency Reserve Fund	<u>206.3 million</u>
<b>Total</b>	<b>\$318.3 million</b>

Following is a discussion of activities for the fiscal year through December 31, 2013 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

#### ***Emergency Cash Reserve Fund***

The Emergency Cash Reserve FY 2013 CAFR fund balance of \$112.1 million increased by \$20,000 during the first quarter, FY 2014 to \$112.1 million as of December 31, 2013, reflecting investment earnings.

#### ***Contingency Cash Reserve Fund***

The Contingency Cash Reserve FY 2013 CAFR fund balance of \$227.4 million decreased by \$21.2 million during the first quarter FY 2014 to \$206.3 million as of December 31, 2013. The net decrease was the result of \$21.2 million that was drawn from the reserve during the quarter offset by investment earnings of \$61,000. The draws were as follows:

- Draws totaling \$149.9 million were made in the absence of a permanent appropriation or a Continuing Resolution by Congress that would provide budget authority to fund FY 2014 activity through October 16th, 2013, to the Non-Departmental Fund, from which allocations to agencies could be made. All but \$99,000 was repaid in October, and the remainder was repaid in November.
- A draw for \$1.0 million was made in November to the State Superintendent of Education (OSSE) to cover the cost of the Community School Fund grants recently awarded to six community school grantees.
- A draw for \$5.0 million was made in November to the Department of Health Care Finance (DHCF) to cover the second phase of the Not-For-Profit Hospital Corporation consulting contract.
- A draw for \$13.1 million was made in December to the Not-For-Profit Hospital Corporation to cover the cost of operating and capital expenditures needed to improve the operations, improve the information technology infrastructure, and perform routine capital projects for the general health and safety of the hospital.
- A draw for \$0.8 million was made in December to the Department of Motor Vehicles to fully fund the undocumented driver license program.
- A draw for \$0.6 million to the D.C. Taxicab Commission was made in December to cover unforeseen expenditures in expediting the implementation of the Taxicab Color Scheme Incentive Program.

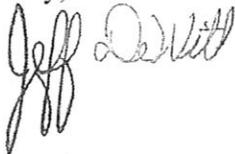
- Three draws totaling \$0.7 million were made in December to agencies that initially received capital funding from the Office of Planning for its Sustainable DC project, but the OCFO determined that the projects were no longer capital eligible. The agencies and their draw amounts were: the Department of Public Works (\$0.3 million), the District Department of the Environment (\$0.2 million), and the Office of Contracting and Procurement (\$0.2 million). A fourth agency, the Department of Parks and Recreation, will also receive \$0.8 million, bringing the total for the action to \$1.5 million, but the allocation had not been made in the financial system as of December 31.

***December 31, 2013 Combined Balances***

In summary, the December 31, 2013 fund balances for the Emergency and Contingency Cash Reserve Funds were \$112.1 million and \$206.3 million, respectively. Their combined total was \$318.3 million.

If you have any questions or need additional information, please contact Gordon McDonald, Deputy Chief Financial Officer for Budget and Planning, at 727-1239.

Sincerely,



Jeff DeWitt  
Chief Financial Officer

Enclosures

cc: Allen Y. Lew, City Administrator  
Eric Goulet, Deputy Chief of Staff and Budget Director, Mayor's Office of Budget and Finance  
Jennifer Budoff, Budget Director, Council of the District of Columbia  
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer  
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Gordon McDonald, Deputy Chief Financial Officer, Office of Budget and Planning  
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Bert Molina, Deputy Chief Financial Officer, Office of Financial Operations and Systems

**Fiscal Year 2014, Emergency Cash Reserve Report**  
**First Quarter Ending December 31, 2013**  
as of 2/19/2014

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept, 2013	FY 2013 ending balance	112,056
Oct	Investment earnings	10
Nov	Investment earnings	1
Dec	Investment earnings	9
Dec	First Quarter ending balance	112,076
	Investment earnings, October - December	20

(Investment earnings are calculated based on whole numbers and may not add due to rounding.)

**Fiscal Year 2014, Contingency Cash Reserve Report**  
**First Quarter Ending December 31, 2013**  
as of 2/19/2014

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept, 2013	FY 2013 ending balance	227,434
Oct	draws: in the absence of a permanent appropriation or a Continuing Resolution by Congress that would provide budget authority to fund FY 2014 activity through October 16th, 2013, to the Non-Departmental Fund, from which allocations to agencies could be made	(149,893)
Oct	repayments: of most of the draws described in the preceding line	149,794
Oct	investment earnings	26
Nov	repayments: of the remainder of the draws made in October	99
Nov	draw: to the State Superintendent of Education (OSSE) to cover the cost of the Community School Fund grants recently awarded to six community school grantees	(1,000)
Nov	draw: to the Department of Health Care Finance (DHCF) to cover the second phase of the Not-For-Profit Hospital Corporation consulting contract	(5,000)
Nov	investment earnings	32
Dec	draw: to the Not-For-Profit Hospital Corporation to cover the cost of operating and capital expenditures needed to improve the operations, improve the information technology infrastructure, and perform routine capital projects for the general health and safety of the hospital	(13,057)
Dec	draw: to the Department of Motor Vehicles to fully fund the undocumented driver license program	(791)
Dec	draw: to the D.C. Taxicab Commission to cover unforeseen expenditures in expediting the implementation of the Taxicab Color Scheme Incentive Program	(644)
Dec	draw: to fund the Department of Public Works to offset a correction to the capital budget	(300)
Dec	draw: to fund the District Department of the Environment to offset a correction to the capital budget	(242)
Dec	draw: to fund the Office of Contracting and Procurement to offset a correction to the capital budget	(188)
Dec	investment earnings	2
Dec	First Quarter ending balances	206,273
	Investment earnings, October - December	61
	Average monthly earnings, October - December	20

(Investment earnings are calculated based on whole numbers and may not add due to rounding.)

1 This table reports budgetary uses and replenishments of the reserve on a CAFR basis. Cash balances may differ.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**



**Jeff DeWitt**  
Chief Financial Officer

FEB 28

The Honorable Ander Crenshaw  
Chairman  
U.S. House of Representatives Committee on Appropriations  
Financial Services and General Government Subcommittee  
440 Cannon House Office Building  
*Attn: John Martens*  
Washington D.C. 20515

**SUBJECT: First Quarter FY 2014 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2013**

Dear Chairman Crenshaw:

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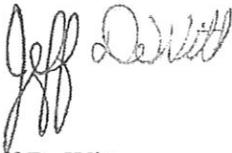
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Sincerely,



Jeff DeWitt  
Chief Financial Officer

Enclosures

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**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**



**Jeff DeWitt**  
Chief Financial Officer

FEB 28 2014

The Honorable José E. Serrano  
Ranking Member  
U.S. House of Representatives Committee on Appropriations  
Financial Services and General Government Subcommittee  
2227 Rayburn House Office Building  
*Attn: Angela Ohm*  
Washington D.C. 20515

**SUBJECT: First Quarter FY 2014 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2013**

Dear Congressman Serrano:

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***December 31, 2013 Combined Balances***

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If you have any questions or need additional information, please contact Gordon McDonald, Deputy Chief Financial Officer for Budget and Planning, at 727-1239.

Sincerely,



Jeff DeWitt  
Chief Financial Officer

Enclosures

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FEB 28 2014

The Honorable Tom Udall  
Chairman  
Senate Committee on Appropriations  
Financial Services and General Government Subcommittee  
110 Hart Senate Office Building  
*Attn: Marianne Upton*  
Washington D.C. 20510

**SUBJECT: First Quarter FY 2014 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2013**

Dear Chairman Udall:

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FEB 28 2014

The Honorable Mike Johanns  
Ranking Member  
Senate Committee on Appropriations  
Financial Services and General Government Subcommittee  
404 Russell Senate Office Building  
*Attn: Dale Cabaniss*  
Washington, D.C. 20510

**SUBJECT: First Quarter FY 2014 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2013**

Dear Senator Johanns:

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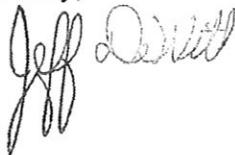
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Eric Goulet, Deputy Chief of Staff and Budget Director, Mayor's Office of Budget and Finance  
Jennifer Budoff, Budget Director, Council of the District of Columbia  
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer  
David Tseng, General Counsel, Office of the Chief Financial Officer  
Gordon McDonald, Deputy Chief Financial Officer, Office of Budget and Planning  
Jeffrey Barnette, Deputy Chief Financial Officer and Treasurer  
Bert Molina, Deputy Chief Financial Officer, Office of Financial Operations and Systems