

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

May 6, 2019

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 2019 Status Report on the Emergency and Contingency
Cash Reserve Funds as of March 31, 2019**

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, 2019. 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 2018 CAFR fund balances included \$139.8 million for the Emergency Cash Reserve Fund and \$279.7 million for the Contingency Cash Reserve Fund, for a combined total of \$419.5 million.

As of March 31, 2019, the second quarter FY 2019 reserve fund balances were as follows:

Emergency Reserve Fund	\$140.9 million
Contingency Reserve Fund	<u>216.7 million</u>
Total	<u>\$357.6 million</u>

The following is a discussion of activities for the fiscal year through March 31, 2019 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

The FY 2018 Emergency Cash Reserve CAFR fund balance increased from \$139.8 million to \$140.9 million because of investment earnings of \$1.1 million.

Contingency Cash Reserve Fund

The FY 2018 Contingency Cash Reserve CAFR fund balance of \$279.7 million decreased to \$216.7 million as of March 31, 2019, a net decrease of \$63.0 million. The net decrease was the result of \$65.8 million drawn from the reserve during the first two quarters, partially offset by investment earnings of \$2.8 million.

During the second quarter, draws were as follows:

- In January, a draw of \$1.0 million was made to the Department of Public Works to fund higher-than-anticipated costs for salt/de-icing as a result of Winter Storm Gia.
- In January, a draw of \$10.0 million was made to the Not-for-Profit Hospital Corporation Subsidy to provide sufficient cash reserves for the United Medical Center to meet its financial obligations.
- In February, a draw of \$3.9 million was made to the Office of the State Superintendent of Education to fund unexpected shortfalls in data systems contracts.
- In March, a draw of \$1.3 million was made to the Captive Insurance Agency to fund the renewal of the District's real property insurance policy.
- In March, a draw of \$12.7 million was made to the Department of General Services to cover a funding shortfall for their security guard contract.

March 31, 2019 Combined Balances

In summary, the March 31, 2019 fund balances for the Emergency and Contingency Cash Reserve Funds were \$140.9 million and \$216.7 million, respectively. The combined total was \$357.6 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 2019 Emergency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept 2018	FY 2018 ending balance	139,835
Oct	Investment earnings	112
Nov	Investment earnings	92
Dec	Investment earnings	94
Dec	First Quarter ending balance	140,133
Jan. 2019	Investment earnings	352
Feb	Investment earnings	134
Mar	Investment earnings	278
Mar	Second Quarter ending balance	140,897
	Investment earnings, October 2018 - March 2019	1,062

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

Fiscal Year 2019 Contingency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept. 2018	FY 2018 ending balance	279,670
Oct	Draw: to the Office of the Deputy Mayor for Education (GW0)	(77)
	Draw: to the D.C. Department of Human Resources (BE0)	(239)
	Draw: to the Office of the Tenant Advocate (CQ0)	(3,832)
	Investment earnings	486
Nov	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(14,261)
	Draw: to the Board of Elections (DL0)	(290)
	Draw: to the Office of the Deputy Mayor for Planning and Economic Development (EB0)	(13,000)
	Draw: to the Department of General Services (AM0)	(5,200)
	Investment earnings	484
Dec	Investment earnings	522
Dec	First Quarter ending balance	244,264
Jan. 2019	Draw: to the Department of Public Works (KT0)	(1,000)
	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(10,000)
	Investment earnings	489
Feb	Draw: to the Office of the State Superintendent of Education (GD0)	(3,900)
	Investment earnings	419
Mar	Draw : to the Captive Insurance Agency (RJ0)	(1,322)
	Draw: to the Department of General Services (AM0)	(12,700)
	Investment earnings	452
Mar	Second Quarter ending balance	216,701
	Investment earnings, October 2018 - March 2019	2,852

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

May 6, 2019

The Honorable Mike Quigley
Chairman
U.S. House of Representatives Committee on Appropriations
Financial Services and General Government Subcommittee
2000 Rayburn House Office Building

Attn: Lisa Molyneux
Washington, DC 20515

**SUBJECT: Second Quarter FY 2019 Status Report on the Emergency and Contingency
Cash Reserve Funds as of March 31, 2019**

Dear Chairman Quigley:

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, 2019. 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 2018 CAFR fund balances included \$139.8 million for the Emergency Cash Reserve Fund and \$279.7 million for the Contingency Cash Reserve Fund, for a combined total of \$419.5 million.

As of March 31, 2019, the second quarter FY 2019 reserve fund balances were as follows:

Emergency Reserve Fund	\$140.9 million
Contingency Reserve Fund	<u>216.7 million</u>
Total	<u>\$357.6 million</u>

The following is a discussion of activities for the fiscal year through March 31, 2019 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

The FY 2018 Emergency Cash Reserve CAFR fund balance increased from \$139.8 million to \$140.9 million because of investment earnings of \$1.1 million.

Contingency Cash Reserve Fund

The FY 2018 Contingency Cash Reserve CAFR fund balance of \$279.7 million decreased to \$216.7 million as of March 31, 2019, a net decrease of \$63.0 million. The net decrease was the result of \$65.8 million drawn from the reserve during the first two quarters, partially offset by investment earnings of \$2.8 million.

During the second quarter, draws were as follows:

- In January, a draw of \$1.0 million was made to the Department of Public Works to fund higher-than-anticipated costs for salt/de-icing as a result of Winter Storm Gia.
- In January, a draw of \$10.0 million was made to the Not-for-Profit Hospital Corporation Subsidy to provide sufficient cash reserves for the United Medical Center to meet its financial obligations.
- In February, a draw of \$3.9 million was made to the Office of the State Superintendent of Education to fund unexpected shortfalls in data systems contracts.
- In March, a draw of \$1.3 million was made to the Captive Insurance Agency to fund the renewal of the District's real property insurance policy.
- In March, a draw of \$12.7 million was made to the Department of General Services to cover a funding shortfall for their security guard contract.

March 31, 2019 Combined Balances

In summary, the March 31, 2019 fund balances for the Emergency and Contingency Cash Reserve Funds were \$140.9 million and \$216.7 million, respectively. The combined total was \$357.6 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 2019 Emergency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept 2018	FY 2018 ending balance	139,835
Oct	Investment earnings	112
Nov	Investment earnings	92
Dec	Investment earnings	94
Dec	First Quarter ending balance	140,133
Jan. 2019	Investment earnings	352
Feb	Investment earnings	134
Mar	Investment earnings	278
Mar	Second Quarter ending balance	140,897
	Investment earnings, October 2018 - March 2019	1,062

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

Fiscal Year 2019 Contingency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept. 2018	FY 2018 ending balance	279,670
Oct	Draw: to the Office of the Deputy Mayor for Education (GW0)	(77)
	Draw: to the D.C. Department of Human Resources (BE0)	(239)
	Draw: to the Office of the Tenant Advocate (CQ0)	(3,832)
	Investment earnings	486
Nov	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(14,261)
	Draw: to the Board of Elections (DL0)	(290)
	Draw: to the Office of the Deputy Mayor for Planning and Economic Development (EB0)	(13,000)
	Draw: to the Department of General Services (AM0)	(5,200)
	Investment earnings	484
Dec	Investment earnings	522
Dec	First Quarter ending balance	244,264
Jan. 2019	Draw: to the Department of Public Works (KT0)	(1,000)
	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(10,000)
	Investment earnings	489
Feb	Draw: to the Office of the State Superintendent of Education (GD0)	(3,900)
	Investment earnings	419
Mar	Draw : to the Captive Insurance Agency (RJ0)	(1,322)
	Draw: to the Department of General Services (AM0)	(12,700)
	Investment earnings	452
Mar	Second Quarter ending balance	216,701
	Investment earnings, October 2018 - March 2019	2,852

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

May 6, 2019

The Honorable Tom Graves
Ranking Member
U.S. House of Representatives Committee on Appropriations
Financial Services and General Government Subcommittee
1016 Longworth House Office Building
Washington, DC 20515

**SUBJECT: Second Quarter FY 2019 Status Report on the Emergency and Contingency
Cash Reserve Funds as of March 31, 2019**

Dear Congressman Graves:

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, 2019. 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 2018 CAFR fund balances included \$139.8 million for the Emergency Cash Reserve Fund and \$279.7 million for the Contingency Cash Reserve Fund, for a combined total of \$419.5 million.

As of March 31, 2019, the second quarter FY 2019 reserve fund balances were as follows:

Emergency Reserve Fund	\$140.9 million
Contingency Reserve Fund	<u>216.7 million</u>
Total	<u>\$357.6 million</u>

The following is a discussion of activities for the fiscal year through March 31, 2019 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

The FY 2018 Emergency Cash Reserve CAFR fund balance increased from \$139.8 million to \$140.9 million because of investment earnings of \$1.1 million.

Contingency Cash Reserve Fund

The FY 2018 Contingency Cash Reserve CAFR fund balance of \$279.7 million decreased to \$216.7 million as of March 31, 2019, a net decrease of \$63.0 million. The net decrease was the result of \$65.8 million drawn from the reserve during the first two quarters, partially offset by investment earnings of \$2.8 million.

During the second quarter, draws were as follows:

- In January, a draw of \$1.0 million was made to the Department of Public Works to fund higher-than-anticipated costs for salt/de-icing as a result of Winter Storm Gia.
- In January, a draw of \$10.0 million was made to the Not-for-Profit Hospital Corporation Subsidy to provide sufficient cash reserves for the United Medical Center to meet its financial obligations.
- In February, a draw of \$3.9 million was made to the Office of the State Superintendent of Education to fund unexpected shortfalls in data systems contracts.
- In March, a draw of \$1.3 million was made to the Captive Insurance Agency to fund the renewal of the District's real property insurance policy.
- In March, a draw of \$12.7 million was made to the Department of General Services to cover a funding shortfall for their security guard contract.

March 31, 2019 Combined Balances

In summary, the March 31, 2019 fund balances for the Emergency and Contingency Cash Reserve Funds were \$140.9 million and \$216.7 million, respectively. The combined total was \$357.6 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 2019 Emergency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept 2018	FY 2018 ending balance	139,835
Oct	Investment earnings	112
Nov	Investment earnings	92
Dec	Investment earnings	94
Dec	First Quarter ending balance	140,133
Jan. 2019	Investment earnings	352
Feb	Investment earnings	134
Mar	Investment earnings	278
Mar	Second Quarter ending balance	140,897
	Investment earnings, October 2018 - March 2019	1,062

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

Fiscal Year 2019 Contingency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept. 2018	FY 2018 ending balance	279,670
Oct	Draw: to the Office of the Deputy Mayor for Education (GW0)	(77)
	Draw: to the D.C. Department of Human Resources (BE0)	(239)
	Draw: to the Office of the Tenant Advocate (CQ0)	(3,832)
	Investment earnings	486
Nov	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(14,261)
	Draw: to the Board of Elections (DL0)	(290)
	Draw: to the Office of the Deputy Mayor for Planning and Economic Development (EB0)	(13,000)
	Draw: to the Department of General Services (AM0)	(5,200)
	Investment earnings	484
Dec	Investment earnings	522
Dec	First Quarter ending balance	244,264
Jan. 2019	Draw: to the Department of Public Works (KT0)	(1,000)
	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(10,000)
	Investment earnings	489
Feb	Draw: to the Office of the State Superintendent of Education (GD0)	(3,900)
	Investment earnings	419
Mar	Draw : to the Captive Insurance Agency (RJ0)	(1,322)
	Draw: to the Department of General Services (AM0)	(12,700)
	Investment earnings	452
Mar	Second Quarter ending balance	216,701
	Investment earnings, October 2018 - March 2019	2,852

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

May 6, 2019

The Honorable John Kennedy
Chairman
Senate Committee on Appropriations
Financial Services and General Government Subcommittee
133 Dirksen Senate Office Building
Washington, DC 20510

**SUBJECT: Second Quarter FY 2019 Status Report on the Emergency and Contingency
Cash Reserve Funds as of March 31, 2019**

Dear Chairman Kennedy:

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, 2019. 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 2018 CAFR fund balances included \$139.8 million for the Emergency Cash Reserve Fund and \$279.7 million for the Contingency Cash Reserve Fund, for a combined total of \$419.5 million.

As of March 31, 2019, the second quarter FY 2019 reserve fund balances were as follows:

Emergency Reserve Fund	\$140.9 million
Contingency Reserve Fund	<u>216.7 million</u>
Total	<u>\$357.6 million</u>

The following is a discussion of activities for the fiscal year through March 31, 2019 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

The FY 2018 Emergency Cash Reserve CAFR fund balance increased from \$139.8 million to \$140.9 million because of investment earnings of \$1.1 million.

Contingency Cash Reserve Fund

The FY 2018 Contingency Cash Reserve CAFR fund balance of \$279.7 million decreased to \$216.7 million as of March 31, 2019, a net decrease of \$63.0 million. The net decrease was the result of \$65.8 million drawn from the reserve during the first two quarters, partially offset by investment earnings of \$2.8 million.

During the second quarter, draws were as follows:

- In January, a draw of \$1.0 million was made to the Department of Public Works to fund higher-than-anticipated costs for salt/de-icing as a result of Winter Storm Gia.
- In January, a draw of \$10.0 million was made to the Not-for-Profit Hospital Corporation Subsidy to provide sufficient cash reserves for the United Medical Center to meet its financial obligations.
- In February, a draw of \$3.9 million was made to the Office of the State Superintendent of Education to fund unexpected shortfalls in data systems contracts.
- In March, a draw of \$1.3 million was made to the Captive Insurance Agency to fund the renewal of the District's real property insurance policy.
- In March, a draw of \$12.7 million was made to the Department of General Services to cover a funding shortfall for their security guard contract.

March 31, 2019 Combined Balances

In summary, the March 31, 2019 fund balances for the Emergency and Contingency Cash Reserve Funds were \$140.9 million and \$216.7 million, respectively. The combined total was \$357.6 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 2019 Emergency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept 2018	FY 2018 ending balance	139,835
Oct	Investment earnings	112
Nov	Investment earnings	92
Dec	Investment earnings	94
Dec	First Quarter ending balance	140,133
Jan. 2019	Investment earnings	352
Feb	Investment earnings	134
Mar	Investment earnings	278
Mar	Second Quarter ending balance	140,897
	Investment earnings, October 2018 - March 2019	1,062

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

Fiscal Year 2019 Contingency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept. 2018	FY 2018 ending balance	279,670
Oct	Draw: to the Office of the Deputy Mayor for Education (GW0)	(77)
	Draw: to the D.C. Department of Human Resources (BE0)	(239)
	Draw: to the Office of the Tenant Advocate (CQ0)	(3,832)
	Investment earnings	486
Nov	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(14,261)
	Draw: to the Board of Elections (DL0)	(290)
	Draw: to the Office of the Deputy Mayor for Planning and Economic Development (EB0)	(13,000)
	Draw: to the Department of General Services (AM0)	(5,200)
	Investment earnings	484
Dec	Investment earnings	522
Dec	First Quarter ending balance	244,264
Jan. 2019	Draw: to the Department of Public Works (KT0)	(1,000)
	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(10,000)
	Investment earnings	489
Feb	Draw: to the Office of the State Superintendent of Education (GD0)	(3,900)
	Investment earnings	419
Mar	Draw : to the Captive Insurance Agency (RJ0)	(1,322)
	Draw: to the Department of General Services (AM0)	(12,700)
	Investment earnings	452
Mar	Second Quarter ending balance	216,701
	Investment earnings, October 2018 - March 2019	2,852

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

May 6, 2019

The Honorable Christopher A. Coons Ranking Member
Senate Committee on Appropriations
Financial Services and General Government Subcommittee
125 Hart Senate Office Building
Washington, DC 20510

**SUBJECT: Second Quarter FY 2019 Status Report on the Emergency and Contingency
Cash Reserve Funds as of March 31, 2019**

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, 2019. 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 2018 CAFR fund balances included \$139.8 million for the Emergency Cash Reserve Fund and \$279.7 million for the Contingency Cash Reserve Fund, for a combined total of \$419.5 million.

As of March 31, 2019, the second quarter FY 2019 reserve fund balances were as follows:

Emergency Reserve Fund	\$140.9 million
Contingency Reserve Fund	<u>216.7 million</u>
Total	<u>\$357.6 million</u>

The following is a discussion of activities for the fiscal year through March 31, 2019 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

The FY 2018 Emergency Cash Reserve CAFR fund balance increased from \$139.8 million to \$140.9 million because of investment earnings of \$1.1 million.

Contingency Cash Reserve Fund

The FY 2018 Contingency Cash Reserve CAFR fund balance of \$279.7 million decreased to \$216.7 million as of March 31, 2019, a net decrease of \$63.0 million. The net decrease was the result of \$65.8 million drawn from the reserve during the first two quarters, partially offset by investment earnings of \$2.8 million.

During the second quarter, draws were as follows:

- In January, a draw of \$1.0 million was made to the Department of Public Works to fund higher-than-anticipated costs for salt/de-icing as a result of Winter Storm Gia.
- In January, a draw of \$10.0 million was made to the Not-for-Profit Hospital Corporation Subsidy to provide sufficient cash reserves for the United Medical Center to meet its financial obligations.
- In February, a draw of \$3.9 million was made to the Office of the State Superintendent of Education to fund unexpected shortfalls in data systems contracts.
- In March, a draw of \$1.3 million was made to the Captive Insurance Agency to fund the renewal of the District's real property insurance policy.
- In March, a draw of \$12.7 million was made to the Department of General Services to cover a funding shortfall for their security guard contract.

March 31, 2019 Combined Balances

In summary, the March 31, 2019 fund balances for the Emergency and Contingency Cash Reserve Funds were \$140.9 million and \$216.7 million, respectively. The combined total was \$357.6 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 2019 Emergency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept 2018	FY 2018 ending balance	139,835
Oct	Investment earnings	112
Nov	Investment earnings	92
Dec	Investment earnings	94
Dec	First Quarter ending balance	140,133
Jan. 2019	Investment earnings	352
Feb	Investment earnings	134
Mar	Investment earnings	278
Mar	Second Quarter ending balance	140,897
	Investment earnings, October 2018 - March 2019	1,062

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

Fiscal Year 2019 Contingency Cash Reserve Report
March 31, 2019

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept. 2018	FY 2018 ending balance	279,670
Oct	Draw: to the Office of the Deputy Mayor for Education (GW0)	(77)
	Draw: to the D.C. Department of Human Resources (BE0)	(239)
	Draw: to the Office of the Tenant Advocate (CQ0)	(3,832)
	Investment earnings	486
Nov	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(14,261)
	Draw: to the Board of Elections (DL0)	(290)
	Draw: to the Office of the Deputy Mayor for Planning and Economic Development (EB0)	(13,000)
	Draw: to the Department of General Services (AM0)	(5,200)
	Investment earnings	484
Dec	Investment earnings	522
Dec	First Quarter ending balance	244,264
Jan. 2019	Draw: to the Department of Public Works (KT0)	(1,000)
	Draw: to the Not-for-Profit Hospital Corporation Subsidy (HX0)	(10,000)
	Investment earnings	489
Feb	Draw: to the Office of the State Superintendent of Education (GD0)	(3,900)
	Investment earnings	419
Mar	Draw : to the Captive Insurance Agency (RJ0)	(1,322)
	Draw: to the Department of General Services (AM0)	(12,700)
	Investment earnings	452
Mar	Second Quarter ending balance	216,701
	Investment earnings, October 2018 - March 2019	2,852

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