

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your **BUDGET AND FINANCE** Committee

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to the Reserve Fund Statement of Condition and status of all Reserve fund loans as of March 31, 2009.

Recommendation for Council action:

NOTE and FILE the Controller's report relative to the Reserve Fund Statement of Condition and status of all Reserve Fund loans as of March 31, 2009, inasmuch as the report is submitted for information only and no further Council action is necessary.

Fiscal Impact Statement: Not applicable

Community Impact Statement: None submitted

SUMMARY

At its meeting of June 15, 2009, the Budget and Finance Committee considered the City Controller's report relative to the Reserve Fund Statement of Condition and status of all Reserve fund loans as of March 31, 2009. The Controller reports that the Mayor and Council approve loans to the General Fund and other special purpose funds to be repaid upon receipt of revenues. As of March 31, 2009, the balance for this type of loan from the Reserve Fund was \$12.6 million. Included in this amount is \$10 thousand that the Controller borrowed from the Reserve Fund on behalf of four City departments to cover expenditures that exceeded appropriations and/or available receipts at June 30, 2008. The borrowings enabled the Controller to reconcile the budget without departments returning to Council at year-end to request additional appropriations. As of March 31, 2009, the year-end loans for unfunded expenditures totaled \$7.9 million. The Controller's report provides additional detail relative to Reserve Fund loan transactions, the plan by City departments to liquidate their outstanding Reserve Fund loans, and the Statement of Cash Condition as of March 31, 2009.

The Budget and Finance Committee recommended to note and file the Controller's report relative to the Reserve Fund Statement of Condition and status of all Reserve Fund loans as of March 31, 2009, inasmuch as the report is submitted for information only and no further Council action is necessary. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
GREUEL:	ABSENT
SMITH:	YES
ROSENDAHL:	YES
HUIZAR:	YES

LB
08-1292-S2_RPT_BFC_06-19-09

-NOT OFFICIAL UNTIL COUNCIL ACTS-