

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

June 30, 2013

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, 2013

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements:	
Statement of Net Position as of June 30, 2013	13
Statement of Activities for the year ended June 30, 2013	14
Balance Sheet - Governmental Fund as of June 30, 2013	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund for the year ended June 30, 2013	16
Statement of Net Position - Proprietary Fund as of June 30, 2013	17
Statement of Revenues, Expenditures, and Changes in Net Fund Position - Proprietary Fund for the year ended June 30, 2013	18
Statement of Cash Flows - Proprietary Fund for the year ended June 30, 2013	19
Notes to the Financial Statements	20–28
Other Supplementary Information	
Budgetary information	29–30
Capital Projects Fund Budgetary Schedule of Revenues and Expenditures for the year ended June 30, 2013	31
Proprietary Fund Budgetary Schedule of Revenues and Expenditures for the year ended June 30, 2013	32



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, 2013, 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, 2013, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 29 through 32 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 January 15, 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

January 15, 2014
Redlands, California

Management's Discussion and Analysis

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

The Civic-Recreational-Industrial Authority (referred to as "CRIA") is a component unit and an integral part of the City of Industry (the "City") and, accordingly, has also been included in the basic financial statements of the City of Industry issued as of June 30 of each year. The accompanying component financial statements present only the activities of CRIA. The Management's Discussion and Analysis provides an overview of CRIA's activities for the year June 30, 2013. Please read this information in conjunction with CRIA's component unit financial statements following this section.

Financial Highlights

As management of CRIA, we offer readers of CRIA's financial statements this narrative and analysis of the financial activities of CRIA for the fiscal year ending June 30, 2013.

- CRIA's total net position decreased by \$486,765. Total assets exceeded liabilities by \$10,420,523.
- The net position of CRIA for governmental activities decreased during the year by \$84,742 as revenues and transfers from the City exceeded expenses for the year. Governmental activities' assets exceeded liabilities at June 30, 2013, by \$91,302.
- CRIA's net position for business-type activities decreased during the year by \$402,023 as the cost of operations exceeded revenues and transfers from the Capital Projects Fund. Assets for business-type activities exceeded liabilities by \$10,329,221.

General Overview of the Financial Statements

This annual report consists of three parts – *management's discussion and analysis*, the *component unit basic financial statements*, and *other supplementary information*. The basic financial statements comprise of three components -- 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements, the Statement of Net Position and the Statement of Activities provide information about the activities of CRIA as a whole and present a longer-term view of CRIA's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements report CRIA's operations in more detail than the government-wide statements by providing information about CRIA's most significant funds.

Government-wide Statements

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about CRIA as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

These two statements report CRIA's net position and changes thereto. Net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, are one way to measure CRIA's financial health or financial position. Over time, increases or decreases in net position are indicators of whether the financial health is improving or deteriorating.

Reporting CRIA's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CRIA uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All funds of CRIA are divided into governmental and proprietary funds.

Governmental funds - Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of CRIA's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance CRIA's programs. We describe relationships, or differences, between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds through a reconciliation following the fund financial statements.

CRIA maintains one governmental fund, which is the Capital Projects fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

Proprietary funds - CRIA has an enterprise fund, which is used to present the business-type activities in the government-wide financial statements. CRIA uses the enterprise fund to account for the activities of the Industry Hills Expo Center. The proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

The Capital Projects fund and the Enterprise fund are considered to be major funds.

CRIA as a Whole

Our analysis focuses on the net position (Tables 1 and 3) and changes in net position (Tables 2 and 4) of CRIA's governmental and business-type activities.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Governmental activities

The governmental activities account for the administration and capital improvements for CRIA.

Table 1
Net Position

	Governmental Activities	
	2013	2012
Assets	\$ 167,046	\$ 240,183
Liabilities	<u>75,744</u>	<u>64,139</u>
Net position:		
Unrestricted	<u>91,302</u>	<u>176,044</u>
Total net position	\$ <u><u>91,302</u></u>	\$ <u><u>176,044</u></u>

As noted above, net position may serve over time as useful indicators of a government's financial position. In the case of CRIA, assets exceeded liabilities by \$91,302 at June 30, 2013.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Table 2
Change in Net Position

	Governmental Activities	
	2013	2012
Revenues:		
Interest income	\$ 479	\$ 674
Total revenues	<u>479</u>	<u>674</u>
Expenses:		
General administration:		
Administrative costs	59,117	59,148
Professional services	105,131	92,216
Operation of property	<u>73,118</u>	<u>5,341</u>
Total expenses	<u>237,366</u>	<u>156,705</u>
Decrease in net position before transfers	(236,887)	(156,031)
Transfers and other sources, net	<u>152,145</u>	<u>213,281</u>
(Decrease) increase in net position	\$ <u><u>(84,742)</u></u>	\$ <u><u>57,250</u></u>

Total expenses increased during the current year due to higher professional services and cost of operating the property incurred during the year.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Business-type activities

The Business-type activities of CRIA account for the operations of the Industry Hills Expo Center (the "Expo Center"). The Expo Center provides banquet facilities to the general public for a fee.

Total assets decreased \$402,023 from the prior year primarily due to the increase in costs were higher than the increase in revenues for the current year.

Table 3
Net Position

	Business-Type Activities	
	2013	2012
Assets:		
Current and other assets	\$ 365,250	\$ 225,275
Capital assets	10,223,071	10,820,206
Total assets	<u>10,588,321</u>	<u>11,045,481</u>
Liabilities	<u>259,100</u>	<u>314,237</u>
Net position:		
Invested in capital assets	10,223,071	10,820,206
Unrestricted	106,150	(88,962)
Total net position	<u>\$ 10,329,221</u>	<u>\$ 10,731,244</u>

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

CRIA's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. CRIA incurred an operating loss of \$1,642,633 from the Expo Center, which was partially offset by net transfers from CRIA's Capital Projects Fund of \$1,232,237. Total revenues increased \$106,830 from the prior year as there were more Speedway events held this year as compared to the prior year. Total expenses have increased \$72,944 over the prior year due to an increase in cost of operations as a result of the increased Speedway events held during the current year.

Table 4
Change in Net Position

	Business-Type Activities	
	2013	2012
Revenues:		
Grand Arena	\$ 662,242	\$ 751,049
Facilities	505,044	606,892
Speedway	367,734	72,458
Interest and other income	8,373	6,164
	<u>1,543,393</u>	<u>1,436,563</u>
Total revenues		
Expenses:		
General administration	1,167,067	1,197,876
Cost of operations	1,261,214	1,178,005
Depreciation	749,372	728,828
	<u>3,177,653</u>	<u>3,104,709</u>
Total expenses		
Decrease in net position before transfers	(1,634,260)	(1,668,146)
Transfers	<u>1,232,237</u>	<u>1,119,559</u>
Change in net position	\$ <u><u>(402,023)</u></u>	\$ <u><u>(548,587)</u></u>

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Fund Budgetary Highlights

Table 5
Capital Projects Budgetary Highlights

	Original Budget	Actual	Variance Favorable (Unfavorable)
Interest income	\$ 800	\$ 479	\$ (321)
Total revenues	<u>800</u>	<u>479</u>	<u>(321)</u>
General administration:			
Administrative costs	60,200	59,117	1,083
Professional services	105,000	105,131	(131)
Operation of property	60,000	73,118	(13,118)
Fixed asset acquisition	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>425,200</u>	<u>237,366</u>	<u>187,834</u>
Other financing sources, net	<u>425,200</u>	<u>152,145</u>	<u>(273,055)</u>
Net change	<u>\$ 800</u>	<u>\$ (84,742)</u>	<u>\$ (85,542)</u>

During the year there was no budget amendment. Management decided to postpone the acquisition of fixed assets for the year which reduced the need for transfers from the City of Industry

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Table 6
Proprietary Fund Budgetary Highlights

	Original Budget	Actual	Variance Favorable (Unfavorable)
Grand Arena	\$ 720,900	\$ 662,242	\$ (58,658)
Facilities	578,500	505,044	(73,456)
Speedway	5,600	367,734	362,134
Interest and other income	4,900	8,373	3,473
Total revenues	<u>1,309,900</u>	<u>1,543,393</u>	<u>233,493</u>
General administration	1,248,500	1,167,067	81,433
Cost of operations	1,166,700	1,261,214	(94,514)
Depreciation	-	749,372	(749,372)
Total expenses	<u>2,415,200</u>	<u>3,177,653</u>	<u>(762,453)</u>
Transfers in	1,080,000	1,232,237	152,237
Net change	<u>\$ (25,300)</u>	<u>\$ (402,023)</u>	<u>\$ (376,723)</u>

During the year there was no budget amendment. Revenues were higher than budgeted as additional Speedway events were booked during the year. Expenses exceeded budget due to the increase in events. Transfers in exceeded the budgeted amount by \$152,237 as the Expo Center required additional funds for investment in capital assets and funding of operations. Depreciation expense is not budgeted for the year.

Capital Assets

At June 30, 2013 CRIA had approximately \$10.2 million invested in capital assets including buildings and improvements and equipment, furniture and fixtures.

Table 7
Net Capital Assets at Year-End

	Capital Assets	
	2013	2012
Building and improvements	\$ 23,421,572	\$ 23,421,572
Equipment, furniture and fixtures	958,866	806,629
Vehicles	88,053	88,053
Capital assets, gross	<u>24,468,491</u>	<u>24,316,254</u>
Less: accumulated depreciation	<u>(14,245,420)</u>	<u>(13,796,048)</u>
Capital assets, net	<u>\$ 10,223,071</u>	<u>\$ 10,520,206</u>

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

CRIA had made approximately \$152,237 in additions to capital assets during the year. Depreciation expense of \$749,372 was incurred during the year. Overall, capital assets decreased due to the depreciation of assets.

Economic Factors and Next Year's Budget

During fiscal year 2013-14 CRIA will continue to be directly responsible for operating the Expo Center. CRIA will continue to contract with a management company to manage the daily operations of the Expo Center. Next year's budget reflects estimated revenues of \$1,471,900 and expenditures of \$2,650,600. The difference will come from transfers in from the City of Industry.

In addition, CRIA has not budgeted for any capital improvements for the Expo Center. CRIA plans to evaluate further possible uses of the Expo Center. As these plans develop, the capital improvement budget will be amended to reflect any improvements that may be needed.

Requests for Information

This financial report is designed to provide a general overview of CRIA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at the City of Industry, 15625 East Stafford Street, City of Industry, California 91744.

Basic Financial Statements

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash	\$ 21,817	\$ 281,768	\$ 303,585
Investments	144,972		144,972
Accounts receivable, less allowance for doubtful accounts of \$39,290		45,204	45,204
Inventories		35,278	35,278
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		(14,245,420)	(14,245,420)
Capital assets, net of accumulated depreciation	-	10,223,071	10,223,071
Total assets	<u>167,046</u>	<u>10,588,321</u>	<u>10,755,367</u>
LIABILITIES			
Accounts payable	75,744	122,944	198,688
Rental deposits and advances		136,156	136,156
Total liabilities	<u>75,744</u>	<u>259,100</u>	<u>334,844</u>
NET POSITION			
Invested in capital assets		10,223,071	10,223,071
Unrestricted	91,302	106,150	197,452
Total net position	<u>\$ 91,302</u>	<u>\$ 10,329,221</u>	<u>\$ 10,420,523</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)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Governmental Activities	Business-Type Activities	Totals
GOVERNMENTAL ACTIVITIES					
General administration	\$ 237,366	\$ -	\$ (237,366)	\$ -	\$ (237,366)
Total governmental activities	237,366	-	(237,366)	-	(237,366)
BUSINESS - TYPE ACTIVITIES					
Operation of expo center	3,177,653	1,535,020	-	(1,642,633)	(1,642,633)
Total business-type activities	3,177,653	1,535,020	-	(1,642,633)	(1,642,633)
 Totals	\$ 3,415,019	\$ 1,535,020	\$ (237,366)	\$ (1,642,633)	\$ (1,879,999)
 General revenues and transfers:					
Interest and other income			\$ 479	\$ 8,373	\$ 8,852
Transfers in from City of Industry			1,384,382		1,384,382
Transfers - internal activities			(1,232,237)	1,232,237	
Total general revenues and transfers			152,624	1,240,610	1,393,234
 Change in net position			(84,742)	(402,023)	(486,765)
 Net position, beginning of year			176,044	10,731,244	10,907,288
Net position, end of year			\$ 91,302	\$ 10,329,221	\$ 10,420,523

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, 2013

ASSETS

Cash	\$	21,817
Investments		144,972
Accrued interest		<u>257</u>
Total assets	\$	<u><u>167,046</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	<u>75,744</u>
Total liabilities		<u>75,744</u>

Fund balance:

Restricted for capital projects		144,972
Unassigned		<u>(53,670)</u>
Total fund balance		<u>91,302</u>
Total liabilities and fund balance	\$	<u><u>167,046</u></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)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

REVENUES

Interest and other income	\$	479
Total revenues		<u>479</u>

EXPENDITURES

General administration:		
Administrative costs		59,117
Professional services		105,131
Operation of property		<u>73,118</u>
Total expenditures		<u>237,366</u>
Revenues under expenditures		<u>(236,887)</u>

Other financing sources (uses)

Transfers in from City of Industry		1,384,382
Transfers out to other funds		<u>(1,232,237)</u>
Total other financing sources, net		<u>152,145</u>

Net change in fund balance		(84,742)
----------------------------	--	----------

FUND BALANCE, July 1, 2012		<u>176,044</u>
-----------------------------------	--	----------------

FUND BALANCE, June 30, 2013	\$	<u><u>91,302</u></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)
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2013

ASSETS

Current assets:	
Cash	\$ 281,768
Accounts receivable	45,204
Inventories	35,278
Deposits	3,000
Total current assets	<u>365,250</u>
Non-current assets:	
Capital assets:	
Buildings and improvements	23,421,572
Equipment, furniture and fixtures	958,866
Vehicles	88,053
Less: accumulated depreciation	<u>(14,245,420)</u>
Total non-current assets	<u>10,223,071</u>
Total assets	<u>10,588,321</u>

LIABILITIES

Current liabilities:	
Accounts payable	122,944
Rental deposits and advances	136,156
Total current liabilities	<u>259,100</u>

NET POSITION

Invested in capital assets	10,223,071
Unrestricted	106,150
Total net position	<u>\$ 10,329,221</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)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
JUNE 30, 2013

OPERATING REVENUES:

Grand Arena	\$	662,242
Facilities		505,044
Speedway		367,734
Total operating revenues		1,535,020

OPERATING EXPENSES:

General administration		1,167,067
Cost of operations		1,261,214
Depreciation		749,372
Total operating expenses		3,177,653

Operating loss		(1,642,633)
----------------	--	-------------

NON-OPERATING REVENUES:

Interest and other income		8,373
Total non-operating revenues		8,373

Loss before transfers		(1,634,260)
-----------------------	--	-------------

TRANSFERS

Transfers in from capital project fund		1,232,237
Total transfers		1,232,237

Change in net position		(402,023)
------------------------	--	-----------

NET POSITION , beginning of the year		10,731,244
NET POSITION, end of the year	\$	10,329,221

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, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 1,521,308
Payments to suppliers and contractors	<u>(2,478,851)</u>
Net cash used in operating activities	<u>(957,543)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and other income received	<u>8,373</u>
Net cash provided by non-operating activities	<u>8,373</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Acquisition of capital assets	<u>(152,237)</u>
Net cash used in capital financing activities	<u>(152,237)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Cash received from other funds	<u>1,232,237</u>
Net cash provided by non-capital financing activities	<u>1,232,237</u>

Net increase in cash 130,830

CASH, BEGINNING OF YEAR

150,938

CASH, END OF YEAR \$ 281,768

Reconciliation of operating loss to net cash used in operating activities

Operating loss	\$ (1,642,633)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	749,372
Increase (decrease) in assets:	
Accounts receivable	(10,600)
Inventories	1,455
(Decrease) in liabilities:	
Accounts payable	(52,025)
Rental deposits and advances	<u>(3,112)</u>
Net cash used in operating activities	<u><u>\$ (957,543)</u></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, 2013

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, 2013.

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, 2013

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 and current liabilities 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 and liabilities (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, 2013

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, 2013

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, 2013, CRIA has implemented for the following GASB statements:

GASB Statement No. 62 “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”. For the year ending June 30, 2013, this statement had no effect on CRIA’s financial statements.

GASB Statement No. 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position. The effect of this statement on CRIA’s financial statements was limited to changes in terminology. The Statement of Net Assets is now presented as the Statement of Net Position.

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013.

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, 2013.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

2. Organization (continued)

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, 2013, are classified in the accompanying financial statements as follows:

Governmental activities:	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Cash and investments	\$ 21,817	\$ 144,972	\$ 166,789
Business-type activities			
Cash	<u>281,768</u>	<u>-</u>	<u>281,768</u>
Total cash and investments	<u>\$ 303,585</u>	<u>\$ 144,972</u>	<u>\$ 448,557</u>

Cash

Cash includes deposits in accounts maintained in the United States. Certain financial instruments, such as cash, subject CRIA to concentration of credit risk. CRIA maintains balances at financial institutions which, from time to time, may exceed Federal Deposit Insurance Corporation insured limits. As of June 30, 2013, CRIA's carrying amount of cash deposits amounted to \$303,585 and the total bank balance amounted to \$310,941. As of June 30, 2013, CRIA's deposits exceeded federally-insured limits by \$39,124.

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, 2013, the carrying amount of the investments in LAIF amounted to \$144,972 and its fair value amounted to \$145,012.

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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 11.18 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, 2013

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, 2013, none of CRIA's investments were exposed to custodial credit risk.

4. Capital assets

The capital assets activity during the year ended June 30, 2013 is summarized below:

<u>CAPITAL ASSETS</u>	<u>BALANCE JULY 1, 2012</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE JUNE 30, 2013</u>
Buildings and improvements	\$ 23,421,572	\$ -	\$ -	\$ 23,421,572
Furniture and fixtures	806,629	152,237	-	958,866
Vehicles	88,053	-	-	88,053
Totals	<u>24,316,254</u>	<u>152,237</u>	<u>-</u>	<u>24,468,491</u>
Accumulated Depreciation:				
Buildings and improvements	12,794,408	695,072	-	13,489,480
Furniture and fixtures	613,587	54,300	-	667,887
Vehicles	88,053	-	-	88,053
Totals	<u>13,496,048</u>	<u>749,372</u>	<u>-</u>	<u>14,245,420</u>
Net	<u>\$ 10,820,206</u>	<u>\$ (597,135)</u>	<u>\$ -</u>	<u>\$ 10,223,071</u>

Depreciation expense for the year ended June 30, 2013 amounted to \$749,372.

5. Transactions with related parties

A company that provides auto body and towing services to the City and its component units is a related party to a board member of CRIA. For the year ended June 30, 2013, total expenses amounted to \$59,191.

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

6. 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, 2013, there are no pending liability claims outstanding against CRIA.

7. Transfers to/from other funds

During the year ending June 30, 2013, a total of \$1,384,382 was transferred in from the City of Industry to fund CRIA's operations. The Capital Projects fund transferred \$1,232,237 to the Enterprise fund to fund the acquisition of capital assets and 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, 2013

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 Expenditures and Transfers

Below is a summary of the expenditures and transfers for the year ended June 30, 2013:

Capital Projects Budgetary Highlights

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General administration:			
Administrative costs	\$ 60,200	\$ 59,117	\$ 1,083
Professional services	105,000	105,131	(131)
Operation of property	60,000	73,118	(13,118)
Fixed Asset Acquisition	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>425,200</u>	<u>237,366</u>	<u>187,834</u>
Other financing sources, net	<u>\$ 425,200</u>	<u>\$ 152,145</u>	<u>\$ (273,055)</u>

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF THE CITY OF INDUSTRY)
OTHER SUPPLEMENTARY INFORMATION
JUNE 30, 2013

III. Summary Expenditures and Transfers (continued)

Proprietary Fund Budgetary Highlights

	Original Budget	Actual	Variance Favorable (Unfavorable)
General administration	\$ 1,248,500	\$ 1,167,067	\$ 81,433
Cost of operations	1,166,700	1,261,214	(94,514)
Depreciation	-	749,372	(749,372)
Loss on disposal of assets	-	-	-
Total expenses	<u>2,415,200</u>	<u>3,177,653</u>	<u>(762,453)</u>
 Transfers In	 <u>\$ 1,080,000</u>	 <u>\$ 1,232,237</u>	 <u>\$ 152,237</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, 2013

	<u>ORIGINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Interest and other income	\$ 800	\$ 479	\$ (321)
Total revenues	<u>800</u>	<u>479</u>	<u>(321)</u>
EXPENDITURES			
General administration:			
Administrative costs	60,200	59,117	1,083
Professional services	105,000	105,131	(131)
Operation of property	60,000	73,118	(13,118)
Fixed asset acquisition	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>425,200</u>	<u>237,366</u>	<u>187,834</u>
Revenues under expenditures	<u>(424,400)</u>	<u>(236,887)</u>	<u>187,513</u>
OTHER FINANCING SOURCES (USES)			
Transfers in from City of Industry	1,505,200	1,384,382	(120,818)
Transfers out to other funds	<u>(1,080,000)</u>	<u>(1,232,237)</u>	<u>(152,237)</u>
Total other financing sources, net	<u>425,200</u>	<u>152,145</u>	<u>(273,055)</u>
Net Change	<u>\$ 800</u>	<u>\$ (84,742)</u>	<u>\$ (85,542)</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, 2013

	<u>ORIGINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES			
Grand Arena	\$ 720,900	\$ 662,242	\$ (58,658)
Facilities	578,500	505,044	(73,456)
Speedway	<u>5,600</u>	<u>367,734</u>	<u>362,134</u>
Total operating revenues	<u>1,305,000</u>	<u>1,535,020</u>	<u>230,020</u>
OPERATING EXPENSES			
General administration	1,248,500	1,167,067	81,433
Cost of operations	1,166,700	1,261,214	(94,514)
Depreciation	<u>749,372</u>	<u>749,372</u>	<u>(749,372)</u>
Total operating expenses	<u>2,415,200</u>	<u>3,177,653</u>	<u>(762,453)</u>
Operating loss	<u>(1,110,200)</u>	<u>(1,642,633)</u>	<u>(532,433)</u>
NON-OPERATING REVENUES			
Interest and other income	<u>4,900</u>	<u>8,373</u>	<u>3,473</u>
Total non-operating revenues	<u>4,900</u>	<u>8,373</u>	<u>3,473</u>
Loss before transfers and other financing sources	<u>(1,105,300)</u>	<u>(1,634,260)</u>	<u>(528,960)</u>
TRANSFERS			
Transfers in from other funds	<u>1,080,000</u>	<u>1,232,237</u>	<u>152,237</u>
Total transfers, net	<u>1,080,000</u>	<u>1,232,237</u>	<u>152,237</u>
Net Change	<u>\$ (25,300)</u>	<u>\$ (402,023)</u>	<u>\$ (376,723)</u>