

**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 June 30, 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 June 30, 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 October 19, 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 June 30, 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 June 30, 2009, the balance for this type of loan from the Reserve Fund was \$30.5 million. Included in this amount is \$19.6 million that the Controller borrowed from the Reserve Fund on behalf of six City departments to cover expenditures that exceeded appropriations and/or available receipts at June 30, 2009. The borrowings enabled the Controller to reconcile the budget without departments returning to Council at year-end to request additional appropriations. 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 June 30, 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 June 30, 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
SMITH:	ABSENT
ROSENDAHL:	YES
HUIZAR:	YES
KORETZ:	YES

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