



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

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March 16, 2011

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

FROM: Wendy L. Watanabe
Auditor-Controller

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

Attached is the latest cash flow projection for the General Fund and Hospital Funds. The estimated June 30, 2011 combined cash balances for the General Fund and Hospital Funds are negative \$82 million. This amount remains unchanged from the previous month's estimate. 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.

Short-Term Outlook

Our previous report estimated the actual January 31, 2011 cash balances at positive \$136 million. The actual cash balances were positive \$176 million. The difference of \$40 million was primarily due to higher than anticipated cash receipts associated with social service programs.

The estimated March 31, 2011 combined cash balances are negative \$447 million. On March 10, 2011, the Department of Health Services notified your Board of the need to remit a \$141.3 million Intergovernmental Transfer payment to the State in conjunction with the 1115 Waiver. On the following day (March 11th), these funds were disbursed by the County. The County expects to receive cash receipts of approximately \$342.7 million which are associated with the 1115 waiver and this recent disbursement. Although the cash receipts are expected by the County by the end of this month, the exact date remains uncertain and we have not included them in the March 31 estimate. If received on or before March 31, the County's cash position will significantly improve from the estimate above.

Board of Supervisors

March 16, 2011

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The realization of 1115 Waiver cash flows will be a positive influence on the County's cash position. We are working with the Chief Executive Office and Treasurer and Tax Collector to analyze all cash receipts and disbursements and expect to revise the June 30, 2011 cash estimate in our next monthly report. 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
Mitchell H. Katz, M.D., Director, Department of Health Services
Audit Committee
Public Information Office

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

Description	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	
General Fund :													
Beginning Cash	\$ 727,012	\$ 1,438,648	\$ 1,097,190	\$ 529,972	\$ 64,668	\$ (90,485)	\$ 321,576	\$ 484,230	\$ 150,599	\$ (457,900)	\$ (500,475)	\$ (57,307)	\$ (57,307)
Receipts	2,474,321	1,016,889	665,559	942,551	1,157,648	2,105,030	1,861,792	978,337	755,827	1,766,959	1,686,001	2,747,331	2,747,331
Disbursements	(1,762,685)	(1,358,347)	(1,232,777)	(1,407,855)	(1,312,801)	(1,692,969)	(1,699,138)	(1,311,968)	(1,364,326)	(1,809,534)	(1,242,833)	(2,772,252)	(2,772,252)
Month End Cash	\$ 1,438,648	\$ 1,097,190	\$ 529,972	\$ 64,668	\$ (90,485)	\$ 321,576	\$ 484,230	\$ 150,599	\$ (457,900)	\$ (500,475)	\$ (57,307)	\$ (82,228)	\$ (82,228)
Hospital Funds :													
Month End Cash	26,827	17,316	22,488	21,250	36,877	29,711	18,544	25,529	11,000	10,000	10,000	0	0
Total Month End Cash	\$ 1,465,475	\$ 1,114,506	\$ 552,460	\$ 85,918	\$ (53,608)	\$ 351,287	\$ 502,774	\$ 176,128	\$ (446,900)	\$ (490,475)	\$ (47,307)	\$ (82,228)	\$ (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	\$ 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.