

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

OFFICE OF THE CHIEF FINANCIAL OFFICER



**Jeffrey S. DeWitt**  
Chief Financial Officer

August 12, 2020

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 306  
Washington, DC 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

**SUBJECT: Third Quarter FY 2020 Status Report on the Emergency and Contingency  
Cash Reserve Funds as of June 30, 2020**

Dear Mayor Bowser 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 June 30, 2020. 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 Source 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 2019 CAFR fund balances included \$149.3 million for the Emergency Cash Reserve Fund and \$298.5 million for the Contingency Cash Reserve Fund, for a combined total of \$447.8 million.

As of June 30, 2020, the third quarter FY 2020 reserve fund balances were as follows:

Emergency Reserve Fund	\$150.6 million
Contingency Reserve Fund	<u>59.0 million</u>
<b>Total</b>	<b><u>\$209.6 million</u></b>

The following is a discussion of activities for the fiscal year through June 30, 2020 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

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

The FY 2019 Emergency Cash Reserve CAFR fund balance increased from \$149.3 million to \$150.6 million because of investment earnings of \$1.3 million.

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

The FY 2019 Contingency Cash Reserve CAFR fund balance of \$298.5 million decreased to \$59.0 million as of June 30, 2020, a net decrease of \$239.5 million. The net decrease was the result of \$243.0 million drawn from the reserve during the first three quarters, partially offset by investment earnings of \$3.5 million.

During the third quarter, draws were as follows:

- In April, a draw of \$35.0 million was made to the Department of Health Care Finance to support COVID-19 medical services.
- In April, draws totaling \$102.0 million were made to the Office of Contracting and Procurement to support COVID-19 related expenses such as ventilators and hospital beds.
- In May, draws totaling \$6.9 million were made to the Department of Health to fund contact tracing efforts related to COVID-19.
- In May, a draw of \$9.8 million was made to the Not-For-Profit Hospital Corporation Subsidiary to fund the purchase of medical supplies and equipment related to COVID-19.
- In May, a draw of \$3.0 million was made to the Department of Motor Vehicles to fund the District's ticket processing contract.
- In June, a draw of \$0.2 million was made to the Department of Public Works to purchase supplies for 1<sup>st</sup> amendment protests.

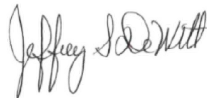
- In June, draws totaling \$9.9 million were made to the Office of Contracting and Procurement, of which \$1.0 million was to purchase supplies for 1<sup>st</sup> amendment protests, and \$8.9 million was to purchase supplies and equipment related to COVID-19.
- In June, a draw of \$0.5 million was made to the Department of General Services to purchase supplies for 1<sup>st</sup> amendment protests.
- In June, a draw of \$2.3 million was made to the Department of Parks and Recreation to support costs associated with opening summer camps in line with Phase 2 reopening guidelines.
- In June, a draw of \$6.0 million was made to the Department of Human Services to support the Family Rehousing and Stabilization Program (FRSP).
- In June, a reversal was made of a draw of \$25.0 million that was made in March to the Deputy Mayor for Planning and Economic Development to support costs related to the COVID-19 virus.

***June 30, 2020 Combined Balances***

In summary, the June 30, 2020 fund balances for the Emergency and Contingency Cash Reserve Funds were \$150.6 million and \$59.0 million, respectively. The combined total was \$209.6 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,



Jeffrey S. DeWitt  
Chief Financial Officer

Enclosures

cc: Rashad M. Young, City Administrator  
Jennifer Reed, Director, Office of Budget and Performance Management, Office of the City Administrator  
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  
Bruno Fernandes, Deputy Chief Financial Officer and Treasurer  
Bill Slack, Deputy Chief Financial Officer, Office of Financial Operations and Systems

**Fiscal Year 2020 Contingency Cash Reserve Report**  
**June 30, 2020**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
<b>Sept. 2019</b>	<b>FY 2019 ending balance</b>	<b>298,525</b>
Oct	Draw: to the District of Columbia Office of the State Superintendent of Education (GD0)	(2,854)
	Investment earnings	449
Nov	Draw: to the District of Columbia Department of Human Resources (BE0)	(128)
	Draw: to the Metropolitan Police Department (FA0)	(3,800)
	Investment earnings	382
Dec	Draw: to the Fire and Emergency Medical Services Department (FB0)	(425)
	Investment earnings	388
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>292,538</b>
Jan. 2020	Draw: to the Department of General Services (AM0)	(3,231)
	Draw: to the Department of General Services (AM0)	(13,400)
	Draw: to the Office of Campaign Finance (CJ0)	(700)
	Draw: to the Board of Elections (DL0)	(220)
	Investment earnings	375
Feb	Draw: to the Metropolitan Police Department (FA0)	(3,501)
	Investment earnings	356
Mar	Draw: to the Department of General Services (AM0)	(7,500)
	Draw: to the Deputy Mayor for Planning and Economic Development (EB0)	(25,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(500)
	Draw: to the Office of Contracting and Procurement (PO0)	(1,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(650)
	Draw: to the Office of Contracting and Procurement (PO0)	(5,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(5,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(15,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(2,250)
	Draw: to the Captive Insurance Agency (RJ0)	(1,378)
	Draw: to the Office of the Chief Technology Officer (TO0)	(1,000)
	Investment earnings	199
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>208,137</b>
Apr	Draw: to the Department of Health Care Finance	(35,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(7,975)
	Draw: to the Office of Contracting and Procurement (PO0)	(22,500)
	Draw: to the Office of Contracting and Procurement (PO0)	(40,500)
	Draw: to the Office of Contracting and Procurement (PO0)	(31,000)
	Investment earnings	602
May	Draw: to the Department of Health (HC0)	(2,280)
	Draw: to the Department of Health (HC0)	(4,600)
	Draw: to the Not for Profit Hospital Corporation Subsidy (HX0)	(9,790)
	Draw: to the Department of Motor Vehicles (KV0)	(3,000)
	Investment earnings	802
Jun	Draw: to the Department of Public Works (KT0)	(200)
	Draw: to the Office of Contracting and Procurement (PO0)	(1,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(8,900)

**Fiscal Year 2020 Contingency Cash Reserve Report**  
**June 30, 2020**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
	Draw: to the Department of General Services (AM0)	(500)
	Draw: to the Department of Parks and Recreation (HA0)	(2,258)
	Draw: to the Department of Human Services (JA0)	(6,000)
	Reverse Draw: March - to the Deputy Mayor for Planning and Economic Development (EB0)	25,000
	Investment earnings	4
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>59,042</b>
	Investment earnings, October 2019 - June 2020	3,558

(Details may not add to totals due to rounding.)

**Fiscal Year 2020 Emergency Cash Reserve Report**  
**June 30, 2020**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
<b>Sept 2019</b>	<b>FY 2019 ending balance</b>	<b>149,262</b>
Oct	Investment earnings	34
Nov	Investment earnings	164
Dec	Investment earnings	343
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>149,804</b>
Jan. 2020	Investment earnings	125
Feb	Investment earnings	189
Mar	Investment earnings	136
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>150,255</b>
Apr	Investment earnings	34
May	Investment earnings	111
Jun	Investment earnings	174
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>150,575</b>
	Investment earnings, October 2019 - June 2020	1,312

(Details may not add to totals due to rounding.)