

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

February 12, 2016

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: First Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2015

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 December 31, 2015. 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 2015 CAFR fund balances included \$122.1 million for the Emergency Cash Reserve Fund and \$244.2 million for the Contingency Cash Reserve Fund, for a combined total of \$366.2 million.

As of December 31, 2015, the first quarter FY 2016 reserve fund balances were as follows:

Emergency Reserve Fund	\$122.2 million
Contingency Reserve Fund	<u>237.9 million</u>
Total	<u>\$360.1 million</u>

The following is a discussion of activities for the fiscal year through December 31, 2015 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

The FY 2015 Emergency Cash Reserve CAFR fund balance of \$122.1 million increased to \$122.2 by the amount of investment earnings of \$84,388.

Contingency Cash Reserve Fund

The FY 2015 Contingency Cash Reserve CAFR fund balance of \$244.2 million decreased to \$237.9 million as of December 31, 2015, a net decrease of increase of \$6.3 million. The net decrease was the result of \$6.3 million drawn from the reserve during the quarter offset by investment earnings of \$25,720.

During the first quarter, draws were as follows:

- In October, a draw for \$1.3 million to the Office of Risk Management for administrative expenses of the District's Public Sector Workers' Compensation Program.
- In December, a draw for \$5.0 million to the Not-For-Profit Hospital Corporation for current operations.

December 31, 2015 Combined Balances

In summary, the December 31, 2015 fund balances for the Emergency and Contingency Cash Reserve Funds were \$122.2 million and \$237.9 million, respectively. The combined total was \$360.1 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
Matthew Brown, Director, Office of Budget and Finance, 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
Jeffrey Barnette, Deputy Chief Financial Officer and Treasurer
Bill Slack, Deputy Chief Financial Officer, Office of Financial Operations and Systems

**Fiscal Year 2016 Emergency Cash Reserve Report
December 31, 2015**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept, 2015	FY 2015 ending balance	122,083
Oct	Investment earnings	19
Nov	Investment earnings	61
Dec	Investment earnings	5
Dec	First Quarter ending balance	122,167
	Investment earnings, October - December 2015	84

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

**Fiscal Year 2016 Contingency Cash Reserve Report
December 31, 2015**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept, 2015	FY 2015 ending balance	244,166
Oct	Investment earnings	2
Nov	Draw: to Office of Risk Management (RK0) for administrative expenses of the District's Public Sector Workers' Compensation Program	(1,332)
Nov	Investment earnings	9
Dec	Draw: to the Not-For-Profit Hospital Corporation Subsidy, transferred to the Not-For-Profit Hospital Corporation, to ensure sufficient funding for current operations	(5,000)
Dec	Investment earnings	15
Dec	First Quarter ending balance	237,860
	Investment earnings, October -September 2015	26

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

February 12, 2016

The Honorable Ander Crenshaw
Chairman
House Committee on Appropriations
Subcommittee on Financial Services and General Government
Attn: Winnie Chang
B-300 Rayburn House Office Building
Washington, DC 20515

SUBJECT: First Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2015

Dear Chairman Crenshaw:

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, 2015. 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 2015 CAFR fund balances included \$122.1 million for the Emergency Cash Reserve Fund and \$244.2 million for the Contingency Cash Reserve Fund, for a combined total of \$366.2 million.

As of December 31, 2015, the first quarter FY 2016 reserve fund balances were as follows:

Emergency Reserve Fund	\$122.2 million
Contingency Reserve Fund	<u>237.9 million</u>
Total	<u>\$360.1 million</u>

The following is a discussion of activities for the fiscal year through December 31, 2015 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

The FY 2015 Emergency Cash Reserve CAFR fund balance of \$122.1 million increased to \$122.2 by the amount of investment earnings of \$84,388.

Contingency Cash Reserve Fund

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During the first quarter, draws were as follows:

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December 31, 2015 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,



Jeffrey S. DeWitt
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Enclosures

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GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

February 12, 2016

The Honorable José Serrano
Ranking Member
House Committee on Appropriations
Subcommittee on Financial Services and General Government
Attn: Shalanda Young
1001 Longworth House Office Building
Washington, DC 20515

SUBJECT: First Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2015

Dear Congressman Serrano:

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, 2015. The numbers contained in this status report are preliminary and unaudited.

Summary and Background

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GOVERNMENT OF THE DISTRICT OF COLUMBIA
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Jeffrey S. DeWitt
Chief Financial Officer

February 12, 2016

The Honorable John Boozman
Chairman
Senate Committee on Appropriations
Subcommittee on Financial Services and General Government
Attn: Dale Cabaniss
125 Senate Hart Office Building
Washington, DC 20510

SUBJECT: First Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2015

Dear Chairman Boozman:

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Summary and Background

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GOVERNMENT OF THE DISTRICT OF COLUMBIA
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Jeffrey S. DeWitt
Chief Financial Officer

February 12, 2016

The Honorable Christopher Coons
Ranking Member
Senate Committee on Appropriations
Subcommittee on Financial Services and General Government
Attn: Marianne Upton
133 Dirksen Senate Office Building
Washington, DC 20510

SUBJECT: First Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 2015

Dear Senator Coons:

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