

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

**OFFICE OF THE CHIEF FINANCIAL OFFICER**



**Glen Lee**  
Chief Financial Officer

February 17, 2023

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 2022 Status Report on the District Reserve Funds as of September 30, 2022**

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, 2022. These funds are comprised of the Contingency Cash, Emergency 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 2021 ending District fund balances totaled \$1,529.7 million. This included:

- \$317.1 million for the Contingency Cash Reserve fund.
- \$158.5 million for the Emergency Cash Reserve fund.
- \$827.7 million for the Cash Flow Reserve fund.
- \$226.4 million for the Fiscal Stabilization Reserve fund.

As of September 30, 2022, the fourth quarter FY 2022 District reserve fund balances were as follows:

Emergency Reserve Fund	\$165.1 million
Contingency Reserve Fund	\$330.3 million
Cash Flow Reserve Fund	\$932.2 million
Fiscal Stabilization Reserve Fund	\$250.4 million
<b>Total</b>	<b>\$1,678.0 million</b>

The following is a discussion of activities for the fiscal year through September 30, 2022, and resulting balances in the District Reserve Funds.

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

The FY 2021 Emergency Cash Reserve ending fund balance increased from \$158.5 million to \$165.1 million as of September 30, 2022, because of investment earnings of \$0.7 million and required deposits and adjustments of \$5.8 million.

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

The FY 2021 Contingency Cash Reserve ending fund balance of \$317.1 million increased to \$330.3 million as of September 30, 2022, a net increase of \$13.2 million. The net decrease was the result of \$489.9 million drawn over the fiscal year, offset by:

- Direct replenishments and/or reversal of unused allocations of \$298.9 million
- FY 2022 supplemental legislation of \$9.6 million.
- Replenishment for year-end pooled cash of \$181.5 million.
- Required deposits and adjustments of \$10.9 million.
- Investment earnings of \$2.1 million.

During the fourth quarter, draws were as follows:

- In July, a draw of \$4.4 million was made to the Department of General Services to support costs related to School Summer Readiness work.
- In July, a draw of \$22.5 million was made to the Office of Contracting and Procurement to support costs related to COVID.
- In August, a draw of \$0.4 million was made to DC National Guard to support costs related to site remediation and rehabilitation services.
- In August, a draw of \$2.2 million was made to the Office of the State Superintendent of Education to support costs related to COVID.
- In August, a draw of \$7.0 million was made to the not-For-Profit Hospital Subsidy to support costs related to United Medical Center.
- In August, a draw of \$12.1 million was made to the Office of Contracting and Procurement to support costs related to COVID.
- In September, a draw of \$3.9 million was made to the Department of General Services to support costs energy costs.
- In September, a draw of \$1.2 million was made to the Department of General Services to support costs related to COVID.
- In September, a draw of \$2.7 million was made to Mass Transit Subsidies to cover operational expenses.
- In September, a draw of \$10.3 million was made to the Office of Contracting and Procurement to support costs related to COVID.
- In September, a draw of \$9.9 million was made to the Office of Contracting and Procurement to support costs related to COVID.
- In September, a draw of \$1.4 million was made to the Office of Contracting and Procurement to support costs related to Mpox and Migrant services.
- In September, 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 \$1.3 million was made to the Captive Insurance Agency to support cyber insurance renewal costs.

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

The FY 2021 ending Cash Flow Reserve fund balance increased from \$827.7 million to \$932.2 million as of September 30, 2022, a net increase of \$104.5 million, because of investment earnings of \$5.2 million and required deposits and adjustments of \$99.3 million.

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

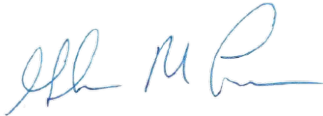
The FY 2021 ending Fiscal Stabilization Reserve fund balance increased from \$226.4 million to \$250.4 million as of September 30, 2022, a net increase of \$24.0 million, because of investments earnings of \$1.1 million and required deposits and adjustments of \$22.9 million.

***September 30, 2022, Combined Balances***

In summary, the combined total of the District Reserve fund balances as of September 30, 2022, was \$1,678.0 million, comprised of \$330.3 million in the Contingency Cash Reserve Fund, \$165.1 million in the Emergency Cash Reserve Fund, \$932.2 million in the Cash Flow Reserve Fund, and \$250.4 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,



Glen Lee

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 2022 Emergency Cash Reserve Report**

***September 30, 2022***

**Fiscal Year 2022 Emergency Cash Reserve Report**  
**September 30, 2022**

		(\$ in 000s)
<b>Fiscal Month</b>	<b>Transactions/Balances</b>	<b>ACFR Basis Restricted Fund Balance</b>
<b>Sept 2021</b>	<b>FY 2021 ending balance</b>	<b>158,547</b>
Oct	Investment earnings	23
Nov	Investment earnings	23
Dec	Investment earnings	24
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>158,617</b>
Jan. 2022	Investment earnings	23
Feb	Investment earnings	21
Mar	Investment earnings	28
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>158,689</b>
Apr	Investment earnings	34
May	Investment earnings	59
Jun	Investment earnings	83
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>158,864</b>
July	Investment earnings	114
Aug	Investment earnings	151
Sept	Year-end deposit adjustment to increase balance to FY 2022 required levels	5,835
	Investment earnings	167
<b>Sept</b>	<b>Fourth Quarter ending balance</b>	<b>165,130</b>
	Investment earnings, October 2021 - September 2022	748

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

# **Fiscal Year 2022 Contingency Cash Reserve Report**

***September 30, 2022***

**Fiscal Year 2022 Contingency Cash Reserve Report**  
**September 30, 2022**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Sept. 2021	<b>FY 2021 ending balance</b>	<b>317,094</b>
Oct	Draw: to the Department of General Services (AM0)	(13,350)
	Draw: to the DC Department of Human Resources (BE0)	(891)
	Draw: to the Deputy Mayor for Public Safety & Justice (FQ0)	(825)
	Draw: to the Department of Forensic Sciences (FR0)	(2,852)
	Draw: to the Office of Administrative Hearings (FS0)	(250)
	Draw: to the DC Public Schools (GA0)	(400)
	Draw: to the DC Public Schools (GA0)	(7,931)
	Draw: to the DC Public Schools (GA0)	(22,000)
	Draw: to the DC State Superintendent of Education (GD0)	(10,000)
	Draw: to the DC State Superintendent of Education (GD0)	(17,430)
	Draw: to the Office of Contracting and Procurement (PO0)	(18,866)
	Investment earnings	7
Nov	Draw: to the Department of General Services (AM0)	(875)
	Draw: to the Board of Elections (DL0)	(1,000)
	Draw: to the Office of Tenant Advocate (CQ0)	(512)
	Draw: to the DC Health Benefit Exchange Authority (HI0)	(1,600)
	Investment earnings	7
Dec	Draw: to the Department of General Services (AM0)	(12,724)
	Draw: to the Executive Office of the Mayor (AA0)	(780)
	Draw: to the Deputy Mayor for Planning and Economic Development (EB0)	(795)
	Draw: to the Department of Human Services (JA0)	(29,561)
	Draw: to the Office of Neighborhood Safety and Engagement	(361)
	Draw: to the Office of Contracting and Procurement (PO0)	(18,158)
	Draw: to the Office of Contracting and Procurement (PO0)	(50,000)
	Draw: to the Department of Behavioral Health (RM0)	(4,162)
	Draw: to the Office of the Chief Technology Officer (TO0)	(1,828)
	Draw: to the Office of Tenant Advocate (CQ0)	(512)
	Draw: to the Department of Forensic Sciences (FR0)	(2,000)
	Investment earnings	7
Dec	<b>First Quarter ending balance</b>	<b>97,452</b>
Jan. 2022	Draw: to the Executive Office of the Mayor (AA0)	(1,126)
	Draw: to the Department of General Services (AM0)	(1,745)
	Draw: to the Deputy Mayor for Planning and Economic Development (EB0)	(8,000)
	Draw: to the Department of Health Care Finance (HT0)	(15,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(27,260)
	Investment earnings	7
Feb	Draw: to the Department of General Services (AM0)	(6,076)
	Draw: to the Department of Human Services (JA0)	(8,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(11,230)
	Draw: to the Office of Contracting and Procurement (PO0)	(3,394)
	Investment earnings	6

**Fiscal Year 2022 Contingency Cash Reserve Report**  
**September 30, 2022**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Mar	Draw: to the Office of Contracting and Procurement (PO0)	(11,230)
	Draw: to the Captive Insurance Agency (RJ0)	(672)
	Investment earnings	32
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>3,764</b>
Apr	Replenishment by the:	
	DC Department of Human Resources (BE0)	891
	Office of the Tenant Advocate (CQ0)	1,023
	Deputy Mayor for Planning and Economic Development (EB0)	8,795
	Office of Administrative Hearing (FS0)	250
	DC Public Schools (GA0)	29,931
	DC State Superintendent of Education (GD0)	27,430
	DC Health Benefit Exchange (HE0)	1,600
	Department of Human Services (JA0)	37,561
	Neighborhood Safety and Engagement (NS0)	361
	Department of Behavioral Health (RM0)	4,162
	Office of the Chief Technology Officer (TO0)	1,828
	Draw: to the Department of General Services (AM0)	(12,691)
	Draw: to the Department of Parks and Recreation (HA0)	(5,072)
	Draw: to the Pay-As-You-Go Fund (PA0)	(1,500)
	Draw: to the Office of Contracting and Procurement (PO0)	(36,107)
	Investment earnings	69
May	Draw: to the Department of Parks and Recreation (HA0)	(480)
	Draw: to the Department of Behavioral Health (RM0)	(557)
	Replenishment by the Executive Office of the Mayor (AA0)	1,126
	Investment earnings	174
Jun	Draw: to the Department of General Services (AM0)	(6,400)
	Draw: to the Department of General Services (AM0)	(380)
	Draw: to the Department of Employment Services (CF0)	(3,911)
	Draw: to the Office of Contracting and Procurement (PO0)	(413)
	Draw: to the Office of Contracting and Procurement (PO0)	(22,460)
	Investment earnings	228
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>29,223</b>
Jul	Draw: to the Department of General Services (AM0)	(4,413)
	Draw: to the Office of Contracting and Procurement (PO0)	(22,460)
	Replenishment by the:	
	Office of Contracting and Procurement (PO0)	43,212
Aug	Investment earnings	413
	Draw: to the DC National Guard (FK0)	(400)
	Draw: to the DC State Superintendent of Education (GD0)	(2,200)
	Draw: to the Not for Profit Hospital Corporation Subsidy (HX0)	(7,000)
	Draw: to the Office of Contracting and Procurement (PO0)	(12,130)
	Replenishment by the:	0
	Department of Parks and Recreation (HA0)	480
	Department of Parks and Recreation (HA0)	5,072
	Investment earnings	577

**Fiscal Year 2022 Contingency Cash Reserve Report**  
**September 30, 2022**

		(\$ in 000s)
<b>Fiscal Month</b>	<b>Transactions/Balances</b>	<b>ACFR Basis Restricted Fund Balance</b>
Sept	Draw: to the Department of General Services (AM0)	(3,944)
	Draw: to the Department of General Services (AM0)	(1,244)
	Draw: to the Mass Transit Subsidies (KE0)	(2,748)
	Draw: to the Office of Contracting and Procurement (PO0)	(10,330)
	Draw: to the Office of Contracting and Procurement (PO0)	(9,983)
	Draw: to the Office of Contracting and Procurement (PO0)	(1,449)
	Draw: to the Office of Contracting and Procurement (PO0)	(7,000)
	Draw: to the Captive Insurance Agency (RJ0)	(1,299)
	Replenishment by the:	
	DC National Guard (FK0)	4
	Department of General Services (AM0)	19,586
	Executive Office of the Mayor (AA0)	780
	Deputy Mayor for Public Safety & Justice (FQ0)	123
	Department of Forensic Sciences (FR0)	3,066
	DC Public Schools (GA0)	400
	DC State Superintendent of Education (GD0)	2,200
	Department of Behavioral Health (RM0)	81
	Office of Contracting and Procurement (PO0)	109,019
	Repayment:	0
	from FY 2022 Year-End Surplus	181,478
	FY 2022 Supplemental (SV0)	9,556
	Year-end deposit adjustment to increase balance to FY 2022 required levels	10,954
	Investment earnings	633
<b>Sept</b>	<b>Fourth Quarter Ending Balance</b>	<b>330,259</b>
	Investment earnings, October 2021 - September 2022	2,160

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

# **Fiscal Year 2022**

# **Fiscal Stabilization Reserve Report**

***September 30, 2022***

**Fiscal Year 2022 Fiscal Stabilization Reserve Report**  
**September 30, 2022**

		(\$ in 000s)
<b>Fiscal Month</b>	<b>Transactions/Balances</b>	<b>ACFR Basis Restricted Fund Balance</b>
<b>Sept. 2021</b>	<b>FY 2021 ending balance</b>	<b>226,397</b>
Oct	Investment earnings	16
Nov	Investment earnings	16
Dec	Investment earnings	16
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>226,446</b>
Jan. 2022	Investment earnings	16
Feb	Investment earnings	15
Mar	Reconciliation adjustment	(51)
	Investment earnings	27
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>226,452</b>
Apr	Investment earnings	43
May	Investment earnings	90
Jun	Investment earnings	140
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>226,725</b>
Jul	Investment earnings	198
Aug	Investment earnings	279
Sept	Investment earnings	328
	Replenishment to Reserve	22,883
<b>Sept</b>	<b>Fourth Quarter ending balance</b>	<b>250,413</b>
	Investment earnings, October 2021 - September 2022	1,184

# **Fiscal Year 2022 Cash Flows Reserve Report**

***September 30, 2022***

**Fiscal Year 2022 Cash Flow Reserve Report**  
**September 30, 2022**

		(\$ in 000s)
<b>Fiscal Month</b>	<b>Transactions/Balances</b>	<b>ACFR Basis Restricted Fund Balance</b>
<b>Sept. 2021</b>	<b>FY 2021 ending balance</b>	<b>827,693</b>
Oct	Investment earnings	17
Nov	Investment earnings	35
Dec	Investment earnings	65
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>827,810</b>
Jan. 2022	Investment earnings	(209)
Feb	Investment earnings	10
Mar	Reconciliation adjustment	68
	Investment earnings	152
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>827,830</b>
Apr	Investment earnings	187
May	Investment earnings	413
Jun	Investment earnings	523
	Replenishment to reserve	0
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>828,953</b>
Jul	Investment earnings	1,014
Aug	Investment earnings	1,429
Sept	Investment earnings	1,582
	Replenishment to reserve	99,263
<b>Sept.</b>	<b>Fourth Quarter ending balance</b>	<b>932,240</b>
	Investment earnings, October 2021 - September 2022	5,217