



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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February 14, 2012

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe  
Auditor-Controller

**SUBJECT: FISCAL YEAR 2011-2012 CASH FLOW PROJECTION**

Attached is the latest cash flow projection for the General Fund and Hospital Funds. The estimated June 30, 2012 combined cash balances for the General Fund and Hospital Funds are positive \$51 million. This amount remains unchanged from the previous month's estimate.

**State Cash Deferrals**

On January 26, 2012, the California State Association of Counties informed us that the State was experiencing cash flow difficulties. As a result, certain scheduled payments from the State to the County in late January, February and March are expected to be deferred until April. On January 30, the State failed to remit approximately \$37 million of CalWORKs related collections to the County and this amount has been deferred.

On January 31, the State Controller informed the State Legislature that the State's General Fund is projected to incur a liquidity shortfall from late February until approximately April 13. In order to manage the cash deficit, the State is using payment deferrals, external borrowing, and expanded internal borrowing, as authorized by Senate Bill 95. In addition to the recent \$37 million deferral, the County is expecting additional deferrals of approximately \$50 million in February and \$50 million in March, with full recovery of all deferrals in April. For the specified deferral period, the County will rely on its General Fund cash reserves and internal borrowing resources to adequately manage the temporary shortfall of cash receipts from the State.

### **Short-Term Outlook**

The actual January 31, 2012 cash balances were positive \$523 million, which approximated our previous estimate of positive \$514 million. The February 29, 2012 combined cash balances are estimated at positive \$103 million.

If you have any questions, please contact me, or your staff may call John Naimo at (213) 974-8484.

WLW:JN:CY:leh  
Acctg/Admin/Admin/cfp2

### **Attachment**

c: William T Fujioka, Chief Executive Officer  
Mark J. Saladino, Treasurer and Tax Collector  
Sachi A. Hamai, Executive Officer, Board of Supervisors  
Audit Committee  
Public Information Office

**GENERAL FUND  
HOSPITAL FUNDS  
MONTHLY CASH FLOW PROJECTION**  
(in thousands)

Description	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	February 2012	March 2012	April 2012	May 2012	June 2012
	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	January 2012					
General Fund :												
Beginning Cash	\$ 568,002	\$ 1,522,684	\$ 1,319,842	\$ 909,737	\$ 419,044	\$ 229,984	\$ 440,436	\$ 511,073	\$ 76,625	\$ (605,186)	\$ (61,498)	\$ 177,484
Receipts	2,430,250	1,227,115	779,488	989,006	1,147,944	1,945,739	1,908,536	1,001,854	777,536	2,345,345	1,667,909	2,509,279
Disbursements	(1,475,568)	(1,429,957)	(1,189,593)	(1,479,699)	(1,337,004)	(1,735,287)	(1,837,899)	(1,436,302)	(1,459,347)	(1,801,657)	(1,428,927)	(2,639,047)
Month End Cash	\$ 1,522,684	\$ 1,319,842	\$ 909,737	\$ 419,044	\$ 229,984	\$ 440,436	\$ 511,073	\$ 76,625	\$ (605,186)	\$ (61,498)	\$ 177,484	\$ 47,716
Hospital Funds :												
Month End Cash	13,502	15,996	27,436	12,111	17,930	22,484	12,420	26,000	20,000	18,000	13,000	3,000
Total Month End Cash	\$ 1,536,186	\$ 1,335,838	\$ 937,173	\$ 431,155	\$ 247,914	\$ 462,920	\$ 523,493	\$ 102,625	\$ (585,186)	\$ (43,498)	\$ 190,484	\$ 50,716
<i>Borrowable Resources*</i>	\$ 1,321,951	\$ 1,069,843	\$ 1,142,594	\$ 1,449,921	\$ 2,695,445	\$ 4,953,904	\$ 3,165,217	\$ 1,859,312	\$ 1,988,371	\$ 4,376,143	\$ 2,667,709	\$ 1,394,717

\*In addition to the actual cash balances, the County has access to borrowable resources which consist of undistributed property tax collections, departmental revenues, and deposits. The average daily balances for each month are displayed above.