

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

OFFICE OF THE CHIEF FINANCIAL OFFICER



**Jeffrey S. DeWitt**  
Chief Financial Officer

March 4, 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: First Quarter FY 2021 Status Report on the Emergency and Contingency Cash Reserve Funds as of December 31, 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 December 31, 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 2020 CAFR fund balances included \$155.6 million for the Emergency Cash Reserve Fund and \$311.3 million for the Contingency Cash Reserve Fund, for a combined total of \$466.9 million.

As of December 31, 2020, the first quarter FY 2021 reserve fund balances were as follows:

Emergency Reserve Fund	\$155.8 million
Contingency Reserve Fund	<u>140.9 million</u>
<b>Total</b>	<b><u>\$296.7 million</u></b>

The following is a discussion of activities for the fiscal year through December 31, 2020 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

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

The FY 2020 Emergency Cash Reserve CAFR fund balance increased from \$155.6 million to \$155.8 million because of investment earnings of \$0.1 million.

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

The FY 2020 Contingency Cash Reserve CAFR fund balance of \$311.3 million decreased to \$140.9 million as of December 31, 2020, a net decrease of \$170.4 million. The net decrease was the result of \$170.4 million drawn from the reserve during the first quarter, partially offset by investment earnings of less than \$0.1 million.

During the first quarter, draws were as follows:

- In October, a draw of \$0.7 million was made to the Department of General Services to support election costs.
- In October, a draw of \$2.5 million was made to the Department of Forensic Sciences to support COVID-19 related expenses.
- In October, a draw of \$6.0 million was made to the Office of Contracting and Procurement to support COVID-19 related expenses.
- In November, a draw of \$1.4 million was made to the Department of General Services to support unanticipated lease costs.
- In November, draws totaling \$14.9 million were made to the Department of General Services to support the District's public health emergency.
- In November, a draw of \$80.0 million was made to the Deputy Mayor for Planning and Economic Development to provide support to the hospitality sector in response to COVID-19.
- In November, a draw of \$1.3 million was made to the Office of Contracting and Procurement to support COVID-19 related costs.

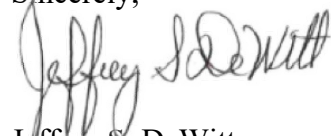
- In November, a draw of \$2.4 million was made to the Department of Behavioral Health to support costs associated with opening summer camps in line with Phase 2 reopening guidelines.
- In December, a draw of \$1.4 million was made to the Department of General Services to purchase additional air filters to support safe reopening of District facilities.
- In December, a draw of \$6.9 million was made to the Department of Health to support COVID-19 related expenses.
- In December, draws totaling \$53.0 million were made to the Office of Contracting and Procurement to support COVID-19 related expenses such as operational costs related to the pandemic response, testing, and equipment.

***December 31, 2020 Combined Balances***

In summary, the December 31, 2020 fund balances for the Emergency and Contingency Cash Reserve Funds were \$155.8 million and \$140.9 million, respectively. The combined total was \$296.7 million.

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

Sincerely,



Jeffrey S. DeWitt  
Chief Financial Officer

Enclosures

cc: Kevin Donahue, 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 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 Systems

**Fiscal Year 2021 Emergency Cash Reserve Report**  
**December 31, 2020**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
<b>Sept 2020</b>	<b>FY 2020 ending balance</b>	<b>155,645</b>
Oct	Investment earnings	48
Nov	Investment earnings	36
Dec	Investment earnings	28
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>155,757</b>
	Investment earnings, October 2020 - December 2020	112

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

**Fiscal Year 2021 Contingency Cash Reserve Report**  
**December 31, 2020**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
<b>Sept. 2020</b>	<b>FY 2020 ending balance</b>	<b>311,290</b>
Oct	Draw: to the Department of General Services (AM0)	(680)
	Draw: to the Department of Forensic Sciences (FR0)	(2,476)
	Draw: to the Office of Contracting and Procurement (PO0)	(6,000)
	Investment earnings	8
Nov	Draw: to the Department of General Services (AM0)	(1,353)
	Draw: to the Department of General Services (AM0)	(14,600)
	Draw: to the Department of General Services (AM0)	(300)
	Draw: to the Deputy Mayor For Planning and Economic Development (EB0)	(80,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(1,304)
	Draw: to the Department of Behavioral Health (RM0)	(2,394)
	Investment earnings	4
Dec	Draw: to the Department of General Services (AM0)	(1,386)
	Draw: to the Department of Health (HC0)	(6,880)
	Draw: to the Office of Contracting and Procurement (PO0)	(2,750)
	Draw: to the Office of Contracting and Procurement (PO0)	(36,485)
	Draw: to the Office of Contracting and Procurement (PO0)	(9,082)
	Draw: to the Office of Contracting and Procurement (PO0)	(2,394)
	Draw: to the Office of Contracting and Procurement (PO0)	(2,300)
	Investment earnings	2
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>140,921</b>
	Investment earnings, October 2020 - December 2020	15

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