

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

May 6, 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: Second Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of March 31, 2016

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 March 31, 2016. 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 March 31, 2016, the second quarter FY 2016 reserve fund balances were as follows:

Emergency Reserve Fund	\$122.2 million
Contingency Reserve Fund	<u>148.8 million</u>
Total	<u>\$271.0 million</u>

The following is a discussion of activities for the fiscal year through March 31, 2016 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 \$111,212.

Contingency Cash Reserve Fund

The FY 2015 Contingency Cash Reserve CAFR fund balance of \$244.2 million decreased to \$148.8 million as of March 31, 2016, a net decrease of \$95.3 million. The net decrease was the result of \$98.0 million drawn from the reserve during the fiscal year offset by a replenishment of \$2.5 million and investment earnings of \$147,551.

During the second quarter, draws and repayments were as follows:

- In January, a draw for \$9.0 million to the Fire and Emergency Medical Services to fund the cost of the third-party ambulance contract.
- In March, a replenishment of \$2.5 million by the Fire and Emergency Medical Services to align the previous request with the actual cost of the third-party ambulance contract.
- In March, a draw for \$8.0 million to the District of Columbia Public Charter Schools for current operations.
- In March, a draw for \$5.0 million to the Not-For-Profit Hospital Corporation for current operations.
- In March, a draw for \$55.0 million to the Office of Contracting and Procurement to fund emergency purchases related to Storm Jonas. Note that in April, a re-allocation of \$10.0 million was made from this agency to the D.C. Homeland Security and Emergency Management Agency for its emergency purchases related to Storm Jonas.
- In March, draws in the total amount of \$14.7 million to various agencies. Please see enclosure for details.

March 31, 2016 Combined Balances

In summary, the March 31, 2016 fund balances for the Emergency and Contingency Cash Reserve Funds were \$122.2 million and \$148.8 million, respectively. The combined total was \$271.0 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
March 31, 2016

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sep 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
Jan, 2016	Investment earnings	6
Feb	Investment earnings	10
Mar	Investment earnings	11
Mar	Second Quarter ending balance	122,194
	Investment earnings, October - March 2016	111

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

Fiscal Year 2016 Contingency Cash Reserve Report
March 31, 2016

		(\$ 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 the 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 and 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
Jan, 2016	Draw: to the Fire and Emergency Medical Services (FB0) to fund the FY 2016 cost of third-party ambulance contract	(9,000)
Jan	Investment earnings	29
Feb	Investment earnings	44
Mar	Repayment: by the Fire and Emergency Medical Services (FB0)	2,500
Mar	Draw: to the District of Columbia Public Charter Schools (GC0) to ensure adequate funding for student enrollment and for special education changes	(8,000)
Mar	Draw: to the Not-For-Profit Hospital Corporation Subsidy and transferred to the Not-For-Profit Hospital Corporation to ensure sufficient funding for current operations	(5,000)
Mar	Draws: to various agencies in the total amount of \$14,701,771 as follows:	
	Department of Public Works (KT0) - increased waste disposal contract costs	(855)
	Department of Parks and Recreation (HA0) - gap-closing funding for summer camps and outdoor pools and ward-based initiatives	(1,673)
	Paygo Capital Fund (PA0) - funding for the Department of General Services to purchase the Department of Employment Services office building	(5,000)
	Office of the Mayor (AA0) - reverse use of federal funding used for unqualified expenses in Serve DC	(46)
	Department of Employment Services (CF0) - funding for Summer Youth Employment Program expansions	(4,828)
	Children and Youth Investment Trust Corporation (JY0) - funding for summer programming	(2,000)
	Office of the State Superintendent of Education (GD0) - funding for the Summer Engineering Experience for Kids (SEEK) program	(300)
Mar	Draw: to the Office of Contracting and Procurement (PO0) - funding for emergency purchases related to Storm Jonas	(55,000)
Mar	Investment earnings	49
Mar	Second Quarter ending balance	148,780
	Investment earnings, October -March 2016	148

(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

May 6, 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: Second Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of March 31, 2016

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 March 31, 2016. The numbers contained in this status report are preliminary and unaudited.

Summary and Background

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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 March 31, 2016, the second quarter FY 2016 reserve fund balances were as follows:

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Contingency Reserve Fund	<u>148.8 million</u>
Total	<u>\$271.0 million</u>

The following is a discussion of activities for the fiscal year through March 31, 2016 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

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Contingency Cash Reserve Fund

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During the second quarter, draws and repayments were as follows:

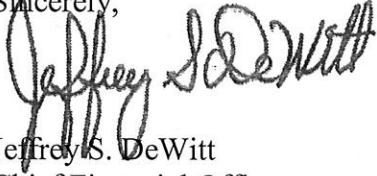
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- In March, draws in the total amount of \$14.7 million to various agencies. Please see enclosure for details.

March 31, 2016 Combined Balances

In summary, the March 31, 2016 fund balances for the Emergency and Contingency Cash Reserve Funds were \$122.2 million and \$148.8 million, respectively. The combined total was \$271.0 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

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Fiscal Year 2016 Emergency Cash Reserve Report
March 31, 2016

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	Investment earnings, October - March 2016	111

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

Fiscal Year 2016 Contingency Cash Reserve Report
March 31, 2016

		(\$ 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 the Office of Risk Management (RK0) for administrative expenses of the District's Public Sector Workers' Compensation Program	(1,332)
Nov	Investment earnings	9
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	Paygo Capital Fund (PA0) - funding for the Department of General Services to purchase the Department of Employment Services office building	(5,000)
	Office of the Mayor (AA0) - reverse use of federal funding used for unqualified expenses in Serve DC	(46)
	Department of Employment Services (CF0) - funding for Summer Youth Employment Program expansions	(4,828)
	Children and Youth Investment Trust Corporation (JY0) - funding for summer programming	(2,000)
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Mar	Draw: to the Office of Contracting and Procurement (PO0) - funding for emergency purchases related to Storm Jonas	(55,000)
Mar	Investment earnings	49
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GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

May 6, 2016

The Honorable José E. 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: Second Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of March 31, 2016

Dear Congressman Serrano:

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Chief Financial Officer

Enclosures

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Fiscal Year 2016 Emergency Cash Reserve Report
March 31, 2016

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Fiscal Year 2016 Contingency Cash Reserve Report
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Jeffrey S. DeWitt
Chief Financial Officer

May 6, 2016

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

SUBJECT: Second Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of March 31, 2016

Dear Chairman Boozman:

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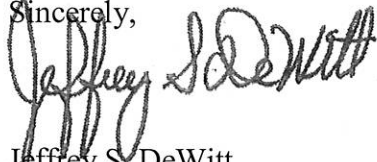
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Mar	Draw: to the Office of Contracting and Procurement (PO0) - funding for emergency purchases related to Storm Jonas	(55,000)
Mar	Investment earnings	49
Mar	Second Quarter ending balance	148,780
	Investment earnings, October -March 2016	148

(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

May 6, 2016

The Honorable Christopher A. 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: Second Quarter FY 2016 Status Report on the Emergency and Contingency Cash Reserve Funds as of March 31, 2016

Dear Senator Coons:

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 March 31, 2016. 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 March 31, 2016, the second quarter FY 2016 reserve fund balances were as follows:

Emergency Reserve Fund	\$122.2 million
Contingency Reserve Fund	<u>148.8 million</u>
Total	<u>\$271.0 million</u>

The following is a discussion of activities for the fiscal year through March 31, 2016 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 \$111,212.

Contingency Cash Reserve Fund

The FY 2015 Contingency Cash Reserve CAFR fund balance of \$244.2 million decreased to \$148.8 million as of March 31, 2016, a net decrease of \$95.3 million. The net decrease was the result of \$98.0 million drawn from the reserve during the fiscal year offset by a replenishment of \$2.5 million and investment earnings of \$147,551.

During the second quarter, draws and repayments were as follows:

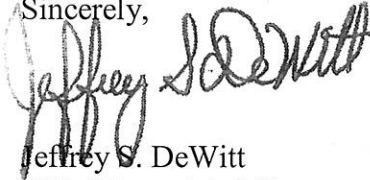
- In January, a draw for \$9.0 million to the Fire and Emergency Medical Services to fund the cost of the third-party ambulance contract.
- In March, a replenishment of \$2.5 million by the Fire and Emergency Medical Services to align the previous request with the actual cost of the third-party ambulance contract.
- In March, a draw for \$8.0 million to the District of Columbia Public Charter Schools for current operations.
- In March, a draw for \$5.0 million to the Not-For-Profit Hospital Corporation for current operations.
- In March, a draw for \$55.0 million to the Office of Contracting and Procurement to fund emergency purchases related to Storm Jonas. Note that in April, a re-allocation of \$10.0 million was made from this agency to the D.C. Homeland Security and Emergency Management Agency for its emergency purchases related to Storm Jonas.
- In March, draws in the total amount of \$14.7 million to various agencies. Please see enclosure for details.

March 31, 2016 Combined Balances

In summary, the March 31, 2016 fund balances for the Emergency and Contingency Cash Reserve Funds were \$122.2 million and \$148.8 million, respectively. The combined total was \$271.0 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
March 31, 2016

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sep 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
Jan, 2016	Investment earnings	6
Feb	Investment earnings	10
Mar	Investment earnings	11
Mar	Second Quarter ending balance	122,194
	Investment earnings, October - March 2016	111

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

Fiscal Year 2016 Contingency Cash Reserve Report
March 31, 2016

Fiscal Month	Transactions/Balances	(\$ in 000s) CAFR Basis Restricted Fund Balance
Sept, 2015	FY 2015 ending balance	244,166
Oct	Investment earnings	2
Nov	Draw: to the 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 and 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
Jan, 2016	Draw: to the Fire and Emergency Medical Services (FB0) to fund the FY 2016 cost of third-party ambulance contract	(9,000)
Jan	Investment earnings	29
Feb	Investment earnings	44
Mar	Repayment: by the Fire and Emergency Medical Services (FB0)	2,500
Mar	Draw: to the District of Columbia Public Charter Schools (GC0) to ensure adequate funding for student enrollment and for special education changes	(8,000)
Mar	Draw: to the Not-For-Profit Hospital Corporation Subsidy and transferred to the Not-For-Profit Hospital Corporation to ensure sufficient funding for current operations	(5,000)
Mar	Draws: to various agencies in the total amount of \$14,701,771 as follows:	
	Department of Public Works (KT0) - increased waste disposal contract costs	(855)
	Department of Parks and Recreation (HA0) - gap-closing funding for summer camps and outdoor pools and ward-based initiatives	(1,673)
	Paygo Capital Fund (PA0) - funding for the Department of General Services to purchase the Department of Employment Services office building	(5,000)
	Office of the Mayor (AA0) - reverse use of federal funding used for unqualified expenses in Serve DC	(46)
	Department of Employment Services (CF0) - funding for Summer Youth Employment Program expansions	(4,828)
	Children and Youth Investment Trust Corporation (JY0) - funding for summer programming	(2,000)
	Office of the State Superintendent of Education (GD0) - funding for the Summer Engineering Experience for Kids (SEEK) program	(300)
Mar	Draw: to the Office of Contracting and Procurement (PO0) - funding for emergency purchases related to Storm Jonas	(55,000)
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