

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

JUN 10 2014

The Honorable Vincent C. Gray
Mayor of the District of Columbia
1350 Pennsylvania Avenue, N.W., Suite 600
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: Second Quarter FY 2014 Status Report on the Emergency and Contingency
Cash Reserve Funds as of March 31, 2014**

Dear Mayor Gray 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 March 31, 2014. 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 2013 CAFR fund balances included \$112.1 million for the Emergency Cash Reserve Fund and \$227.4 million for the Contingency Cash Reserve Fund, for a combined total of \$339.5 million.

As of March 31, 2014, the first quarter FY 2014 reserve fund balances were as follows:

Emergency Reserve Fund	\$112.1 million
Contingency Reserve Fund	<u>172.7 million</u>
Total	\$284.8 million

Following is a discussion of activities for the fiscal year through March 31, 2014 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

The Emergency Cash Reserve FY 2013 CAFR fund balance of \$112.1 million increased by \$48,000 in the first two quarters of FY 2014 to \$112.1 million as of March 31, 2014, solely reflecting investment earnings.

Contingency Cash Reserve Fund

The Contingency Cash Reserve FY 2013 CAFR fund balance of \$227.4 million decreased by \$54.7 million in the first two quarters of FY 2014 to \$172.7 million as of March 31, 2014. The net decrease was the result of the net \$54.8 million that was drawn from the reserve during the period, offset by investment earnings of \$69,000. The draws and repayments were as follows:

- Draws totaling \$149.9 million were made in the absence of a permanent appropriation or a Continuing Resolution by Congress that would provide budget authority to fund FY 2014 activity through October 16th, 2013, to the Non-Departmental Fund, from which allocations to agencies could be made. All but \$99,000 was repaid in October, and the remainder was repaid in November.
- A draw for \$1.0 million was made in November to the State Superintendent of Education (OSSE) to cover the cost of the Community School Fund grants recently awarded to six community school grantees.
- A draw for \$5.0 million was made in November to the Department of Health Care Finance (DHCF) to cover the second phase of the Not-For-Profit Hospital Corporation consulting contract.
- A draw for \$13.1 million was made in December to the Not-For-Profit Hospital Corporation to cover the cost of operating and capital expenditures needed to improve the operations, improve the information technology infrastructure, and perform routine capital projects for the general health and safety of the hospital. The draw was transferred to the Not-For-Profit Hospital Corp. Subsidy in January 2014, and increased to \$14.8 million.

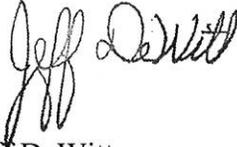
- A draw for \$0.8 million was made in December to the Department of Motor Vehicles to fully fund the undocumented driver license program.
- A draw for \$0.6 million was made in December to the D.C. Taxicab Commission to cover unforeseen expenditures in expediting the implementation of the Taxicab Color Scheme Incentive Program.
- Four draws totaling \$1.5 million were made in December or January to agencies that initially received capital funding from the Office of Planning for its Sustainable DC project, but the OCFO determined that the projects were no longer capital eligible. The agencies and their draw amounts were: the Department of Public Works (\$0.3 million), the District Department of the Environment (\$0.2 million), the Office of Contracting and Procurement (\$0.2 million), and the Department of Parks and Recreation (\$0.8 million).
- A draw for \$3.0 million was made in January to the Office on Aging to fund transportation services to seniors in the District.
- Draws for \$0.5 million in January and \$7.6 million in March were made to the Department on Disability Services to fund new hires and promotions to ensure that the Evans consent decree is reversed.
- A draw for \$9.1 million was made in January to the Department of Public Works to fund the Mayor's Supercan initiative.
- Draws for \$2.6 million in February and \$3.1 million in March were made to the Department of Public Works to fund snow removal costs greater than budgeted.
- A draw for \$2.5 million was made in February to TIF and PILOT Transfer to fund a deposit for the Skyland project.
- A draw for \$1.9 million was made in March to the Office of Contracting and Procurement to fund its procurement reform program by delegating contracting authority to agencies.
- A draw for \$0.8 million was made in March to the Office of the Attorney General as part of the Office of Contracting and Procurement's program of procurement reform.

March 31, 2014 Combined Balances

In summary, the March 31, 2014 fund balances for the Emergency and Contingency Cash Reserve Funds were \$112.1 million and \$172.7 million, respectively. Their combined total was \$284.8 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,



Jeff DeWitt
Chief Financial Officer

Enclosures

cc: Allen Y. Lew, City Administrator
Eric Goulet, Deputy Chief of Staff and Budget Director, Mayor's 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 2014, Emergency Cash Reserve Report
Second Quarter Ending March 31, 2014
as of 5/19/2014

		(\$ in 000s)
Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept, 2013	FY 2013 ending balance	112,056
Oct	Investment earnings	0
Nov	Investment earnings	11
Dec	Investment earnings	9
Dec	First Quarter ending balance	112,076
Jan, 2014	Investment earnings	27
Feb	Investment earnings	1
Mar	Investment earnings	1
Mar	Second Quarter ending balances	112,104
	Investment earnings, October - March	48

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

Fiscal Year 2014, Contingency Cash Reserve Report
Second Quarter Ending March 31, 2014
as of 5/19/2014

Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Sept, 2013	FY 2013 ending balance	227,434
Oct	draws: in the absence of a permanent appropriation or a Continuing Resolution by Congress that would provide budget authority to fund FY 2014 activity through October 16th, 2013, to the Non-Departmental Fund, from which allocations to agencies could be made	(149,893)
Oct	repayments: of most of the draws described in the preceding line	149,794
Oct	investment earnings	26
Nov	repayments: of the remainder of the draws made in October	99
Nov	draw: to the State Superintendent of Education (OSSE) to cover the cost of the Community School Fund grants recently awarded to six community school grantees	(1,000)
Nov	draw: to the Department of Health Care Finance (DHCF) to cover the second phase of the Not-For-Profit Hospital Corporation consulting contract	(5,000)
Nov	investment earnings	32
Dec	draw: to the Not-For-Profit Hospital Corporation to cover the cost of operating and capital expenditures needed to improve the operations, improve the information technology infrastructure, and perform routine capital projects for the general health and safety of the hospital	(13,057)
Dec	draw: to the Department of Motor Vehicles to fully fund the undocumented driver license program	(791)
Dec	draw: to the D.C. Taxicab Commission to cover unforeseen expenditures in expediting the implementation of the Taxicab Color Scheme Incentive Program	(644)
Dec	draw: to fund the Department of Public Works to offset a correction to the capital budget	(300)
Dec	draw: to fund the District Department of the Environment to offset a correction to the capital budget	(242)
Dec	draw: to fund the Office of Contracting and Procurement to offset a correction to the capital budget	(188)
Dec	investment earnings	2
Dec	First Quarter ending balances	206,273
Jan, 2014	draw: to the Office of Aging to fund transportation services to seniors of the District	(3,000)
Jan	draw: to the Department of Parks and Recreation to fund the Sustainable DC project	(791)
Jan	repayment: to transfer the draw made in December to the Not-For-Profit Hospital Corporation to the Not-For-Profit Hospital Corp.	13,057
Jan	draw: to the Not-For-Profit Hospital Corp. Subsidy to cover the cost of operating and capital expenditures needed to improve the operations, improve the information technology infrastructure, and perform routine capital projects for the general health and safety of the hospital	(14,841)
Jan	draw: to the Department on Disability Services to fund new hires and promotions to ensure that the Evans consent decree is reversed	(553)

Fiscal Year 2014, Contingency Cash Reserve Report
Second Quarter Ending March 31, 2014
as of 5/19/2014

Fiscal Month	Transactions/Balances	CAFR Basis Restricted Fund Balance
Jan	draw: to the Department of Public Works to fund the Supercan initiative	(9,056)
Jan	investment earnings	2
Feb	draw: to the Department of Public Works to fund snow removal	(2,602)
Feb	draw: to TIF and PILOT Transfer to fund a deposit for the Skyland project.	(2,500)
Feb	investment earnings	2
Mar	draw: to fund the Office of Contracting and Procurement to fund its procurement reform program by delegating contracting authority to agencies.	(1,850)
Mar	draw: to the Office of the Attorney General as part of the Office of Contracting and Procurement's program of procurement reform.	(774)
Mar	draw: to the Department on Disability Services to fund new hires and promotions to ensure that the Evans consent decree is reversed	(7,574)
Mar	draw: to the Department of Public Works to fund snow removal	(3,077)
Mar	investment earnings	4
Mar	Second Quarter ending balances	172,720
	Investment earnings, October - March	69
	Average monthly earnings, October - March	12

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

1 This table reports budgetary uses and replenishments of the reserve on a CAFR basis. Cash balances may differ.

Net change from September 31, 2013	(54,714)
Net change from September 31, 2013 excluding Investment earnings	(54,783)

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

JUN 10 2014

The Honorable Ander Crenshaw
Chairman
U.S. House of Representatives Committee on Appropriations
Financial Services and General Government Subcommittee
440 Cannon House Office Building
Attn: John Martens
Washington D.C. 20515

SUBJECT: Second Quarter FY 2014 Status Report on the Emergency and Contingency Cash Reserve Funds as of March 31, 2014

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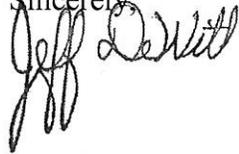
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Sincerely,


Jeff DeWitt
Chief Financial Officer

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Jeff DeWitt
Chief Financial Officer

JUN 10 2014

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: Second Quarter FY 2014 Status Report on the Emergency and Contingency Cash Reserve Funds as of March 31, 2014

Dear Congressman Serrano:

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Summary and Background

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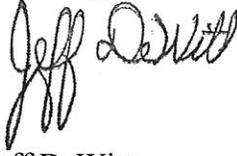
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March 31, 2014 Combined Balances

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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,

A handwritten signature in black ink, appearing to read "Jeff DeWitt". The signature is written in a cursive style with a large, stylized "J" and "D".

Jeff DeWitt
Chief Financial Officer

Enclosures

cc: Allen Y. Lew, City Administrator
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Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

JUN 10 2014

The Honorable Tom Udall
Chairman
Senate Committee on Appropriations
Financial Services and General Government Subcommittee
110 Hart Senate Office Building
Attn: Marianne Upton
Washington D.C. 20510

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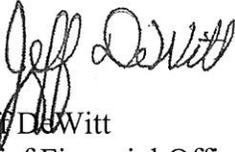
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March 31, 2014 Combined Balances

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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,



Jeff DeWitt
Chief Financial Officer

Enclosures

cc: Allen Y. Lew, City Administrator
Eric Goulet, Deputy Chief of Staff and Budget Director, Mayor's 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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Jeff DeWitt
Chief Financial Officer



JUN 10 2014

The Honorable Mike Johanns
Ranking Member
Senate Committee on Appropriations
Financial Services and General Government Subcommittee
404 Russell Senate Office Building
Attn: Dale Cabaniss
Washington, D.C. 20510

SUBJECT: Second Quarter FY 2014 Status Report on the Emergency and Contingency Cash Reserve Funds as of March 31, 2014

Dear Senator Johanns:

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 March 31, 2014. 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 2013 CAFR fund balances included \$112.1 million for the Emergency Cash Reserve Fund and \$227.4 million for the Contingency Cash Reserve Fund, for a combined total of \$339.5 million.

As of March 31, 2014, the first quarter FY 2014 reserve fund balances were as follows:

Emergency Reserve Fund	\$112.1 million
Contingency Reserve Fund	<u>172.7 million</u>
Total	\$284.8 million

Following is a discussion of activities for the fiscal year through March 31, 2014 and resulting balances in the Emergency and Contingency Cash Reserve Funds.

Emergency Cash Reserve Fund

The Emergency Cash Reserve FY 2013 CAFR fund balance of \$112.1 million increased by \$48,000 in the first two quarters of FY 2014 to \$112.1 million as of March 31, 2014, solely reflecting investment earnings.

Contingency Cash Reserve Fund

The Contingency Cash Reserve FY 2013 CAFR fund balance of \$227.4 million decreased by \$54.7 million in the first two quarters of FY 2014 to \$172.7 million as of March 31, 2014. The net decrease was the result of the net \$54.8 million that was drawn from the reserve during the period, offset by investment earnings of \$69,000. The draws and repayments were as follows:

- Draws totaling \$149.9 million were made in the absence of a permanent appropriation or a Continuing Resolution by Congress that would provide budget authority to fund FY 2014 activity through October 16th, 2013, to the Non-Departmental Fund, from which allocations to agencies could be made. All but \$99,000 was repaid in October, and the remainder was repaid in November.
- A draw for \$1.0 million was made in November to the State Superintendent of Education (OSSE) to cover the cost of the Community School Fund grants recently awarded to six community school grantees.
- A draw for \$5.0 million was made in November to the Department of Health Care Finance (DHCF) to cover the second phase of the Not-For-Profit Hospital Corporation consulting contract.
- A draw for \$13.1 million was made in December to the Not-For-Profit Hospital Corporation to cover the cost of operating and capital expenditures needed to improve the operations, improve the information technology infrastructure, and perform routine capital projects for the general health and safety of the hospital. The draw was transferred to the Not-For-Profit Hospital Corp. Subsidy in January 2014, and increased to \$14.8 million.
- A draw for \$0.8 million was made in December to the Department of Motor Vehicles to fully fund the undocumented driver license program.

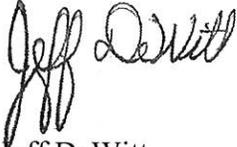
- A draw for \$0.6 million was made in December to the D.C. Taxicab Commission to cover unforeseen expenditures in expediting the implementation of the Taxicab Color Scheme Incentive Program.
- Four draws totaling \$1.5 million were made in December or January to agencies that initially received capital funding from the Office of Planning for its Sustainable DC project, but the OCFO determined that the projects were no longer capital eligible. The agencies and their draw amounts were: the Department of Public Works (\$0.3 million), the District Department of the Environment (\$0.2 million), the Office of Contracting and Procurement (\$0.2 million), and the Department of Parks and Recreation (\$0.8 million).
- A draw for \$3.0 million was made in January to the Office on Aging to fund transportation services to seniors in the District.
- Draws for \$0.5 million in January and \$7.6 million in March were made to the Department on Disability Services to fund new hires and promotions to ensure that the Evans consent decree is reversed.
- A draw for \$9.1 million was made in January to the Department of Public Works to fund the Mayor's Supercan initiative.
- Draws for \$2.6 million in February and \$3.1 million in March were made to the Department of Public Works to fund snow removal costs greater than budgeted.
- A draw for \$2.5 million was made in February to TIF and PILOT Transfer to fund a deposit for the Skyland project.
- A draw for \$1.9 million was made in March to the Office of Contracting and Procurement to fund its procurement reform program by delegating contracting authority to agencies.
- A draw for \$0.8 million was made in March to the Office of the Attorney General as part of the Office of Contracting and Procurement's program of procurement reform.

March 31, 2014 Combined Balances

In summary, the March 31, 2014 fund balances for the Emergency and Contingency Cash Reserve Funds were \$112.1 million and \$172.7 million, respectively. Their combined total was \$284.8 million.

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