



MOUNTAINS RECREATION & CONSERVATION AUTHORITY
LOS ANGELES RIVER CENTER & GARDENS
570 West Avenue 26, Suite 100
Los Angeles, California 90065
Phone (323) 221-9944

MEMORANDUM

DRAFT Template

DATE: March __, 2024

TO: MRCA Governing Board

FROM: Citizens Oversight Committee for Community Facilities District No. 2

Beth Rider
Marcy Bowen
Sharon Ungersma

RE: COC District No. 2 Meeting – March 22, 2024
CFD 2012-2 and CFD 2016-2 Post-Meeting Formulation Report

The Citizens Oversight Committee for District 2 held a Special Meeting on March 22, 2024, in Tarzana that was duly noticed and with all materials posted on the MRCA website. The Committee's work is to ensure that the Special Tax proceeds are spent for their authorized purposes and to report to the Board and the public regarding the expenditure of such funds. This memo is the formulation of that report to the Board following a final review by the individual Committee members.

The meeting covered the Special Tax Reports for both Districts prepared by the SCI Consulting Group and independent Auditor's Reports (Financial Statements) for fiscal years 2016-17 through 2021-2022. It also covered the Special Tax Report for FY 2022-23 for both Districts. The auditors report for that fiscal year is not complete yet.

The Committee was provided an expenditure breakdown table and pie chart summary prepared by MRCA AFO Basem Mosaad.

In summary, the Committee did not express any adverse issues with how and for what purposes the funds were spent in any of the subject fiscal years.

The Special Tax Reports and the Auditors reports by nature use different accounting methods. The Auditors reports merge accounting with the preceding year and the Special Tax Reports do not. The Special Tax Reports provide a straightforward presentation of how many parcels were taxed, how much revenue was raised, and in what expenditure categories it was spent in for each CFD for a specific fiscal year. In contrast, the Auditor's reports represent fund balances which can include carryover from the preceding fiscal year. They often employ different expenditure categories. Staff with work to true up the expenditure categories between the two types of reports.

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Staff explained that because the boundaries and authorized uses within CFDs 2012-2 and 2016-2 are identical, the MRCA finance department often assigns a specific set or type of expenses to one of the two Districts and another set to the other District to streamline its accounting efficiency.