MOUNTAINS RECREATION & CONSERVATION AUTHORITY
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AGENDA ITEM VI

TO: The Governing Board (MRCA)

FROM: Jim Friedl, Financial Officer

SUBJECT: Mountains Recreation and Conservation Authority (Authority) Cash Report for the year ended June 30, 2007 and One Quarter Ended September 30, 2007.

DATE: November 6, 2007

The MRCA Joint Exercise of Powers Agreement designates the General Manager of the Conejo Recreation and Park District as Financial Officer of the Authority, whose duties include reporting on the financial circumstances of the Authority.

Prior to 2004, it was the Santa Monica Mountains Conservancy's practice to advance cash in the full grant amount to the Authority upon award of the grant. In response to the State Department of Finance audit, these grant advances have been discontinued and advanced funds that were not committed to specific contracts, along with interest thereon, were returned to the state. Since grant expenses are now reimbursed rather than advanced, management of cash flow has taken on greater significance.

In anticipation of the need to have working capital to pay contractors, the Authority entered into Lines of Credit with Zions Bank. The line of credit for capital projects is currently $3,000,000; the line for operations is $1,000,000. On April 10, 2007, MRCA drew $1,400,000 on the capital line of credit to fund a portion of the Tujunga Wash Stream Restoration Project. The draw is being repaid upon receipt of funds from the grantor agencies. September activity includes a $500,000 draw on the operating line of credit.

Line of credit activity, subsequent to September 30, includes $1,000,000 draw on, and repayment of, the capital line of credit for Vista Hermosa expenses, and $950,000 partial payments on the Tujunga Wash Project draw. Partial payments of $427,000 were made on the operating line of credit. The balance will be repaid from Puente Hills Native Habitat Preservation Association (PHNHPA) contract reimbursements.

The attached report, which will be distributed under separate cover, shows the amount of money held on account for the Authority, as well as the amount of receipts and disbursements during the year ended June 30, 2007 and the quarter ended September 30. The increase in receipts and disbursements during the third and fourth quarters of fiscal 2006-07 is driven by two large capital improvement projects currently underway – Tujunga Wash Stream Restoration and Vista Hermosa.

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