


**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

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**DATE:** April 6, 2009

**TO:** The Honorable Laura N. Chick, City Controller  
Office of the Controller

**FROM:** Farid Saffar, Director of Auditing  
Office of the Controller

  
JOYA C. DE FOOR, CTP  
CITY TREASURER

**SUBJECT: CONDITION OF ALL CITY FUNDS IN THE CITY TREASURY AS OF JUNE 30, 2008 AND REVIEW OF CASH AND INVESTMENT ACTIVITIES**

Below are the planned actions and actual actions the Office of the Treasurer will undertake or has already taken to implement the recommendations on the above subject.

**RECOMMENDATION NO. 1**

The Fiscal Year 2004-2005 and prior unidentified reconciling items in the amount of \$380,135 pertain to the active Bank of America account. Since the City is closing this account in line with the new banking implementation, the Office of the Treasurer will write off the unidentified reconciling items at that time.

**RECOMMENDATION NO. 2**

The difference between SYMPRO and cash control of \$460,821 as of June 30, 2008 has been resolved and adjusted in FMIS as of December 2008. Currently, SYMPRO and cash control are being monitored closely so that adjusting entries are prepared timely. The Department has also requested budget support so that the present Cash Control spreadsheet system can be replaced.

**RECOMMENDATION NO. 3**

The Office monitors and maintains a minimum net six-month liquidity requirement as is required by the State of California Government Code. Monitoring is executed through the use of a Cash Flow Forecast Worksheet. The Worksheet includes the following inflow estimates: core portfolio balance, bank collected balance(s), tax receipts, departmental deposits, proprietary deposits, and subordinated note proceeds from the Department of Water and Power (DWP). The Worksheet also includes the following outflow estimates: warrants, payroll estimates, pension payments, DWP wires, and bond redemption and interest payments.

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It should be noted that the six-month liquidity requirement is a minimum and not an exact calculation. As the City proceeds with the new banking implementation, the Office expects to revise Cash Flow Procedures accordingly.

If you have any questions, please contact Victoria Santiago, Departmental Chief Accountant, at (213) 978-1733 or Harold B. Nachtrieb, Chief Investment Officer, at (213) 978-1720.

JCD:VS:HN:rmf

c: Robin Kramer, Chief Of Staff, Office of the Mayor  
Jimmy Blackman, Deputy Chief of Staff, Office of the Mayor  
Benjamin Ceja, Deputy Mayor for Finance and Performance Management  
Raymond Ciranna, Interim City Administrative Officer  
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