



# ***Civic-Recreational-Industrial Authority***

Regular Meeting Agenda  
October 7, 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

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## **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.

*RECOMMENDED ACTION: Receive and file the report.*

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

*RECOMMENDED ACTION: Receive and file.*

- 5.3 Consideration of a License Agreement between the Civic-Recreational-Industrial Authority and the Antelope Valley Kennel Club for use of the Grand Arena, subject to approval as to form by the Authority's General Counsel.

*RECOMMENDED ACTION: Authorize the Expo Center to enter into license agreement for use of the Grand Arena.*

6. **BOARD MATTERS**

- 6.1 Consideration of the minutes of the August 12, 2015 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 August 2015.

*RECOMMENDED ACTION: Receive and file the report.*

- 6.4 Consideration of a Professional Services Agreement between the Civic-Recreational-Industrial Authority and The Pun Group, LLP, to provide auditing services for Fiscal Year 2015-2016.

*RECOMMENDED ACTION: Approve the Agreement.*

- 6.5 Discussion and direction regarding offering a discounted rate for Friday and Sunday rentals for the various rental facilities located at the Industry Hills Expo Center.

*RECOMMENDED ACTION: Discuss and provide direction to staff.*

- 6.6 Discussion and direction regarding the cancellation of the regular meeting scheduled for November 11, 2015

*RECOMMENDED ACTION: Cancel the regular meeting and hold a special meeting on November 10, 2015.*

7. Adjournment.

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

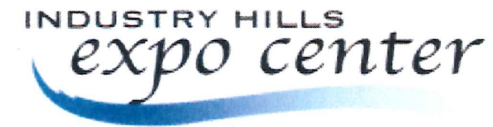
ITEM NO. 5.1

# October 2015 Calendar of Events



Date	Location	Name of Event	Description
3	Gazebo	Bejarrano Wedding Ceremony	Private Ceremony
3	Avalon Room	Del Rio Bridal Shower	Private Party
4	<b>GRAND ARENA</b>	<b>BEST OF SHOW MAGAZINE</b> <i>Classic Car Show, Bikini Contest &amp; Live Music</i>	<b>TICKETED EVENT &amp; PARKING CHARGE</b>
9-11	<b>GRAND ARENA</b>	<b>INDUSTRY HILLS CHARITY PRO RODEO</b> <i>PRCA Sanctioned Rodeo</i>	<b>TICKETED EVENT - PARKING FREE</b>
9	Pavilion	IHCPR - Sponsor Dinner	Private Event
10-11	Pavilion	IHCPR - Pre-show Sponsor Hospitality	By invitation
17	<b>GRAND PARKING LOT</b>	<b>ECLECTIC ROOTS presents BLACKTOP BLOWOUT</b> <i>Art, Music, Skateboarding, Roller Derby &amp; Cycling Festival</i>	<b>TICKETED EVENT &amp; PARKING CHARGE</b>
17	Avalon Room	Aguilar 15 Anos Celebration	Private Party
24	<b>GRAND ARENA</b>	<b>BIER BUZZ MASQUERADE</b> <i>Craft Beer Festival</i>	<b>TICKETED EVENT &amp; PARKING CHARGE</b>
24	Outdoor Arenas	LA County Mounted Sheriff's Unit	Training - Closed Course
24	Pavilion	Gomez 15 Anos Celebration	Private Party
30-31	<b>GRAND ARENA</b>	<b>SAN GABRIEL VALLEY &amp; ANTELOPE VALLEY KENNEL CLUBS</b> <i>AKC All-Breed Obedience &amp; Conformation Dog Show</i>	<b>FREE EVENT - PARKING CHARGE</b>
31	Pavilion	Marquez 15 Anos Celebration	Private Party

# November 2015 Calendar of Events



<b>Date</b>	<b>Location</b>	<b>Name of Event</b>	<b>Description</b>
1	GRAND ARENA	SAN GABRIEL VALLEY & ANTELOPE VALLEY KENNEL CLUBS <i>AKC All-Breed Obedience &amp; Conformation Dog Show</i>	FREE EVENT - PARKING CHARGE
6	Pavilion	Drum Roping - Veteran Meeting	Private Event
7	GRAND ARENA	VETERAN'S DAY BENEFIT ROPING <i>Team Roping Competition</i>	To be determined
7	Pavilion	Lopez 15 Anos Celebration	Private Party
7	Gazebo & Avalon Room	Sanchez Wedding Ceremony & Reception	Private Party
13-15	GRAND ARENA	INLAND EMPIRE HUNTER/JUMPER ASSOCIATION <i>English Horse Show</i>	FREE TO THE VIEWING PUBLIC
14	Pavilion	Garcia Wedding Reception	Private Party
14	Avalon Room	Evangelistic Crusade	Private Event
18	Pavilion	HLPUSD - Scholarship Fundraiser	Private Event
21	Pavilion	Orozco 15 Anos Celebration	Private Party
21	Avalon Room	Lopez 15 Anos Celebration	Private Party
27-29	GRAND ARENA	LYNDA TJARKS AGILITY PRODUCTIONS <i>AKC Sanctioned Dog Agility Trials</i>	FREE ADMISSION - PARKING CHARGE
27	Gazebo & Avalon Room	Trujillo 15 Anos Celebration	Private Party
28	Pavilion	Lares 15 Anos Celebration	Private Party
28	Gazebo & Avalon Room	Ortega Wedding Ceremony & Reception	Private Party

# December 2015 Calendar of Events



<b>Date</b>	<b>Location</b>	<b>Name of Event</b>	<b>Description</b>
<b>3-7</b>	<b>GRAND ARENA</b>	<b>AMERICAN SUPERCAMP</b> <i>Motorcycle Technique School</i>	<b>CLOSED COURSE</b>
3	Pavilion	Pinedo 15 Anos Celebration	Private Party
5	Pavilion	Alert Insulation Holiday Party	Private Party
5	Avalon Room	Verduzco Baptism	Private Party
7	Pavilion	Rowland Unified School District	Private Event
10	Pavilion	Industry Sheriff Station Holiday Party	Private Party
<b>11-13</b>	<b>GRAND ARENA</b>	<b>LYNDA TJARKS AGILITY PRODUCTIONS</b> <i>Cocker Spaniel Club of OC &amp; South Coast Vizsla Club</i>	<b>Parking \$5 - FREE TO VIEWING PUBLIC</b>
12	Pavilion	LA Corragated Packaging Holiday Party	Private Party
<b>18-20</b>	<b>GRAND ARENA</b>	<b>LYNDA TJARKS AGILITY PRODUCTIONS</b> <i>South Coast Vizsla Club - AKC All-Breed Agility Trials</i>	<b>Parking \$5 - FREE TO VIEWING PUBLIC</b>
18	Pavilion	El Encanto Holiday Party	Private Party
19	Avalon Room	Flores Wedding Reception	Private Party
26	Pavilion	Martinez 15 Anos Celebration	Private Party
<b>28-29</b>	<b>GRAND ARENA</b>	<b>LYNDA TJARKS AGILITY PRODUCTIONS</b> <i>Keeshond Club of So California - AKC All-Breed Agility Trials</i>	<b>Parking \$5 - FREE TO VIEWING PUBLIC</b>
<b>Dec 31- Jan 3</b>	<b>GRAND ARENA</b>	<b>LYNDA TJARKS AGILITY PRODUCTIONS</b> <i>Samoyed Club of LA &amp; Keeshond Club of So Calif</i>	<b>Parking \$5 - FREE TO VIEWING PUBLIC</b>

**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

SEPTEMBER

DATE	CHECK NUMBER	PAYEE	AMOUNT	DETAILS
09/01/15	8932	CAPITOL PROTECTION INC.	1,813.50	EVENT SECURITY SERVICES
09/01/15	8933	FRANCISCO'S EXOTIC DECO	680.49	TROPHIES
09/01/15	8934	VOID CHECK	0.00	DATA ENTRY ERROR
09/01/15	8935	GINA GARCIA	85.00	CLEANING SERV-RODEO HOUSE
09/01/15	8936	MATTHEW MALDONADO	750.00	WEB, SOCIAL, E-MAIL MKTG-AUG.
09/03/15	8937	AR-083015 ROSE ESGUERRA	300.00	SEC DEPOSIT REFUND
09/03/15	8938	PAV-090515 ROBERT LOPEZ	500.00	SEC DEPOSIT REFUND
09/03/15	8939	VOID CHECK	0.00	DATA ENTRY ERROR
09/03/15	8940	AR-090515R KELLY INOUYE	300.00	SEC DEPOSIT REFUND
09/08/15	8941	ANHEUSER BUSCH SALES OF AMERICA	791.00	ALCOHOL INVENTORY
09/08/15	8942	CAPITOL PROTECTION INC.	2,310.75	EVENT SECURITY SERVICES
09/08/15	8943	CLASSIC DISTRIBUTING & BEV.	675.50	ALCOHOL INVENTORY
09/08/15	8944	CNC EQUESTRIAN MANAGEMENT	51,823.41	PR-SEPT (SALARY) & PR 0816-083115
09/08/15	8945	COCA-COLA ENTERPRISES	936.80	ALCOHOL INVENTORY
09/08/15	8946	CSG	2,147.00	MONTHLY IT MAINTENANCE
09/08/15	8947	GINA GARCIA	170.00	CLEANING SERV-RODEO HOUSE
09/08/15	8948	GRAHAM COMPANY	390.00	EMERGENCY LIGHTING SYSTEM-QRTLY INSPECT.
09/08/15	8949	HARBOR DISTRIBUTING,LLC	812.40	ALCOHOL INVENTORY
09/08/15	8950	HOME DEPOT	43.55	PROPERTY MAINTENANCE
09/08/15	8951	KIKI'S INDUSTRIAL JANITORIAL SERVICE	225.00	RR & TRASH ATT 8/30 & 9/6, 9/7 ARENA
09/08/15	8952	LOCKS PLUS	16.35	PURCHASE DUPLICATE KEYS
09/08/15	8953	OFFICE DEPOT	312.92	OFFICE SUPPLIES EXPENSE
09/08/15	8954	P & R PAPER SUPPLY COMPANY	97.54	PAPER/CLEANING SUPPLIES
09/08/15	8955	Print & Mail Concepts	1,225.85	RACE PROGRAMS & POSTERS WEEK 14
09/08/15	8956	ROBINSONS FLOWERS	117.18	SYMPATHY ARRANGEMENT
09/08/15	8957	SHAMROCK FOODS COMPANY	3,573.44	CONCESSION INVENTORY
09/08/15	8958	SOUTHERN CALIFORNIA EDISON	7,048.02	MONTHLY UTILITY EXPENSE-AUG/SEPT
09/08/15	8959	STAPLES LINK	23.84	OFFICE SUPPLIES EXPENSE
09/08/15	8960	TERMINIX-INLAND COMMERCIAL	447.00	PEST CONTROL
09/08/15	8961	VERIZON	480.40	MONTHLY PHONE SERVICE JULY/AUG.
09/08/15	8962	XEROX FINANCIAL SERVICES	323.52	LEASE AND SALES TAX CHG
09/08/15	8963	YOUNG'S MARKET CO.	625.66	ALCOHOL INVENTORY
09/03/15	8965	PAV-090615 CINDY MADRID	500.00	SEC DEPOSIT REFUND
09/10/15	8966	PCR CASH	5,000.00	REPLENISH ATM TERMINALS-BANQUETS
09/11/15	8967	BATTERY SYSTEMS OF ANAHEIM	4,636.99	REPLACE BATTERIES-8 GOLF CARTS
09/10/15	8968	PCR CASH	2,440.26	REPLENISH PETTY CASH-AUG RECEIPTS
09/14/15	8969	PCR CASH	15,000.00	REPLENISH ATM TERMINAL ARENA-SEPT EVENTS
09/15/15	8970	PCR CASH	1,072.50	REPLENISH PETTY CASH-SEPT RECEIPTS
09/15/15	8971	CINTAS	863.05	MATS, MOPS AND UNIFORMS
09/15/15	8972	CLASSIC DISTRIBUTING & BEV.	254.25	ALCOHOL INVENTORY

09/15/15 8973 COASTAL CARBONIC  
 09/15/15 8974 CULLIGAN WATER CONDITIONING  
 09/15/15 8975 dex MEDIA  
 09/15/15 8976 HARALAMBOS BEVERAGE CO.  
 09/15/15 8977 LOCKS PLUS  
 09/15/15 8978 P & R PAPER SUPPLY COMPANY  
 09/15/15 8979 SATSUMA LANDSCAPE  
 09/15/15 8980 SIMPLEX GRINNELL  
 09/15/15 8981 STAPLES LINK  
 09/15/15 8982 SYSCO  
 09/15/15 8983 TERMINIX-INLAND COMMERCIAL  
 09/17/15 8984 AR-091215 MIRIAM RIVAS  
 09/17/15 8985 PAV-091215 NANCY ARELLANO  
 09/17/15 8986 AR-083015 ROSE ESGUERRA  
 09/21/15 8987 7UP/RC BOTTLING OF S.CALIFORNIA  
 09/21/15 8988 ANHEUSER BUSCH SALES OF AMERICA  
 09/21/15 8989 AT&T  
 09/21/15 8990 BOARD OF EQUALIZATION  
 09/21/15 8991 CINTAS  
 09/21/15 8992 CITY OF INDUSTRY  
 09/21/15 8993 CLEAN SWEEP SUPPLY CO.  
 09/21/15 8994 COLD STAR ICE  
 09/21/15 8995 DMV RENEWAL  
 09/21/15 8996 KIKI'S INDUSTRIAL JANITORIAL SERVICE  
 09/21/15 8997 OFFICE DEPOT  
 09/21/15 8998 ROGERS,CLEM & CO.  
 09/21/15 8999 STAPLES LINK  
 09/21/15 9000 YOUNG'S MARKET CO.  
 09/22/15 9001 ORBIT PRINTING  
 09/24/15 9002 ProcureIT  
 09/22/15 9003 PAV-091815 YWCA/SGV  
 09/22/15 9004 PAV-091915 CRISTINA CASILLAS  
 09/22/15 9005 AR-091915 DAISY ACUNA  
 09/25/15 9006 CAPITOL PROTECTION INC.  
 09/25/15 9007 HOME DEPOT  
 09/25/15 9008 KIKI'S INDUSTRIAL JANITORIAL SERVICE  
 09/25/15 9009 OFFICE DEPOT  
 09/25/15 9010 SHAMROCK FOODS COMPANY  
 09/25/15 9011 SOUTHERN WINE & SPIRITS  
 09/25/15 9012 YAMAHA GOLF CARS  
 09/25/15 9013 VERIZON  
 09/29/15 9014 ANHEUSER BUSCH SALES OF AMERICA  
 09/29/15 9015 CINTAS  
 09/29/15 9016 CLASSIC DISTRIBUTING & BEV.

159.36 CARBO CHARGER-PATIO CAFÉ  
 70.85 MONTHLY WATER FILTER SERVICE  
 159.00 FACILITY ADVERTISING  
 116.00 ALCOHOL INVENTORY  
 247.77 REKEY AUDIO RM, REPLACE COMBO LOCKS PAV.  
 652.09 BAR SUPPLIES EXP.  
 8,828.87 MONTHLY LANDSCAPE CHARGES-AUGUST  
 57.62 HOOD SYSTEM INSPECTION-SEPT.  
 122.06 OFFICE SUPPLIES EXPENSE  
 675.06 CONCESSION INVENTORY  
 663.00 PEST CONTROL  
 300.00 SEC DEPOSIT REFUND  
 600.00 SEC DEPOSIT REFUND  
 1,300.00 REFUND TO CLIENT DUE TO A/C MALFUNCTION  
 612.14 ALCOHOL INVENTORY  
 1,347.00 ALCOHOL INVENTORY  
 719.31 MONTHLY WIRELESS CHARGESAUG/SEPT.  
 5,390.00 PREPAY SALES TAX-AUGUST  
 406.17 MATS, MOPS AND UNIFORMS  
 5,009.62 ROLLOFF AND DUMP FEES-AUGUST  
 1,324.56 CLEANING SUPPLIES EXPENSE  
 319.00 BAR SUPPLIES EXP. MA-091815 FERIA  
 977.00 RENEW REGISTRATION-ISUZU WATER TRUCK  
 525.00 RR & TRASH ATT 9/11-9/13 ARENA  
 384.80 OFFICE SUPPLIES EXPENSE  
 3,500.00 ACCOUNT./CONSULTING SERVICES JULY/AUG.  
 57.74 OFFICE SUPPLIES EXPENSE  
 22.39 ALCOHOL INVENTORY  
 354.25 SKIPPED INV.-CRASH WALL DECAL SPEEDWAY  
 1,517.99 COMPUTER EQUIPMENT PURCHASE  
 600.00 SEC DEPOSIT REFUND  
 600.00 SEC DEPOSIT REFUND  
 300.00 SEC DEPOSIT REFUND  
 11,563.50 EVENT SECURITY SERVICES  
 166.35 PROPERTY MAINTENANCE  
 4,725.00 RR & TRASH ATT 9/19-9/21 ARENA,FAC CLEAN SEPT  
 190.18 OFFICE SUPPLIES EXPENSE  
 2,429.01 CONCESSION INVENTORY  
 3,929.07 ALCOHOL INVENTORY  
 624.84 SERVICE GOLF CARTS  
 490.27 MONTHLY PHONE SERVICE AUG/SEPT  
 796.00 ALCOHOL INVENTORY  
 428.63 MATS, MOPS AND UNIFORMS  
 14.00 ALCOHOL INVENTORY

09/29/15	9017 COCA-COLA ENTERPRISES	1,838.00 ALCOHOL INVENTORY
09/29/15	9018 COLD STAR ICE	833.50 BAR SUPPLIES EXP. MA-091815 FERIA
09/29/15	9019 HARBOR DISTRIBUTING,LLC	6,833.00 ALCOHOL INVENTORY
09/29/15	9020 SPARKLETTS	768.24 ALCOHOL INVENTORY
09/30/15	9021 USPS	1,338.97 POSTAGE FOR QRTLY MAILER
09/30/15	9022 SOUTHERN CALIFORNIA EDISON	26,710.35 MONTHLY UTILITY EXPENSE-AUG/SEPT
09/29/15	9023 AR-092615 BRYAN LEOS	382.00 SEC DEPOSIT REFUND
09/29/15	9024 PAV-092615 NERIA MOTTA	600.00 SEC DEPOSIT REFUND
09/30/15	9025 OFFICE DEPOT	96.16 OFFICE SUPPLIES EXPENSE
09/30/15	9026 ORBIT PRINTING	60.28 BUSINESS CARDS-C.PEREZ
09/30/15	9027 PITNEY BOWES GLOBAL FINANCE	138.19 MONTHLY LEASE AND SALES TAX PMT

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**TOTAL**

**211,687.36**

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*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 5.3



## Memorandum

To: Paul Phillips, Executive Director  
Civic-Recreational-Industrial-Authority

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

Re: License Agreements

Date: September 30, 2015

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

Licensee Agreement #MA-103015 – To enter into an agreement with San Gabriel Valley & Antelope Valley Kennel Clubs for a three-day event scheduled for October 30, 31 & November 1, 2015 for their annual Obedience & Conformation Dog Show. This event consists of over 1,000 spectators in attendance each day. In addition to the use of the Grand Arena, the Vineyard is utilized for obedience. The basic rental rate for the Grand is \$3,300. Food, Beverages & Parking will be handled by the Expo Center and the balance of fees will be billed after the event is over as vendors, overnight RV hookups and arena lighting is calculated on what is utilized. The event generated over \$20,665.68 in revenues last year. This promoter is a prompt payee.

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

By: Carol J. Perez  
Operations Manager

  
Signature

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 6.1

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CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
CITY OF INDUSTRY, CALIFORNIA  
REGULAR MEETING MINUTES  
AUGUST 12, 2015  
PAGE 1

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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  
L. Ronald Cipriani, Board Member  
David Carmany, Board Member  
Dave Youpa, Board Member

STAFF PRESENT: Paul J. Philips, Executive Director; James M. Casso, General Counsel; John Ballas, Engineer; Cecelia Dunlap, Assistant Secretary; 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 OF THE MINUTES OF THE JUNE 10, 2015 REGULAR MEETING**

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CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
CITY OF INDUSTRY, CALIFORNIA  
REGULAR MEETING MINUTES  
AUGUST 12, 2015  
PAGE 2

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MOTION BY BOARD MEMBER CARMANY, AND SECOND BY SECOND BY VICE CHAIRMAN MARSHALL TO APPROVE AS SUBMITTED, SUBJECT TO THE CORRECTION OF THE SPELLING OF BOARD MEMBER CIPRIANI'S NAME. MOTION CARRIED 5-0.

**CONSIDERATION OF REGISTER OF DEMANDS SUBMITTED BY THE FINANCE DEPARTMENT**

MOTION BY BOARD MEMBER CARMAY, AND SECOND BY BOARD MEMBER YOUPA 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 JUNE 2015**

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

**ADJOURNMENT**

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

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Howard Lim, Chairman

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Cecelia Dunlap, Assistant Secretary



*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 6.2

**CIVIC-RECREATIONAL INDUSTRIAL AUTHORITY**  
AUTHORIZATION FOR PAYMENT OF BILLS  
Board Meeting October 7, 2015

<u>FUND</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
360	INDUSTRY HILLS EXPO OPERATING ACCOUNT	70,604.61

<u>BANK</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
WFCK	WELLS FARGO CHECKING	70,604.61

**Civic-Recreational Industrial Authority**  
**Board Meeting**  
**October 7, 2015**

Check	Date		Payee Name	Check	Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>					
<b>10470</b>	10/07/2015		<b>CITY OF INDUSTRY</b>		<b>\$740.78</b>
	Invoice	Date	Description	Amount	
	2016-00000015	08/31/2015	AUGUST 2015 FUEL COSTS	\$740.78	
<b>10471</b>	10/07/2015		<b>CNC ENGINEERING</b>		<b>\$10,730.91</b>
	Invoice	Date	Description	Amount	
	43868	09/10/2015	EXPO CENTER STANDARDS OF MAINT - MISC	\$4,970.34	
	43869	09/10/2015	EXPO CENTER STANDARDS OF FACILITY MAINT -	\$253.34	
	43924	09/24/2015	EXPO CENTER STANDARDS OF MAINT - MISC	\$5,380.56	
	43925	09/24/2015	EXPO CENTER STANDARDS OF FACILITY MAINT -	\$126.67	
<b>10472</b>	10/07/2015		<b>CRIA-EQUESTRIAN CENTER</b>		<b>\$48,500.00</b>
	Invoice	Date	Description	Amount	
	OCT-15	09/21/2015	OPERATING EXPENSE - OCTOBER 2015	\$48,500.00	
<b>10473</b>	10/07/2015		<b>CRIA-PAYROLL ACCOUNT</b>		<b>\$3,000.00</b>
	Invoice	Date	Description	Amount	
	SEP-15	09/21/2015	REIMBURSE PAYROLL - SEPTEMBER 2015	\$3,000.00	
<b>10474</b>	10/07/2015		<b>FRAZER, LLP</b>		<b>\$5,325.00</b>
	Invoice	Date	Description	Amount	
	138767	07/31/2015	PROF SVC - JULY 2015	\$2,575.00	
	139174	08/31/2015	PROF SVC - AUGUST 2015	\$2,750.00	
<b>10475</b>	10/07/2015		<b>HOME DEPOT CREDIT SERVICE</b>		<b>\$28.92</b>
	Invoice	Date	Description	Amount	
	6014411	09/15/2015	SUPPLIES - EXPO CENTER-AVALON RESTROOM	\$28.92	
<b>10476</b>	10/07/2015		<b>SNOWDEN ELECTRIC COMPANY,</b>		<b>\$2,174.00</b>
	Invoice	Date	Description	Amount	
	15-0343	08/31/2015	INSPECTION/TESTING OF GRAND ARENA LIGHTING	\$2,174.00	

**Civic-Recreational Industrial Authority**  
**Board Meeting**  
**October 7, 2015**

Check	Date	Payee Name		Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
10477	10/07/2015	TERMINIX		\$105.00
	Invoice	Date	Description	Amount
	348144071	09/02/2015	SVC - EXPO CENTER	\$105.00

Checks	Status	Count	Transaction Amount
	Total	8	\$70,604.61

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 6.3

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY  
CITY OF INDUSTRY

FINANCIAL STATEMENTS

August 31, 2015

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY  
CITY OF INDUSTRY

FINANCIAL STATEMENTS

August 31, 2015

TABLE OF CONTENTS

	<u>Page</u>
Executive Summary	1 – 3
Balance Sheet as of August 31, 2015	4
Statement of Operations for the month and year to date ended August 31, 2015	5
Statement of Cash Flows – Industry Hills Expo Center for the two months ended August 31, 2015	6
Schedule of Revenues and Expenses – Industry Hills Expo Center for the month and year to date ended August 31, 2015 - Schedule 1	7 – 8
Schedule of Revenues and Expenditures – Capital Projects Fund for the month and year to date ended August 31, 2015 - Schedule 2	9

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  
August 31, 2015

**Expo Center Operations**

During the month ended August 31, 2015, we held five events in the Pavilion and six events in the Avalon Room with contracts totaling \$46,701.

In the Grand Arena we held three events with contracts totaling \$20,574 These events were: Lion Star Productions-National Police Rodeo, Lynda Tjarks Agility Productions-All Breed Dog Trials and Calizona-Appaloosa Horse Show.

During the month ended August 31, 2015, we held one event in Industry Racing totaling \$73,314. The event was Industry Racing-Speedway Motorcycle Races.

At August 31, 2015, our financial statements reflect the following activity:

<u>Expo Center Operations</u>	<u>Month Ended 8/31/2015</u>	<u>Year To Date 8/31/2015</u>	<u>Annual Budget 2015-2016</u>	<u>% of Annual Budget</u>
Total revenues	\$ 141,811	\$ 320,569	\$ 1,483,800	22%
Expenses:				
Direct Expo Center expenses	118,975	239,548	985,000	24%
General and administrative expenses	66,079	152,067	1,046,100	15%
Total direct Expo Center expenses	185,054	391,615	2,031,100	19%
Net income from operations	(43,243)	(71,046)	(547,300)	13%
Net income	\$ (43,243)	\$ (71,046)	\$ (547,300)	13%

We have booked nine future Banquet events with contracts totaling \$22,600 and three Grand Arena events with a contracts totaling \$11,000. 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  
August 31, 2015

The following is our summarized financial statements by department at August 31, 2015:

<u>Expo Center Operations</u>	Month Ended 8/31/2015	Month Ended 8/31/2015	Month Ended 8/31/2015	Month Ended 8/31/2015	Month Ended 8/31/2015
	<u>Speedway</u>	<u>Facilities</u>	<u>Grand Arena</u>	<u>General and Admin.</u>	<u>Totals</u>
Total revenues	\$ 73,314	\$ 46,701	\$ 20,574	\$ 1,222	\$ 141,811
Expenses:					
Direct Expo Center expenses	70,358	20,606	28,011		118,975
General and administrative expenses				66,079	66,079
Total direct Expo Center expenses	<u>70,358</u>	<u>20,606</u>	<u>28,011</u>	<u>66,079</u>	<u>185,054</u>
Net income (loss) from operations	<u>2,956</u>	<u>26,095</u>	<u>(7,437)</u>	<u>(64,857)</u>	<u>(43,243)</u>
Net income (loss) for the month ended	<u>\$ 2,956</u>	<u>\$ 26,095</u>	<u>\$ (7,437)</u>	<u>\$ (64,857)</u>	<u>\$ (43,243)</u>

<u>Expo Center Operations</u>	Year To Date 8/31/2015	Year To Date 8/31/2015	Year To Date 8/31/2015	Year To Date 8/31/2015	Year to Date 8/31/2015
	<u>Speedway</u>	<u>Facilities</u>	<u>Grand Arena</u>	<u>General and Admin.</u>	<u>Totals</u>
Total revenues	\$ 150,385	\$ 87,710	\$ 80,648	\$ 1,826	\$ 320,569
Expenses:					
Direct Expo Center expenses	132,526	37,784	69,238		239,548
General and administrative expenses				152,067	152,067
Total direct Expo Center expenses	<u>132,526</u>	<u>37,784</u>	<u>69,238</u>	<u>152,067</u>	<u>391,615</u>
Net income (loss) from operations	<u>17,859</u>	<u>49,926</u>	<u>11,410</u>	<u>(150,241)</u>	<u>(71,046)</u>
Net income (loss) year to date	<u>\$ 17,859</u>	<u>\$ 49,926</u>	<u>\$ 11,410</u>	<u>\$ (150,241)</u>	<u>\$ (71,046)</u>

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY  
CITY OF INDUSTRY

EXECUTIVE SUMMARY  
FINANCIAL STATEMENTS  
August 31, 2015

**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 August 31, 2015 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 August 31, 2015. 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 August 31, 2015, our financial statements reflect the following activity:

<u>Capital Projects Fund</u>	<u>Month Ended</u> <u>8/31/2015</u>	<u>Year To Date</u> <u>8/31/2015</u>	<u>Annual Budget</u> <u>2015-2016</u>
Total revenues	\$ -	\$ 104	\$ 420
Expenditures			
General and administrative expenses	8,535	11,531	432,200
Total expenses	8,535	11,531	432,200
Net loss	\$ (8,535)	\$ (11,427)	\$ (431,780)

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY  
CITY OF INDUSTRY

BALANCE SHEET  
AS OF AUGUST 31, 2015

			Capital Projects	Expo Center
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
	Cash and cash equivalents	\$	20,634	\$ 473,629
	Investments		146,045	
	Accounts receivable, net			30,416
	Inventories			42,494
	Deposits			3,000
	Total current assets		166,679	549,539
	<b>CAPITAL ASSETS, net</b>			9,471,612
	<b>Total assets</b>	\$	166,679	\$ 10,021,151
<b>LIABILITIES AND FUND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
	Accounts payable	\$		\$ 61,513
	Sales tax payable			5,390
	Advance rental payments			107,186
	Security deposits			52,950
	Total current liabilities		-	227,039
<b>FUND EQUITY:</b>				
	Fund balance		166,679	9,794,112
	<b>Total liabilities and fund equity</b>	\$	166,679	\$ 10,021,151

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY  
CITY OF INDUSTRY

STATEMENT OF OPERATIONS  
FOR THE MONTH AND YEAR TO DATE ENDED AUGUST 31, 2015

	CAPITAL PROJECTS				EXPO CENTER				
	MONTH ENDED	YEAR TO DATE	2015-2016 ANNUAL	% OF ANNUAL	MONTH ENDED	YEAR TO DATE	2015-2016 ANNUAL	% OF ANNUAL	
	8/31/2015	8/31/2015	BUDGET	BUDGET	8/31/2015	8/31/2015	BUDGET	BUDGET	
<b>REVENUES:</b>									
Expo center revenues	\$	\$	\$		\$ 141,811	\$ 320,569	\$ 1,483,800	22%	
Other revenues		104	420	25%					
Total revenues		-	104	25%	141,811	320,569	1,483,800	22%	
<b>EXPENDITURES:</b>									
General and administrative expenses		8,535	11,531	3%	66,079	152,067	1,046,100	15%	
Operating expenses					118,975	239,548	985,000	24%	
Total expenses		8,535	11,531	3%	185,054	391,615	2,031,100	19%	
<b>EXCESS OF EXPENDITURES OVER</b>									
REVENUES		(8,535)	(11,427)	3%	(43,243)	(71,046)	(547,300)	13%	
<b>OTHER FINANCING SOURCES</b>									
		11,500	38,000	8%	48,500	97,000	582,000	17%	
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES</b>									
<b>OVER EXPENDITURES/(EXCESS OF EXPENDITURES OVER</b>									
<b>REVENUES AND OTHER FINANCING SOURCES)</b>									
		2,965	26,573	\$ 68,720	5,257	25,954	\$ 34,700		
Fund balance, beginning		163,714	140,106		9,788,855	9,768,158			
Fund balance, ending	\$	166,679	\$ 166,679		\$ 9,794,112	\$ 9,794,112			



CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY  
CITY OF INDUSTRY

INDUSTRY HILLS EXPO CENTER  
SCHEDULE OF REVENUES AND EXPENSES  
FOR THE MONTH AND YEAR TO DATE ENDED AUGUST 31, 2015

		MONTH ENDED	YEAR TO DATE	ANNUAL BUDGET	% OF ANNUAL
	Expo Center Operations	8/31/2015	8/31/2015	2015-2016	BUDGET
<b>Revenues</b>					
	Facilities rentals	\$ 24,834	\$ 43,844	\$ 255,500	17%
	Facilities rentals - bar sales	15,913	32,119	249,900	13%
	Facilities - security	4,443	7,636	43,400	18%
	Facilities - food	211	248	1,600	16%
	Facilities - insurance	1,200	2,100	8,800	24%
	Facilities - other	100	1,763	9,200	19%
	Grand Arena - special events rentals	5,895	12,045	107,700	11%
	Grand Arena - outdoor arena rentals	800	800	5,700	14%
	Grand Arena - show barn stall rentals	551	2,206	44,900	5%
	Grand Arena - shaving sales	825	1,550	15,900	10%
	Grand Arena - security	600	2,514	14,700	17%
	Grand Arena - trailer parking	475	1,675	9,800	17%
	Grand Arena - bar sales	1,770	20,969	179,200	12%
	Grand Arena - food	4,560	14,792	111,700	13%
	Grand Arena - feed sales			400	0%
	Grand Arena - other	5,098	24,097	110,000	22%
	Speedway - Merchandise	3,751	6,346	15,700	40%
	Speedway - Bar	18,468	37,597	70,800	53%
	Speedway - Prize Money	10,025	21,395	51,000	42%
	Speedway - General Admission	19,203	37,469	68,200	55%
	Speedway - Food	14,391	31,691	54,500	58%
	Speedway - Parking	6,025	12,825	22,900	56%
	Speedway - Other	1,451	3,062	24,800	12%
	G&A- Other	1,222	1,826	7,500	24%
	<b>Total revenues</b>	<b>141,811</b>	<b>320,569</b>	<b>1,483,800</b>	<b>22%</b>
<b>Expo expenses</b>					
	Cost of sales	10,977	22,193	128,700	17%
	Bar supplies	756	1,690	1,200	141%
	Promotional banquet	1,300	2,270	8,900	26%
	Feed	(15)		600	0%
	Contract labor/wages	29,698	57,386	225,200	25%
	Furniture/fixtures & equipment	193	557	2,200	25%
	Miscellaneous	554	5,564	41,400	13%
	Promotional	14,459	28,257	51,500	55%
	Property maintenance	1,356	1,356	17,400	0%
	Repairs and maintenance			100	0%
	RV/Vendor spaces			12,600	0%
	Security - Grand Arena	585	7,010	34,200	20%
	Security - Facilities	3,978	6,611	186,400	4%
	Security - Speedway	3,403	6,913	18,500	37%
	Shavings	443	655	12,000	5%
	Supplies	7,590	15,804	48,400	33%
	Equipment rental	71	213	900	24%
	Special event concessions	1,210	4,307	53,900	8%
	Speedway- Merchandise			8,900	0%
	Speedway- Insurance	4,097	16,365	19,900	82%
	Speedway - Prize money	21,150	32,628	43,400	75%
	Speedway- Outside services	17,170	29,769	68,700	43%
	<b>Total Expo expenses</b>	<b>118,975</b>	<b>239,548</b>	<b>985,000</b>	<b>24%</b>
<b>Operating income before direct</b>					
	G & A and CRIA indirect expenses	22,836	81,021	498,800	16%

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY  
CITY OF INDUSTRY

INDUSTRY HILLS EXPO CENTER  
SCHEDULE OF REVENUES AND EXPENSES  
FOR THE MONTH AND YEAR TO DATE ENDED AUGUST 31, 2015

	MONTH ENDED	YEAR TO DATE	ANNUAL BUDGET	% OF ANNUAL BUDGET
	8/31/2015	8/31/2015	2015-2016	
<u>Expo Center Operations</u>				
Direct general and administrative expenses				
Office supplies	203	326	5,900	6%
Travel and meetings	321	731	5,400	14%
Dues, subscriptions, books, etc.	-	395	900	44%
Equipment rental/lease	323	647	2,500	26%
Furniture/fixtures & equipment	-	578	3,800	15%
Legal advertising/printing			300	0%
Telephone	610	3,183	17,100	19%
Postage	59	59	7,600	1%
Miscellaneous	814	2,323	8,800	26%
Professional services	9,945	21,723	134,900	16%
Repairs and equipment	2,346	6,640	10,700	62%
Vehicle expenses	163	2,314	35,700	6%
Insurance and bonds		(2,700)	12,100	-22%
Supplies	2,337	5,483	44,200	12%
Contract labor/administrative wages	29,946	60,931	426,600	14%
Property maintenance	11,964	21,656	167,900	13%
Utilities	7,048	27,778	161,700	17%
Total direct general and administrative expenses	66,079	152,067	1,046,100	15%
Expo Center operating income (loss)	\$ (43,243)	\$ (71,046)	\$ (547,300)	13%

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY  
CITY OF INDUSTRY

Schedule 2

CAPITAL PROJECTS  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE MONTH AND YEAR TO DATE ENDED AUGUST 31, 2015

								ANNUAL	
				MONTH ENDED	YEAR TO DATE			BUDGET	% OF ANNUAL
				8/31/2015	8/31/2015			2015-2016	BUDGET
<b>REVENUES</b>									
	Other revenues		\$		\$ 104	\$		420	25%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>									
	Salaries - board			2,725	5,451			37,800	14%
	Payroll taxes			209	417			2,900	14%
	Miscellaneous			17	33			600	6%
	Legal							70,900	0%
	Professional services							8,800	0%
	Accounting			45	91			31,900	0%
	Audit services							10,300	0%
	General engineering			3577.00	3577.00			45,200	8%
	Property maintenance			1962.00	1962.00			178,200	1%
	Insurance and bonds							45,600	0%
	Total general and administrative expenses			8,535	11,531			432,200	3%
<b>EXCESS OF EXPENDITURES OVER</b>									
	REVENUES		\$	(8,535)	\$ (11,427)	\$		(431,780)	3%



*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 6.4



# CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

City of Industry

## CRIA BOARD OF DIRECTORS

HOWARD LIM, CHAIRMAN  
DEAN MARSHALL, VICE CHAIRMAN  
L. RONALD CIPRIANI  
DAVID CARMANY  
DAVE YOUPA

15625 EAST STAFFORD STREET  
CITY OF INDUSTRY, CALIFORNIA 91744-3366  
(626) 333-2211

## MEMORANDUM

**TO:** Board Members of the Civic-Recreational-Industrial Authority  
**FROM:** Paul J. Philips, Executive Director *Paul J. Philips*  
**DATE:** October 1, 2015  
**SUBJECT:** Approval of the Attached Professional Services Agreement  
Auditing Services, Fiscal Year 2015-2016, The Pun Group

At a previous City Council meeting, the City Council acted to accept the bid from The Pun Group to provide annual auditing services for the City and the various City agencies. Attached please find the required Agreement for final CRIA Board approval.

IT IS RECOMMENDED that the Board approve the attached Agreement, together with Exhibits A, B, and C, and permit the Executive Director to enter into the Agreement.

## CIVIC RECREATIONAL INDUSTRIAL AUTHORITY

### PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of October \_\_\_\_, 2015 ("Effective Date"), between the Civic Recreational Industrial Authority, a public body, corporate and politic, ("CRIA"), and The Pun Group, LLP, a California Limited Liability Partnership ("Consultant"). CRIA and Consultant are hereinafter collectively referred to as the "Parties".

#### RECITALS

**WHEREAS**, CRIA desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and conditions herein contained, CRIA and Consultant agree as follows:

#### 1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than March 31, 2016, unless sooner terminated pursuant to the provisions of this Agreement.

#### 2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the CRIA. The Services shall be performed by Consultant, unless prior written approval is first obtained from the CRIA. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) CRIA shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the CRIA and in a first-class manner in conformance with the standards of quality normally observed by an entity providing professional auditing services, serving a public agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) CRIA has not consented in writing to Consultant's performance of such work. No officer or employee of CRIA shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant

hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of CRIA. If Consultant was an employee, agent, appointee, or official of CRIA in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse CRIA for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

### **3. MANAGEMENT**

CRIA's Finance Director shall represent the CRIA in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

### **4. PAYMENT**

(a) CRIA agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Six Thousand Dollars (\$6,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by CRIA. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by CRIA and Consultant at the time CRIA's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If CRIA disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

(d) In the event CRIA is required to undergo a single audit in accordance with the Federal Single Audit Act and OMB Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*, the Contractor shall charge an additional fee of Three Thousand Dollars (\$3,000.00) for each major program audit. The number of programs determined to be a major program will be based on the determination required by OMB Circular A-133 and will be discussed with CRIA prior to commencement of any audit work. Any work performed under this Section shall be provided only upon the prior written approval of CRIA.

## **5. SUSPENSION OR TERMINATION OF AGREEMENT**

(a) CRIA may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If CRIA suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, CRIA shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to CRIA. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to CRIA pursuant to Section 5 of this Agreement.

## **6. OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by CRIA that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of CRIA or its designees at reasonable times to review such books and records; shall give CRIA the right to examine and audit said books and records; shall permit CRIA to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of CRIA and may be used, reused, or otherwise disposed of by CRIA without the permission of the Consultant. With respect to computer files, Consultant shall make available to CRIA, at the Consultant's office, and upon reasonable written request by CRIA, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to CRIA all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of CRIA.

## **7. INDEMNIFICATION**

(a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless CRIA and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees

or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) **DUTY TO DEFEND.** In the event CRIA, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by CRIA, Consultant shall have an immediate duty to defend CRIA at Consultant's cost or at CRIA's option, to reimburse CRIA for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by CRIA is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and CRIA, as to whether liability arises from the sole negligence of the CRIA or its officers, employees, or agents, Consultant will be obligated to pay for CRIA's defense until such time as a final judgment has been entered adjudicating CRIA as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

## **8. INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

## **9. INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to CRIA a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither CRIA nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CRIA. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against CRIA, or bind CRIA in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, CRIA shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for CRIA. CRIA shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

## **10. LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. CRIA, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

## **11. UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of CRIA in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial

inducement. No officer or employee of CRIA has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CRIA to any and all remedies at law or in equity.

## **12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES**

No member, officer, or employee of CRIA, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

## **13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without CRIA's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from CRIA, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any CRIA project or property located within CRIA's jurisdiction, unless otherwise required by law or court order.

(b) Consultant shall promptly notify CRIA should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any CRIA project or property located within CRIA's jurisdiction, unless Consultant is prohibited by law from informing CRIA of such Discovery, court order or subpoena. CRIA retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless CRIA is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with CRIA and to provide the opportunity to review any response to discovery requests provided by Consultant. However, CRIA's right to review any such response does not imply or mean the right by CRIA to control, direct, or rewrite said response.

## **14. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CRIA:

Civic Recreational Industrial Authority  
15625 E. Stafford Street, Suite 100  
City of Industry, CA 91744  
Attention: Executive Director

With a Copy To: James M. Casso, General Counsel  
P.O. Box 4131  
West Covina, CA 91791

To Consultant: Kenneth H. Pun  
The Pun Group, LLP  
200 E. Sandpointe Avenue, Suite 600  
Santa Ana, CA 92707

## **15. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of CRIA.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide CRIA with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include and indemnity provision similar to the one provided herein and identifying CRIA as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from CRIA for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to CRIA for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between CRIA and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

## **16. GOVERNING LAW/ATTORNEYS' FEES**

CRIA and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

## **17. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the



representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

**18. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**19. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**20. CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

**21. WAIVER**

The waiver by CRIA or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by CRIA or Consultant unless in writing.

**22. REMEDIES**

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

**23. AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

**(SIGNATURES ON FOLLOWING PAGE)**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

**“CRIA”**  
**Civic Recreational Industrial Authority**

**“CONSULTANT”**  
The Pun Group, LLP

By: \_\_\_\_\_  
Paul Philips, Executive Director

By: \_\_\_\_\_  
Kenneth H. Pun, Managing Partner

**Attest:**

By: \_\_\_\_\_  
Cecelia Dunlap, Secretary

**Approved as to form:**

By: \_\_\_\_\_  
James M. Casso, General Counsel

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Rate Schedule
	Exhibit C	Insurance Requirements

## EXHIBIT A

### SCOPE OF SERVICES

Consultant shall audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of CRIA as of and for the year ended June 30, 2015.

Accounting standards generally accepted in the United States of America provide for certain Required Supplementary Information (RSI), such as Management's Discussion and Analysis (MD&A), to supplement the CRIA's basic financial statements. Such 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. Consultant shall apply certain limited procedures to the CRIA's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to Consultant's inquiries, the basic financial statements, and other knowledge Consultant obtained during our audit of the basic financial statements. Consultant shall not express an opinion or provide any assurance on the information because the limited procedures do not provide Consultant with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules – General Fund

Consultant shall report on Supplementary Information other than RSI that accompanies the CRIA's financial statements. Consultant will subject the following Supplementary Information to the auditing procedures applied in Consultant's 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 and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Budgetary Comparison Schedules – All Other Adopted Funds

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in Consultant's audit of the financial statements, and Consultant's auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory Section
- 2) Statistical Section

## **Audit Objectives**

The objective of the audit is the expression of opinions as to whether CRIA's financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Consultant's audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the CRIA and other procedures we consider necessary to enable Consultant to express such opinions. Consultant shall issue a written report upon completion of its audit of the CRIA's financial statements. Consultant's report will be addressed to the CRIA Board. Consultant cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for Consultant to modify its opinions or add emphasis-of-matter or other-matter paragraphs. If Consultant's opinions on the financial statements are other than unmodified, Consultant will discuss the reasons with CRIA in advance. If, for any reason, Consultant is unable to complete the audit or are unable to form or have not formed opinions, Consultant may decline to express opinions or issue reports, or may withdraw from this engagement.

Consultant shall provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during Consultant's audit Consultant becomes aware that CRIA is subject to an audit requirement that is not encompassed in the terms of this engagement, Consultant shall communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, Consultant's audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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. Consultant will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because Consultant will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, Consultant will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. Consultant will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Consultant's responsibility as auditors is limited to the period covered by Consultant's audit and does not extend to later periods for which Consultant is not engaged as auditor.

Consultant's procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. Consultant will request written representations from your attorneys as part of the engagement, and they may bill CRIA for responding to this inquiry. At the conclusion of Consultant's audit, Consultant will require certain written representations from CRIA about CRIA's responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Consultant's audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that Consultant considers relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Consultant's tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, Consultant will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, Consultant will perform tests of the CRIA's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of Consultant's audit will not be to provide an opinion on overall compliance and

Consultant will not express such an opinion in its report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Nonaudit Services**

Consultant may also assist in preparing the financial statements and related notes of CRIA in conformity with U.S. generally accepted accounting principles based on information provided by CRIA. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

### **CRIA's Responsibilities**

CRIA is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. CRIA is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. CRIA is also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

CRIA is also responsible for making all financial records and related information available to Consultant and for the accuracy and completeness of that information. CRIA is also responsible for providing Consultant with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that Consultant may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom Consultant determines it necessary to obtain audit evidence.

CRIA's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to Consultant in the written representation letter that the effects of any uncorrected misstatements aggregated by Consultant during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

CRIA is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing Consultant about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. CRIA's responsibilities include informing Consultant of its knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, Consultant is responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that Consultant reports.

Consultant is responsible for the preparation of the supplementary information, which it has been engaged to report on, in conformity with U.S. generally accepted accounting principles. CRIA agrees to include Consultant's report on the supplementary information in any document that

contains and indicates that Consultant has reported on the supplementary information. CRIA also agrees to include the audited financial statements with any presentation of the supplementary information that includes Consultant's report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with Consultant's report thereon. CRIA's responsibilities include acknowledging to Consultant in the written representation letter that (1) CRIA is responsible for presentation of the supplementary information in accordance with GAAP; (2) CRIA believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) CRIA has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

CRIA is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. CRIA is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to Consultant corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. CRIA is also responsible for providing management's views on Consultant's current findings, conclusions, and recommendations, as well as CRIA's planned corrective actions, for the report, and for the timing and format for providing that information.

CRIA agrees to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services Consultant provides. CRIA will be required to acknowledge in the management representation letter Consultant's assistance with preparation of the financial statements and related notes and that CRIA has reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, CRIA agrees to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Third-Party Service Providers**

Consultant may from time to time, and depending on the circumstances, use third-party service providers in serving CRIA's account, upon receiving prior written consent from CRIA, in accordance with Section 15 of the Agreement. Consultant may share confidential information about CRIA with these service providers, but remain committed to maintaining the confidentiality and security of the CRIA's information. Accordingly, Consultant maintains internal policies, procedures, and safeguards to protect the confidentiality of CRIA's personal information. In addition, Consultant will secure confidentiality agreements with all service providers to maintain the confidentiality of CRIA's information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of CRIA's confidential information to others. In the event that Consultant is unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, Consultant will remain responsible for the work provided by any such third-party service providers, in accordance with the provisions of Section 15 of the Agreement.

## **Assistance By CRIA Personnel**

Consultant will ask that CRIA's personnel, to the extent possible, prepare required schedules and analyses, and make selected invoices and other required documents available to Consultant's staff. This assistance by CRIA's personnel will serve to facilitate the progress of Consultant's work and minimize Consultant's time requirements.

## **Independence**

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. In order to preserve the integrity of our relationship, no offer of employment shall be discussed with any of The Pun Group, LLP's professionals assigned to the audit, during the one year period prior to the commencement of the year-end audit. Should such an offer of employment be made, or employment commences during the indicated time period, Consultant will consider this an indication that Consultant's independence has been compromised. As such, Consultant may be required to recall our auditors' report due to our lack of independence. In the event additional work is required to satisfy independence requirements, such work will be billed at Consultant's standard hourly rates, as set forth in Exhibit B.

## **Report Distribution**

Consultant will provide copies of our reports to CRIA; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

## **Access to Working Papers**

The audit documentation for this engagement will be retained for a minimum of seven years after the report release or for any additional period requested by the Oversight Agency for Audit or Pass-through Entity. If Consultant is aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, Consultant will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Consultant is required to undergo a "peer review" every three years. During the course of a Peer Review engagement, selected working papers and financial reports, on a sample basis, will be inspected by an outside party on a confidential basis. Consequently, the accounting and/or auditing work Consultant performed for you may be selected. CRIA signing this letter represents CRIA's acknowledgement and permission to allow such access should CRIA's engagement be selected for review. As a result of Consultant's prior or future services to CRIA, Consultant may be required or requested to provide information or documents to CRIA or a third-party in connection with a legal or administrative proceeding (including a grand jury investigation) in which Consultant is not a party. If this occurs, Consultant's efforts in complying with such request or demands will be deemed a part of this engagement and Consultant shall be entitled to compensation for our time and reimbursement for our reasonable out-of-pocket expenditures (including legal fees) in complying with such request or demand, unless Consultant is the defendant, subject, or target of the legal or administrative proceeding. This is not intended, however, to relieve us of our duty to observe the confidentiality requirements of Consultant's profession.



EXHIBIT B  
RATE SCHEDULE

<u>Total by Class</u>		<u>Rate</u>
Partners		\$ 225.00
Managers		\$ 200.00
Supervisory		\$ 175.00
Senior Accountants		\$ 150.00
Staff Accountants		\$ 125.00
Clerical		\$ 100.00

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of CRIA, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to CRIA, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

**Proof of insurance.** Consultant shall provide certificates of insurance to CRIA as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by CRIA's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with CRIA at all times during the term of this contract. CRIA reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by CRIA shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of CRIA before the CRIA's own insurance or self-insurance shall be called upon to protect it as a named insured.

**CRIA's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, CRIA has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CRIA will be promptly reimbursed by Consultant, or CRIA will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, CRIA may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the CRIA's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against CRIA, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against CRIA, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of CRIA to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, CRIA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CRIA.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to CRIA with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that CRIA and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to CRIA and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to CRIA for review.

**CRIA's right to revise specifications.** CRIA reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, CRIA and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by CRIA. CRIA reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by CRIA.

**Timely notice of claims.** Consultant shall give CRIA prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.