

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



Glen Lee
Chief Financial Officer

February 8, 2024

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 2023 Status Report on the District Reserve Funds as of September 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 September 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 September 30, 2023, the end of FY 2023 District reserve fund balances are as follows:

| | |
|---|-----------------|
| Contingency Reserve Fund | \$368.7 million |
| Emergency Reserve Fund | \$184.4 million |
| Cash Flow Reserve Fund | \$965.7 million |
| Fiscal Stabilization Reserve Fund | \$33.5 million |
| <div style="display: flex; justify-content: space-between;"> Total \$1,552.3 million </div> | |

The following is a discussion of activities for the fiscal year through September 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 increased to \$368.7 million as of September 30, 2023, an increase of \$38.5 million. The increase is net of interest, year-end adjustment, and funds drawn over the fiscal year.

During the fourth quarter, draws and replenishments of funds netted (\$115.4) million and were as follows:

- In July a draw of \$2.7 million to the Department of General Services to cover increased security costs.
- In July a draw of \$0.7 million to the Department of Homeland Security and Emergency Management System to support the District’s response to COVID-19, including testing, security, building readiness and administrative support.
- In July a draw of \$13.0 million to the District of Columbia Public Charter Schools to support Supplemental payments.
- In July a draw of \$10.3 million to the Department of Human Services to cover rental payments for the Family Re-Housing Stabilization Program (FRSP).
- In July a draw of \$0.5 million to the Department of For-Hire Vehicles to support costs associated with vehicle cameras. This allocation is anticipated to be repaid with private donations.
- In July a draw of \$3.9 million to the Department of Housing and Community Development to support additional applications for the Home Purchase Assistance Program.
- In August a draw of \$3 million for the Convention Center transfer.
- In August a draw of \$7 million to the Not-For-Profit Hospital Corporation Subsidy to cover increased costs for labor and lower Medicaid activity.
- In August a draw of \$10.3 million to the Department of Human Services to cover rental payments for the Family Re-Housing Stabilization Program (FRSP).

- In September COVID related and contingency cash replenishments of \$166.8 million from various agencies.

Emergency Cash Reserve Fund

The FY 2022 ending Emergency Cash Reserve fund balance increased from \$165.1 million to \$184.4 million as of September 30, 2023, because of investment earnings and other receipts of \$19.2 million.

Cash Flow Reserve Fund

The FY 2022 ending Cash Flow Reserve fund balance increased from \$932.2 million to \$965.7 million as of September 30, 2023, because of investment earnings of \$33.5 million.

Fiscal Stabilization Reserve Fund

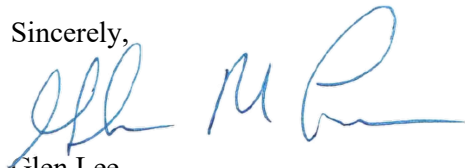
The FY 2022 ending Fiscal Stabilization Reserve fund balance decreased from \$250.4 million to \$33.5 million as of September 30, 2023, a decrease of \$216.9 million due to withdrawals to balance the FY 2024 – FY 2027 Financial Plan.

September 30, 2023, Combined Balances

In summary, the combined total of the District Reserve fund balances as of September 30, 2023 was \$1,552.3 million, comprised of \$368.7 million in the Contingency Cash Reserve Fund, \$184.4 million in the Emergency Cash Reserve Fund, \$965.7 million in the Cash Flow Reserve Fund, and \$33.5 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 and Controller, Office of Financial Operations and Systems

Fiscal Year 2023 Contingency Cash Reserve Report
September 30, 2023

| Fiscal Month | Transactions/Balances | ACFR Basis: Restricted Fund Balance |
|-------------------|---|---|
| Sept. 2022 | FY 2022 ending balance | 330,259,472 |
| Oct | | |
| | Draw: to the Office of Disability Rights (JR0) | (30,000) |
| | Investment earnings | 823,978 |
| Nov | | |
| | Draw: to the Office of the Inspector General (AD0) | (663,000) |
| | Draw: to the Department of General Services (AM0) | (35,268,852) |
| | Draw: to the Office of Disability Rights (JR0) | (4,000,000) |
| | Draw: to the Homeland Security and Emergency Management Agency (BN0) | (26,939,425) |
| | Draw: to the Office of the State Superintendent of Education (GD0) | (2,485,625) |
| | Draw: to the Pay-As-You-Go fund (PA0) | (18,081,896) |
| | Investment earnings | 978,282 |
| Dec | | |
| | Draw: to the Office of the City Administrator (AE0) | (1,329,580) |
| | Draw: to the Homeland Security and Emergency Management Agency (BN0) | (13,162,593) |
| | Draw: to the Office of the State Superintendent of Education (GD0) | (5,814,375) |
| | Draw: to the Department of Human Services (JA0) | (3,810,104) |
| | Replenishment by the Department of General Services (AM0) | 20,382,220 |
| | Investment earnings | 1,108,901 |
| Dec | First Quarter ending balance | 241,967,403 |
| Jan. 2022 | | |
| | Draw: to the Homeland Security and Emergency Management Agency (BN0) | (31,591,588) |
| | Replenishment by the Department of General Services (AM0) | 11,734,900 |
| | Investment earnings | 1,180,212 |
| Feb | | |
| | Draw: to the Office of the Deputy Mayor for Education (GW0) | (2,208,485) |
| | Draw: to the Office of Disability Rights (JR0) | (64,754) |
| | Replenishment by the Department of General Services (AM0) | 1,299,406 |
| | Investment earnings | 1,133,372 |
| Mar | | |
| | Draw: to the Homeland Security and Emergency Management Agency (BN0) | (26,939,426) |
| | Draw: to the Department of General Services (AM0) | (475,850) |
| | Draw: to the Department of Housing and Community Development (DB0) | (5,000,000) |
| | Draw: to the District of Columbia Public Schools (GA0) | (12,439,784) |
| | Draw: to the Department of Motor Vehicles (KV0) | (2,267,828) |
| | Investment earnings | 1,294,840 |
| Mar | Second Quarter ending balance | 177,622,417 |
| Apr | | |
| | Draw: to the Department of Housing and Community Development (DB0) | (10,140,579) |
| | Draw: to the Department of General Services (AM0) | (3,423,151) |
| | Draw: to the Homeland Security and Emergency Management Agency (BN0) | (2,489,808) |
| | Draw: to the Office of Deaf, Blind and Hard of Hearing (JS0) | (301,247) |
| | Draw: to the Department of Human Services (JA0) | (14,268,035) |
| | Investment earnings | 942,367 |
| May | | |
| | Draw: to the Department of General Services (AM0) | (9,392,425) |
| | Draw: to the Office of the Deputy Mayor for Planning and Economic Development | (7,560,000) |
| | Draw: to the Office of Contracting and Procurement (PO0) | (2,100,000) |

Fiscal Year 2023 Contingency Cash Reserve Report
September 30, 2023

| Fiscal Month | Transactions/Balances | ACFR Basis: Restricted Fund Balance |
|---|--|---|
| Jun | Draw: to the Office of Commercial Paper Program (ZC0) | (1,400,000) |
| | Investment earnings | 611,427 |
| | Draw: to the Department of General Services (AM0) | (13,942,524) |
| | Draw: to the Homeland Security and Emergency Management Agency (BN0) | (12,575,378) |
| | Draw: to the Department of Employment Services (CF0) | (7,036,249) |
| | Draw: to the Office of the Tenant Advocate (CQ0) | (340,000) |
| | Draw: to the Department of Housing and Community Development (DB0) | (10,189,675) |
| | Draw: to the Department of Human Services (JA0) | (11,122,117) |
| | Draw: to the Department of Transportation Services (KA0) | (4,108,320) |
| | Investment earnings | 558,274 |
| Jun | Third Quarter ending balance | 69,344,977 |
| Jul | | |
| | Investment earnings | 436,350 |
| | Other Cash Disbursements | |
| | Draw: to the Department of General Services (AM0) | (2,672,634) |
| | Draw: to the Homeland Security and Emergency Management Agency (BN0) | (679,279) |
| | Draw: to the District of Columbia Public Charter Schools (GC0) | (13,000,000) |
| | Draw: to the Department of FOR-HIRE Vehicles (TC0) | (500,000) |
| | Draw: to the Department of Human Services (JA0) | (10,327,342) |
| | Draw: to the Department of Housing and Community Development (DB0) | (3,853,000) |
| Aug | | |
| | Investment earnings | 272,304 |
| | Other Cash Disbursements | |
| | Replenishment by the Office of the Inspector General (AD0) | 663,000 |
| | Replenishment by the Office of City Administrator (AE0) | 209,197 |
| | Replenishment by the Department of General Services (AM0) | 180,396 |
| | Replenishment by the Department of Homeland Security and Emergency Management Agency (BN0) | 1,928,447 |
| | Replenishment by the Department of Housing and Community Development (DB0) | 5,000,000 |
| | Draw: The Convention Center (EZ0) | (3,000,000) |
| | Replenishment by the District of Columbia Public Schools (GA0) | 2,242,978 |
| | Replenishment by the Office of the State Superintendent of Education (GD0) | 830,001 |
| | Replenishment by the Office of the Deputy Mayor of Education (GW0) | 757,938 |
| | Draw: to the NOT-FOR-PROFIT Hospital Corporation Subsidy (HX0) | (7,000,000) |
| | Draw: to the Department of Human Services (JA0) | (10,272,658) |
| | Replenishment by the Office of Disability Rights (JR0) | 94,728 |
| Replenishment by the Department of Motor Vehicles (KV0) | 1,000,000 | |

Fiscal Year 2023 Contingency Cash Reserve Report
September 30, 2023

| Fiscal Month | Transactions/Balances | ACFR Basis: Restricted Fund Balance |
|--------------|--|---|
| Sept | | |
| | Investment earnings | 363,950 |
| | Other Cash Disbursements | |
| | Replenishment by the Office of City Administrator (AE0) | 125,383 |
| | Replenishment by the Department of General Services (AM0) | 16,179,064 |
| | Replenishment by the Department of Homeland Security and Emergency Management Agency (BN0) | 112,449,050 |
| | Replenishment by the Department of Employment Services (CF0) | 2,571,088 |
| | Replenishment by the Department of Housing and Community Development (DB0) | 2,830,052 |
| | Replenishment by the District of Columbia Public Schools (GA0) | 1,713,105 |
| | Replenishment by the Office of the State Superintendent of Education (GD0) | 50,719 |
| | Replenishment by the Office of the Deputy Mayor of Education (GW0) | 1,450,547 |
| | Draw: to the Department of Human Services (JA0) | 779,727 |
| | Replenishment by the Office of Disability Rights (JR0) | 26 |
| | Replenishment by the Department of Motor Vehicles (KV0) | 1,267,828 |
| | Replenishment by the PAY-AS-YOU-GO Capital Fund (PA0) | 14,017,327 |
| | Replenishment by the Office of Contracting and Procurement (PO0) | 88,032 |
| | Replenishment by the Department of FOR-HIRE Vehicles (TC0) | 263,300 |
| | Replenishment by the Office of Deaf, Blind and Hard of Hearing (JS0) | 58,636 |
| | Replenishment by the Office of Contracting and Procurement (PO0) | 3,853 |
| | Repayment: | |
| | From Fy 2023 Year-end Surplus | 154,096,640 |
| | Year-end deposit adjustment to increase balance to FY 2023 required levels | 28,785,551 |
| Sept | Fourth Quarter Ending Balance | 368,749,280 |
| | Investment earnings, October 2022 - September 2023 | 9,704,256 |

Fiscal Year 2023 Emergency Cash Reserve Report
September 30, 2023

| Fiscal Month | Transactions/Balances | ACFR Basis: Restricted Fund Balance |
|------------------|--|---|
| Sept 2022 | FY 2022 ending balance | 165,129,736 |
| Oct | Investment earnings | 219,033 |
| Nov | Investment earnings | 257,428 |
| Dec | Investment earnings | 291,912 |
| Dec | First Quarter ending balance | 165,898,109 |
| Jan. 2023 | Investment earnings | 308,842 |
| Feb | Investment earnings | 294,371 |
| Mar | Investment earnings | 333,756 |
| Mar | Second Quarter ending balance | 166,835,078 |
| Apr | Investment earnings | 337,838 |
| May | Investment earnings | 365,915 |
| Jun | Investment earnings | 359,431 |
| Jun | Third Quarter ending balance | 167,898,262 |
| July | Investment earnings | 431,083 |
| Aug | Investment earnings | 455,922 |
| Sept | Year-end deposit adjustment to increase balance to FY 2023 required levels | 6,077,264 |
| | Other Reciepts | 9,061,575 |
| | Investment earnings | 450,535 |
| Sept | Fourth Quarter ending balance | 184,374,640 |
| | Investment earnings, October 2022 - September 2023 | 4,106,065 |

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

Fiscal Year 2023 Cash Flow Reserve Report
September 30, 2023

| Fiscal Month | Transactions/Balances | ACFR Basis: Restricted Fund Balance |
|---------------------|--|--|
| Sept. 2022 | FY 2022 ending balance | 932,240,371 |
| Oct | Investment earnings | 2,003,456 |
| Nov | Investment earnings | 2,396,662 |
| Dec | Investment earnings | 2,753,599 |
| Dec | First Quarter ending balance | 939,394,088 |
| Jan. 2023 | Investment earnings | 2,935,401 |
| Feb | Investment earnings | 3,104,603 |
| | Other Receipts/Draw | (7,178,836) |
| Mar | Investment earnings | 3,589,734 |
| Mar | Second Quarter ending balance | 941,844,989 |
| Apr | Investment earnings | 3,636,668 |
| May | Investment earnings | 3,957,715 |
| Jun | Investment earnings | 3,877,180 |
| Jun | Third Quarter ending balance | 953,316,552 |
| Jul | Investment earnings | 4,064,378 |
| Aug | Investment earnings | 4,232,144 |
| Sept | Investment earnings | 4,118,298 |
| Sept. | Fourth Quarter ending balance | 965,731,371 |
| | Investment earnings, October 2022 - September 2023 | 40,669,836 |

*The highlighted row was hidden in the above table, which is why the totals on this revised version have now changed.

Fiscal Year 2023 Fiscal Stabilization Reserve Report
September 30, 2023

| Fiscal Month | Transactions/Balances | ACFR Basis: Restricted Fund Balance |
|-----------------------|--|---|
| Sept. 2022 | FY 2022 ending balance | 250,412,900 |
| Oct | Investment earnings | 404,806 |
| Nov | Investment earnings | 494,686 |
| Dec | Investment earnings | 576,549 |
| Dec | First Quarter ending balance | 251,888,942 |
| Jan. 2023 | Investment earnings | 590,776 |
| Feb | Investment earnings | 599,787 |
| Mar | Investment earnings | 879,088 |
| Mar | Second Quarter ending balance | 253,958,593 |
| Apr | Investment earnings | 808,691 |
| May | Investment earnings | 892,335 |
| Jun | Investment earnings | 891,660 |
| Jun | Third Quarter ending balance | 256,551,279 |
| Jul | Draw: to Balance the FY24-FY27 Financial Plan | (250,412,900) |
| | Replenishment to Reserve | 27,352,621 |
| Sept | Fourth Quarter ending balance | 33,491,000 |
| | Investment earnings, October 2022 - September 2023 | 6,138,379 |