

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



Glen Lee
Chief Financial Officer

November 8, 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: Third Quarter FY 2023 Status Report on the District Reserve Funds as of June 30, 2023

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 June 30, 2023. 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 2022 ending District fund balances totaled \$1,678.0 million. This includes:

- \$330.3 million for the Contingency Cash Reserve fund.
- \$165.1 million for the Emergency Cash Reserve fund.
- \$932.2 million for the Cash Flow Reserve fund.
- \$250.4 million for the Fiscal Stabilization Reserve fund.

As of June 30, 2023, the third quarter FY 2023 District reserve fund balances were as follows:

Contingency Reserve Fund	\$ 63.9 million
Emergency Reserve Fund	\$ 167.9 million
Cash Flow Reserve Fund	\$1,049.7 million
Fiscal Stabilization Reserve Fund	\$ 277.4 million
Total	\$1,558.9 million

The following is a discussion of activities for the fiscal year through June 30, 2023, and resulting balances in the District Reserve Funds.

Contingency Cash Reserve Fund

The FY 2022 Contingency Cash Reserve ending fund balance of \$330.3 million decreased to \$63.9 million as of June 30, 2023, a net decrease of \$266.4 million. The decrease, net of interest, is attributed to funds drawn over the first three quarters.

During the third quarter, draws of \$115.8 million were as follows:

- In April a draw of \$3.4 million was made to the Department of General Services to fund increased labor and material costs for the buildout of the HSEMA Emergency Operations Center.
- In April a draw of \$10.1 million was made to the Department of Housing and Community Development to fund additional applications for the Home Purchase Assistance Program.
- In April a draw of \$2.5 million was made to the Homeland Security and Emergency Management Agency to support the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccinations, and operations.

- In April a draw of \$14.3 million was made to the Department of Human Services to assist with migrant services, including meals, temporary accommodations, and support services.
- In May a draw of \$11.0 million was made to the Department of General Services to cover increased energy costs due to higher-than-expected global energy prices.
- In May a draw of \$7.6 million was made to the Office of the Deputy Mayor for Planning and Economic Development to assist with unanticipated closing costs.
- In May a draw of \$0.3 million was made to the Department of Human Services to fund sign language interpretation services.
- In May a draw of \$2.1 million was made to the Office of Contracting and Procurement for license costs required to continue work on the Procurement Automated Support System (PASS) modernization project.
- In May a draw of \$1.4 million was made to the Office of Commercial Program to fund a shortfall in budget authority caused by increases in short-term interest rates.
- In June a draw of \$8.9 million was made to the Department of General Services to support District schools' summer readiness work orders.
- In June a draw of \$5.1 million was made to the Department of General Services to fund costs associated with facilities' needs including janitorial, pest control, grounds keeping, and general maintenance.
- In June a draw of \$12.6 million was made to the Homeland Security and Emergency Management Agency to support the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccinations, and operations.
- In June a draw of \$7.0 million was made to the Department of Employment Services to cover costs for the Paid Family Leave program.
- In June a draw of \$0.3 million was made to the Office of the Tenant Advocate to assist clients with emergency housing and relocation assistance.
- In June a draw of \$14.0 million to the Department of Housing and Community Development to support additional applications for the Home Purchase Assistance Program.
- In June a draw of \$11.1 million to the Department of Human Services to cover increased energy costs due to higher-than-expected global energy prices.
- In June a draw of \$4.1 million to the Department of Human Services to cover increased energy costs due to higher-than-expected global energy prices.

Emergency Cash Reserve Fund

The FY 2022 ending Emergency Cash Reserve fund balance increased from \$165.1 million to \$167.9 million as of June 30, 2023, because of investment earnings of \$2.8 million.

Cash Flow Reserve Fund

The FY 2022 ending Cash Flow Reserve fund balance increased from \$932.2 million to \$1,049.7 million as of June 30, 2023, because of investment earnings and other receipts of \$117.5 million.

Fiscal Stabilization Reserve Fund

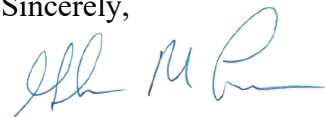
The FY 2022 ending Fiscal Stabilization Reserve fund balance increased from \$250.4 million to \$277.4 million as of June 30, 2023, because of investment earnings and other receipts of \$27.0 million.

June 30, 2023, Combined Balances

In summary, the combined total of the District Reserve fund balances as of June 30, 2023 was \$1,558.9 million, comprised of \$63.9 million in the Contingency Cash Reserve Fund, \$167.9 million in the Emergency Cash Reserve Fund, \$1,049.7 million in the Cash Flow Reserve Fund, and \$277.4 million in the Fiscal Stabilization Reserve Fund.

If you have any questions or need additional information, please contact Eric M. Cannady, Deputy Chief Financial Officer for the Office of Budget and Planning at (202) 727-1239.

Sincerely,



Glen Lee
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 M. 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 Systems

Fiscal Year 2023 Contingency Cash Reserve Report
June 30, 2023

Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Sept. 2022	FY 2022 ending balance	330,259
Oct	Draw: to the Department of General Services (AM0)	(476)
	Draw: to the Department of Human Services (JA0)	(4,000)
	Draw: to the Office of Disability Rights (JR0)	(95)
	Investment earnings	824
Nov	Draw: to the Office of the Inspector General (AD0)	(663)
	Draw: to the Department of General Services (AM0)	(35,269)
	Draw: to the Homeland Security and Emergency Management Agency (BN0)	(26,939)
	Draw: to the Office of the State Superintendent of Education (GD0)	(2,486)
	Draw: to the Pay-As-You-Go fund (PA0)	(18,082)
	Investment earnings	978
Dec	Draw: to the Office of the City Administrator (AE0)	(1,330)
	Draw: to the Homeland Security and Emergency Management Agency (BN0)	(13,163)
	Draw: to the Office of the State Superintendent of Education (GD0)	(5,814)
	Draw: to the Department of Human Services (JA0)	(3,810)
	Replenishment by the Department of General Services (AM0)	20,382
	Investment earnings	1,109
Dec	First Quarter ending balance	241,427
Jan. 2022	Draw: to the Homeland Security and Emergency Management Agency (BN0)	(31,592)
	Replenishment by the Department of General Services (AM0)	11,735
	Investment earnings	1,180
Feb	Draw: to the Office of the Deputy Mayor for Education (GW0)	(2,208)
	Draw: to the Office of Disability Rights (JR0)	(65)
	Replenishment by the Department of General Services (AM0)	1,299
	Investment earnings	1,133
Mar	Draw: to the Homeland Security and Emergency Management Agency (BN0)	(26,939)
	Draw: to the Department of Housing and Community Development (DB0)	(5,000)
	Draw: to the District of Columbia Public Schools (GA0)	(12,440)
	Draw: to the Office of Disability Rights (JR0)	65
	Draw: to the Department of Motor Vehicles (KV0)	(2,268)
	Investment earnings	1,295
Mar	Second Quarter ending balance	177,622
Apr	Draw: to the Department of Housing and Community Development (DB0)	(10,141)
	Draw: to the Department of General Services (AM0)	(3,423)
	Draw: to the Homeland Security and Emergency Management Agency (BN0)	(2,490)
	Draw: to the Department of Human Services (JA0)	(14,268)
	Investment earnings	942
	Other Cash Disbursements	0
May	Draw: to the Department of General Services (AM0)	(11,000)
	Draw: to the Office of the Deputy Mayor for Planning and Economic Development	(7,560)
	Draw: to the Department of Human Services (JA0)	(301)
	Draw: to the Office of Contracting and Procurement (PO0)	(2,100)
	Draw: to the Office of Commercial Paper Program (ZC0)	(1,400)
	Investment earnings	611
Jun	Draw: to the Department of General Services (AM0)	(13,943)
	Draw: to the Homeland Security and Emergency Management Agency (BN0)	(12,575)
	Draw: to the Department of Employment Services (CF0)	(7,036)
	Draw: to the Office of the Tenant Advocate (CQ0)	(340)
	Draw: to the Department of Housing and Community Development (DB0)	(14,043)
	Draw: to the Department of Human Services (JA0)	(11,122)
	Draw: to the Department of Transportation Services (KA0)	(4,108)
	Investment earnings	558
Jun	Third Quarter ending balance	63,884
	Investment earnings, October 2022 - June 2023	5,339

Fiscal Year 2023 Emergency Cash Reserve Report
June 30, 2023

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Sept 2022	FY 2022 ending balance	165,130
Oct	Investment earnings	219
Nov	Investment earnings	257
Dec	Investment earnings	292
Dec	First Quarter ending balance	165,898
Jan. 2023	Investment earnings	309
Feb	Investment earnings	294
Mar	Investment earnings	334
Mar	Second Quarter ending balance	166,835
Apr	Investment earnings	338
May	Investment earnings	366
Jun	Investment earnings	359
Jun	Third Quarter ending balance	167,898
	Investment earnings, October 2022 - June 2023	2,769

Fiscal Year 2023 Cash Flow Reserve Report
June 30, 2023

Fiscal Month	Transactions/Balances	(\$ in 000s) ACFR Basis Restricted Fund Balance
Sept. 2022	FY 2022 ending balance	932,240
Oct	Investment earnings	2,003
Nov	Investment earnings	2,397
Dec	Investment earnings	2,754
Dec	First Quarter ending balance	939,394
Jan. 2023	Investment earnings	2,935
Feb	Investment earnings	3,105
	Other Receipts	89,174
Mar	Investment earnings	3,590
Mar	Second Quarter ending balance	1,038,198
Apr	Investment earnings	3,637
May	Investment earnings	3,958
Jun	Investment earnings	3,877
Jun	Third Quarter ending balance	1,049,669
	Investment earnings, October 2022 - June 2023	28,255

**Fiscal Year 2023 Fiscal Stabilization Reserve Report
June 30, 2023**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Sept. 2022	FY 2022 ending balance	250,413
Oct	Investment earnings	405
Nov	Investment earnings	495
Dec	Investment earnings	577
Dec	First Quarter ending balance	251,889
Jan. 2023	Investment earnings	591
	Other Receipts	20,816
Feb	Investment earnings	600
Mar	Investment earnings	879
Mar	Second Quarter ending balance	274,775
Apr	Investment earnings	809
May	Investment earnings	892
Jun	Investment earnings	892
Jun	Third Quarter ending balance	277,368
	Investment earnings, October 2022 - June 2023	6,138