

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



**Fitzroy Lee**  
Acting Chief Financial Officer

February 18, 2022

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 2021 Status Report on the District Reserve Funds as of September 30, 2021**

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the status report on the monthly activities and balances in the District of Columbia's Reserve Funds as of September 30, 2021. These funds are comprised of the Emergency Cash, Contingency Cash, Cash Flow, and Fiscal Stabilization Reserve Funds. The numbers contained in this status report are preliminary and unaudited.

***Summary and Background***

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. 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. Both the Emergency and the Contingency Cash Reserve funds may also be used for cash flow management purposes.

The Cash Flow Reserve may be used by the District's CFO as needed to manage the District's cash flow. When a portion of the reserve is used to meet cash flow needs, this reserve must be replenished in the same fiscal year the amounts were used. The Fiscal Stabilization Reserve may be used by the Mayor for the same purposes for which the Contingency Cash Reserve was

established. The Fiscal Year 2017 Budget Support Act of 2016 authorized the Chief Financial Officer to use the Fiscal Stabilization Reserve for cash flow management purposes, provided, that any amounts used must be replenished in the same fiscal year

The District is required to maintain minimum balances (including required replenishment of permitted draws) in the Contingency Cash, Emergency Cash, Cash Flow, and Fiscal Stabilization Reserve Funds of 4.0 percent, 2.0 percent, 8.3 percent, and 2.3 percent respectively, of the budget, measured differently for purposes of calculation of each reserve.

The year-end FY 2020 ending District fund balances totaled \$1,480.2 million. This includes:

- \$155.6 million for the Emergency Cash Reserve fund.
- \$311.3 million for the Contingency Cash Reserve fund.
- \$795.0 million for the Cash Flow Reserve fund.
- \$218.2 million for the Fiscal Stabilization Reserve fund.

As of September 30, 2021, the fourth quarter FY 2021 District reserve fund balances were as follows:

Emergency Reserve Fund	\$158.5 million
Contingency Reserve Fund	\$317.1 million
Cash Flow Reserve Fund	\$827.7 million
Fiscal Stabilization Reserve Fund	\$226.4 million
<b>Total</b>	<b>\$1,529.7 million</b>

The following is a discussion of activities for the fiscal year through September 30, 2021 and resulting balances in the District Reserve Funds.

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

The FY 2020 Emergency Cash Reserve ending fund balance increased from \$155.6 million to \$158.5 million as of September 30, 2021 because of investment earnings of \$0.3 million and required deposits and adjustments of \$2.6 million.

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

The FY 2020 Contingency Cash Reserve ending fund balance of \$311.3 million increased to \$317.1 million as of September 30, 2021, a net increase of \$5.8 million. The net increase was the result of \$549.5 million drawn over the fiscal year, offset by:

- Shifting \$292.2 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 \$26.6 million.
- FY 2021 supplemental legislation of \$55.7 million.
- Replenishment from year-end pooled cash of \$175.0 million.
- Required deposits and adjustments of \$5.8 million.

During the fourth quarter, draws were as follows:

- In July, a draw of \$4.8 million was made to the Department of General Services to support costs related to COVID.
- In July, a draw of \$2.7 million was made to DC Public Schools to support costs related to school readiness for fall opening.
- In July, a draw of \$0.7 million was made to the Deputy Mayor for Education to support back-to-school programs.
- In July, a draw of \$0.7 million was made to the Captive Insurance Agency to support remediation costs for a fire at Benning Road transfer station.
- In July, a draw of \$1.5 million was made to Pay-As-You-Go Capital to support costs related to designing a new pedestrian bridge over Kenilworth Avenue.
- In July, a draw of \$7.0 million was made to the Office of Contracting and Procurement to support costs related to COVID.
- In August, a draw of \$4.9 million was made to the Department of General Services to support costs related to COVID.
- In August, a draw of \$0.4 million was made to the Department of Housing and Community Development to support costs related to employer assisted housing.
- In August, a draw of \$0.3 million was made to the Deputy Mayor for Planning and Economic Development to support costs related to providing financial assistance to River East homeowners.
- In August, a draw of \$1.2 million was made to DC Public Schools to support patient care technician costs related to school openings.
- In August, a draw of \$5.2 million was made to District Retirement Health Contribution due to the revised OPEB (Other-Post-Employment-Benefits) estimates for FY 2021.
- In August, a draw of \$2.0 million was made to the Office of the State Superintendent of Education to support costs related to contact tracing and nursing services.
- In August, a draw of \$7.0 million was made to the Office of Contracting and Procurement to support costs related to COVID.
- In September, a draw of \$2.7 million was made to the Department of General Services to support costs related to COVID.
- In September, a draw of \$6.0 million was made to the Department of General Services to cover FEMA expenses.
- In September, a draw of \$0.1 million was made to the DC Department of Human Resources to support costs related to COVID.
- In September, a draw of \$0.2 million was made to the Deputy Mayor for Planning and Economic Development to support costs related to the Walter Reed Development fund.
- In September, a draw of \$3.5 million was made to the Office of the State Superintendent of Education to support Charter School reopening grants.
- In September, a draw of \$27.2 million was made to the Office of Contracting and Procurement to support costs related to COVID.
- In September, a draw of \$1.8 million was made to the Captive Insurance Agency to support cyber insurance renewal costs.

- In September, a draw of \$58.1 million was made to Mass Transit Subsidies to support WMATA operations revenue loss.

### ***Cash Flow Reserve Fund***

The FY 2020 ending Cash Flow Reserve fund balance increased from \$795.0 million to \$827.7 million, a net increase of \$32.6 million, because of net activity and required deposits of \$32.4 million and investment earnings of \$0.3 million.

During the fiscal year, activity was as follows:

- In November, a withdrawal of \$301.6 million to cover cash flow needs.
- In December, a withdrawal of \$100.0 million to cover cash flow needs.
- In January, a replenishment of \$100.0 million.
- In June, a replenishment of \$301.4 million
- In September, required deposits and adjustments of \$32.5 million.
- Interest earnings over the 12-month period of \$0.3 million.

### ***Fiscal Stabilization Reserve Fund***

The FY 2020 ending Fiscal Stabilization Reserve fund balance increased from \$218.2 million to \$226.4 million because of investments earnings of \$0.2 million and required deposits and adjustments of \$8.0 million.

During the fiscal year, activity was as follows:

- In October, a commitment of \$212.7 million to support the approved budget.
- In September, a replenishment of \$212.7 million.
- In September, required deposits and adjustments of \$8.0 million.
- Interest earnings over the 12-month period of \$0.2 million.

### ***September 30, 2021 Combined Balances***

In summary, the combined total of the District Reserve fund balances as of September 30, 2021 was \$1,529.7 million, comprised of \$317.1 million in the Contingency Cash Reserve Fund, \$158.5 million in the Emergency Cash Reserve Fund, \$827.7 million in the Cash Flow Reserve Fund, and \$226.4 million in the Fiscal Stabilization Reserve Fund.

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,

A handwritten signature in black ink, appearing to read "Fitzroy Lee". The signature is fluid and cursive, with the first name "Fitzroy" written in a larger, more prominent script than the last name "Lee".

Fitzroy Lee  
Acting 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  
Carmen Pigler, Deputy Chief Financial Officer and Treasurer  
Kimberly Williams, Deputy Chief Financial Officer, Office of Financial Operations and System

# **Fiscal Year 2021 Emergency Cash Reserve Report**

*September 30, 2021*

**Fiscal Year 2021 Emergency Cash Reserve Report**  
**September 30, 2021**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR 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>
Jan. 2021	Investment earnings	27
Feb	Investment earnings	33
Mar	Investment earnings	26
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>155,843</b>
Apr	Investment earnings	17
May	Investment earnings	26
Jun	Investment earnings	25
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>155,912</b>
July	Investment earnings	26
Aug	Investment earnings	26
Sept	Year-end deposit adjustment to increase balance to FY 2021 required levels	2,069
	Year-end deposit adjustment to account for interest earnings variance	489
	Investment earnings	24
<b>Sept</b>	<b>Fourth Quarter ending balance</b>	<b>158,547</b>
	Investment earnings, October 2020 - September 2021	343

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

# **Fiscal Year 2021 Contingency Cash Reserve Report**

*September 30, 2021*



**Fiscal Year 2021 Contingency Cash Reserve Report**  
**September 30, 2021**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Sept. 2020	<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
Dec	<b>First Quarter ending balance</b>	<b>140,921</b>
Jan. 2021	Draw: to the Department of General Services (AM0)	(14,808)
	Repayment by the Department of General Services (AM0)	350
	Draw: to the Department of Forensic Sciences (FR0)	(2,914)
	Draw: to Pay-Go Capital (PA0)	(1,177)
	Draw: to the Office of Contracting and Procurement (PO0)	(1,500)
	Draw: to the Office of Contracting and Procurement (PO0)	(250)
	Investment earnings	1
Feb	Draw: to the Office of Contracting and Procurement (PO0)	(22,361)
	Draw: to the Office of Contracting and Procurement (PO0)	(17,439)
	Draw: to the Department of Behavioral Health (RM0)	(2,711)
	Draw: to the Department of Behavioral Health (RM0)	0
	Investment earnings	1
Mar	Draw: to the Department of General Services (AM0)	(8,592)
	Draw: to Homeland Security and Emergency Management Agency (BN0)	(500)
	Draw: to the Office of State Superintendent (GD0)	(10,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(21,323)
	Draw: to the Office of Contracting and Procurement (PO0)	(3,946)
	Draw: to the Captive Insurance Agency (RJ0)	(841)
	Investment earnings	2
Mar	<b>Second Quarter ending balance</b>	<b>32,912</b>

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Apr	Draw: to the Department of General Services (AM0)	(225)
	Draw: to the Department of General Services (AM0)	(3,400)
	Draw: to the Department of Parks and Recreation (HA0)	(1,920)
	Draw: to the DC Public Charter Schools (GC0)	(2,615)
	Repayment by the Department of General Services (AM0)	3,400
	Investment earnings	1
May	Draw: to the Office of the Chief Financial Officer (AT0)	(2,650)
	Draw: to the Department of Employment Services (CF0)	(5,060)
	Draw: to the Department of Forensic Sciences (FR0)	(2,260)
	Draw: to the DC Public Charter Schools (GC0)	(3,234)
	Draw: to the Special Education Transportation (GO0)	(710)
	Draw: to the Not-For-Profit Hospital Corporate Subsidy (HX0)	(25,000)
	Draw: to the Department of Youth Rehabilitation Services (JZ0)	(928)
	Draw: to the Department of Transportation (KA0)	(254)
	Draw: to the Department of Public Works (KT0)	(1,418)
	Draw: to the Office of Contracting and Procurement (PO0)	(850)
	Draw: to the Office of Contracting and Procurement (PO0)	(38,750)
	Draw: to the Office of Contracting and Procurement (PO0)	(3,043)
	Repayment by the Office of Contracting and Procurement (PO0)	8,300
	Reverse Draw:	
	by the Deputy Mayor For Planning and Economic Development (EB0)	80,000
	by the Department of Health (HC0)	1,280
	by the Department of Behavioral Health (RM0)	5,105
	Investment earnings	1
Jun	Draw: to the DC Public Schools (GA0)	(4,679)
	Draw: to the Department of Health Care Finance (HT0)	(9,900)
	Draw: to Pay-Go Capital (PA0)	(2,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(23,708)
	Repayment:	
	by the Department of General Services (AM0)	7,744
	by the Department of Parks and Recreation (HA0)	1,920
	Investment earnings	1
Jun	<b>Third Quarter ending balance</b>	<b>8,060</b>
Jul	Draw: to the Department of General Services (AM0)	(4,750)
	Draw: to the DC Public Schools (GA0)	(2,715)
	Draw: to the Deputy Mayor for Education (GW0)	(700)
	Draw: to the Captive Insurance Agency (RJ0)	(750)
	Draw: to Pay-Go Capital (PA0)	(1,500)
	Draw: to the Office of Contracting and Procurement (PO0)	(7,043)
	Repayment:	
	by the Department of Health (HC0)	5,600
	by the Office of Contracting and Procurement (PO0)	16,540
	Investment earnings	0

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Aug	Draw: to the Department of General Services (AM0)	(4,941)
	Draw: to the Department of Housing and Community Development (DB0)	(400)
	Draw: to the Deputy Mayor For Planning and Economic Development (EB0)	(322)
	Draw: to the DC Public Schools (GA0)	(1,211)
	Draw: to the District Retiree Health Contribution (RH0)	(5,200)
	Draw: to the Office of State Superintendent (GD0)	(2,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(7,043)
	Repayment:	
	by the Office of State Superintendent (GD0)	10,000
	by the Department of Youth Rehabilitation Services (JZ0)	928
	by the Office of Contracting and Procurement (PO0)	10,243
	by the Office of Contracting and Procurement (PO0)	2,787
	Investment earnings	0
Sept	Draw: to the Department of General Services (AM0)	(2,700)
	Draw: to the Department of General Services (AM0)	(5,971)
	Draw: to the DC Department of Human Services (BE0)	(150)
	Draw: to the Deputy Mayor For Planning and Economic Development (EB0)	(227)
	Draw: to the Office of State Superintendent (GD0)	(3,461)
	Draw: to the Office of Contracting and Procurement (PO0)	(27,214)
	Draw: to the Captive Insurance Agency (RJ0)	(1,771)
	Draw: to the Mass Transit Subsidies (KE0)	(58,095)
	Repayment:	
	by the Department of General Services (AM0)	16
	by the Department of General Services (AM0)	3,120
	by the Department of General Services (AM0)	2,083
	by the Department of General Services (AM0)	13
	by the Office of the Chief Financial Officer (AT0)	2,650
	by the DC Department of Human Services (BE0)	150
	by the Homeland Security and Emergency Management Agency (BN0)	15
	by the Department of Employment Services (CF0)	5,060
	by the Department of Housing and Community Development (DB0)	400
	by the Deputy Mayor For Planning and Economic Development (EB0)	14
	by the Department of Forensic Sciences (FR0)	7,650
	by the DC Public Schools (GA0)	8,606
	by the Office of State Superintendent (GD0)	2,000
	by the Office of State Superintendent (GD0)	835
	by the Special Education Transportation (GO0)	68
	by the Office of Contracting and Procurement (PO0)	1,600
	by the Office of Contracting and Procurement (PO0)	475
	by the Department of Transportation (KA0)	5
	by the Department of Public Works (KT0)	29

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
	by the Captive Insurance Agency (RJ0)	136
	by the Department of General Services (AM0)	5,122
	by the Department of General Services (AM0)	13,127
	by the Office of Contracting and Procurement (PO0)	19,515
	by the Office of Contracting and Procurement (PO0)	16,315
	by the Office of Contracting and Procurement (PO0)	75,606
	Repayment:	0
	from FY 2021 Year-End Surplus	175,044
	FY 2021 Supplemental	55,664
	Year-end deposit adjustment to increase balance to FY 2021	5,780
	Investment earnings	2
Sept	<b>Fourth Quarter Ending Balance</b>	<b>317,094</b>
	Investment earnings, October 2020 - September 2021	24

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

# **Fiscal Year 2021 Cash Flow Reserve Report**

*September 30, 2021*

**Fiscal Year 2021 Cash Flow Reserve Report**  
**September 30, 2021**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
<b>Sept. 2020</b>	<b>FY 2020 ending balance</b>	<b>795,048</b>
Oct	Investment earnings	24
Nov	Draw for cash flow needs	(301,566)
	Investment earnings	13
Dec	Draw for cash flow needs	(100,000)
	Investment earnings	12
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>393,531</b>
Jan. 2021	Replenishment to reserve	100,000
	Investment earnings	7
Feb	Investment earnings	12
Mar	Investment earnings	52
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>493,602</b>
Apr	Investment earnings	24
May	Investment earnings	4
Jun	Investment earnings	5
	Replenishment to reserve	301,448
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>795,082</b>
Jul	Investment earnings	41
Aug	Investment earnings	31
Sept	Investment earnings	37
	Year-end deposit adjustment to increase balance to FY 2021 required levels	32,502
<b>Sept.</b>	<b>Fourth Quarter ending balance</b>	<b>827,693</b>
	Investment earnings, October 2020 - September 2021	260

# **Fiscal Year 2021 Fiscal Stabilization Reserve Report**

*September 30, 2021*

**Fiscal Year 2021 Fiscal Stabilization Reserve Report**  
**September 30, 2021**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
<b>Sept. 2020</b>	<b>FY 2020 ending balance</b>	<b>218,217</b>
Oct	Draw to support approved budget	(212,729)
	Investment earnings	32
Nov	Investment earnings	23
Dec	Investment earnings	18
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>5,561</b>
Jan. 2021	Investment earnings	18
Feb	Investment earnings	16
Mar	Investment earnings	19
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>5,614</b>
Apr	Investment earnings	19
May	Investment earnings	19
Jun	Investment earnings	17
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>5,669</b>
Jul	Investment earnings	17
Aug	Investment earnings	16
Sept	Investment earnings	16
	Replenishment to Reserve	212,729
	Year-end deposit adjustment to increase balance to FY 2021 required levels	7,951
<b>Sept</b>	<b>Fourth Quarter ending balance</b>	<b>226,397</b>
	Investment earnings, October 2020 - September 2021	229