

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

OFFICE OF THE CHIEF FINANCIAL OFFICER



**Jeffrey S. DeWitt**  
Chief Financial Officer

July 27, 2015

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, N.W., Suite 306  
Washington, D.C. 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, N.W., Suite 504  
Washington, D.C. 20004

**SUBJECT: Third Quarter FY 2015 Status Report on the Emergency and Contingency Cash Reserve Funds as of June 30, 2015**

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the status report on the monthly activities and balances in the District of Columbia's Emergency and Contingency Cash Reserve Funds as of June 30, 2015. The numbers contained in this status report are preliminary and unaudited.

***Summary and Background***

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. 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. Both funds may be used for cash flow management purposes.

The District is required to maintain minimum balances (including required replenishment of permitted draws) in the Emergency and Contingency Cash Reserve Funds of 2 percent and 4 percent, respectively, of Local Fund operating expenditures less repayment of bonds and interest, for which a separate fund is already established. The minimum levels are based on the operating expenditures contained in the most recently published Comprehensive Annual Financial Report (CAFR) of the District for the fiscal year immediately preceding the current fiscal year.

The year-end FY 2014 CAFR fund balances included \$116.0 million for the Emergency Cash Reserve Fund and \$239.4 million for the Contingency Cash Reserve Fund, for a combined total of \$355.4 million.

As of June 30, 2015, the reserve fund balances were as follows:

Emergency Reserve Fund	\$116.1 million
Contingency Reserve Fund	<u>221.7 million</u>
<b>Total</b>	<b><u>\$337.8 million</u></b>

The following is a discussion of activities for the fiscal year through June 30, 2015 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

***Emergency Cash Reserve Fund***

The FY 2014 Emergency Cash Reserve CAFR fund balance of \$116.0 million increased by the amount of investment earnings of \$109,157.

***Contingency Cash Reserve Fund***

The FY 2014 Contingency Cash Reserve CAFR fund balance of \$239.4 million decreased to \$221.7 million as of June 30, 2015. The net decrease was the result of \$17.8 million drawn from the reserve during the fiscal year offset by investment earnings of \$63,163.

During the third quarter, draws were as follows:

- In April, a draw for \$5.4 million to the Department of Employment Services to fund disallowed costs as a result of workers compensation audits.
- In April, a draw for \$0.4 million to Fire and Emergency Medical Services to fund option year 2 of the contract with Transportation Resource Associates, to provide technical and administrative assistance and oversight activities related to the District's streetcar program.
- In May, a draw for \$1.0 million to the Department of Forensic Sciences to fund consultant and DNA testing contracts.

***June 30, 2015 Combined Balances***

In summary, the June 30, 2015 fund balances for the Emergency and Contingency Cash Reserve Funds were \$116.1 million and \$221.7 million, respectively. The combined total was \$337.8 million.

If you have any questions or need additional information, please contact Gordon McDonald, Deputy Chief Financial Officer for Budget and Planning, at 727-1239.

Sincerely,



Jeffrey S. DeWitt  
Chief Financial Officer

Enclosures

cc: Rashad M. Young, City Administrator  
Matthew Brown, Director, Office of Budget and Finance  
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  
Gordon McDonald, Deputy Chief Financial Officer, Office of Budget and Planning  
Jeffrey Barnette, Deputy Chief Financial Officer and Treasurer  
Bill Slack, Deputy Chief Financial Officer, Office of Financial Operations and Systems

**Fiscal Year 2015 Contingency Cash Reserve Report**  
**June 30, 2015**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept, 2014	<b>FY 2014 ending balance</b>	<b>239,401</b>
Oct	Investment earnings	3
Nov	Draw: to Non-Departmental for severance pay, leave payout, and other transitional activities related to the November election	(7,457)
Nov	Investment earnings	6
Dec	Investment earnings	6
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>231,959</b>
Jan, 2015	Draw: to the Department of Public Works to fund snow removal	(3,300)
Jan	Draw: to the Board of Elections Ward 8 special election	(146)
Jan	Draw: to the Office of the Mayor to fund funeral services for Councilmember and former Mayor Marion Barry	(94)
Jan	Investment earnings	7
Feb	Investment earnings	7
Mar	Investment earnings	7
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>228,440</b>
Apr	Draw: to the Department of Employment Services to cover disallowed costs as a result of workers compensation audits	(5,415)
Apr	Investment earnings	8
Apr	Draw: to the Fire and Emergency Medical Services Department to cover option year 2 with Transportation Resource Associates to provide technical and administrative assistance for the streetcar program	(400)
May	Draw: to the Department of Forensic Sciences to assist with DNA testing as well as consultant costs for a corrective action plan and remedial measures within the agency	(1,000)
May	Investment earnings	9
Jun	Investment earnings	11
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>221,652</b>
	<b>Investment earnings, October - June 2015</b>	<b>63</b>

(Investment earnings are calculated based on whole numbers and may not add due to rounding.)

**Fiscal Year 2015 Emergency Cash Reserve Report**  
**June 30, 2015**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
<b>Sept, 2014</b>	<b>FY 2014 ending balance</b>	<b>116,016</b>
Oct	Investment earnings	6
Nov	Investment earnings	1
Dec	Investment earnings	1
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>116,023</b>
Jan, 2015	Investment earnings	1
Feb	Investment earnings	44
Mar	Investment earnings	3
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>116,071</b>
Apr	Investment earnings	7
May	Investment earnings	(0)
Jun	Investment earnings	47
<b>Jun</b>	<b>Third Quarter ending balances</b>	<b>116,125</b>
	<b>Investment earnings, October - June 2015</b>	109

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**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

OFFICE OF THE CHIEF FINANCIAL OFFICER



**Jeffrey S. DeWitt**  
Chief Financial Officer

July 27, 2015

The Honorable Ander Crenshaw  
Chairman  
U.S. House of Representatives Committee on Appropriations  
Financial Services and General Government Subcommittee  
B-300 Rayburn House Office Building  
*Attn: John F. Martens*  
Washington, D.C. 20515

**SUBJECT: Third Quarter FY 2015 Status Report on the Emergency and Contingency Cash Reserve Funds as of June 30, 2015**

Dear Chairman Crenshaw:

Enclosed is the status report on the monthly activities and balances in the District of Columbia's Emergency and Contingency Cash Reserve Funds as of June 30, 2015. The numbers contained in this status report are preliminary and unaudited.

***Summary and Background***

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As of June 30, 2015, the reserve fund balances were as follows:

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<b>Total</b>	<b><u>\$337.8 million</u></b>

The following is a discussion of activities for the fiscal year through June 30, 2015 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

***Emergency Cash Reserve Fund***

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***Contingency Cash Reserve Fund***

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***June 30, 2015 Combined Balances***

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**Fiscal Year 2015 Contingency Cash Reserve Report**  
**June 30, 2015**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
<b>Sept, 2014</b>	<b>FY 2014 ending balance</b>	<b>239,401</b>
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	<b>Investment earnings, October - June 2015</b>	<b>63</b>

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**Fiscal Year 2015 Emergency Cash Reserve Report**  
**June 30, 2015**

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Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
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GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER



**Jeffrey S. DeWitt**  
Chief Financial Officer

July 27, 2015

The Honorable José E. Serrano  
Ranking Member  
U.S. House of Representatives Committee on Appropriations  
Financial Services and General Government Subcommittee  
2227 Rayburn House Office Building  
*Attn: Angela Ohm*  
Washington, D.C. 20515

**SUBJECT: Third Quarter FY 2015 Status Report on the Emergency and Contingency  
Cash Reserve Funds as of June 30, 2015**

Dear Congressman Serrano:

Enclosed is the status report on the monthly activities and balances in the District of Columbia's Emergency and Contingency Cash Reserve Funds as of June 30, 2015. The numbers contained in this status report are preliminary and unaudited.

***Summary and Background***

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**Fiscal Year 2015 Contingency Cash Reserve Report**  
**June 30, 2015**

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**Fiscal Year 2015 Emergency Cash Reserve Report**  
**June 30, 2015**

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



**Jeffrey S. DeWitt**  
Chief Financial Officer

July 27, 2015

The Honorable John Boozman  
Chairman  
Senate Committee on Appropriations  
Financial Services and General Government Subcommittee  
125 Hart Senate Office Building  
*Attn: Dale Cabaniss*  
Washington, D.C. 20510

**SUBJECT: Third Quarter FY 2015 Status Report on the Emergency and Contingency Cash Reserve Funds as of June 30, 2015**

Dear Chairman Boozman:

Enclosed is the status report on the monthly activities and balances in the District of Columbia's Emergency and Contingency Cash Reserve Funds as of June 30, 2015. The numbers contained in this status report are preliminary and unaudited.

***Summary and Background***

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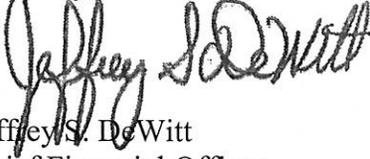
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July 27, 2015

The Honorable Christopher A. Coons  
Ranking Member  
Senate Committee on Appropriations  
Financial Services and General Government Subcommittee  
133 Dirksen Senate Office Building  
*Attn: Marianne Upton*  
Washington, D.C. 20510

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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. 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. Both funds may be used for cash flow management purposes.

The District is required to maintain minimum balances (including required replenishment of permitted draws) in the Emergency and Contingency Cash Reserve Funds of 2 percent and 4 percent, respectively, of Local Fund operating expenditures less repayment of bonds and interest, for which a separate fund is already established. The minimum levels are based on the operating expenditures contained in the most recently published Comprehensive Annual Financial Report (CAFR) of the District for the fiscal year immediately preceding the current fiscal year.

The year-end FY 2014 CAFR fund balances included \$116.0 million for the Emergency Cash Reserve Fund and \$239.4 million for the Contingency Cash Reserve Fund, for a combined total of \$355.4 million.

As of June 30, 2015, the reserve fund balances were as follows:

Emergency Reserve Fund	\$116.1 million
Contingency Reserve Fund	<u>221.7 million</u>
<b>Total</b>	<b><u>\$337.8 million</u></b>

The following is a discussion of activities for the fiscal year through June 30, 2015 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

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

The FY 2014 Emergency Cash Reserve CAFR fund balance of \$116.0 million increased by the amount of investment earnings of \$109,157.

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

The FY 2014 Contingency Cash Reserve CAFR fund balance of \$239.4 million decreased to \$221.7 million as of June 30, 2015. The net decrease was the result of \$17.8 million drawn from the reserve during the fiscal year offset by investment earnings of \$63,163.

During the third quarter, draws were as follows:

- In April, a draw for \$5.4 million to the Department of Employment Services to fund disallowed costs as a result of workers compensation audits.
- In April, a draw for \$0.4 million to Fire and Emergency Medical Services to fund option year 2 of the contract with Transportation Resource Associates, to provide technical and administrative assistance and oversight activities related to the District's streetcar program.
- In May, a draw for \$1.0 million to the Department of Forensic Sciences to fund consultant and DNA testing contracts.

#### ***June 30, 2015 Combined Balances***

In summary, the June 30, 2015 fund balances for the Emergency and Contingency Cash Reserve Funds were \$116.1 million and \$221.7 million, respectively. The combined total was \$337.8 million.

If you have any questions or need additional information, please contact Gordon McDonald, Deputy Chief Financial Officer for Budget and Planning, at 727-1239.

Sincerely,



Jeffrey S. DeWitt  
Chief Financial Officer

Enclosures

cc: Rashad M. Young, City Administrator  
Matthew Brown, Director, Office of Budget and Finance  
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  
Gordon McDonald, Deputy Chief Financial Officer, Office of Budget and Planning  
Jeffrey Barnette, Deputy Chief Financial Officer and Treasurer  
Bill Slack, Deputy Chief Financial Officer, Office of Financial Operations and Systems

**Fiscal Year 2015 Contingency Cash Reserve Report**  
**June 30, 2015**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
<b>Sept, 2014</b>	<b>FY 2014 ending balance</b>	<b>239,401</b>
Oct	Investment earnings	3
Nov	Draw: to Non-Departmental for severance pay, leave payout, and other transitional activities related to the November election	(7,457)
Nov	Investment earnings	6
Dec	Investment earnings	6
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>231,959</b>
Jan, 2015	Draw: to the Department of Public Works to fund snow removal	(3,300)
Jan	Draw: to the Board of Elections Ward 8 special election	(146)
Jan	Draw: to the Office of the Mayor to fund funeral services for Councilmember and former Mayor Marion Barry	(94)
Jan	Investment earnings	7
Feb	Investment earnings	7
Mar	Investment earnings	7
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>228,440</b>
Apr	Draw: to the Department of Employment Services to cover disallowed costs as a result of workers compensation audits	(5,415)
Apr	Investment earnings	8
Apr	Draw: to the Fire and Emergency Medical Services Department to cover option year 2 with Transportation Resource Associates to provide technical and administrative assistance for the streetcar program	(400)
May	Draw: to the Department of Forensic Sciences to assist with DNA testing as well as consultant costs for a corrective action plan and remedial measures within the agency	(1,000)
May	Investment earnings	9
Jun	Investment earnings	11
<b>Jun</b>	<b>Third Quarter ending balance</b>	<b>221,652</b>
	<b>Investment earnings, October - June 2015</b>	<b>63</b>

(Investment earnings are calculated based on whole numbers and may not add due to rounding.)

**Fiscal Year 2015 Emergency Cash Reserve Report**  
**June 30, 2015**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
<b>Sept, 2014</b>	<b>FY 2014 ending balance</b>	<b>116,016</b>
Oct	Investment earnings	6
Nov	Investment earnings	1
Dec	Investment earnings	1
<b>Dec</b>	<b>First Quarter ending balance</b>	<b>116,023</b>
Jan, 2015	Investment earnings	1
Feb	Investment earnings	44
Mar	Investment earnings	3
<b>Mar</b>	<b>Second Quarter ending balance</b>	<b>116,071</b>
Apr	Investment earnings	7
May	Investment earnings	(0)
Jun	Investment earnings	47
<b>Jun</b>	<b>Third Quarter ending balances</b>	<b>116,125</b>
	<b>Investment earnings, October - June 2015</b>	109

(Investment earnings are calculated based on whole numbers and may not add due to rounding.)