

Civic-Recreational-Industrial Authority

Regular Meeting Agenda
February 11, 2015
9:00 a.m.

Chairman Howard Lim
Vice Chairman Dean Marshall
Board Member David Carmany
Board Member Ron Cipriani
Board Member Dave Youpa

Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California

Addressing the Authority:

- ▶ **Agenda Items:** *Members of the public may address the Authority on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the Authority is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the Authority.*
- ▶ **Public Comments (Non-Agenda Items):** *Anyone wishing to address the Authority on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the Authority from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the Authority is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called by the City Clerk and prior to the individual being heard by the Authority.*

Americans with Disabilities Act:

- ▶ *In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.*

Agendas and other writings:

- ▶ *In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.*

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1. Call to Order
 2. Flag Salute
 3. Roll Call
 4. Public Comments

5. **EXPO CENTER MATTERS**

5.1 Status Report on Expo Center.

5.2 Consideration of Register of Demands submitted by the Industry Hills Expo Center.

RECOMMENDED ACTION: Receive and file.

5.3 Consideration to authorize the Expo Center to enter into License Agreements for use of the Grand Arena pursuant to the terms and conditions as set forth in the report submitted by the EQ Consultant.

RECOMMENDED ACTION: Authorize the Expo Center to enter into license agreements for use of the Grand Arena pursuant to the terms and conditions as set forth in the report submitted by the EQ Consultant.

6. **BOARD MATTERS**

6.1 Consideration of the minutes of the December 10, 2014 regular meeting.

RECOMMENDED ACTION: Approve as submitted.

6.2 Consideration of Register of Demands submitted by the Finance Department.

RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate personnel to pay the bills.

6.3 Consideration of Civic-Recreational-Industrial Authority Financial Report for December 2014.

RECOMMENDED ACTION: Receive and file report.

6.4 Consideration of Annual Audited Financial Statements for the Fiscal Year Ended June 30, 2014.

RECOMMENDED ACTION: Approve, receive and file.

6.5 Consideration of Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters for the Fiscal Year Ended June 30, 2014.

RECOMMENDED ACTION: Approve, receive and file.

6.6 Consideration of Auditor's Communications with the Board of Directors for the Fiscal Year Ended June 30, 2014.

RECOMMENDED ACTION: Approve, receive and file.

7. Adjournment. Next regular meeting: Wednesday, March 11, 2015 at 9:00 a.m.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 5.1

February 2015 Calendar of Events



Date	Location	Name of Event	Description
1	GRAND ARENA	LYNDA TJARKS AGILITY PRODUCTIONS	PARKING CHARGE - ADMISSION FREE
7	Pavilion	Rocha Wedding Reception	Private Party
14	GRAND ARENA	CALIFORNIA JUNIOR RODEO ASSOCIATION	FREE TO THE VIEWING PUBLIC
14	Pavilion	Canton 15 Anos Celebration	Private Party
14	Avalon Room	Oregel Wedding Reception	Private Party
15	GRAND ARENA	CALIFORNIA HIGH SCHOOL RODEO - DISTRICT 8	FREE TO THE VIEWING PUBLIC
18	Avalon Room	La Puente Valley ROP	Teachers Meeting
21-22	GRAND ARENA	GUMBALL RALLY	ADMISSION & PARKING
28	Avalon Room	Castellanos 15 Anos Celebration	Private Party
27- MAR 1	GRAND ARENA	PARELLI NATURAL HORSEMANSHIP	ADMISSION & PARKING

March 2015 Calendar of Events



Date	Location	Name of Event	Description
7	GRAND ARENA	INTERNATIONAL FIGHT SHOWDOWN - MMA & BOXING	TICKETED EVENT & PARKING
7	Pavilion	Yamamoto Wedding Reception	Private Party
7	Gazebo & Avalon Room	Jose Wedding Ceremony & Reception	Private Party
14	GRAND ARENA	CALIFORNIA JUNIOR RODEO ASSOCIATION	FREE TO THE VIEWING PUBLIC
14	Pavilion	Topete Sweet 16 Birthday Party	Private Party
15	GRAND ARENA	CALIFORNIA HIGH SCHOOL RODEO - DISTRICT 8	FREE TO THE VIEWING PUBLIC
18	Avalon Room	La Puente Valley ROP - Teachers Meeting	Meeting
19	Pavilion	Hacienda La Puente School District	Scholarship Dinner
21-22	GRAND ARENA	INPEFESS - Spanish Play Passion of Christ	TICKETED EVENT & PARKING
21	Pavilion	Retama Wedding Reception	Private Party
21	Avalon Gazebo	Huang Wedding Ceremony	Private Ceremony
25	Pavilion	Hacienda La Puente School District - Principal for the Day	By Invitation
28	Pavilion	De La Torre Wedding Ceremony	Private Party
28	Avalon Room	Barbosa 15 Anos Celebration	Private Party
29	Avalon Room	Haertsch Retirement Party	Private Party

April 2015 Calendar of Events



Date	Location	Name of Event	Description
5	Avalon Room	Alvarez Anniversary Dinner	Private Party
11	GRAND ARENA	AMERICAN SOUL RODEO	ADMISSION & PARKING
11	Pavilion	Ocegueda 15 Anos Celebration	Private Party
16-19	GRAND ARENA	ANGELES CANYON DOG CLUB - DOG SHOW	PARKING CHARGE
18	Pavilion	Pelayo 15 Anos Celebration	Private Party
18	Avalon Room	Perea Bridal Shower	Private Party
22	Avalon Room	La Puente Valley ROP - Teacher's Meeting	Meeting
24-26	GRAND ARENA	LYNDA TJARKS AGILITY PRODUCTIONS - Dog Agility Trials	PARKING CHARGE
24	Gazebo & Pavilion	Marquez Wedding Ceremony & Reception	Private Party
25	Gazebo & Pavilion	Looney Wedding Ceremony & Reception	Private Party
25-26	VINEYARD	GATEWAY CITIES - DOG SHOW	PARKING CHARGE
30	GRAND ARENA & BARN	FERIA DEL CABALLO DE ESPANOL - Spanish Horse Show	VENING PERFORMANCE - ADMISSION

ALL EVENTS LISTED ABOVE ARE SCHEDULED BUT ARE SUBJECT TO CHANGE WITHOUT NOTICE

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 5.2

Industry Hills Expo Center – Check Register

JANUARY

CHECK NUMBER	DATE	PAYEE	AMOUNT	DETAILS
01/07/15	7806	AR-122014 OCTAVIO ISLAS	250.00	SECURITY DEPOSIT REFUND
01/07/15	7807	PAV-122014 NORMA GARCIA	600.00	SECURITY DEPOSIT REFUND
01/07/15	7808	AR-010315 DANTE APIN	250.00	SECURITY DEPOSIT REFUND
01/07/15	7809	PCR CASH	2,399.60	REPLENISH PETTY CASH-DEC RECEIPTS
01/07/15	7810	CAPITOL PROTECTION INC.	975.00	EVENT SECURITY SERVICES
01/07/15	7811	CINTAS	413.63	MATS, MOPS AND UNIFORMS
01/07/15	7812	CLASSIC DISTRIBUTING & BEV.	417.25	ALCOHOL INVENTORY
01/07/15	7813	CNC EQUESTRIAN MANAGEMENT	39,099.22	MONTHLY PR-JANUARY
01/07/15	7814	CSG	1,550.00	MONTHLY IT SUPPORT AND MAINTENANCE SERVICES
01/07/15	7815	DELHAVEN COMMUNITY CENTER	275.00	SHUTTLE SERVICE-PAV010315
01/07/15	7816	MERRITT'S ACE HARDWARE	25.06	PROPERTY MAINTENANCE
01/07/15	7817	P & R PAPER SUPPLY COMPANY	3,986.53	CLEANING/BAR SUPPLIES EXPENSE
01/07/15	7818	SOUTHERN WINE & SPIRITS	664.55	ALCOHOL INVENTORY
01/07/15	7819	TERMINIX-INLAND COMMERCIAL	660.00	PEST CONTROL
01/07/15	7820	XEROX FINANCIAL SERVICES	323.52	MONTHLY LEASE & SERVICE AGREEMENT CHG.
01/07/15	7821	CNC EQUESTRIAN MANAGEMENT	9,273.29	PR 1216-123114
01/07/15	7822	SATSUMA LANDSCAPE	22,807.39	MONTHLY LANDSCAPE CHARGES-DECEMBER
01/07/15	7823	VOID CHECK	0.00	DATA ENTRY ERROR
01/07/15	7824	VERIZON	284.99	MONTHLY FIOS CHARGES-DEC
01/13/15	7825	HORACIO COLMENARES	300.00	TECH SUPPORT-OUTSIDE CONTRACT
01/13/15	7826	SPARKLETTS	431.57	ALCOHOL INVENTORY
01/13/15	7827	MAINTENANCE SHACK INC.	45.90	PROPERTY MAINTENANCE
01/13/15	7828	CLEAN SWEEP SUPPLY CO.	614.32	CLEANING SUPPLIES
01/13/15	7829	STAPLES LINK	66.03	OFFICE SUPPLIES
01/13/15	7830	CAPITOL PROTECTION INC.	321.75	EVENT SECURITY SERVICES
01/13/15	7831	CULLIGAN WATER CONDITIONING	68.85	MONTHLY WATER FILTER SERVICES
01/13/15	7832	SONSRAY MACHINERY	531.57	SERVICE CALL & REPAIR FEE-CASE TRACTOR
01/13/15	7833	ANHEUSER BUSCH SALES OF AMERICA	280.00	ALCOHOL INVENTORY
01/13/15	7834	GINA GARCIA	85.00	MONTHLY CLEAN/RODEO HOUSE
01/13/15	7835	dex MEDIA	159.00	FACILITY ADVERTISING
01/13/15	7836	COASTAL CARBONIC	110.21	CARBO CHARGER-PATIO CAFÉ
01/13/15	7837	CINTAS	858.25	MATS, MOPS AND UNIFORMS
01/14/15	7838	VOID CHECK	0.00	DATA ENTRY ERROR
01/14/15	7839	PAV-011015 RAUL CRUZ	500.00	SECURITY DEPOSIT REFUND
01/14/15	7840	AR-011015 SALLY SERRANO	350.00	SECURITY DEPOSIT REFUND
01/14/15	7841	AR-011115 ALFRED CERVANTES	250.00	SECURITY DEPOSIT REFUND

01/22/15	7842	LA COUNTY DEPT OF PARKS AND RECREATION	400.00	ADVERTISING SPACE-SPONSORSHIP
01/22/15	7843	PCR CASH	2,500.00	REPLENISH ATM FUNDS
01/23/15	7844	PAV-011715 MAYRA MARTINEZ	500.00	SECURITY DEPOSIT REFUND
01/23/15	7845	AR-011715 ALFREDO MENA	300.00	SECURITY DEPOSIT REFUND
01/23/15	7846	AT&T	581.62	MONTHLY WIRELESS CHARGES-DEC/JAN
01/23/15	7847	BAY ALARM	2,067.00	QUARTERLY MONITORING FEE
01/23/15	7848	BOARD OF EQUALIZATION	2,158.00	PREPAY SALES TAX-DEC.
01/23/15	7849	CAPITOL PROTECTION INC.	263.25	EVENT SECURITY SERVICES
01/23/15	7850	CITY OF INDUSTRY	2,496.87	DEC/JAN ROLLOFFS, DUMP, STORAGE & PICK UP FEES
01/23/15	7851	COCA-COLA ENTERPRISES	806.40	ALCOHOL INVENTORY
01/23/15	7852	FED EX	23.77	POSTAGE FEE
01/23/15	7853	KIKI'S INDUSTRIAL JANITORIAL SERVICE	1,950.00	FACILITY CLEANING-JAN/RR&TRASH ATT ARENA
01/23/15	7854	MATTHEW MALDONADO	975.00	WEB, SOCIAL E-MAIL, TEXT MKTG-JANUARY
01/23/15	7855	OFFICE DEPOT	249.22	OFFICE SUPPLIES
01/23/15	7856	ROGERS,CLEM & CO.	1,750.00	ACCOUNTING AND CONSULTING FEE-DECEMBER
01/23/15	7857	SIGN DEPOT	111.67	CONCESSION SIGNS PURCHASE
01/23/15	7858	PCR CASH	10,000.00	REPLENISH ALL ATM TERMINALS-JAN EVENTS
01/30/15	7859	7UP/RC BOTTLING OF S.CALIFORNIA	612.14	ALCOHOL INVENTORY
01/30/15	7860	CLASSIC DISTRIBUTING & BEV.	334.00	ALCOHOL INVENTORY
01/30/15	7861	CNC EQUESTRIAN MANAGEMENT	1,089.63	SUPPLIES EXPENSE-REIMBURSEMENT
01/30/15	7862	KIKI'S INDUSTRIAL JANITORIAL SERVICE	675.00	RR & TRASH ATT. MA-012415 LA CTY CHEER
01/30/15	7863	OFFICE DEPOT	269.73	OFFICE SUPPLIES
01/30/15	7864	ROBINSONS FLOWERS	163.50	FUNERAL SPRAY-JESUS LEON
01/30/15	7865	SOUTHERN CALIFORNIA EDISON	9,843.72	MONTHLY UTILITY CHARGES-DEC/JAN
01/30/15	7866	VERIZON	483.77	MONTHLY PHONE CHARGES-OFFICE

TOTAL

129,831.77

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 5.3



Memorandum

To: Kevin Radecki, Executive Director
Civic-Recreational-Industrial-Authority

From: Carol Perez, Operations Mgr.
Industry Hills Expo Center

Re: 2015 License Agreements

Date: January 27, 2015

Below for CRIA Board consideration is for the Industry Hills Expo Center to enter into the following License Agreements:

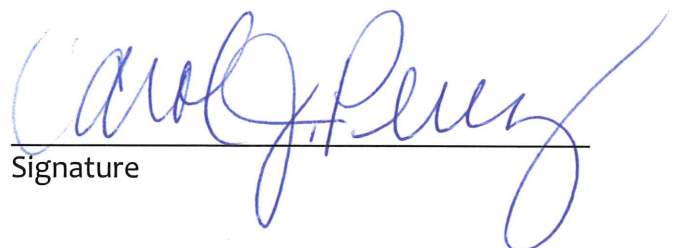
Licensee Agreement #OR – 082215: To enter into an agreement with Calizona Apploosa Horse Show for a two-day horse show in our outdoor show rings. This event is scheduled for Saturday & Sunday August 22-23, 2015. This is a small horse show comprising of 60 horses and 100 spectators based on last years numbers. Contract base rate is \$800. The balance of fees is billed after the event as horse stabling, shavings sales, arena light usage, arena tractor usage are billed on what is utilized. The promoter has been with us for over 10 years and is a prompt payee.

Licensee Agreement #MA-110715: To enter into an agreement with Drum Roping Company for a one-day Veterans Day Team Roping Benefit. This event is scheduled for Saturday, November 7, 2015 and the promoter is anticipating over 400 teams and 1,500 spectators. Base contract is \$1,100 – concessions are unknown as this is the promoter's first event at our venue, which was moved from another facility. Promoter is required to pay rental fees prior to event.

Licensee Agreement #MA-111315: To enter into an agreement with Inland Empire Hunter Jumper Association for a 3-day English Horse Show scheduled for November 13, 14 & 15, 2015. The event will consist over 125 participants and over 250 spectators each day. This is the promoter's fifth year with the Expo Center. Base contract is \$3,300. Promoter is a prompt payee.

I recommend the approval of all the agreements before the CRIA board.

By: Carol J. Perez
Operations Manager


Signature

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.1

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY, CALIFORNIA
REGULAR MEETING MINUTES
DECEMBER 10, 2014
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CALL TO ORDER

The Regular Meeting of the Civic-Recreational-Industrial Authority of the City of Industry, California, was called to order by Chairman Howard Lim at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by Chairman Lim.

ROLL CALL

PRESENT: Howard Lim, Chairman
Dean Marshall, Vice Chairman
David Carmany, Board Member
L. Ronald Cipriani, Board Member
Dave Youpa, Board Member

STAFF PRESENT: Kevin Radecki, Executive Director; Gregory M. Murphy, Deputy General Counsel; Jodi L. Scrivens, Secretary; John Ballas, Engineer; and Carol Perez, Expo Center Manager.

PUBLIC COMMENTS

There were no public comments.

STATUS REPORT ON EXPO CENTER

Expo Center Manager Perez informed the Board Members of the activities occurring at the Expo Center.

CONSIDERATION OF REGISTER OF DEMANDS SUBMITTED BY THE INDUSTRY HILLS EXPO CENTER

MOTION BY BOARD MEMBER CARMANY, AND SECOND BY VICE CHAIRMAN MARSHALL TO RECEIVE AND FILE THE REGISTER OF DEMANDS SUBMITTED BY THE INDUSTRY HILLS EXPO CENTER. MOTION CARRIED 5-0.

CONSIDERATION TO AUTHORIZE THE EXPO CENTER TO ENTER INTO LICENSE AGREEMENTS FOR USE OF THE GRAND ARENA PURSUANT TO THE TERMS AND

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CONDITIONS AS SET FORTH IN THE REPORT SUBMITTED BY THE EQ CONSULTANT

MOTION BY VICE CHAIRMAN MARSHALL, AND SECOND BY BOARD MEMBER YOUPA TO AUTHORIZE THE EXPO CENTER TO ENTER INTO LICENSE AGREEMENTS FOR USE OF THE GRAND ARENA PURSUANT TO THE TERMS AND CONDITIONS AS SET FORTH IN THE REPORT SUBMITTED BY THE EQ CONSULTANT. MOTION CARRIED 5-0.

CONSIDERATION OF THE MINUTES OF THE OCTOBER 8, 2014 REGULAR MEETING

MOTION BY BOARD MEMBER CIPRIANI, AND SECOND BY VICE CHAIRMAN MARSHALL TO APPROVE THE MINUTES AS SUBMITTED. MOTION CARRIED 5-0.

CONSIDERATION OF REGISTER OF DEMANDS SUBMITTED BY THE FINANCE DEPARTMENT

MOTION BY BOARD MEMBER YOUPA, AND SECOND BY BOARD MEMBER CIPRIANI TO APPROVE THE REGISTER OF DEMANDS AND AUTHORIZE THE APPROPRIATE PERSONNEL TO PAY THE BILLS. MOTION CARRIED 5-0.

CONSIDERATION OF CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY FINANCIAL REPORT FOR OCTOBER 2014

MOTION BY BOARD MEMBER CARMANY, AND SECOND BY BOARD MEMBER CIPRIANI TO RECEIVE AND FILE REPORT. MOTION CARRIED 5-0.

CONSIDERATION OF RESOLUTION NO. CRIA 2014-03 - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY, ADOPTING AN AMENDED CONFLICT OF INTEREST CODE

Secretary Scrivens presented a staff report to the Board Members.

MOTION BY BOARD MEMBER CARMANY, AND SECOND BY BOARD MEMBER CIPRIANI TO ADOPT RESOLUTION NO. CRIA 2014-03. MOTION CARRIED 5-0.

REPORT REGARDING LIGHTING REPLACEMENT OPTIONS WITHIN THE EXPO CENTER GRAND ARENA AND ADJACENT BARNS

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY, CALIFORNIA
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Engineer Ballas presented staff report to Board Members.

MOTION BY BOARD MEMBER CIPRIANI, AND SECOND BY BOARD MEMBER YOUPA TO AUTHORIZE THE REPLACEMENT OF THE GRAND ARENA LAMPS AT A COST OF \$45,000.00, AND TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 5-0.

ADJOURNMENT

There being no further business, the Civic-Recreational-Industrial Authority adjourned.

Howard Lim, Chairman

Jodi L. Scrivens, Secretary

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.2

CIVIC-RECREATIONAL INDUSTRIAL AUTHORITY
AUTHORIZATION FOR PAYMENT OF BILLS
Board Meeting February 11, 2015

<u>FUND</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
360	INDUSTRY HILLS EXPO OPERATING ACCOUNT	128,131.66

<u>BANK</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
WFCK	WELLS FARGO CHECKING	128,131.66

Civic Recreational Industrial Authority
Board Meeting
February 11, 2015

Check	Date		Payee Name	Check Amount
CRIA.WF.CHK - CRIA Wells Fargo Checking				
10386	01/27/2015		GLENN'S REFRIGERATION	\$780.00
	Invoice	Date	Description	Amount
	15570	10/29/2014	REPAIR OUTSIDE COLD BOX REFRIGERATION UNIT	\$780.00
10387	02/11/2015		AQUA BACKFLOW & CHLORINATION	\$10,167.53
	Invoice	Date	Description	Amount
	34258	12/29/2014	TESTING OF BACKFLOW DEVICES	\$10,167.53
10388	02/11/2015		BUILT RITE FENCE COMPANY	\$23,207.00
	Invoice	Date	Description	Amount
	14656	12/17/2014	FABRICATE & INSTALL HANDRAILS	\$23,207.00
10389	02/11/2015		BURKE, WILLIAMS & SORENSEN,	\$3,732.90
	Invoice	Date	Description	Amount
	184696	01/07/2015	LEGAL SVC - DECEMBER 2014	\$3,732.90
10390	02/11/2015		CALABRESE ARCHITECT	\$2,635.00
	Invoice	Date	Description	Amount
	15-3827	01/14/2015	PROPOSE ENERGY EFFICIENT UPGRADES AT THE	\$2,250.00
	15-3826	01/14/2015	HAND RAIL DESIGN FOR GRAND ARENA	\$385.00
10391	02/11/2015		CNC ENGINEERING	\$5,166.97
	Invoice	Date	Description	Amount
	42856	01/08/2015	IH EXPO: HAND RAILS FOR GRAND ARENA	\$1,417.75
	42911	01/22/2015	EXPO CENTER STANDARDS OF MAINT	\$1,013.36
	42912	01/22/2015	EXPO CENTER - RESURFACING PARKING LOTS &	\$549.08
	42962	01/30/2015	EXPO CENTER STANDARDS OF MAINT	\$1,559.26
	42963	01/30/2015	EXPO CENTER - RESURFACING PARKING LOTS &	\$627.52
10392	02/11/2015		CRIA-EQUESTRIAN CENTER	\$67,000.00
	Invoice	Date	Description	Amount
	FEB-15	01/15/2015	OPERATING EXPENSE - FEBRUARY 2015	\$67,000.00

Civic Recreational Industrial Authority
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Check	Date		Payee Name	Check Amount
CRIA.WF.CHK - CRIA Wells Fargo Checking				
10393	02/11/2015		CRIA-PAYROLL ACCOUNT	\$3,000.00
	Invoice	Date	Description	Amount
	JAN-15	01/15/2015	REIMBURSE PAYROLL - JANUARY 2015	\$3,000.00
10394	02/11/2015		FERGUSON ENTERPRISES, INC	\$201.65
	Invoice	Date	Description	Amount
	1516060	01/14/2015	SUPPLIES - EXPO GUARD SHACK	\$201.65
10395	02/11/2015		FRAZER, LLP	\$3,570.00
	Invoice	Date	Description	Amount
	135281	12/31/2014	ACCT SVC - DECEMBER 2014	\$3,570.00
10396	02/11/2015		GRAHAM COMPANY	\$8,565.61
	Invoice	Date	Description	Amount
	32543	12/17/2014	BATTERY REPLACEMENT ON THE EMERGENCY	\$8,565.61
10397	02/11/2015		TERMINIX	\$105.00
	Invoice	Date	Description	Amount
	341394246	01/06/2015	SVC - EXPO CENTER	\$105.00

Checks	Status	Count	Transaction Amount
	Total	12	\$128,131.66

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.3

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

FINANCIAL STATEMENTS

December 31, 2014

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

FINANCIAL STATEMENTS

December 31, 2014

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Note: The presentation of these financial statements do not conform with Governmental Accounting Standards Board statement number 34 – Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments and do not include all the disclosures required by this pronouncement.

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

EXECUTIVE SUMMARY
FINANCIAL STATEMENTS
December 31, 2014

Expo Center Operations

During the month ended December 31, 2014, we held seven events in the Pavilion and five events in the Avalon Room with contracts totaling \$38,540.

In the Grand Arena we held five events with contracts totaling \$25,303. These events were: Lynda Tjarks Agility Productions, American Supercamp, Lynda Tjarks Agility Productions, Lynda Tjarks Agility Productions and Lynda Tjarks Agility Productions.

During the month ended December 31, 2014, we held one event in Industry Racing totaling \$5,000. The event was Russ Brown Motorcycle Attorneys.

At December 31, 2014, our financial statements reflect the following activity:

<u>Expo Center Operations</u>	<u>Month Ended 12/31/2014</u>	<u>Year To Date 12/31/2014</u>	<u>Annual Budget 2014-2015</u>	<u>% of Annual Budget</u>
Total revenues	\$ 69,366	\$ 621,614	\$ 1,328,300	47%
Expenses:				
Direct Expo Center expenses	39,965	453,675	979,500	46%
General and administrative expenses	86,603	626,753	1,155,500	54%
Total direct Expo Center expenses	<u>126,568</u>	<u>1,080,428</u>	<u>2,135,000</u>	51%
Net loss from operations	<u>(57,202)</u>	<u>(458,814)</u>	<u>(806,700)</u>	57%
Net loss	<u>\$ (57,202)</u>	<u>\$ (458,814)</u>	<u>\$ (806,700)</u>	57%

We have booked two future banquet events with contracts totaling \$5,900 and three Grand Arena events with base contracts totaling \$8,600. The amounts do not include any estimates of alcohol and food sales. Event concession sales will vary depending on facilities utilized.

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

EXECUTIVE SUMMARY
FINANCIAL STATEMENTS
December 31, 2014

The following is our summarized financial statements by department at December 31, 2014:

<u>Expo Center Operations</u>	Month Ended 12/31/2014	Month Ended 12/31/2014	Month Ended 12/31/2014	Month Ended 12/31/2014	Month Ended 12/31/2014
	<u>Speedway</u>	<u>Facilities</u>	<u>Grand Arena</u>	<u>General and Admin.</u>	<u>Totals</u>
Total revenues	\$ 5,000	\$ 38,540	\$ 25,303	\$ 523	\$ 69,366
Expenses:					
Direct Expo Center expenses	250	21,155	18,560		39,965
General and administrative expenses				86,603	86,603
Total direct Expo Center expenses	<u>250</u>	<u>21,155</u>	<u>18,560</u>	<u>86,603</u>	<u>126,568</u>
Net income (loss) from operations	<u>4,750</u>	<u>17,385</u>	<u>6,743</u>	<u>(86,080)</u>	<u>(57,202)</u>
Net income (loss) for the month ended	<u>\$ 4,750</u>	<u>\$ 17,385</u>	<u>\$ 6,743</u>	<u>\$ (86,080)</u>	<u>\$ (57,202)</u>

<u>Expo Center Operations</u>	Year To Date 12/31/2014	Year To Date 12/31/2014	Year To Date 12/31/2014	Year To Date 12/31/2014	Year to Date 12/31/2014
	<u>Speedway</u>	<u>Facilities</u>	<u>Grand Arena</u>	<u>General and Admin.</u>	<u>Totals</u>
Total revenues	\$ 134,435	\$ 279,781	\$ 203,272	\$ 4,126	\$ 621,614
Expenses:					
Direct Expo Center expenses	97,733	156,071	199,871		453,675
General and administrative expenses				626,753	626,753
Total direct Expo Center expenses	<u>97,733</u>	<u>156,071</u>	<u>199,871</u>	<u>626,753</u>	<u>1,080,428</u>
Net income (loss) from operations	<u>36,702</u>	<u>123,710</u>	<u>3,401</u>	<u>(622,627)</u>	<u>(458,814)</u>
Net income (loss) year to date	<u>\$ 36,702</u>	<u>\$ 123,710</u>	<u>\$ 3,401</u>	<u>\$ (622,627)</u>	<u>\$ (458,814)</u>

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

EXECUTIVE SUMMARY
FINANCIAL STATEMENTS
December 31, 2014

CRIA Capital Assets

In accordance with GASB 34, the Civic-Recreational-Industrial-Authority (referred to as “CRIA”) is required to capitalize and depreciate their capital assets. The capital assets net of accumulated depreciation at December 31, 2014 amounted to \$9,471,613. This amount represents the cost of capital assets purchased or constructed over the years at the Industry Hills Expo Center and surrounding areas. No depreciation expense has been recorded in the statement of operations for the period ended December 31, 2014. It is the accounting policy of the CRIA to record annual depreciation expense subsequent to the completion of the June 30, 2015 annual audit.

Capital Projects Operations

The capital projects fund reflects expenditures for capital improvements and operational costs. Operational costs include Board and staff salaries, professional services and miscellaneous items.

At December 31, 2014, our financial statements reflect the following activity:

<u>Capital Projects Fund</u>	Month Ended 12/31/2014	Year To Date 12/31/2014	Annual Budget 2014-2015
Total revenues	\$ -	\$ 171	\$ 410
Expenditures			
General and administrative expenses	54,311	214,302	235,800
Total expenses	<u>54,311</u>	<u>214,302</u>	<u>235,800</u>
Net loss	<u>\$ (54,311)</u>	<u>\$ (214,131)</u>	<u>\$ (235,390)</u>

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

BALANCE SHEET
AS OF DECEMBER 31, 2014

			Capital Projects	Expo Center
ASSETS				
CURRENT ASSETS:				
	Cash and cash equivalents	\$	21,143	\$ 249,066
	Investments		145,756	
	Accounts receivable, net			47,895
	Inventories			38,656
	Deposits			3,000
	Total current assets		166,899	338,617
	CAPITAL ASSETS, net			9,471,613
	Total assets	\$	166,899	\$ 9,810,230
LIABILITIES AND FUND EQUITY				
CURRENT LIABILITIES				
	Accounts payable	\$		\$ 56,752
	Sales tax payable			2,158
	Advance rental payments			72,867
	Security deposits			42,200
	Total current liabilities			173,977
FUND EQUITY:				
	Fund balance		166,899	9,636,253
	Total liabilities and fund equity	\$	166,899	\$ 9,810,230

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

STATEMENT OF OPERATIONS
FOR THE MONTH AND YEAR TO DATE ENDED DECEMBER 31, 2014

	CAPITAL PROJECTS				EXPO CENTER			
	MONTH ENDED	YEAR TO DATE	2014-2015 ANNUAL	% OF ANNUAL	MONTH ENDED	YEAR TO DATE	2014-2015 ANNUAL	% OF ANNUAL
	12/31/2014	12/31/2014	BUDGET	BUDGET	12/31/2014	12/31/2014	BUDGET	BUDGET
REVENUES:								
Expo center revenues	\$	\$	\$		\$ 69,366	\$ 621,614	\$ 1,328,300	47%
Other revenues		171	410	42%				
Total revenues		171	410	42%	69,366	621,614	1,328,300	47%
EXPENDITURES:								
General and administrative expenses	54,311	214,302	235,800	91%	86,603	626,753	1,155,500	54%
Operating expenses					39,965	453,675	979,500	46%
Total expenses	54,311	214,302	235,800	91%	126,568	1,080,428	2,135,000	51%
EXCESS OF EXPENDITURES OVER REVENUES	(54,311)	(214,131)	(235,390)	91%	(57,202)	(458,814)	(806,700)	57%
OTHER FINANCING SOURCES	98,097	317,570	235,800	135%	67,000	402,000	806,800	50%
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES/(EXCESS OF EXPENDITURES OVER REVENUES AND OTHER FINANCING SOURCES)	43,786	103,439	\$ 410		9,798	(56,814)	\$ 100	
Fund balance, beginning	123,113	63,460			9,626,455	9,693,067		
Fund balance, ending	\$ 166,899	\$ 166,899			\$ 9,636,253	\$ 9,636,253		

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

INDUSTRY HILLS EXPO CENTER
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

				AMOUNT
CASH FLOWS FROM OPERATING ACTIVITIES				
	Net loss before transfers and other credits			\$ (458,814)
	Adjustments to reconcile net loss to net cash used			
	in operating activities:			
	Change in operating assets and liabilities			
	Accounts receivable			11,573
	Inventories			(9,199)
	Accounts payable			(74,295)
	Sales tax payable			(2,123)
	Advance rental payments			(33,683)
	Security deposits			(4,575)
	Net cash used in operating activities			<u>(571,116)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
	Other financing sources			402,000
NET CHANGE IN CASH				(169,116)
	Cash at July 1, 2014			418,182
	Cash at December 31, 2014			<u>\$ 249,066</u>

INDUSTRY HILLS EXPO CENTER
SCHEDULE OF REVENUES AND EXPENSES
FOR THE MONTH AND YEAR TO DATE ENDED DECEMBER 31, 2014

		MONTH ENDED	YEAR TO DATE	ANNUAL	% OF
	Expo Center Operations	12/31/2014	12/31/2014	BUDGET	ANNUAL
				2014-2015	BUDGET
Revenues					
	Facilities rentals	\$ 15,527	\$ 131,941	\$ 213,900	62%
	Facilities rentals - bar sales	19,603	118,875	245,800	48%
	Facilities - security	2,065	19,453	46,800	42%
	Facilities - food	220	912	1,200	76%
	Facilities - insurance			8,500	0%
	Facilities - other	1,125	8,600	9,400	91%
	Grand Arena - special events rentals	16,400	35,983	75,400	48%
	Grand Arena - outdoor arena rentals		2,800	3,100	90%
	Grand Arena - show barn stall rentals		8,754	41,200	21%
	Grand Arena - shaving sales		11,052	19,300	57%
	Grand Arena - security		2,599	14,600	18%
	Grand Arena - trailer parking	850	4,800	8,900	54%
	Grand Arena - bar sales		53,742	148,500	36%
	Grand Arena - food	4,155	38,254	108,500	35%
	Grand Arena - feed sales		206	500	41%
	Grand Arena - other	3,898	45,082	105,900	43%
	Speedway - Merchandise		7,021	8,100	87%
	Speedway - Bar		35,346	65,800	54%
	Speedway - Prize Money		13,995	40,300	35%
	Speedway - General Admission		32,290	69,900	46%
	Speedway - Food		25,742	50,300	51%
	Speedway - Parking		10,455	15,400	68%
	Speedway - Other	5,000	9,586	18,500	52%
	G&A- Other	523	4,126	8,500	49%
	Total revenues	69,366	621,614	1,328,300	47%
Expo expenses					
	Cost of sales	4,401	53,435	123,800	43%
	Bar supplies	43	352	2,400	15%
	Promotional banquet	692	3,985	12,300	32%
	Feed	(45)	194	500	39%
	Contract labor/wages	19,469	182,176	323,300	56%
	Furniture/fixtures & equipment	2,125	16,529	3,700	447%
	Miscellaneous	275	23,125	35,900	64%
	Promotional	942	17,716	39,000	45%
	Property maintenance	595	6,264	69,700	9%
	Repairs and maintenance			100	0%
	Security - Grand Arena		10,099	24,200	42%
	Security - Facilities	1,551	19,681	45,900	43%
	Security - Speedway		9,061	16,300	56%
	Shavings	1,398	8,638	15,100	57%
	Supplies	3,635	33,244	60,100	55%
	Equipment rental	69	413	900	46%
	Special event concessions	3,815	16,517	54,700	30%
	Bad debt expense			17,300	0%
	Speedway- Merchandise		1,355	8,700	16%
	Speedway- Insurance	1,000	9,200	17,500	53%
	Speedway - Prize money		24,455	39,600	62%
	Speedway- Outside services		17,236	68,500	25%
	Total Expo expenses	39,965	453,675	979,500	46%
Operating income before direct					
	G & A and CRIA indirect expenses	29,401	167,939	348,800	48%

INDUSTRY HILLS EXPO CENTER
SCHEDULE OF REVENUES AND EXPENSES
FOR THE MONTH AND YEAR TO DATE ENDED DECEMBER 31, 2014

		MONTH ENDED	YEAR TO DATE	ANNUAL	% OF
	<u>Expo Center Operations</u>	12/31/2014	12/31/2014	BUDGET	ANNUAL
				2014-2015	BUDGET
Direct general and administrative expenses					
	Office supplies	63	2,703	14,300	19%
	Travel and meetings	288	2,554	5,300	48%
	Dues, subscriptions, books, etc.		475	400	119%
	Equipment rental/lease	327	1,604	800	201%
	Furniture/fixtures & equipment		1,429	3,200	45%
	Legal advertising/printing			300	0%
	Telephone	1,324	8,353	22,000	38%
	Postage	515	3,672	4,900	75%
	Miscellaneous	659	3,280	15,300	21%
	Professional services	9,334	64,190	128,100	50%
	Repairs and equipment	3,100	3,529	3,900	90%
	Vehicle expenses	1,538	26,381	33,900	78%
	Insurance and bonds			13,100	0%
	Supplies	5,119	19,116	36,500	52%
	Contract labor/administrative wages	33,551	216,849	407,400	53%
	Property maintenance	25,749	181,176	315,300	57%
	Utilities	5,036	91,442	150,800	61%
	Total direct general and administrative expenses	86,603	626,753	1,155,500	54%
	Expo Center operating loss	\$ (57,202)	\$ (458,814)	\$ (806,700)	57%

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

Schedule 2

CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE MONTH AND YEAR TO DATE ENDED DECEMBER 31, 2014

		MONTH ENDED	YEAR TO DATE	ANNUAL	% OF ANNUAL
REVENUES		12/31/2014	12/31/2014	BUDGET	BUDGET
				2014-2015	
Other revenues	\$		\$ 171	\$ 410	42%
GENERAL AND ADMINISTRATIVE EXPENSES					
Salaries - board		2,726	16,354	37,000	44%
Payroll taxes		208	1,251	3,000	42%
Miscellaneous		67	336	500	67%
Legal		13,857	31,201	30,000	104%
Professional services			2,997	15,000	20%
Accounting		2,214	12,332	20,000	62%
Audit services		7,148	12,100	15,000	81%
Planning, Survey and Design		1,370	7,869		
Advertising and Printing			3,776		
General engineering		5,704	17,181	29,000	59%
Printing/photography				300	
Property maintenance		21,017	64,432	45,000	143%
Insurance and bonds			44,473	41,000	109%
Total general and administrative expenses		54,311	214,302	235,800	91%
EXCESS OF EXPENDITURES OVER					
REVENUES	\$	(54,311)	\$ (214,131)	\$ (235,390)	91%

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.4

MEMORANDUM

**To: Board Of Directors
Civic-Recreational-Industrial Authority**

Through: Audit Committee

From: Finance Department

Date: January 14, 2015

**Subject: Civic-Recreational-Industrial Authority Year Ended June 30, 2014 Annual
Financial Reports**

RECOMMENDATION

Receive and file the annual financial reports.

Civic-Recreational-Industrial Authority (the “Authority”)

- 1) Annual Audited Financial Statements For The Year Ended June 30, 2014
- 2) Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters For The Year Ended June 30, 2014
- 3) Auditor’s Communications with the Board of Directors For The Year Ended June 30, 2014

EXECUTIVE SUMMARY

The Authority’s independent auditors, Eadie & Payne, LLP, have completed their annual audit of the Authority’s financial statements for the year ended June 30, 2014. The financial statements received an unqualified (or clean) opinion. No material weaknesses in internal controls were noted. The Audit Committee has approved the financial reports at its meeting held on January 8, 2015.

DESCRIPTION OF REPORTS

The financial reports and management compliance letter for the year ended June 30, 2014 are briefly described below:

Annual Financial Report

The annual financial statement is a comprehensive document reflecting the financial position of the Authority at June 30, 2014.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

No material weaknesses in internal controls were noted.

The Auditor's Communications with the Authority's Board

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the board of the Authority. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known misstatements, even those that could be passed adjustments that would be not material either individually or in the aggregate.

Fiscal Impact

There is no fiscal impact as result of this action.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)**

June 30, 2014

Financial Statements

With

Independent Auditor's Report

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2014

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CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Civic-Recreational-Industrial Authority
City of Industry, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Civic-Recreational-Industrial Authority, a component unit of the City of Industry, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Civic-Recreational-Industrial Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Civic-Recreational-Industrial Authority as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Civic-Recreational-Industrial Authority's basic financial statements. The budgetary comparison information on pages 20 through 23 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, on our consideration of the Civic-Recreational-Industrial Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Civic-Recreational-Industrial Authority's internal control over financial reporting and compliance.

Eadie and Payne, LLP

December 19, 2014
Redlands, California

Basic Financial Statements

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash	\$ 24,593	\$ 418,182	\$ 442,775
Investments	145,330		145,330
Accounts receivable, less allowance for doubtful accounts of \$39,290		59,467	59,467
Inventories		29,457	29,457
Deposits		3,000	3,000
Accrued interest	257		257
Capital assets being depreciated:			
Buildings and improvements		23,421,572	23,421,572
Equipment, furniture and fixtures		958,866	958,866
Vehicles		88,053	88,053
Less: accumulated depreciation		(14,996,878)	(14,996,878)
Capital assets, net of accumulated depreciation		9,471,613	9,471,613
Total assets	170,180	9,981,719	10,151,899
LIABILITIES			
Accounts payable	61,622	121,227	182,849
Escheated liability	45,098		45,098
Rental deposits and advances		153,325	153,325
Accrued expenses		14,100	14,100
Total liabilities	106,720	288,652	395,372
NET POSITION			
Net investment in capital assets		9,471,613	9,471,613
Restricted for:			
Capital projects	145,330		145,330
Unrestricted	(81,870)	221,454	139,584
Total net position	\$ 63,460	\$ 9,693,067	\$ 9,756,527

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Expenses	Charges for Services	Net (Expense) Revenue and Changes in Net Position		Totals
			Governmental Activities	Business-Type Activities	
GOVERNMENTAL ACTIVITIES					
General administration	\$ 273,644	\$	\$ (273,644)	\$	\$ (273,644)
Total governmental activities	<u>273,644</u>		<u>(273,644)</u>		<u>(273,644)</u>
BUSINESS - TYPE ACTIVITIES					
Operation of expo center	3,157,628	1,433,242		(1,724,386)	(1,724,386)
Total business-type activities	<u>3,157,628</u>	<u>1,433,242</u>		<u>(1,724,386)</u>	<u>(1,724,386)</u>
 Totals	 <u>\$ 3,431,272</u>	 <u>\$ 1,433,242</u>	 <u>\$ (273,644)</u>	 <u>\$ (1,724,386)</u>	 <u>\$ (1,998,030)</u>
General revenues and transfers:					
Interest and other income			\$ 361	\$ 8,232	\$ 8,593
Transfers in from City of Industry			1,325,441		1,325,441
Transfers - internal activities			(1,080,000)	1,080,000	
Total general revenues and transfers			<u>245,802</u>	<u>1,088,232</u>	<u>1,334,034</u>
Change in net position			(27,842)	(636,154)	(663,996)
Net position, beginning of year			<u>91,302</u>	<u>10,329,221</u>	<u>10,420,523</u>
Net position, end of year			<u>\$ 63,460</u>	<u>\$ 9,693,067</u>	<u>\$ 9,756,527</u>

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
 CITY OF INDUSTRY
 (A COMPONENT UNIT OF CITY OF INDUSTRY)
 BALANCE SHEET
 GOVERNMENTAL FUND
 JUNE 30, 2014

ASSETS

Cash	\$	24,593
Investments		145,330
Accrued interest		257
Total assets	\$	170,180

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	61,622
Escheated liability		45,098
Total liabilities		106,720

Fund balance:

Restricted for capital projects		145,330
Unassigned		(81,870)
Total fund balance		63,460
Total liabilities and fund balance	\$	170,180

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

REVENUES

Interest and other income	\$ 361
Total revenues	361

EXPENDITURES

General administration:	
Administrative costs	78,431
Professional services	93,015
Operation of property	102,198
Total expenditures	273,644

Revenues under expenditures	(273,283)
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Other financing sources (uses)

Transfers in from City of Industry	1,325,441
Transfers out to other funds	(1,080,000)
Total other financing sources, net	245,441

Net change in fund balance	(27,842)
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FUND BALANCE, July 1, 2013	91,302
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FUND BALANCE, June 30, 2014	\$ 63,460
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The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2014

ASSETS

Current assets:

Cash	\$ 418,182
Accounts receivable	59,467
Inventories	29,457
Deposits	3,000
Total current assets	510,106

Non-current assets:

Capital assets:

Buildings and improvements	23,421,572
Equipment, furniture and fixtures	958,866
Vehicles	88,053
Less: accumulated depreciation	(14,996,878)
Total non-current assets	9,471,613
Total assets	9,981,719

LIABILITIES

Current liabilities:

Accounts payable	121,227
Rental deposits and advances	153,325
Accrued expenses	14,100
Total current liabilities	288,652

NET POSITION

Net investment in capital assets	9,471,613
Unrestricted	221,454
Total net position	\$ 9,693,067

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
JUNE 30, 2014

OPERATING REVENUES

Grand Arena	\$	501,034
Facilities		529,844
Speedway		402,364
Total operating revenues		1,433,242

OPERATING EXPENSES

General administration		1,220,862
Cost of operations		1,185,308
Depreciation		751,458
Total operating expenses		3,157,628

Operating loss		(1,724,386)
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NON-OPERATING REVENUES

Interest and other income		8,232
Total non-operating revenues		8,232

Loss before transfers		(1,716,154)
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TRANSFERS

Transfers in from other funds		1,080,000
Total transfers		1,080,000

Change in net position		(636,154)
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NET POSITION , beginning of the year		10,329,221
NET POSITION, end of the year	\$	9,693,067

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 1,436,148
Payments to suppliers and contractors	(2,387,966)
Net cash used in operating activities	<u>(951,818)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and other income received	<u>8,232</u>
Net cash provided by non-operating activities	<u>8,232</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Cash received from other funds	<u>1,080,000</u>
Net cash provided by non-capital financing activities	<u>1,080,000</u>

Net increase in cash 136,414

CASH, BEGINNING OF YEAR

281,768

CASH, END OF YEAR

\$ 418,182

Reconciliation of operating loss to net cash used in operating activities

Operating loss	\$ (1,724,386)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	751,458
(Decrease)/increase in assets:	
Accounts receivable	(14,263)
Inventories	5,821
(Decrease)/increase in liabilities:	
Accounts payable	(1,717)
Rental deposits and advances	17,169
Accrued expenses	14,100
Net cash used in operating activities	<u>\$ (951,818)</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. Summary of significant accounting policies

Description of the reporting entity

The Civic-Recreational-Industrial Authority (referred to as "CRIA") is a component unit and an integral part of the City of Industry and accordingly has also been included in the City of Industry general purpose financial statements issued as of June 30 of each year. Financial statements for the City of Industry may be obtained from the Finance Department at the City of Industry offices located at 15625 East Stafford Street, City of Industry.

Basis of accounting and measurement focus

The component unit financial statements of CRIA have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Government-wide financial statements

The Government-wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for CRIA accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all economic resources including capital assets, infrastructure assets and long term liabilities, are included in the accompanying Statement of Net Position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditure.

Eliminations for inter-fund activities, payables, and receivables have been made at June 30, 2014.

Fund financial statements

The accounts of CRIA are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. Summary of significant accounting policies (continued)

Fund financial statements (continued)

Fund financial statements for the primary government's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Governmental funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. The revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Revenues are considered available if they are collected within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. Interest income is susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by CRIA and are recognized at that time.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources and committed, assigned, or unassigned amounts are considered to have been spent when expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Proprietary funds

Proprietary funds are used to account for CRIA's ongoing organizations and activities, which are similar to those often found in the private sector. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred.

In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) associated with their activity are included on their statements of Net Position. Amounts expended to acquire capital assets are recorded as assets in the proprietary fund statement of Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total Net Position. The Industry Hills Expo Center (Expo Center) is a proprietary fund of CRIA.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. **Summary of significant accounting policies (continued)**

Proprietary funds (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of CRIA generally come from the leasing of its facilities to various parties.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund types

The various funds are grouped, in the financial statements in this report, into categories as follows:

Governmental fund types

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by Proprietary funds).

Proprietary fund types

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on the continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Cash and investments

Short-term investments are reported at cost, which approximates fair value. Investments that exceed more than one year in maturity and that are traded on a national exchange are valued at their quoted market price. For the purpose of the statement of cash flows, CRIA considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Capital assets and depreciation

Capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.

If a cost related to capital assets does not extend its useful life, increase its productivity, improve its operating efficiency or add additional production capacity, the cost is regarded as repairs and maintenance and recognized as an expense as incurred; if it does, the cost is regarded as major renewals and betterments and capitalized.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. **Summary of significant accounting policies (continued)**

Capital assets and depreciation (continued)

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government – wide and proprietary fund financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective Statement of Net Position.

The range of lives used for depreciation purposes for each capital asset class is as follows:

Buildings and improvements	20 - 50	years
Equipment, furniture and fixtures	7 - 20	years
Vehicles	5	years

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Accounts receivable

Accounts receivable is stated at the amount CRIA expects to collect from outstanding balances. The accounts receivable balance is charged off in the period in which the receivables are deemed uncollectible. CRIA evaluates uncollectible amounts based on its assessment of the current status of individual accounts.

Inventories

Inventories of the Industry Hills Expo Center – enterprise fund consists of food, beverages and supplies. Inventories are carried at the lower of cost or market on the first-in, first-out basis of accounting.

New Accounting Standards

During the year ended June 30, 2014, CRIA has implemented GASB Statement No. 65 “Items Previously Reported as Assets and Liabilities.” This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognized, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement does not have a material impact on CRIA’s financial statements.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. Summary of significant accounting policies (continued)

Net Position

Net position in the government-wide financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are restricted by external creditors, grantors, contributors, laws or regulations of other governments. Net investment in capital assets includes buildings and improvements, equipment, furniture and fixtures, and vehicles, net of accumulated depreciation. Unrestricted net position is amounts which do not meet the definition of restricted net position.

Fund balances

In the governmental fund financial statements, fund balances are classified in the following categories:

Nonspendable – items that cannot be spent because they are not in spendable form or items that are legally or contractually required to be maintained intact.

Restricted – restricted fund balances are amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (b) imposed by law by constitutional provisions or enabling legislation.

Assigned – assigned fund balances are amounts that are constrained by CRIA's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. The Board of Directors are authorized for this purpose. CRIA has no assigned fund balances at June 30, 2014.

Committed – committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that CRIA's imposes upon itself at its highest level of decision making authority (the Board of Directors) through board resolution and that remain binding unless removed in the same manner. CRIA has no committed fund balances at June 30, 2014.

Unassigned – this category represents fund balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes.

2. Organization

CRIA was created on March 1, 1972 by a joint exercise of power agreement between the City of Industry and the Industry Urban-Development Agency. The agreement was made pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, Sections 6500, et seq. The IUDA was dissolved as a legal entity as of February 1, 2012 under ABX1 26, and therefore can no longer participate as a member of CRIA. On May 24, 2012, the City adopted resolution No. CC 2012-10. The resolution amended and restated the existing joint exercise of powers agreement and admitted the City of La Puente as a member of CRIA.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

2. Organization (continued)

CRIA exists and acts as a separate entity. The governing board of CRIA consists of a commission of five members: four members appointed by the Council of the City of Industry and one member by the Council of the City of La Puente.

CRIA has the power to acquire sites and to acquire, construct, finance and lease the public buildings and appurtenances and to issue revenue bonds for the financing of these projects. Under the Joint Powers Agreement, the City of Industry may advance funds to CRIA in certain circumstances.

3. Cash and investments

Cash and investments as of June 30, 2014, are classified in the accompanying financial statements as follows:

Governmental activities:	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Cash and investments	\$ 24,593	\$ 145,330	\$ 169,923
Business-type activities			
Cash	<u>418,182</u>	<u> </u>	<u>418,182</u>
Total cash and investments	<u>\$ 442,775</u>	<u>\$ 145,330</u>	<u>\$ 588,105</u>

Cash

Cash includes deposits in accounts maintained in the United States which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Certain financial instruments, such as cash, subject CRIA to concentration of credit risk. At June 30, 2014, CRIA 's deposits exceeded federally insured limits by \$218,278.

State of California Local Agency Investment Fund

CRIA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of CRIA's investment in the investment pool is approximately the same as the value of the pool shares.

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government sponsored enterprises, and corporations.

As of June 30, 2014, the carrying amount of the investments in LAIF amounted to \$145,330 and its carrying value approximate fair value.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

3. Cash and investments (continued)

Investments

Under provision of CRIA's Investment Policy, and in accordance with Section 53601 of the California Government Code, CRIA may invest in the following types of investments:

Securities of the U.S. Government, or its agencies
Bankers Acceptances
Commercial Paper
Local Agency Investment Fund (State Pool) Deposits
Passbook Savings Account Demand Deposits
Repurchase Agreements
Inactive Public Deposits; Non-Negotiable and/or Non-Transferable Certificates of Deposits
Los Angeles County Investment Pool

CRIA's Investment Policy does not contain any specific provisions intended to limit CRIA's exposure to interest rate risk, credit risk, and concentration of credit risk other than those specified in the California Government Code.

At no time during the fiscal year did CRIA borrow funds through the use of reverse-repurchase agreements since such transactions are not allowed by CRIA's investment policy.

Interest rate risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. One of the ways that CRIA manages its exposure to interest rate risk is by purchasing short investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. CRIA's investments have a weighted average maturity of 9.36 months.

Credit risk

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. LAIF does not have a rating provided by a nationally recognized statistical organization.

Concentration of credit risk

The investment policy of CRIA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total CRIA investments.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

3. Cash and investments (continued)

Custodial credit risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and CRIA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as LAIF.

As of June 30, 2014, none of CRIA's investments were exposed to custodial credit risk.

4. Capital assets

The capital assets activity during the year ended June 30, 2014 is summarized below:

<u>CAPITAL ASSETS</u>	<u>BALANCE JULY 1, 2013</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE JUNE 30, 2014</u>
Buildings and improvements	\$ 23,421,572	\$	\$	\$ 23,421,572
Furniture and fixtures	958,866			958,866
Vehicles	88,053			88,053
Totals	<u>24,468,491</u>	<u> </u>	<u> </u>	<u>24,468,491</u>
Accumulated Depreciation:				
Buildings and improvements	13,489,480	697,286		14,186,766
Furniture and fixtures	667,887	54,172		722,059
Vehicles	88,053			88,053
Totals	<u>14,245,420</u>	<u>751,458</u>	<u> </u>	<u>14,996,878</u>
Net	<u>\$ 10,223,071</u>	<u>\$ (751,458)</u>	<u>\$</u>	<u>\$ 9,471,613</u>

Depreciation expense for the year ended June 30, 2014 amounted to \$751,458.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

5. Self-insurance plan

The City of Industry has established a Self-Insurance Plan (the "Plan") to pay for liability claims against the City and CRIA. The Plan is administered by an insurance committee which is responsible for approving all claims of \$25,000 or less and for making provision for having sufficient funds available to pay approved claims and legal and investigative expenses. The insurance committee has given this authority to the City Manager. Potential liability of claims in excess of \$250,000, up to \$10,000,000, is covered by excess liability insurance policies. As of June 30, 2014, there are no pending liability claims outstanding against CRIA.

6. Transfers to/from other funds

During the year ending June 30, 2014, a total of \$1,325,441 was transferred in from the City of Industry to fund CRIA's operations. The Capital Projects fund transferred \$1,080,000 to the Enterprise fund to fund operational expenses.

Other Supplementary Information

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF THE CITY OF INDUSTRY)
OTHER SUPPLEMENTARY INFORMATION
JUNE 30, 2014

I. Budgetary information

The Board of Directors adopts an annual budget, submitted by the Executive Director prior to June 30th. The appropriated budget is prepared by fund, function and department. All annual appropriations lapse at the end of the fiscal year. The Board of Directors has the legal authority to amend the budget at any time during the fiscal year. There were no amendments to the budget during the year. The Executive Director has the authority to make adjustments to the operating budget within a fund. Transfers of operating budgets between funds or from appropriated reserve accounts, use of unappropriated fund balances, cancellation of appropriation and all changes in capital improvement project budgets require the approval of the Board of Directors.

The annual budget is prepared on a basis consistent with generally accepted accounting principles and is adopted for all governmental type funds.

CRIA maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board of Directors. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is at the fund level.

II. Summary of Revenues, Expenditures, and Transfers

Below is a summary of the revenues, expenditures, and transfers for the year ended June 30, 2014:

Capital Projects Budgetary Highlights

	Original Budget	Actual	Variance Favorable (Unfavorable)
Interest income	\$ 810	\$ 361	\$ (449)
Total revenues	<u>810</u>	<u>361</u>	<u>(449)</u>
General administration:			
Administrative costs	72,500	78,431	(5,931)
Professional services	94,000	93,015	985
Operation of property	<u>40,000</u>	<u>102,198</u>	<u>(62,198)</u>
Total expenditures	<u>206,500</u>	<u>273,644</u>	<u>(67,144)</u>
Other financing sources, net	180,000	245,441	65,441
Net change	<u>\$ (25,690)</u>	<u>\$ (27,842)</u>	<u>\$ (2,152)</u>

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF THE CITY OF INDUSTRY)
OTHER SUPPLEMENTARY INFORMATION
JUNE 30, 2014

II. Summary of Revenues, Expenditures, and Transfers (continued)

Proprietary Fund Budgetary Highlights

	Original Budget	Actual	Variance Favorable (Unfavorable)
Grand Arena	\$ 698,800	\$ 501,034	\$ (197,766)
Facilities	538,500	529,844	(8,656)
Speedway	223,600	402,364	178,764
Interest and other income	10,200	8,232	(1,968)
Total revenues	<u>1,471,100</u>	<u>1,441,474</u>	<u>(29,626)</u>
General administration	1,210,500	1,220,862	(10,362)
Cost of operations	1,233,600	1,185,308	48,292
Depreciation		751,458	(751,458)
Total expenses	<u>2,444,100</u>	<u>3,157,628</u>	<u>(713,528)</u>
Transfers in	900,000	1,080,000	(180,000)
Net change	<u>\$ (73,000)</u>	<u>\$ (636,154)</u>	<u>\$ 563,154</u>

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CAPITAL PROJECTS FUND BUDGETARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Interest and other income	\$ 810	\$ 810	\$ 361	\$ (449)
Total revenues	<u>810</u>	<u>810</u>	<u>361</u>	<u>(449)</u>
EXPENDITURES				
General administration:				
Administrative costs	72,500	72,500	78,431	(5,931)
Professional services	94,000	94,000	93,015	985
Operation of property	40,000	40,000	102,198	(62,198)
Fixed asset acquisition			-	-
Total expenditures	<u>206,500</u>	<u>206,500</u>	<u>273,644</u>	<u>(67,144)</u>
Revenues under expenditures	<u>(205,690)</u>	<u>(205,690)</u>	<u>(273,283)</u>	<u>(67,593)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from other funds				
Transfers in from City of Industry	1,080,000	1,080,000	1,325,441	245,441
Transfers out to other funds	<u>(900,000)</u>	<u>(900,000)</u>	<u>(1,080,000)</u>	<u>(180,000)</u>
Total other financing sources, net	<u>180,000</u>	<u>180,000</u>	<u>245,441</u>	<u>65,441</u>
Net Change	<u>\$ (25,690)</u>	<u>\$ (25,690)</u>	<u>\$ (27,842)</u>	<u>\$ (2,152)</u>

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF THE CITY OF INDUSTRY)
PROPRIETARY FUND BUDGETARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES				
Grand Arena	\$ 698,800	698,800	\$ 501,034	\$ (197,766)
Facilities	538,500	538,500	529,844	(8,656)
Speedway	<u>223,600</u>	<u>223,600</u>	<u>402,364</u>	<u>178,764</u>
Total operating revenues	<u>1,460,900</u>	<u>1,460,900</u>	<u>1,433,242</u>	<u>(27,658)</u>
OPERATING EXPENSES				
General administration	1,210,500	1,210,500	1,220,862	(10,362)
Cost of operations	1,233,600	1,233,600	1,185,308	48,292
Depreciation			751,458	(751,458)
Loss on disposal of assets				-
Total operating expenses	<u>2,444,100</u>	<u>2,444,100</u>	<u>3,157,628</u>	<u>(713,528)</u>
Operating loss	<u>(983,200)</u>	<u>(983,200)</u>	<u>(1,724,386)</u>	<u>(741,186)</u>
NON-OPERATING REVENUES				
Interest and other income	<u>10,200</u>	<u>10,200</u>	<u>8,232</u>	<u>(1,968)</u>
Total non-operating revenues	<u>10,200</u>	<u>10,200</u>	<u>8,232</u>	<u>(1,968)</u>
Loss before transfers and other financing sources	<u>(973,000)</u>	<u>(973,000)</u>	<u>(1,716,154)</u>	<u>(743,154)</u>
TRANSFERS				
Transfers in from other funds	<u>900,000</u>	<u>900,000</u>	<u>1,080,000</u>	<u>180,000</u>
Total transfers, net	<u>900,000</u>	<u>900,000</u>	<u>1,080,000</u>	<u>180,000</u>
Net Change	<u>\$ (73,000)</u>	<u>\$ (73,000)</u>	<u>\$ (636,154)</u>	<u>\$ (563,154)</u>

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.5

MEMORANDUM

**To: Board Of Directors
Civic-Recreational-Industrial Authority**

Through: Audit Committee

From: Finance Department

Date: January 14, 2015

**Subject: Civic-Recreational-Industrial Authority Year Ended June 30, 2014 Annual
Financial Reports**

RECOMMENDATION

Receive and file the annual financial reports.

Civic-Recreational-Industrial Authority (the “Authority”)

- 1) Annual Audited Financial Statements For The Year Ended June 30, 2014
- 2) Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters For The Year Ended June 30, 2014
- 3) Auditor’s Communications with the Board of Directors For The Year Ended June 30, 2014

EXECUTIVE SUMMARY

The Authority’s independent auditors, Eadie & Payne, LLP, have completed their annual audit of the Authority’s financial statements for the year ended June 30, 2014. The financial statements received an unqualified (or clean) opinion. No material weaknesses in internal controls were noted. The Audit Committee has approved the financial reports at its meeting held on January 8, 2015.

DESCRIPTION OF REPORTS

The financial reports and management compliance letter for the year ended June 30, 2014 are briefly described below:

Annual Financial Report

The annual financial statement is a comprehensive document reflecting the financial position of the Authority at June 30, 2014.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

No material weaknesses in internal controls were noted.

The Auditor's Communications with the Authority's Board

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the board of the Authority. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known misstatements, even those that could be passed adjustments that would be not material either individually or in the aggregate.

Fiscal Impact

There is no fiscal impact as result of this action.



**CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Civic-Recreational-Industrial Authority
City of Industry, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Civic-Recreational-Industrial Authority (Authority), a component unit of the City of Industry, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 19, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eadie and Payne, LLP

December 19, 2014
Redlands, California

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.6

MEMORANDUM

**To: Board Of Directors
Civic-Recreational-Industrial Authority**

Through: Audit Committee

From: Finance Department

Date: January 14, 2015

**Subject: Civic-Recreational-Industrial Authority Year Ended June 30, 2014 Annual
Financial Reports**

RECOMMENDATION

Receive and file the annual financial reports.

Civic-Recreational-Industrial Authority (the “Authority”)

- 1) Annual Audited Financial Statements For The Year Ended June 30, 2014
- 2) Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters For The Year Ended June 30, 2014
- 3) Auditor’s Communications with the Board of Directors For The Year Ended June 30, 2014

EXECUTIVE SUMMARY

The Authority’s independent auditors, Eadie & Payne, LLP, have completed their annual audit of the Authority’s financial statements for the year ended June 30, 2014. The financial statements received an unqualified (or clean) opinion. No material weaknesses in internal controls were noted. The Audit Committee has approved the financial reports at its meeting held on January 8, 2015.

DESCRIPTION OF REPORTS

The financial reports and management compliance letter for the year ended June 30, 2014 are briefly described below:

Annual Financial Report

The annual financial statement is a comprehensive document reflecting the financial position of the Authority at June 30, 2014.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

No material weaknesses in internal controls were noted.

The Auditor's Communications with the Authority's Board

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the board of the Authority. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known misstatements, even those that could be passed adjustments that would be not material either individually or in the aggregate.

Fiscal Impact

There is no fiscal impact as result of this action.



**CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS**

December 19, 2014

To the Board of Directors
Civic-Recreational-Industrial Authority
City of Industry, California

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Civic-Recreational-Industrial Authority (Authority), a component unit of the City of Industry, California, for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 16, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The adoption of this Statement has no significant impact on the Authority's financial statements.

The application of existing policies was not changed during 2014. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of the nature, policies, and risks related to cash and investments discussed in Note 3 to the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2014.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as auditors for the Authority. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Civic-Recreational-Industrial Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Eadie and Payne, LLP