

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

**OFFICE OF THE CHIEF FINANCIAL OFFICER**



**Glen Lee**  
Chief Financial Officer

February 19, 2025

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 2025 Status Report on the District Reserve Funds as of December 31, 2024**

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 December 31, 2024. 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 as 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 amount 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 2024 ending District fund balances totaled \$1,572.1 million. This includes:

- \$270.6 million for the Contingency Cash Reserve fund.
- \$212.9 million for the Emergency Cash Reserve fund.
- \$965.7 million for the Cash Flow Reserve fund.
- \$122.9 million for the Fiscal Stabilization Reserve fund.

As of December 31, 2024, the end of the first quarter FY 2025 District reserve fund balances are as follows:

Contingency Reserve Fund	\$245.4 million
Emergency Reserve Fund	\$215.8 million
Cash Flow Reserve Fund	\$55.8 million
Fiscal Stabilization Reserve Fund	\$36.3 million
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<b>Total</b>	<b>\$553.2 million</b>

The following is a discussion of activities through December 31, 2024, and resulting balances in the District Reserve Funds.

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

The FY 2024 Contingency Cash Reserve year-end fund balance of \$270.6 million decreased to \$245.4 million (budget basis) as of December 31, 2024, a decrease of \$25.2 million. The decrease is net of interest, and funds drawn over the period.

Funds drawn through the first quarter of FY 2025 were \$28.9 million and as follows:

- In December a draw of \$1.8 million to the Office of the Deputy Mayor for Planning and Economic Development to support the Food Access Fund.
- In December a draw of \$27.1 million to the Metropolitan Police Department to support sworn officers' personnel costs.

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

The FY 2024 ending Emergency Cash Reserve fund balance increased from \$212.9 million to \$215.8 million as of December 31, 2024, because of investment earnings and adjustments totaling \$2.9 million.

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

The FY 2024 ending Cash Flow Reserve fund balance decreased from \$965.7 million to \$55.8 million as of December 31, 2024, because of investment earnings, disbursements and adjustments net of \$910.0 million.

- During the first quarter, there were cash disbursements of \$1.0 billion to fund several activities, including: the annual employer contribution to Police, Fire, and Teacher's Retirement Plans; operating and capital subsidies to WMATA; Charter School payments; and payroll.
- In December there was an adjustment of \$91.6 million to reconcile to the Office of Finance and Treasury (OFT) Reserve Report.

***Fiscal Stabilization Reserve Fund***

The FY 2024 ending Fiscal Stabilization Reserve fund balance decreased from \$122.9 million to \$36.3 million as of December 31, 2024, because of investment earnings and adjustments net of \$86.6 million.

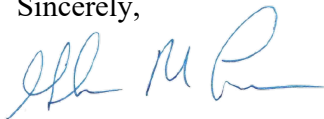
- In December there was an adjustment of -\$86.7 million to reconcile to the Office of Finance and Treasury (OFT) Reserve Report.

***Combined Balances***

In summary, the combined total of the District Reserve fund balances as of December 31, 2024, was \$553.2 million, comprised of \$245.4 million in the Contingency Cash Reserve Fund, \$215.8 million in the Emergency Cash Reserve Fund, \$55.8 million in the Cash Flow Reserve Fund, and \$36.3 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 2025 Contingency Cash Reserve Report**  
**December 31, 2024**

<b>Fiscal Month</b>	<b>Transactions/Balances</b>	<b>ACFR Basis: Restricted Fund Balance</b>
<b>Sept. 2024</b>	<b>FY 2024 ending balance</b>	<b>270,569,506</b>
Oct	Draw: to the Office of the Deputy Mayor for Planning and Economic Development (EB0)	(1,800,000)
	Draw: to the Metropolitan Police Department (FA0)	(27,145,237)
	Investment earnings	1,735,450
Nov	Investment earnings	1,052,499
Dec	Investment earnings	940,699
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>245,352,917</b>

**Fiscal Year 2025 Emergency Cash Reserve Report**  
**December 31, 2024**

<b>Fiscal Month</b>	<b>Transactions/Balances</b>	<b>ACFR Basis: Restricted Fund Balance</b>
<b>Sept 2024</b>	<b>FY 2024 ending balance</b>	<b>212,935,100</b>
Oct	Investment earnings	758,784
Nov	Investment earnings	719,218
Dec	Investment earnings	709,742
	Adjustment to tie to OFT Balance	689,667
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>215,812,511</b>

**Fiscal Year 2025 Cash Flow Reserve Report**  
**December 31, 2024**

<b>Fiscal Month</b>	<b>Transactions/Balances</b>	<b>ACFR Basis: Restricted Fund Balance</b>
<b>Sept. 2024</b>	<b>FY 2024 ending balance</b>	<b>965,731,000</b>
Oct	Investment earnings	1,927,530
	Other Cash Disbursements	(600,000,000)
Nov	Investment earnings	202,467
	Other Cash Disbursements	(403,890,599)
Dec	Investment earnings	202,467
	Adjustment to tie to OFT Balance	91,578,933
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>55,751,798</b>

**Fiscal Year 2025 Fiscal Stabilization Reserve Report**  
**December 31, 2024**

<b>Fiscal Month</b>	<b>Transactions/Balances</b>	<b>ACFR Basis: Restricted Fund Balance</b>
<b>Sept. 2024</b>	<b>FY 2024 ending balance</b>	<b>122,877,373</b>
Oct	Investment earnings	76,169
Nov	Investment earnings	75,356
Dec	Investment earnings	76,782
	Adjustment to tie to OFT Balance	(86,787,628)
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>36,318,053</b>