

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

OFFICE OF THE CHIEF FINANCIAL OFFICER



**Jeffrey S. DeWitt**  
Chief Financial Officer

February 26, 2021

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: Fourth Quarter FY 2020 Status Report on the Emergency and Contingency Cash Reserve Funds as of September 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 September 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 September 30, 2020, the fourth quarter FY 2020 reserve fund balances were as follows:

Emergency Reserve Fund	\$155.6 million
Contingency Reserve Fund	<u>311.3 million</u>
<b>Total</b>	<b><u>\$466.9 million</u></b>

The following is a discussion of activities for the fiscal year through September 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 \$155.6 million because of investment earnings of \$1.6 million and required deposits and adjustments of \$4.7 million.

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

The FY 2019 Contingency Cash Reserve CAFR fund balance of \$298.5 million increased to \$311.3 million as of September 30, 2020, a net increase of \$12.8 million. The net increase was the result of \$398.4 million drawn from the reserve during the fiscal year, offset by the following:

- Shifting \$276.1 million of COVID-related costs to federal funds made available from the CARES Act and from Public Assistance grants from the Federal Emergency Management Agency;
- Direct replenishments and/or reversal of unused allocations of \$49.9 million;
- FY 2020 supplemental legislation of \$23.7 million;
- Replenishment from year-end pooled cash of \$48.6 million;
- Required deposits and adjustments that net to \$9.2 million; and
- Investment earnings of \$3.6 million.

During the fourth quarter, draws were as follows:

- In July, a draw of \$0.4 million was reallocated to the Office of Contracting and Procurement from the Department of General Services, to support costs related to protests.
- In July, a draw of \$0.03 million was made to the Department of General Services to support costs associated with Presidential viewing stands.
- In July, a draw of \$0.2 million was made to the Department of General Services to support supplies and equipment costs for the general election.
- In July, a draw of \$0.4 million was made to the Department of Health Care Finance to support outreach efforts related to public health.
- In July, a draw of \$1.0 million was made to the Pay-As-You-Go fund to support costs associated with Presidential viewing stands.
- In July, a draw of \$15.5 million was made to the Office of Contracting and Procurement to support supply and equipment costs related to COVID.

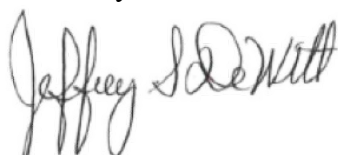
- In July, a draw of \$3.1 million was made to the Office of Contracting and Procurement to support supply and equipment costs related to COVID.
- In July, a draw of \$1.5 million was made to the Department of Behavioral Health to support costs related to a water emergency.
- In August, a draw of \$20.1 million was made to the Office of Contracting and Procurement to support supply costs related to COVID.
- In August, a draw of \$0.1 million was made to the Office of Contracting and Procurement to support supply and equipment costs related to the general election.
- In September, a draw of \$2.3 million was made to the Unemployment Compensation Fund to support payment of unemployment claims.
- In September, a draw of \$0.7 million was made to Mass Transit Subsidies to support to payments to the Washington Metropolitan Area Transit Authority.
- In September, a draw of \$29.8 million was made to the Office of Contracting and Procurement to support citywide response costs related to COVID.
- In September, a draw of \$27.1 million was made to the Office of Contracting and Procurement to support costs related to COVID.
- In September, a draw of \$28.4 million was made to the Office of Contracting and Procurement to support costs related to COVID.

***September 30, 2020 Combined Balances***

In summary, the September 30, 2020 fund balances for the Emergency and Contingency Cash Reserve Funds were \$155.6 million and \$311.3 million, respectively. The combined total was \$466.9 million.

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

Sincerely,



Jeffrey S. DeWitt  
Chief Financial Officer

Enclosures

cc: Kevin Donahue, Acting 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  
Eric M. Cannady, 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 System

**Fiscal Year 2020 Emergency Cash Reserve Report**  
**September 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	199
Nov	Investment earnings	164
Dec	Investment earnings	343
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>149,969</b>
Jan. 2020	Investment earnings	125
Feb	Investment earnings	189
Mar	Investment earnings	136
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>150,419</b>
Apr	Investment earnings	34
May	Investment earnings	111
Jun	Investment earnings	174
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>150,740</b>
July	Investment earnings	45
Aug	Investment earnings	16
Sept	Year-end deposit adjustment to decrease balance to FY 2020 required levels	4,770
	Year-end deposit adjustment to account for interest earnings variance	(25)
	Investment earnings	100
<b>Sept</b>	<b>Fourth Quarter ending balance</b>	<b>155,645</b>
	Investment earnings, October 2019 - September 2020	1,638

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

**Fiscal Year 2020 Contingency Cash Reserve Report**  
**September 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)
	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)
	Shift to COVID-related Federal Funds: 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>
Jul	Reallocate from: the Department of General Services (AM0)	400
	Reallocate to: the Office on Contracting and Procurement (PO0)	(400)
	Draw: to the Department of General Services (AM0)	(26)
	Draw: to the Department of General Services (AM0)	(243)
	Draw: to the Department of Health Care Finance (HT0)	(438)

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

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
	Draw: to the Pay As you Go Fund (PA0)	(975)
	Draw: to the Office on Contracting and Procurement (PO0)	(15,500)
	Draw: to the Office on Contracting and Procurement (PO0)	(3,145)
	Draw: to the Department of Behavioral Health (RM0)	(1,455)
	Reverse Draw: for the Department of Behavioral Health (RM0)	252
	Investment earnings	4
Aug	Draw: to the Office on Contracting and Procurement (PO0)	(20,117)
	Draw: to the Office on Contracting and Procurement (PO0)	(101)
	Repayment: by the Department of General Services (AM0)	13,400
	Investment earnings	4
Sept	Draw: to the Unemployment Compensation Fund (BH0)	(2,317)
	Draw: to Mass Transit Subsidies (KE0)	(733)
	Draw: to the Office on Contracting and Procurement (PO0)	(29,793)
	Draw: to the Office on Contracting and Procurement (PO0)	(27,095)
	Draw: to the Office on Contracting and Procurement (PO0)	(28,435)
	Reverse Draw:	
	for the Department of General Services (AM0)	30
	for the Department of General Services (AM0)	23
	for the District of Columbia Department of Human Resources (BE0)	23
	for the Unemployment Compensation Fund (BH0)	142
	for the Office of Campaign Finance (CJ0)	355
	for the Metropolitan Police Department (FA0)	1,455
	for the Fire and Emergency Medical Services Department (FB0)	4
	for the Office of the State Superintendent of Education (GD0)	270
	for the Office of Contracting and Procurement (PO0)	4,652
	for the Office of the Chief Technology Officer (TO0)	162
	for the Department of Parks and Recreation (HA0)	1,169
	for the Department of Health Care Finance (HT0)	9,188
	for the Not for Profit Hospital Corporation Subsidy (HX0)	9,790
	Shift to COVID-related Federal Funds:	
	for the Department of Health (HC0)	6,880
	for the Office of Contracting and Procurement (PO0)	217,996
	for the Department of Health Care Finance (HT0)	26,250
	Repayment:	
	by the Department of Human Resources (JA0)	6,000
	by the Department of Motor Vehicles (KV0)	3,000
	SV0 FY 2020 Supplemental	23,737
	Repayment:	
	from FY 2020 Year-End Surplus	48,633
	Year-end deposit adjustment to increase balance to FY 2020 required levels	9,196
	Year-end deposit adjustment to account for interest earnings variance	0
	Investment earnings	4
<b>Sept</b>	<b>Fourth Quarter Ending Balance</b>	<b>311,290</b>
	Investment earnings, October 2019 - September 2020	3,569

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