



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

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October 21, 2010

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

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **FISCAL YEAR 2010-2011 CASH FLOW PROJECTION**

Attached is the Fiscal Year 2010-2011 cash flow projection reflecting three-month actual results and nine-month estimates. The estimated June 30, 2011 combined cash balances for the General Fund and Hospital Funds are negative \$82 million. To the extent that the cash balances are negative, the County has internal borrowing resources which will sufficiently cover the deficit amount at June 30, 2011. The attachment provides the estimated internal borrowing resources available for each month of this fiscal year.

The internal borrowing resources primarily consist of undistributed property tax collections, departmental revenues and deposits. It is common for the County to rely on internal borrowing to cover negative balances as the need arises throughout the fiscal year. However, the County has not utilized internal borrowing on the last day of the fiscal year (June 30) since 1996. The current projection of negative \$82 million is a conservative estimate and prudently reflects the possibility of ongoing delays in receiving State revenues, uncertainties associated with the Department of Health Services waiver extension, and recent State budget reductions.

Short-Term Outlook

The September 30, 2010 combined cash balances were positive \$552 million and consisted entirely of unspent Tax and Revenue Anticipation Note proceeds. The estimated October 31, 2010 combined cash balances are positive \$3 million.

Board of Supervisors
October 21, 2010
Page 2

We will continue to monitor the County's cash position throughout the fiscal year and provide monthly reports to your Board. If you have any questions, please contact me, or your staff may call John Naimo at (213) 974-8484.

WLW:MMO: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
John F. Schunhoff, Ph.D., Interim Director, Department of Health Services
Audit Committee
Public Information Office

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

Description	ACTUAL	ACTUAL	ACTUAL	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011
	July 2010	August 2010	September 2010									
General Fund :												
Beginning Cash	\$ 727,012	\$ 1,438,648	\$ 1,097,190	\$ 529,972	\$ (12,231)	\$ (183,729)	\$ 213,044	\$ 327,635	\$ 61,409	\$ (306,113)	\$ (532,545)	\$ (33,939)
Receipts	2,474,321	1,016,889	665,559	919,150	967,879	2,150,171	1,866,803	988,819	985,372	1,770,459	1,689,096	2,649,756
Disbursements	(1,762,685)	(1,358,347)	(1,232,777)	(1,461,353)	(1,139,377)	(1,753,398)	(1,752,212)	(1,255,045)	(1,352,894)	(1,996,891)	(1,190,490)	(2,698,045)
Month End Cash	\$ 1,438,648	\$ 1,097,190	\$ 529,972	\$ (12,231)	\$ (183,729)	\$ 213,044	\$ 327,635	\$ 61,409	\$ (306,113)	\$ (532,545)	\$ (33,939)	\$ (82,228)
Hospital Funds :												
Month End Cash	26,827	17,316	22,488	15,000	15,000	14,000	13,000	12,000	11,000	10,000	10,000	0
Total Month End Cash	\$ 1,465,475	\$ 1,114,506	\$ 552,460	\$ 2,769	\$ (168,729)	\$ 227,044	\$ 340,635	\$ 73,409	\$ (295,113)	\$ (522,545)	\$ (23,939)	\$ (82,228)
<i>Borrowable Resources*</i>	\$ 1,336,324	\$ 1,199,235	\$ 1,289,953	\$ 1,512,105	\$ 2,575,285	\$ 4,165,519	\$ 2,974,761	\$ 1,857,022	\$ 1,908,180	\$ 4,103,871	\$ 2,165,943	\$ 1,287,995

*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.