

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



Glen Lee
Chief Financial Officer

June 6, 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: Second Quarter FY 2025 Status Report on the District Reserve Funds as of
March 31, 2025**

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 March 31, 2025. 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 March 31, 2025, the end of the second quarter FY 2025 District reserve fund balances are as follows:

Contingency Reserve Fund	\$220.1 million
Emergency Reserve Fund	\$213.9 million
Cash Flow Reserve Fund	\$ 0.1 million
Fiscal Stabilization Reserve Fund	\$123.4 million
Total	\$557.5 million

The following is a discussion of activities through March 31, 2025, and resulting balances in the District Reserve Funds.

Contingency Cash Reserve Fund

The FY 2024 Contingency Cash Reserve year-end fund balance \$270.6 million decreased to \$50.5 million as of March 31, 2025, a decrease of \$220.1 million. The decrease is net of interest, disbursements and funds drawn over the period.

Funds drawn through the second quarter of FY 2025 were \$56.6 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.
- In January draws of \$9.8 million to the Department of Settlements and Judgements for settlement and judgements.
- In February draws of \$0.6 million to the Department of Settlements and Judgements for settlement and judgements.
- In February a draw of \$2.5 million to Homeland Security and Emergency Management to support unanticipated costs with waterborne recovery, Debris clearance, hazmat

operations, risk prevention & safety, & family assistance due to emergency response efforts.

- In February a draw of \$4.7 million to the Department of Public Works to support unanticipated snow program costs.
- In February a draw of \$8.8 million to the Not-for-Profit Hospital Corporation Subsidy to support hospital costs as it transitions and winds down operations.
- In February there were draws of \$0.6 million total to the Department of Settlements and Judgements for settlements and judgements.
- In March there were various draws totaling \$1.3 million to the Department of Settlements and Judgements for settlements and judgments.

Emergency Cash Reserve Fund

The FY 2024 ending Emergency Cash Reserve fund balance increased from \$212.9 million to \$213.9 million as of March 31, 2025, because of investment earnings and adjustment net of \$1.0 million.

- In February there was cash disbursement or transfer out of account of \$4.0 million

Cash Flow Reserve Fund

The FY 2024 ending Cash Flow Reserve fund balance decreased from \$965.7 million to \$0.7 million as of March 31, 2025, because of investment earnings and adjustments net of \$965.0 million.

- In October there was cash disbursement or transfer out of the account of \$600 million
- In December there was cash disbursement or transfer out of the account of \$403.9 million
- In December there was an adjustment of \$91.6 million
- In January there was cash disbursement or transfer out of the account of \$55.8 million

Fiscal Stabilization Reserve Fund

The FY 2024 ending Fiscal Stabilization Reserve fund balance increased from \$122.9 million to \$123.4 million as of March 31, 2025, because of investment earnings and adjustment net of \$0.5 million.

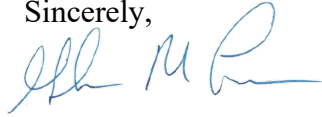
- In December there was cash disbursement or transfer out of the account of \$86.8 million

Combined Balances

In summary, the combined total of the District Reserve fund balances as of March 31, 2025, was \$557.1 million, comprised of \$220.1 million in the Contingency Cash Reserve Fund, \$213.9 million in the Emergency Cash Reserve Fund, \$0.7 million in the Cash Flow Reserve Fund, and \$123.4 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,

A handwritten signature in blue ink, appearing to read "Glen Lee".

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
March 31, 2025

Fiscal Month	Transactions/Balances	ACFR Basis: Restricted Fund Balance
Sept. 2024	FY 2024 ending balance	270,569,506
Oct		
	Draw: to the Office of the Deputy Mayor for Planning and Economic Development (EB0)	(1,800,000)
	Investment earnings	1,735,450
Nov	Investment earnings	1,052,499
Dec	Investment earnings	940,699
	Draw: to the Metropolitan Police Department (FA0)	(27,145,237)
Dec	First Quarter ending balance	245,352,917
Jan. 2025		
	Draw: to the Department of Settlements and Judgements (ZH0)	(9,754,824)
	Draw: to the Department of Settlements and Judgements (ZH0)	(36,000)
	Investment earnings	860,719
Feb	Draw: to the Not for Profit Hospital Corporation Subsidy (HX0)	(8,800,000)
	Draw: to the Department of Settlements and Judgements (ZH0)	(165,000)
	Draw: to the Department of Settlements and Judgements (ZH0)	(389,000)
	Draw: to the Department of Public Works (KT0)	(4,676,001)
	Draw: to the Department of Homeland Security and Management (BN0)	(2,501,883)
	Investment earnings	765,807
Mar		
	Investment earnings	772,321
	Draw: to the Department of Settlements and Judgements (ZH0)	(76,000)
	Draw: to the Department of Settlements and Judgements (ZH0)	(51,505)
	Draw: to the Department of Settlements and Judgements (ZH0)	(153,706)
	Draw: to the Department of Settlements and Judgements (ZH0)	(668,740)
	Draw: to the Department of Settlements and Judgements (ZH0)	(375,000)
Mar	Second Quarter ending balance	220,104,106

Fiscal Year 2025 Emergency Cash Reserve Report
March 31, 2025

Fiscal Month	Transactions/Balances	ACFR Basis: Restricted Fund Balance
Sept 2024	FY 2024 ending balance	212,935,100
Oct	Investment earnings	758,784
Nov	Investment earnings	719,218
Dec	Investment earnings	709,742
	Adjustment to tie to OFT Balance	689,667
Dec	First Quarter ending balance	215,812,511
Jan. 2025	Investment earnings	707,028
Feb	Investment earnings	675,035
	Other Disbursements	(4,001,405)
Mar	Investment earnings	721,647
Mar	Second Quarter ending balance	213,914,817

Fiscal Year 2025 Cash Flow Reserve Report
March 31, 2025

Fiscal Month	Transactions/Balances	ACFR Basis: Restricted Fund Balance
Sept. 2024	FY 2024 ending balance	965,731,000
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
	OFT adjusted Dec Interest in Q2	
Dec	First Quarter ending balance	55,751,798
Jan. 2025	Investment earnings	76,067
	Other Cash Disbursements	(55,751,798)
Feb	Investment earnings	242
Mar	Investment earnings	269
	Adjust to correct December interest	
Mar	Second Quarter ending balance	76,578

**Fiscal Year 2025 Fiscal Stabilization Reserve Report
March 31, 2025**

Fiscal Month	Transactions/Balances	ACFR Basis: Restricted Fund Balance
Sept. 2024	FY 2024 ending balance	122,877,373
Oct	Investment earnings	76,169
Nov	Investment earnings	75,356
Dec	Investment earnings	76,782
	Adjustment to tie to OFT Balance	(86,787,628)
Dec	First Quarter ending balance	36,318,053
Jan.	Investment earnings	71,869
Feb	Investment earnings	105,415
	Other Receipts	86,500,000
Mar	Investment earnings	385,994
Mar	Second Quarter ending balance	123,381,331