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**CIVIC-RECREATIONAL-  
INDUSTRIAL AUTHORITY  
REGULAR MEETING  
AGENDA**

CHAIRMAN ERIC BENAVIDEZ  
V. CHAIRMAN RONALD WHITTEMORE  
BOARD MEMBER SEAN LEE  
BOARD MEMBER ALEX BAUMAN  
BOARD MEMBER RONALD MCPeAK

**FEBRUARY 11, 2026 AT 9:00 AM**

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**LOCATION:** City Council Chambers, 15651 Mayor Dave Way  
City of Industry, California

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**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 one-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 one-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.

At the time of publication, no Board Member intends to take part in the meeting remotely under the provisions of AB 2449. Should that change between the time of publication and the start of the meeting, a live webcasting of the meeting will be accessible via the link, meeting ID, and meeting passcode listed below. Whenever possible, an announcement will be made at the start of the meeting via the live webcast to confirm whether or not a Board Member will join remotely. If they will not be joining remotely, then the live webcast will terminate after the announcement.

[www.microsoft.com/microsoft-teams/join-a-meeting](http://www.microsoft.com/microsoft-teams/join-a-meeting)

Meeting ID: 244 765 197 027 10

Passcode: Pq2TQ2Hq

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

+1 657-204-3264

Phone Conference ID: 580 172 690#

**AMERICANS WITH DISABILITIES ACT:**

In compliance with the ADA, if you need special assistance to participate in any Public 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 Mayor Dave Way, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Thursday 8:00 a.m. to 5:00 p.m., Fridays 8:00 a.m. to 4:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.

1. Call to Order
2. Flag Salute
3. AB 2449 Vote on Emergency Circumstances (if necessary)
4. Roll Call
5. Presentations
6. **CONSENT CALENDAR**

- 6.1. Consideration of the Register of Demands submitted by the Finance Department for February 11, 2026

*RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate Authority Officials to pay the bills.*

- 6.2. Consideration of the Register of Demands submitted by CNC Equestrian Management Services for the Industry Hills Expo Center for January 2026

*RECOMMENDED ACTION: Receive and file.*

- 6.3. Annual Financial Reports for the Civic-Recreational-Industrial Authority for Year Ending June 30, 2025

*RECOMMENDED ACTION: Receive and file the following annual financial reports for the year ending June 30, 2025, and instruct Staff to present a summary of the year ending June 30, 2025, Annual Financial Reports to the Chair and Board Members.*

- 6.4. Consideration of Resolution No. CRIA 2026-02, Confirming the Continued Existence of an Emergency Condition at the EXPO Center, and Declaring that the Public Interest and Necessity Require Certain Work to be Performed without formal Competitive Bidding Pursuant to California Public Contract Code Section 22050 and Section 3.52.110 of the City's Municipal Code

*RECOMMENDED ACTION: Adopt Resolution No. CRIA 2026-02.*

## 7. **ACTION ITEMS**

- 7.1. Presentation and discussion regarding the Civic Recreational Industrial Authority's Financial Report for December 31, 2025.

*RECOMMENDED ACTION: Receive and file the report.*

7.2. Update on the Expo Center

*RECOMMENDED ACTION:  
Receive and file.*

**8. PUBLIC HEARINGS-NONE**

**9. CLOSED SESSION-NONE**

**10. EXECUTIVE DIRECTOR COMMUNICATIONS**

**11. AB 1234 REPORTS**

**12. BOARD MEMBER COMMUNICATIONS**

**13. PUBLIC COMMENTS**

14. Adjournment. The next regular Civic-Recreational-Industrial Authority Meeting is Wednesday, March 11, 2026, at 9:00 AM.

ITEM NO. 6.1

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY**  
AUTHORIZATION FOR PAYMENT OF BILLS  
Board Meeting February 11, 2026

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
121	CRIA - CAPITAL IMPROVEMENT	1,130,697.41
360	INDUSTRY HILLS EXPO OPERATING ACCOUNT	243,036.65
TOTAL ALL FUNDS		1,373,734.06

<u>BANK</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
WFCK	WELLS FARGO CHECKING	1,373,734.06
TOTAL ALL BANKS		1,373,734.06

APPROVED PER EXECUTIVE DIRECTOR

DATE

  
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2/5/26  
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**Civic-Recreational-Industrial Authority**  
**Board Meeting**  
**February 11, 2026**

Check	Date	Payee Name			Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>					
<b>12377</b>	01/14/2026	<b>CRIA-PAYROLL ACCOUNT</b>			<b>\$4,500.00</b>
	Invoice	Date	Description	Amount	
	JAN-26	01/12/2026	REPLENISH PAYROLL ACCT FOR JANUARY 2026	\$4,500.00	
<b>12378</b>	01/14/2026	<b>INDUSTRY PUBLIC UTILITIES</b>			<b>\$4,565.63</b>
	Invoice	Date	Description	Amount	
	2026-00001049	01/01/2026	10/16-12/15/25 SVC-MAIN GUARD SHACK	\$118.40	
	2026-00001050	01/01/2026	10/16-12/15/25 SVC-GRAND AVE - E SIDE OF PARKING I	\$240.16	
	2026-00001051	01/01/2026	10/16-12/15/25 SVC-GRAND AVE - S SIDE OF PARKING I	\$112.98	
	2026-00001052	01/01/2026	10/16-12/15/25 SVC-NEAR CAFE @ GRAND EXPO	\$167.33	
	2026-00001053	01/01/2026	10/16-12/15/25 SVC-PATIO CAFE	\$71.17	
	2026-00001054	01/01/2026	10/16-12/15/25 SVC-GRAND ARENA CAFE	\$344.21	
	2026-00001055	01/01/2026	10/16-12/15/25 SVC-SNACK BAR @ GRAND ARENA	\$339.75	
	2026-00001056	01/01/2026	10/16-12/15/25 SVC-BUILDING 4-E SIDE PLANTER AREA	\$296.45	
	2026-00001057	01/01/2026	10/16-12/15/25 SVC-WATER TOWER @ PAVILION PARK	\$950.28	
	2026-00001058	01/01/2026	10/16-12/15/25 SVC-ARENA NEAR BUNKHOUSE	\$214.18	
	2026-00001059	01/01/2026	10/16-12/15/25 SVC-EXPO OFFICE	\$318.10	
	2026-00001060	01/01/2026	10/16-12/15/25 SVC-BARN D	\$231.50	
	2026-00001061	01/01/2026	10/16-12/15/25 SVC-DC @ BARN D	\$124.60	
	2026-00001062	01/01/2026	10/16-12/15/25 SVC-BARN E	\$214.18	
	2026-00001063	01/01/2026	10/16-12/15/25 SVC-DC @ BARN E	\$124.60	
	2026-00001064	01/01/2026	10/16-12/15/25 SVC-BATHROOM @ BARN E	\$274.80	
	2026-00001065	01/01/2026	10/16-12/15/25 SVC-HORSE TRAINING AREA BEHIND BL	\$214.18	
	2026-00001066	01/01/2026	10/16-12/15/25 SVC-1ST GUARD SHACK	\$84.16	
	2026-00001067	01/01/2026	10/16-12/15/25 SVC-S SIDE OF BLDG BEHIND GATED AF	\$124.60	
<b>12379</b>	01/21/2026	<b>VALLEY VISTA SERVICES, INC</b>			<b>\$2,480.00</b>

**Civic-Recreational-Industrial Authority**  
**Board Meeting**  
**February 11, 2026**

Check	Date		Payee Name	Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
	Invoice	Date	Description	Amount
	3267016	01/01/2026	IH RODEO/STORAGE BOXES - JAN 2026	\$491.45
	3267252	01/01/2026	ORGANIC BINS/LANDSCAPE MAINT - CRIA	\$1,988.55
<b>12380</b>	01/28/2026		<b>VALLEY VISTA SERVICES, INC</b>	<b>\$491.45</b>
	Invoice	Date	Description	Amount
	003267016	01/01/2026	IH RODEO/STORAGE BOXES - JAN 2026	\$491.45
<b>12381</b>	01/29/2026		<b>CRIA-EQUESTRIAN CENTER</b>	<b>\$120,000.00</b>
	Invoice	Date	Description	Amount
	JAN-26	01/26/2026	REIMBURSEMENT FOR DECEMBER 2025 OPERATING (	\$120,000.00
<b>12382</b>	02/11/2026		<b>ACTUM-E, LLC</b>	<b>\$6,000.00</b>
	Invoice	Date	Description	Amount
	202512-0214	12/31/2025	PUBLIC RELATIONS CONSULTING SVC-EXPO DEC 202	\$6,000.00
<b>12383</b>	02/11/2026		<b>BLAKE AIR CONDITIONING COMPANY</b>	<b>\$2,159.07</b>
	Invoice	Date	Description	Amount
	69861	01/19/2026	CONTINGENCY SVC-HVAC MAINT @ EXPO CNTR	\$1,070.07
	M65528	12/15/2025	HVAC MAINT @ EXPO CNTR	\$1,089.00
<b>12384</b>	02/11/2026		<b>CASC ENGINEERING AND CONSULTIN</b>	<b>\$72.50</b>
	Invoice	Date	Description	Amount
	0053847	07/31/2025	MND FOR EXPO CENTER BANQUET FACILITY	\$72.50
<b>12385</b>	02/11/2026		<b>CITY OF INDUSTRY</b>	<b>\$160.73</b>
	Invoice	Date	Description	Amount

**Civic-Recreational-Industrial Authority**  
**Board Meeting**  
**February 11, 2026**

Check	Date		Payee Name	Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
	2026-00001264	12/31/2025	DEC 2025 FUEL COSTS	\$160.73
<b>12386</b>	02/11/2026		<b>CNC ENGINEERING</b>	<b>\$108,487.50</b>
	Invoice	Date	Description	Amount
	514306	01/22/2026	EXPO CENTER - STANDARDS OF FACILITIES MAINTEN	\$15,730.00
	514307	01/22/2026	EXPO CENTER SECURITY ACCESS CONTROL SYSTEM	\$740.00
	514293	01/22/2026	PAVILION UPGRADES	\$38,650.00
	514294	01/22/2026	PAVILION UPGRADES	\$588.75
	514295	01/22/2026	EXPO CENTER ALARM SYSTEM UPGRADES	\$14,395.00
	514296	01/22/2026	EXPO CENTER AUDIO/VIDEO UPGRADES	\$28,562.50
	514297	01/22/2026	MISCELLANEOUS TRAILS LIGHTING IMPROVEMENTS /	\$6,667.50
	514298	01/22/2026	SECURITY CAMERA INSTALLATION AT EXPO CENTER	\$3,153.75
<b>12387</b>	02/11/2026		<b>ESPY'S ELECTRICAL SERVICES INC.</b>	<b>\$10,350.00</b>
	Invoice	Date	Description	Amount
	1819	01/19/2026	REPLACE 17 LIGHT FIXTURES @ EXPO COWBOY CAFE	\$10,000.00
	1811	01/13/2026	ELECTRIC MAINT SVC-CRIA	\$350.00
<b>12388</b>	02/11/2026		<b>FEC FUTURE CONTRACTORS AND EN</b>	<b>\$718,296.41</b>
	Invoice	Date	Description	Amount
	#5-EXPO-2139	02/01/2026	EXPO CNTR PAVILION BLDG UPGRADES	\$756,101.51
<b>12389</b>	02/11/2026		<b>FRAZER, LLP</b>	<b>\$2,408.00</b>
	Invoice	Date	Description	Amount
	196982	12/31/2025	PROFESSIONAL SVC-DEC 2025	\$2,408.00
<b>12390</b>	02/11/2026		<b>FULLERTON ELECTRIC</b>	<b>\$244,310.00</b>

**Civic-Recreational-Industrial Authority**  
**Board Meeting**  
**February 11, 2026**

Check	Date		Payee Name	Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
	Invoice	Date	Description	Amount
	#1-EXPO-2143	02/01/2026	MISC TRAIL LIGHTING IMPROV ALONG TEMPLE AVE &	\$244,310.00
<b>12391</b>	02/11/2026		<b>IDS GROUP, INC.</b>	<b>\$3,606.00</b>
	Invoice	Date	Description	Amount
	24X080.00-9	12/31/2025	ELECTRICAL ENGINEERING SVC	\$3,606.00
<b>12392</b>	02/11/2026		<b>INDUSTRY SECURITY SERVICES</b>	<b>\$39,247.20</b>
	Invoice	Date	Description	Amount
	SG-ECGP-2075	01/23/2026	1/16-1/22/26 SECURITY SVC-EXPO CNTR	\$13,691.04
	SG-ECGP-2073	01/09/2026	1/2-1/8/26 SECURITY SVC-EXPO CNTR	\$12,778.08
	SG-ECGP-2074	01/16/2026	1/9-1/15/26 SECURITY SVC- EXPO CNTR	\$12,778.08
<b>12393</b>	02/11/2026		<b>IRRI-CARE PLUMBING &amp; BACKFLOW T</b>	<b>\$442.00</b>
	Invoice	Date	Description	Amount
	18532	01/12/2026	BACKFLOW MAINT SVC-CRIA	\$442.00
<b>12394</b>	02/11/2026		<b>JANUS PEST MANAGEMENT</b>	<b>\$1,780.00</b>
	Invoice	Date	Description	Amount
	291781	01/15/2026	MONTHLY PEST SVC- DEC 2025 -CONDO'S @ EXPO	\$185.00
	290820	12/10/2025	MONTHLY PEST SVC-NOV 2025- CONDO'S @ EXPO	\$185.00
	289787	11/13/2025	MONTLY PEST SVC-OCT 2025- CONDO'S @ EXPO	\$185.00
	282523	11/13/2025	MONTHLY PEST SVC-MAR 2025- CONDO'S @ EXPO	\$185.00
	287646	11/13/2025	MONTHLY PEST SVC-AUG 2025- CONDO'S @ EXPO	\$185.00
	286605	11/13/2025	MONTHLY PEST SVC-JULY 2025- CONDO'S @ EXPO	\$185.00
	283524	11/13/2025	MONTHLY PEST SVC-APR 2025- CONDO'S @ EXPO	\$185.00
	288699	11/13/2025	MONTHLY PEST SVC-SEPT 2025- CONDO'S @ EXPO	\$485.00

**Civic-Recreational-Industrial Authority  
Board Meeting  
February 11, 2026**

Check	Date		Payee Name	Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
12395	02/11/2026		KC REFRIGERATION	\$195.00
	Invoice	Date	Description	Amount
	251215-004	12/16/2025	INSTALLED NEW HINGES TO POLAR KING COOLER @	\$195.00
12396	02/11/2026		KLINE'S PLUMBING, INC.	\$275.00
	Invoice	Date	Description	Amount
	14622	11/18/2025	PLUMBING MAINT SVC-CRIA	\$275.00
12397	02/11/2026		MORTISE & TENON BUILDING CORP	\$2,434.70
	Invoice	Date	Description	Amount
	458	01/14/2026	HANDYMAN MAINT SVC-CRIA AVALON RM	\$2,434.70
12398	02/11/2026		PORTOLA SYSTEMS, INC	\$6,345.92
	Invoice	Date	Description	Amount
	18996-B	01/12/2026	SECURITY CAMERA LICENSING FOR EXPO	\$6,345.92
12399	02/11/2026		RED WAVE COMMUNICATIONS & ELE	\$72,200.00
	Invoice	Date	Description	Amount
	#5-EXPO-2138	02/01/2026	CAMPUS WIDE FIRE ALARM & IT INFRASTRUCTURE UI	\$76,000.00
12400	02/11/2026		SAN GABRIEL VALLEY CONSERVATIO	\$14,810.25
	Invoice	Date	Description	Amount
	251115CRIA	01/12/2026	LANDSCAPE & MAINT SVC-@ EXPO CNTR	\$14,810.25
12401	02/11/2026		VORTEX INDUSTRIES, INC.	\$7,081.70
	Invoice	Date	Description	Amount

**Civic-Recreational-Industrial Authority  
Board Meeting  
February 11, 2026**

Check	Date		Payee Name	Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
	04-2221952	01/22/2026	REPLACE GATE OPERATOR SYSTEM TO MAIN ENTRAI	\$7,081.70
<b>12402</b>	02/11/2026		<b>WEST COAST ARBORISTS, INC.</b>	<b>\$1,035.00</b>
	Invoice	Date	Description	Amount
	236687	11/15/2025	TREE MAINT SVC - INDUSTRY HILLS EXPO	\$1,035.00

Checks	Status	Count	Transaction Amount
	Total	26	\$1,373,734.06

ITEM NO. 6.2

Verbal Presentation

ITEM NO. 6.3



# CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

## MEMORANDUM

**TO:** Honorable Chairperson and Members of the Board

**FROM:** Joshua Nelson, Executive Director

**STAFF:** Yamini Pathak, Finance Director

**DATE:** February 11, 2026

**SUBJECT:** Annual Financial Reports for the Civic-Recreational-Industrial Authority for Year Ending June 30, 2025

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### **Background:**

The City's independent auditors, Rogers, Anderson, Malody & Scott, LLP, have completed their annual audit of the City's financial statements which include the financial activities of its component units (Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational-Industrial Authority, the Industry Public Facilities Authority, and the Industry Property and Housing Management Authority) for the year ending June 30, 2025. The financial statements received an unqualified (or clean) opinion. No material weakness in internal control was noted by the Auditors.

### **Discussion:**

#### **DESCRIPTION OF REPORTS**

The financial reports and management compliance letter for the year ending June 30, 2025, are briefly described below:

#### **Annual Financial Report**

The annual financial statement is a comprehensive document reflecting the financial position of the City and its component units. The Auditors issued an unqualified (or clean) opinion on these financial statements.

#### **Independent Auditors' Report on Internal Control over Financial Reporting and on**

## **Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

No material weakness in internal control was noted by the Auditors.

### **The Auditors' Communications with the Audit Committee and the Chair and Board Members**

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the Audit Committee and the Chair and Board Members. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known material misstatements.

### **Fiscal Impact:**

There is no fiscal impact as result of this action.

### **Recommendation:**

Receive and file the following annual financial reports for the year ending June 30, 2025, and instruct Staff to present a summary of the year ending June 30, 2025, Annual Financial Reports to the Chair and Board Members.

### **City of Industry**

1. Annual Audited Basic Financial Statements for the Year Ending June 30, 2025, with Independent Auditors' Report
2. Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the Year Ending June 30, 2025
3. Auditors' Communications with the Chair and Board Members for the Year Ending June 30, 2025

### **Exhibits:**

1. Financial Statements - CRIA
2. GAGAS - Industry
3. COR-903 - Industry

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2025**

*Civic-Recreational-Industry Authority*  
*(A Component Unit of the City of Industry)*

**Financial Statements**  
**For the Year Ended June 30, 2025**

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*Independent Auditor's Report*

Honorable City Council  
Civic-Recreational-Industrial Authority  
Industry, California

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, business-type activities and each major fund of the Civic-Recreational-Industrial Authority (the CRIA), a component unit of the City of Industry, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise CRIA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the CRIA, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CRIA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRIA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CRIA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRIA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2026 on our consideration of the CRIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of 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 CRIA's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 13, 2026

***Civic-Recreational-Industrial Authority***  
***(A Component Unit of the City of Industry)***

**Statement of Net Position**  
**June 30, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 280,035	\$ 133,814	\$ 413,849
Investments	92,659	-	92,659
Accounts receivable, net	-	174,069	174,069
Accrued interest	1,015	-	1,015
Inventory of materials and supplies	-	50,819	50,819
Prepaid items	-	9,074	9,074
Deposits	-	3,000	3,000
Total current assets	<u>373,709</u>	<u>370,776</u>	<u>744,485</u>
Noncurrent assets:			
Capital assets:			
Capital assets not being depreciated	-	2,495,954	2,495,954
Capital assets being depreciated, net	-	13,736,233	13,736,233
Total capital assets, net of accumulated depreciation	<u>-</u>	<u>16,232,187</u>	<u>16,232,187</u>
Total assets	<u>373,709</u>	<u>16,602,963</u>	<u>16,976,672</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	375,093	206,459	581,552
Deposits	-	39,000	39,000
Unearned revenue	-	120,841	120,841
Total current liabilities	<u>375,093</u>	<u>366,300</u>	<u>741,393</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	-	16,232,187	16,232,187
Unrestricted	<u>(1,384)</u>	<u>4,476</u>	<u>3,092</u>
Total net position	<u>\$ (1,384)</u>	<u>\$ 16,236,663</u>	<u>\$ 16,235,279</u>

The accompanying notes are an integral part of these financial statements.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Statement of Activities**  
**For the Year Ended June 30, 2025**

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FUNCTIONS/PROGRAMS	Expenses	Program revenues		
		Charges for services	Operating grants and contributions	Capital grants and contributions
Primary government:				
Governmental activities:				
General administration	\$ 2,190,158	\$ -	\$ 3,884,887	\$ -
Total Governmental Activities	<u>2,190,158</u>	<u>-</u>	<u>3,884,887</u>	<u>-</u>
Business-type activities:				
General administration	1,535,445	-	-	-
Expo Center operations	1,882,295	2,751,575	-	-
Depreciation	556,260	-	-	-
Total Business-Type Activities	<u>3,974,000</u>	<u>2,751,575</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 6,164,158</u>	<u>\$ 2,751,575</u>	<u>\$ 3,884,887</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

***Civic-Recreational-Industrial Authority***  
***(A Component Unit of the City of Industry)***

**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2025**

	Net revenue (expense) and change in net position		
	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>			
Primary government:			
Governmental activities:			
General administration	\$ 1,694,729	\$ -	\$ 1,694,729
Total Governmental Activities	<u>1,694,729</u>	<u>-</u>	<u>1,694,729</u>
Business-type activities:			
General administration	-	(1,535,445)	(1,535,445)
Expo Center operations	-	869,280	869,280
Depreciation	-	(556,260)	(556,260)
Total Business-Type Activities	<u>-</u>	<u>(1,222,425)</u>	<u>(1,222,425)</u>
Total primary government	<u>1,694,729</u>	<u>(1,222,425)</u>	<u>472,304</u>
<b>GENERAL REVENUES AND TRANSFERS</b>			
Investment income	4,141	-	4,141
Transfers	(1,499,889)	1,499,889	-
Total general revenues and transfers	<u>(1,495,748)</u>	<u>1,499,889</u>	<u>4,141</u>
Change in net position	198,981	277,464	476,445
<b>NET POSITION (DEFICIT)</b>			
Beginning of year	<u>(200,365)</u>	<u>15,959,199</u>	<u>15,758,834</u>
End of year	<u>\$ (1,384)</u>	<u>\$ 16,236,663</u>	<u>\$ 16,235,279</u>

The accompanying notes are an integral part of these financial statements.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Balance Sheet**  
**Governmental Fund**  
**June 30, 2025**

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	<u>General Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 280,035
Investments	92,659
Accrued interest	<u>1,015</u>
Total assets	<u><u>\$ 373,709</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 375,093</u>
Total liabilities	<u>375,093</u>
<b>FUND BALANCE (DEFICIT)</b>	
Unassigned for capital projects	<u>(1,384)</u>
Total liabilities and fund balance	<u><u>\$ 373,709</u></u>

The accompanying notes are an integral part of these financial statements.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Reconciliation of the Governmental Fund Balance Sheet to the  
Government-Wide Statement of Net Position  
June 30, 2025**

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Total fund balance of governmental funds		\$	(1,384)
Amounts reported for governmental activities in the Statement of Net Position are different because:	None		<u>-</u>
Net position of Governmental Activities		\$	<u>(1,384)</u>

The accompanying notes are an integral part of these financial statements.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2025**

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	General Fund
<b>REVENUES</b>	
Intergovernmental revenue	\$ 3,884,887
Investment income	4,141
	<hr/>
Total revenues	3,889,028
	<hr/>
<b>EXPENDITURES</b>	
Current:	
General administration:	
Administrative costs	67,581
Professional services	954,362
Operation of property	1,168,215
	<hr/>
Total expenditures	2,190,158
	<hr/>
Excess of revenues over expenditures	1,698,870
	<hr/>
<b>OTHER FINANCING USES</b>	
Transfers out	(1,499,889)
	<hr/>
Net change in fund balance	198,981
	<hr/>
<b>FUND BALANCE (DEFICIT)</b>	
Beginning of year	(200,365)
	<hr/>
End of year	\$ (1,384)
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and  
Changes in Fund Balance to the Government-wide Statements of Activities  
For the Year Ended June 30, 2025**

---

Net change in fund balance of the total governmental funds		\$	198,981
Amounts reported for governmental activities in the Statement of Activities are different because:	None		<u>-</u>
Net change in net position of Governmental Activities		\$	<u>198,981</u>

The accompanying notes are an integral part of these financial statements.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2025**

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	Industry Hills Expo Center <u>Enterprise Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 133,814
Accounts receivable, net	174,069
Inventory of materials and supplies	50,819
Prepaid items	9,074
Deposits	3,000
Total current assets	<u>370,776</u>
Noncurrent assets:	
Capital assets:	
Capital assets not being depreciated	2,495,954
Capital assets being depreciated, net	13,736,233
Total capital assets, net of accumulated depreciation	<u>16,232,187</u>
Total assets	<u>16,602,963</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	206,459
Deposits	39,000
Unearned revenue	120,841
Total current liabilities	<u>366,300</u>
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	16,232,187
Unrestricted	4,476
Total net position	<u>\$ 16,236,663</u>

The accompanying notes are an integral part of these financial statements.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Fund**  
**For the Year Ended June 30, 2025**

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	Industry Hills Expo Center Enterprise Fund
<b>OPERATING REVENUES</b>	
Grand arena	\$ 1,328,449
Event and rental revenues	1,402,953
Other revenue	20,173
Total operating revenues	<u>2,751,575</u>
<b>OPERATING EXPENSES</b>	
General administration	1,535,445
Expo Center operations	1,882,295
Depreciation	556,260
Total operating expenses	<u>3,974,000</u>
Operating loss	(1,222,425)
<b>TRANSFERS</b>	
Transfers in	1,499,889
Total transfers	<u>1,499,889</u>
Change in net position	277,464
<b>NET POSITION</b>	
Beginning of year	<u>15,959,199</u>
End of year	<u>\$ 16,236,663</u>

The accompanying notes are an integral part of these financial statements.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Statement of Cash Flows**  
**For the Year Ended June 30, 2025**

	Industry Hills Expo Center Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers and users	\$ 2,667,297
Cash payments for services and supplies	(3,404,143)
Net cash used for operating activities	<u>(736,846)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from other funds	1,499,889
Net cash provided by noncapital financing activities	<u>1,499,889</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(777,882)
Net cash used for capital and related financing activities	<u>(777,882)</u>
Net change in cash and cash equivalents	(14,839)
Cash and cash equivalents, beginning of year	<u>148,653</u>
Cash and cash equivalents, end of year	<u>\$ 133,814</u>
<b>CASH AND CASH EQUIVALENTS</b>	
Cash	133,814
Total cash and cash equivalents	<u>\$ 133,814</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES</b>	
Operating loss	\$ (1,222,425)
Adjustments to reconcile operating loss to net cash used for activities:	
Depreciation	556,260
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable, net	(74,579)
Prepaid items	(80)
Inventory of materials and supplies	1,578
Increase (decrease) in:	
Accounts payable	14,299
Deposits	(2,200)
Unearned revenue	(9,699)
Total adjustments	<u>485,579</u>
Net cash used for operating activities	<u>\$ (736,846)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Contributed capital	None

The accompanying notes are an integral part of these financial statements.

*Civic-Recreational-Industrial Authority  
(A Component Unit of the City of Industry)*

**Notes to Financial Statements  
For the Year Ended June 30, 2025**

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Description of the Reporting Agency***

The Civic-Recreational-Industrial Authority (the CRIA) was created on March 1, 1972, by a joint exercise of powers agreement between the City of Industry, California (the City) and the Industry Urban-Development Agency (the IUDA). The agreement was made pursuant to the provisions of Article I, 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.

The 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.

The 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.

The 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. Only the funds of CRIA are included herein; therefore, these financial statements do not purport to represent the financial position or results of operations of the City. Financial statements for the City of Industry may be obtained from the Finance Department at the City of Industry offices located at 15625 Mayor Dave Way, City of Industry, California.

***Basis of Accounting, Measurement Focus and Financial Statement Presentation***

The financial statements of the CRIA have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) 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.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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 the 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, 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 expenditures. 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. As a general rule, the effect of interfund activity (payables, receivables, etc.) has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The types of transactions reported as program revenues for CRIA are reported in three categories:

1. Charges for services,
2. Operating grants and contributions, and
3. Capital grants and contributions.

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

***Fund Financial Statements***

The accounts of the 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  
(A Component Unit of the City of Industry)*

**Notes to Financial Statements  
For the Year Ended June 30, 2025**

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**Note 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 Fund Financial Statements***

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

In the fund financial statements, governmental funds are presented using the *current financial resources* measurement focus. This means that only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheets. The statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets.

CRIA reports the following major governmental fund:

*General Fund* – The General Fund is CRIA's operating fund is also used to account for financial resources to be used for the acquisition and construction of major capital facilities, other than those financed by Enterprise Funds.

***Proprietary Fund Financial Statements***

The proprietary fund is 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, the proprietary fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Financial Statements (Continued)***

In the fund financial statements, proprietary fund is presented using the *economic resources* measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

The enterprise fund is a type of proprietary fund that 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.

The CRIA reports the following major proprietary fund:

*Industry-Hill Expo Center Enterprise Fund* – This fund accounts for operations of the Industry Hills Expo Center. The Expo Center is a multipurpose event facility hosting events for private parties, conferences and public events.

***Cash, Cash Equivalent, and Investments***

The CRIA's cash includes cash on hand and demand deposits with financial institutions. For the purpose of the statement of cash flows, the CRIA considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Short-term investments are reported at amortized cost, which approximates fair value. Investments that exceed more than one year in maturity are valued at fair value.

***Accounts Receivable***

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

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Inventories***

Inventories of the Industry Hill Expo Center Enterprise Fund consist of food and beverages. The inventories are reported at the lower of cost or net realizable value on the first-in, first-out basis of accounting.

***Prepaid Items***

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year-end.

***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. Donated capital assets are valued at acquisition value on the date donated. 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.

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	45 years
Furniture and fixtures	3 to 10 years
Infrastructure	20 to 50 years
Vehicles	7 years

***Estimates***

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Net Position***

Net position in the government-wide and proprietary fund financial statements is classified as follows:

*Net investment in capital assets* – includes buildings and improvements, furniture and fixtures, infrastructure and vehicles, net of accumulated depreciation.

*Restricted* – restricted net position represents constraints on resources that are restricted by external creditors, granters, contributors, laws or regulations of other governments.

*Unrestricted* – unrestricted net position is amounts which do not meet the definition of investment in capital assets or restricted net position.

When both restricted and unrestricted resources are available for use, it is the CRIA's policy to use restricted resources first and then unrestricted resources, as they are needed.

***Fund Balance***

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, granters, contributors, or laws or regulations of other governments, or (b) imposed by law by constitutional provisions or enabling legislation.

*Committed* – committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the CRIA's imposes upon itself at its highest level of decision-making authority (the board of directors) through board resolutions and that remain binding unless removed in the same manner.

*Assigned* – assigned fund balances are amounts that are constrained by the 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 is authorized for this purpose.

*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.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Balance (continued)***

When both restricted and unrestricted resources are available in a fund, expenditures are to be paid first from restricted resources, and then from unrestricted resources in the order of committed, assigned, then unassigned.

**Note 2 CASH AND INVESTMENTS**

Cash and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash	\$ 280,035	\$ 133,814	\$ 413,849
Investments	92,659	-	92,659
Total cash and investments	<u>\$ 372,694</u>	<u>\$ 133,814</u>	<u>\$ 506,508</u>

Cash and investments at June 30, 2025,  
in more detail:

Cash:

Cash on hand	\$ 17,000
Demand deposits	396,849
Total cash	<u>413,849</u>

Investments:

Local Agency Investment Fund (LAIF)	92,659
Total cash and investments	<u>\$ 506,508</u>

***Demand Deposits***

The carrying amount of the CRIA's cash deposits was \$396,849 as of June 30, 2025. Bank balances are insured or collateralized with securities held by the pledging financial institutions in the CRIA's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the CRIA's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in CRIA's name.

*Civic-Recreational-Industrial Authority  
(A Component Unit of the City of Industry)*

**Notes to Financial Statements  
For the Year Ended June 30, 2025**

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**Note 2 CASH AND INVESTMENTS (Continued)**

The market value of pledged securities must equal at least 110% of the CRIA’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the CRIA’s total cash deposits. The CRIA may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The CRIA, however, has not waived the collateralization requirements. As of June 30, 2025, the CRIA’s deposits were fully insured by the FDIC.

***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:

Authorized investment type	Maximum maturity	Maximum percentage allowed	Maximum investment in one issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Enterprise Securities	5 years	None	None
Money Market Funds	N/A	20%	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	None	None
Non-Negotiable Certificates of Deposit	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Repurchase Agreements	1 year	None	None
Los Angeles County Investment Pool	N/A	None	None
U.S. Corporate Bonds/Notes	5 years	30%	None

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.

***State of California Local Agency Investment Fund***

The CRIA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the CRIA’s investment in this pool is reported in the accompanying financial statements at amounts based upon the CRIA’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**Note 2 CASH AND INVESTMENTS (Continued)**

***Risk Disclosures***

*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. As of June 30, 2025, the CRIA's investment in LAIF have maturity less than one year.

*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.

*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. 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.

***Fair Value***

Currently, the CRIA does not have any investments subject to the fair value hierarchy.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

**Note 3 INTERFUND TRANSACTIONS**

**Transfers In/Out**

For the year ended June 30, 2025, the CRIA had the following transfers in and out:

Transfers out	Transfers In	
	Industry Hills Expo Center Enterprise Fund	Total
General Fund	\$ 1,499,889	\$ 1,499,889

**Note 4 INTERGOVERNMENTAL REVENUE**

During the year ended June 30, 2025, the CRIA received \$3,884,887 from the City of Industry to provide funding for operations and capital costs.

**Note 5 CAPITAL ASSETS**

**Business-Type Activities**

The summary of changes in the business-type activities capital assets for the year ended June 30, 2025, is as follows:

	Business-Type Activities				Balance at June 30, 2025
	Balance at July 1, 2024	Additions	Deletions	Transfer and Reclassification	
Capital assets, not being depreciated:					
Construction in progress	\$ 2,173,675	\$ 322,279	\$ -	\$ -	\$ 2,495,954
Capital assets, being depreciated:					
Buildings and improvements	23,507,969	-	-	-	23,507,969
Furniture and fixtures	992,857	-	-	-	992,857
Vehicles	100,459	-	-	-	100,459
Infrastructure	10,569,648	455,603	-	-	11,025,251
Total capital assets, being depreciated	35,170,933	455,603	-	-	35,626,536
Less accumulated depreciation:					
Buildings and improvements	(19,456,211)	(266,210)	-	-	(19,722,421)
Furniture and fixtures	(988,002)	-	-	-	(988,002)
Vehicles	(100,459)	(4,856)	-	-	(105,315)
Infrastructure	(789,371)	(285,194)	-	-	(1,074,565)
Total accumulated depreciation	(21,334,043)	(556,260)	-	-	(21,890,303)
Total capital assets, being depreciated, net	13,836,890	(100,657)	-	-	13,736,233
Total Business-type Activities Capital, net	\$ 16,010,565	\$ 221,622	\$ -	\$ -	\$ 16,232,187

Depreciation expense for the year ended June 30, 2025 amounted to \$556,260.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Notes to Financial Statements**  
**For the Year Ended June 30, 2025**

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**Note 6 SELF-INSURANCE PLANS**

The City established a Self-Insurance Plan (the Plan) to pay for liability claims against the City and the 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, 2025, there are no pending liability claims outstanding against the CRIA.

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Required Supplementary Information**  
**Budgetary Comparison Schedule (Unaudited)**  
**General Fund**  
**For the Year Ended June 30, 2025**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 6,156,700	\$ 6,581,400	\$ 3,884,887	\$ (2,696,513)
Investment income	4,000	4,000	4,141	141
Total revenues	<u>6,160,700</u>	<u>6,585,400</u>	<u>3,889,028</u>	<u>(2,696,372)</u>
<b>EXPENDITURES</b>				
General administration:				
Administrative costs	60,000	73,000	67,581	5,419
Professional services	1,403,000	1,503,000	954,362	548,638
Operation of property	979,000	1,111,896	1,168,215	(56,319)
Total expenditures	<u>2,442,000</u>	<u>2,687,896</u>	<u>2,190,158</u>	<u>497,738</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,718,700</u>	<u>3,897,504</u>	<u>1,698,870</u>	<u>(2,198,634)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(4,923,300)</u>	<u>(5,148,000)</u>	<u>(1,499,889)</u>	<u>3,648,111</u>
Total other financing sources	<u>(4,923,300)</u>	<u>(5,148,000)</u>	<u>(1,499,889)</u>	<u>3,648,111</u>
Net change in fund balance	(1,204,600)	(1,250,496)	198,981	1,449,477
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>(200,365)</u>	<u>(200,365)</u>	<u>(200,365)</u>	<u>-</u>
End of year	<u>\$ (1,404,965)</u>	<u>\$ (1,450,861)</u>	<u>\$ (1,384)</u>	<u>\$ 1,449,477</u>

*Civic-Recreational-Industrial Authority*  
*(A Component Unit of the City of Industry)*

**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2025**

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The board of directors adopts an annual budget, submitted by the Executive Director prior to June 30. 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.

The 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.

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

*Independent Auditor's Report*

To the Honorable City Council  
City of Industry, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Industry (the entity), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated January 13, 2026.

**Report on Internal Control over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 13, 2026

January 13, 2026

To the Honorable City Council  
City of Industry, California

We have audited the financial statements of the City of Industry (the entity) as of and for the year ended June 30, 2025, and have issued our report thereon dated January 13, 2026. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated April 9, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

## Significant Risks Identified

We have identified the possibility of the following significant risks:

*Management's override of internal controls over financial reporting* – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

*Revenue recognition* – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

## Qualitative Aspects of the Entity's Significant Accounting Practices

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. The City adopted GASB Statement No. 101, *Compensated Absence*, and GASB Statement No. 102, *Certain Risk Disclosures* during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates and Related Disclosures*

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

The most sensitive accounting estimates affecting the entity's financial statements are:

Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Attachment A reflects all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management".

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated January 13, 2026.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that they utilize the services of the City's internal auditor, Frazier, for consultations regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Rogers, Anderson, Malody & Scott, LLP.*

# Attachment A

## Adjusting Journal Entries JE # 101

To properly record acquisition of lease liability for SBITA.

100-985-9799.01	Prop A Fund	360,080.00	
R100-2543.01	Principal payment	146,886.00	
R100-2543.02	Interest expense	6,317.00	
100-985-9799.01	Prop A Fund		146,886.00
100-985-9799.01	Prop A Fund		6,317.00
R100-2543	SBITA acquisition		360,080.00
<b>Total</b>		<b>513,283.00</b>	<b>513,283.00</b>



# CITY OF INDUSTRY

January 13, 2026

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the financial statements of the City of Industry (the entity) which comprise the statement of financial position as of June 30, 2025, and the respective change in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements of the various opinion units are presented fairly, in all material respects, in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 13, 2026:

## Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 9, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- The financial statements refer to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and noted to the basic financial statements.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.

- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With regard to pensions and OPEB:
  - We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
  - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.
- We have conducted a comprehensive risk assessment and disclosed all material concentrations and constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These

disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.

- We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events.
- With respect to preparation of the financial statements, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, a process to monitor the system of internal controls.
- There have been no changes or updates to legal information disclosed to you by our attorney(s) since the date of such legal response and now.

### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
  - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, concentrations and constraints, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), analysts, regulators, or others.

- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).

- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

### **Use of a Specialist**

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

### **Cybersecurity**

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

### **Supplementary Information in Relation to the Financial Statements as a Whole**

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

### **Required Supplementary Information**

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

**Accounting Estimates and Related Disclosures**

- The significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.
- The assumptions we used in making and disclosing accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures.
- The disclosures related to accounting estimates, including those disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.
- We have obtained and applied appropriate specialized skills and expertise in making accounting estimates, if needed.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment to our accounting estimates and related disclosures included in the financial statements.

Signature: 

Title: CITY MANAGER

Signature: 

Title: FINANCE DIRECTOR

ITEM NO. 6.4



# CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

## MEMORANDUM

**TO:** Honorable Chairperson and Members of the Board

**FROM:** Joshua Nelson, Executive Director

**STAFF:** Mathew Hudson, Director of Public Works  
Dev Birla, Contract Electric Utility Director  
James Cramsie, Sr. Director of Engineering

**DATE:** February 11, 2026

**SUBJECT:** Consideration of Resolution No. CRIA 2026-02, Confirming the Continued Existence of an Emergency Condition at the EXPO Center, and Declaring that the Public Interest and Necessity Require Certain Work to be Performed without formal Competitive Bidding Pursuant to California Public Contract Code Section 22050 and Section 3.52.110 of the City's Municipal Code

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### **Background:**

In June of 2019, the Industry Trail Lighting Improvements project was completed at a cost of \$613,795.10. The scope of work included installation of conduits, pull boxes, junction boxes, wires and lighting fixtures along Temple Avenue and Azusa Avenue and three metering pedestals for electric services from Southern California Edison to provide lighting along the existing trail, where no previous lighting was present.

Cities and utilities have faced incidents of copper wire thefts recently. As of the past few weeks, approximately 90 percent of the copper wiring for the trail lighting has been stolen and they are currently out of service. Additionally, several locations have been identified where the thieves have entered the property at the Expo Center. Emergency work is necessary to fix the lighting because the trail lights provide safety to the public before and after daylight hours. This situation will worsen once daylight saving time ends on November 2nd. The work required for the restoration of the trail lighting system consists of the items noted below:

- Removal of the existing 178 plastic junction boxes and remaining copper wires, with any copper wire remaining to be salvaged.
- Furnish and install 178 new pad lockable weatherproof metal junction boxes
- Minor replacement of conduits near junction boxes, if required

- Furnish and install 60,100 LF of #2 XHHW Aluminum Wire
- Furnish and install 14,700 LF of #4 XHHW Aluminum Ground Wire
- Furnish and install 1128 UTILCO PED4-350 SSP, or approved equal, Wire Junctions
- Testing and restoring all trail lights back to service

Additionally, Staff have investigated the various areas of entry where thieves have accessed the property and identified certain locations that would be ideal for new security cameras. Security cameras can be a deterrent for thieves approaching the property and will provide the security team instant alerts if the motion sensors are activated. This will ensure that the security team can respond promptly and alert the proper authorities.

On September 10, 2025, the CRIA Board adopted Resolution No. CRIA 2025-04, making the findings needed pursuant to the California Public Contract Code Section 22050 to allow the Executive Director to immediately retain the services necessary to complete the work. Additionally, a notice of exemption was adopted for the project. The trail lighting project was awarded to Fullerton Electric, in an amount of \$244,310.00 and the security camera installation project was awarded to Portola Systems for the equipment and licensing and BEI Construction for the installation, in an amount of \$164,990.42.

On October 7, 2025, the CRIA Board adopted Resolution No. CRIA 2025-05, confirming the continued existence of the emergency condition at Expo Center. The trail lighting project updates included finalized contract documents were obtained, the preconstruction meeting was held on September 18, and the project materials were to be ordered by the contractor. The security camera project updates included finalized purchase order for the equipment was processed and the equipment would be ordered.

On November 12, 2025, the CRIA Board adopted Resolution No. CRIA 2025-06, confirming the continued existence of the emergency condition at Expo Center. The work completed for the trail lighting project with Fullerton Electric includes:

- Work at Expo Center began October 20, 2025
- Over 130 junction boxes have been demolished
- Over 85 new junction boxes have been installed
- Aluminum wire delivered week of November 3, 2025
- Estimated date of completion and trail lights back in service is by November 30, 2025

The work completed for the security cameras installation project with Portola Systems and BEI Construction includes:

- All the equipment has been ordered to be delivered to contractor
- Contractor will provide a schedule once the equipment is received
- Preconstruction meeting to be determined, once all equipment is received

On December 10, 2025, the CRIA Board adopted Resolution No. CRIA 2025-07, confirming the continued existence of the emergency condition at Expo Center. The work completed for the trail lighting project with Fullerton Electric includes:

- All work was completed from Expo Center Drive (main guard shack) along Temple Ave. to Azuza Avenue and trail lights are now on
- Expo Center Drive to westerly limits: 6 out of 35 junction boxes were removed
- Azuza Avenue from Temple Avenue to southerly limits: 26 out of 35 junction boxes were removed

The work completed for the security cameras installation project with Portola Systems and BEI Construction included:

- All the equipment was ordered and delivered to contractor
- Contractor will provide a schedule in December
- Preconstruction meeting to be determined and subsequent start date for installation work

On January 14, 2026, the CRIA Board adopted Resolution No. CRIA 2026-01, confirming the continued existence of the emergency condition at Expo Center. The work was to be completed for the trail lighting project with Fullerton Electric around mid January due to the rain events causing project delays.

The work completed for the security cameras installation project with Portola Systems and BEI Construction included:

- Preconstruction meeting was held January 8, 2026
- Contractor began work the week of January 12, 2026

### **Discussion:**

Pursuant to California Public Contracts Code Section 22050, the CRIA Board must find that an emergency still exists, and that the emergency action is necessary to address the issue.

Further, the Board will be provided project updates at every regularly scheduled Board meeting until the projects are completed. The emergency work has been ongoing. The work completed for the trail lighting project with Fullerton Electric includes:

- The work for the trail lighting, including change orders, is complete.

The work completed for the security cameras installation project with Portola Systems and BEI Construction includes:

- Several site visits occurred to finalize the pole locations.
- Installation work will begin the week of February 9, 2026.

Further project updates will be provided at the next CRIA meeting.

**Fiscal Impact:**

The ongoing fiscal impact for the trail lighting project is \$244,310.00 (Account No. 121-713-5205, MP 01-34 #51) and \$194,000.00 for the security camera installation project (Account No. 121-713-5205, MP 01-34 #52). While these projects were not originally accounted for in the FY 25-26 Capital Improvement Project budget, the funds have been allocated for this work.

**Recommendation:**

Staff recommends that the Board adopt Resolution No. CRIA 2026-02

**Exhibits:**

1. Resolution No. CRIA 2026-02

## RESOLUTION NO. CRIA 2026-02

### RESOLUTION OF THE CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION AT THE EXPO CENTER, AND DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE CERTAIN WORK TO BE PERFORMED WITHOUT FORMAL COMPETITIVE BIDDING PURSUANT TO CALIFORNIA PUBLIC CONTRACT CODE SECTION 22050 AND SECTION 3.52.110 OF THE CITY'S MUNICIPAL CODE

**WHEREAS**, in June of 2019, the Industry Trail Lighting Improvements project was completed and the public has utilized the trails with adequate lighting for safety outside of daylight hours within and around the Expo Center and Industry Hills areas; and

**WHEREAS**, cities and utilities have faced incidents of copper wire thefts recently. Over the past few months, approximately 90 percent of the copper wiring for the trail lighting has been stolen, and most of the 169 trail lights are currently out of service. Additionally, several locations have been identified where the thieves have entered the property at the Expo Center; and

**WHEREAS**, due to shorter daylight periods as a result of the upcoming ending of daylight savings, an emergency declaration for public safety is needed in order to complete two identified projects that will address public safety issues expediently; and

**WHEREAS**, Staff have identified two essential projects to respond to the emergency which involve the restoration of the trail lighting system and installation of security cameras in Expo Center where thieves have been identified entering the property; and

**WHEREAS**, the City has adopted the Uniform Public Construction Cost Accounting Act ("Act"), and under the provisions of the Act (California Public Contract Code Section 22035(b)), and Section 3.52.110 of the City's Code, in the event of an emergency, upon a four-fifths vote by the Civic Recreational Industrial Authority ("CRIA") Board of Directors, CRIA may procure any necessary equipment, services and supplies for the emergency without engaging in the competitive bidding process. Further, pursuant to Public Contract Code Section 22050(a)(1), the Board may take any directly related and immediate action required by that emergency. In accordance with the provisions of Section 22050(a)(2) of the Public Contract Code, it is necessary for the Board to make a finding that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency; and

**WHEREAS**, due to the public safety issues created by a lack of lighting along the trail, the emergency will not permit a delay resulting from a competitive solicitation for bids, and immediate action is necessary to respond to the emergency.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CIVIC RECREATIONAL-INDUSTRIAL AUTHORITY DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** The emergency work is necessary for public safety throughout Expo Center and the Industry Hills trails.

**Section 3.** Based on the foregoing, pursuant to California Public Contract Code Section 22050 and Section 3.52.110 of the City's Municipal Code, the Board of Directors hereby finds that an emergency situation exists, and also existed on October 7, 2025, November 12, 2025, December 10, 2025 and January 14, 2026, and declares that the public interest and necessity demand the immediate expenditure of public money for such repair work to safeguard life, health, and property without complying with the competitive bidding requirements of the California Public Contract Code. The emergency will not permit a delay resulting from a competitive solicitation for bids, and the action is necessary to respond to the emergency. The Board of Directors hereby waives competitive bidding under Public Contract Code 22050, and Section 3.52.110 of the City's Municipal Code.

**Section 4.** In accordance with Public Contract Code Section 22050(a)(1), the Board of Directors hereby confirms the agreement between the CRIA and Fullerton Electric to perform the required emergency services for the trail lighting restoration project, and authorizes the Executive Director to execute all necessary contracts and documents with a qualified contractor(s) or vendor(s) in addition to the aforementioned agreement, for the Industry Hills trail lighting restoration project.

**Section 5.** In accordance with Public Contract Code Section 22050(a)(1), the Board of Directors hereby confirms the agreement between the CRIA and Portola Systems and BEI Construction, to perform the required emergency services for the security camera installation safety project, and authorizes the Executive Director to execute all necessary contracts and documents with a qualified contractor(s) or vendor(s) in addition to the aforementioned agreement, for the security cameras installation safety project.

**Section 6.** The Board of Directors shall review the emergency action at every regularly scheduled meeting until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action.

**Section 7.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**Section 8.** The Board Secretary shall certify to the passage and adoption of this resolution and the same shall be in full force and effect.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of the Civic-Recreational-Industrial Authority at a regular meeting held on February 11, 2026, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

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Eric Benavidez, Chairman

**ATTEST:**

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Julie Gutierrez-Robles, Secretary

ITEM NO. 7.1



# CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

## MEMORANDUM

TO: Honorable Chairman and Board Members

STAFF: Yamini Pathak, Director of Finance  
Dean Yamagata, Financial Consultant – Frazer, LLP

DATE: February 11, 2026

SUBJECT: Civic-Recreational-Industrial Authority December 31, 2025 Financial Report

### **Executive Summary:**

Management is continuing to book and hold events depending upon availability of the venue. Prime dates are always in demand.

### **Expo Center:**

The Pavilion completed the renovations and started to hold events during this period. For the month ended December 31, 2025, the Expo Center generated revenues of \$100,718 and expenses of \$179,443 resulting in a net operating loss of \$78,725.

Year-to-date revenues amounted to \$959,313, which represents approximately 53% of budgeted revenues of \$1,817,000 for the year ended June 30, 2026.

Year-to-date operating expenses through December 31, 2025 amounted to \$1,342,960, which represents approximately 49% of budgeted expenses of \$2,726,000 for the year ended June 30, 2026.

Revenues and expenses are in line with the budgeted amounts for the year ended June 30, 2026.

The Expo Center received year-to-date net transfers of \$355,000 from the Capital Project fund through December 31, 2025.

**Capital Projects Fund:**

This fund is accounting for the general operating activities of CRIA. Total budgeted expenditures for the year ended June 30, 2026 amount to \$2,715,000. The Fund has incurred \$679,201 of year-to-date expenditures through December 31, 2025 which represents approximately 25% of budgeted expenditures. Year-to-date transfers from the City of Industry amounted to \$1,186,000 of which \$355,000 was transferred to the Expo Center, resulting in net transfers of \$831,000 retained in the fund.

**Capital Improvement Fund:**

This fund is accounting for the capital improvement projects that are budgeted for the year ending June 30, 2026. The budget is \$8,855,000. For the month ended December 31, 2025, expenditures for capital improvements amounted to \$804,331 with the year-to-date expenditures of \$3,758,770. This represents 42% of total budgeted expenditures for the year ended June 30, 2026.

**Description of Reports:**

The monthly financial statements, as shown in Exhibit A, are a comprehensive document reflecting the financial position and the result of operations of the Authority at December 31, 2025.

**Fiscal Impact:**

There is no fiscal impact as result of this action.

**Recommendation:**

Receive and file.

# **EXHIBIT A**

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

FINANCIAL REPORT

December 31, 2025

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

FINANCIAL STATEMENTS

December 31, 2025

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

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

EXECUTIVE SUMMARY  
FINANCIAL STATEMENTS  
December 31, 2025

**Expo Center Operations**

During the month ended December 31, 2025, the Facilities and the Grand Arena generated total revenues of \$103,575. The Pavilion completed renovations during the month and resumed hosting events, contributing to increased Facilities activity. A total of six events were held in the Pavilion and seven events were held in the Avalon Room, resulting in Facilities revenues of \$57,363. Additionally, three events were held in the Grand Arena, generating \$46,212 in revenues. Total net revenues for the month amounted to \$100,718.

At December 31, 2025, our financial statements reflect the following activity:

<u>Expo Center Operations</u>	<u>Month Ended 12/31/2025</u>	<u>Year To Date 12/31/2025</u>	<u>Annual Budget 2025-2026</u>	<u>% of Annual Budget</u>	<u>Month Ended 12/31/2024</u>	<u>Year To Date 12/31/2024</u>
Total revenues	\$ 100,718	\$ 959,313	\$ 1,817,000	53%	\$ 125,931	\$ 1,051,518
Expenses:						
Direct Expo Center expenses	72,759	615,447	1,182,000	52%	110,156	629,466
General and administrative expenses	106,684	727,513	1,544,000	47%	119,028	775,028
Total direct Expo Center expenses	179,443	1,342,960	2,726,000	49%	229,184	1,404,494
Net (loss) income from operations	(78,725)	(383,647)	(909,000)	42%	(103,253)	(352,976)
Net (loss) income	\$ (78,725)	\$ (383,647)	\$ (909,000)	42%	\$ (103,253)	\$ (352,976)

Summarized financial information by department for the month ending December 31, 2025 and 2024:

<u>Expo Center Operations</u>	<u>Month Ended 12/31/2025</u>	<u>Month Ended 12/31/2025</u>	<u>Month Ended 12/31/2025</u>	<u>Month Ended 12/31/2025</u>
	<u>Facilities</u>	<u>Grand Arena</u>	<u>General and Admin.</u>	<u>Totals</u>
Total revenues	\$ 57,363	\$ 46,212	\$ (2,857)	\$ 100,718
Expenses:				
Direct Expo Center expenses	43,787	28,972	-	72,759
General and administrative expenses	-	-	106,684	106,684
Total direct Expo Center expenses	43,787	28,972	106,684	179,443
Net (loss) income from operations	13,576	17,240	(109,541)	(78,725)
Net (loss) income for the month ended	\$ 13,576	\$ 17,240	\$ (109,541)	\$ (78,725)

<u>Expo Center Operations</u>	<u>Month Ended 12/31/2024</u>	<u>Month Ended 12/31/2024</u>	<u>Month Ended 12/31/2024</u>	<u>Month Ended 12/31/2024</u>
	<u>Facilities</u>	<u>Grand Arena</u>	<u>General and Admin.</u>	<u>Totals</u>
Total revenues	\$ 120,506	\$ 5,425	\$ -	\$ 125,931
Expenses:				
Direct Expo Center expenses	81,944	28,212	-	110,156
General and administrative expenses	-	-	119,028	119,028
Total direct Expo Center expenses	81,944	28,212	119,028	229,184
Net (loss) income from operations	38,562	(22,787)	(119,028)	(103,253)
Net (loss) income for the month ended	\$ 38,562	\$ (22,787)	\$ (119,028)	\$ (103,253)

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

EXECUTIVE SUMMARY  
FINANCIAL STATEMENTS  
December 31, 2025

Summarized financial information by department year to date period ending December 31, 2025 and 2024:

<u>Expo Center Operations</u>	Year To Date 12/31/2025	Year To Date 12/31/2025	Year To Date 12/31/2025	Year To Date 12/31/2025
	Facilities	Grand Arena	General and Admin.	Totals
Total revenues	\$ 271,897	\$ 687,375	\$ 41	\$ 959,313
Expenses:				
Direct Expo Center expenses	284,095	331,352	-	615,447
General and administrative expenses	-	-	727,513	727,513
Total direct Expo Center expenses	284,095	331,352	727,513	1,342,960
Net (loss) income from operations	(12,198)	356,023	(727,472)	(383,647)
Net (loss) income year to date	\$ (12,198)	\$ 356,023	\$ (727,472)	\$ (383,647)

<u>Expo Center Operations</u>	Year To Date 12/31/2024	Year To Date 12/31/2024	Year To Date 12/31/2024	Year To Date 12/31/2024
	Facilities	Grand Arena	General and Admin.	Totals
Total revenues	\$ 389,077	\$ 662,321	\$ 120	\$ 1,051,518
Expenses:				
Direct Expo Center expenses	302,468	326,998	-	629,466
General and administrative expenses	-	-	775,028	775,028
Total direct Expo Center expenses	302,468	326,998	775,028	1,404,494
Net (loss) income from operations	86,609	335,323	(774,908)	(352,976)
Net (loss) income year to date	\$ 86,609	\$ 335,323	\$ (774,908)	\$ (352,976)

**CRIA Capital Assets**

In accordance with GASB 34, the Civic-Recreational-Industrial-Authority (referred to as "CRIA") is required to capitalize and depreciate their capital assets. The capital assets net of accumulated depreciation at December 31, 2025 amounted to \$16,232,187 with \$2,495,954 representing construction in progress. This amount represents the cost of capital assets purchased or constructed over the years at the Industry Hills Expo Center and surrounding areas. No depreciation expense has been recorded in the statement of operations for the period ended December 31, 2025. It is the accounting policy of CRIA to record annual depreciation expense subsequent to the completion of the June 30, 2026 annual audit.

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

EXECUTIVE SUMMARY  
FINANCIAL STATEMENTS  
December 31, 2025

**Capital Projects**

The capital projects fund reflects expenditures for general and administrative costs and operational costs. General and administrative costs include board and staff salaries, professional services, and miscellaneous items. Operational costs include planning costs, survey costs, design costs, construction costs, small equipment, and supplies.

At December 31, 2025, our financial statements reflect the following activity:

<u>Capital Projects Fund</u>	<b>Month Ended 12/31/2025</b>	<b>Year To Date 12/31/2025</b>	<b>Annual Budget 2025-2026</b>	<b>% of Annual Budget</b>
Total revenues	\$ -	\$ 1,023	\$ 5,000	20%
Expenditures:				
General and administrative expenses	92,356	679,201	2,715,000	25%
Total expenses	92,356	679,201	2,715,000	25%
Excess of expenditures over revenues	\$ (92,356)	\$ (678,178)	\$ (2,710,000)	25%

**Capital Improvements Fund**

The capital improvements fund is to account for expenditures incurred for capital improvement projects that have been budgeted for the year. Costs include planning costs, survey costs, design costs, construction costs, small equipment, and supplies. Below is a summary of the proposed Capital Improvement Program that was approved.

**Capital Improvement Program (CRIA)**

#	Project Name	FY 25-26 Annual Budget
1	Sewer Upgrades at Expo Center	15,000
2	Pavilion Building Upgrades	5,500,000
3	Expo Center Patio Café Improvements	5,000
4	Expo Center Fire Alarm System	1,400,000
5	Expo Center A/V upgrades to the Grand Arena	1,700,000
6	Expo Center Signage Improvements	5,000
7	New Banquet Facility	100,000
8	Expo Center ADA Upgrades	5,000
9	Expo Center Barn Improvements	25,000
10	Expo Center Office Improvements	100,000
	<b>Total</b>	<b>\$8,855,000</b>
	<b>TOTALS - CRIA</b>	<b>\$8,855,000</b>

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

EXECUTIVE SUMMARY  
 FINANCIAL STATEMENTS  
December 31, 2025

At December 31, 2025, our financial statements reflect the following activity:

<u>Capital Improvements Fund</u>	<u>Month Ended 12/31/2025</u>	<u>Year To Date 12/31/2025</u>	<u>Annual Budget 2025-2026</u>	<u>% of Annual Budget</u>
Equestrian Center Capital Improvements:				
Planning, Survey and Design	\$ 90,570	\$ 502,857	\$ 1,150,000	44%
Construction Costs	711,658	3,215,956	7,700,000	42%
Small Equipment & Supplies	2,103	39,957	5,000	799%
Total expenditures	<u>804,331</u>	<u>3,758,770</u>	<u>8,855,000</u>	42%
Excess of expenditures over revenues	\$ <u>804,331</u>	\$ <u>3,758,770</u>	\$ <u>8,855,000</u>	42%

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

BALANCE SHEET  
AS OF DECEMBER 31, 2025

	<u>Capital Projects</u>	<u>Expo Center</u>	<u>Capital Improvements</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 84,657	\$ 132,118	\$ -
Investments	94,698	-	-
Accounts receivable, net	-	41,763	-
Prepaid insurance	-	2,269	-
Inventories	-	63,945	-
Deposits	-	3,000	-
Total current assets	<u>179,355</u>	<u>243,095</u>	<u>-</u>
<b>CAPITAL ASSETS, net</b>	<u>-</u>	<u>16,232,187</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 179,355</u>	<u>\$ 16,475,282</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 28,863	\$ 12,241	\$ 153,970
Sales tax payable	-	2,692	-
Due to other funds	-	-	566
Advance rental payments	-	43,384	-
Security deposits	-	23,600	-
Total current liabilities	<u>28,863</u>	<u>81,917</u>	<u>154,536</u>
<b>FUND BALANCE:</b>			
Fund balance	150,492	16,393,365	(154,536)
Total liabilities and fund balance	<u>\$ 179,355</u>	<u>\$ 16,475,282</u>	<u>\$ -</u>

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

STATEMENT OF OPERATIONS  
FOR THE MONTH AND YEAR TO DATE ENDED DECEMBER 31, 2025

	Capital Projects				Expo Center				Capital Improvements			
	MONTH ENDED 12/31/2025	YEAR TO DATE 12/31/2025	2025-2026 ANNUAL BUDGET	% OF ANNUAL BUDGET	MONTH ENDED 12/31/2025	YEAR TO DATE 12/31/2025	2025-2026 ANNUAL BUDGET	% OF ANNUAL BUDGET	MONTH ENDED 12/31/2025	YEAR TO DATE 12/31/2025	2025-2026 ANNUAL BUDGET	% OF ANNUAL BUDGET
REVENUES:												
Expo center revenues	\$ -	\$ -	\$ -	0%	\$ 100,718	\$ 959,313	\$ 1,817,000	53%	\$ -	\$ -	\$ -	0%
Other revenues	-	1,023	5,000	20%	-	-	-	0%	-	-	-	0%
Total revenues	-	1,023	5,000	20%	100,718	959,313	1,817,000	53%	-	-	-	0%
EXPENDITURES:												
Operating expenses	-	-	-	0%	72,759	615,447	1,182,000	52%	804,331	3,758,770	8,855,000	42%
General and administrative expenses	92,356	679,201	2,715,000	25%	106,684	727,513	1,544,000	47%	-	-	-	0%
Total expenses	92,356	679,201	2,715,000	25%	179,443	1,342,960	2,726,000	49%	804,331	3,758,770	8,855,000	42%
EXCESS OF EXPENDITURES OVER REVENUES	(92,356)	(678,178)	(2,710,000)	25%	(78,725)	(383,647)	(909,000)	42%	(804,331)	(3,758,770)	(8,855,000)	42%
OTHER FINANCING SOURCES, NET	(21,947)	830,053	2,665,400	31%	120,000	355,000	909,000	39%	771,750	3,790,071	8,855,000	43%
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(114,303)	151,875	\$ (44,600)	-341%	41,275	(28,647)	\$ -	0%	(32,581)	31,301	\$ -	0%
Fund balance, beginning	264,795	(1,383)			16,352,090	16,422,012			(121,955)	(185,837)		
Fund balance, ending	\$ 150,492	\$ 150,492			\$ 16,393,365	\$ 16,393,365			(154,536)	(154,536)		

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY  
INDUSTRY HILL EXPO CENTER  
STATEMENT OF CASH FLOWS  
FOR THE YEAR TO DATE ENDED DECEMBER 31, 2025

	AMOUNT
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss before transfers and other credits	\$ (383,647)
Change in operating assets and liabilities:	
Accounts receivable, net	47,306
Due from other funds	85,000
Prepaid insurance	6,804
Inventories	(13,126)
Accounts payable	(5,314)
Sales tax payable	(376)
Advance rental payments	(77,457)
Security deposits	(15,400)
Other current liabilities	(486)
Net cash used by operating activities	(356,696)
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Other financing sources	355,000
 NET CHANGE IN CASH	(1,696)
 Cash at July 1, 2025	133,814
Cash at December 31, 2025	\$ 132,118

**INDUSTRY HILLS EXPO CENTER  
SCHEDULE OF REVENUES AND EXPENSES  
FOR THE MONTH AND YEAR TO DATE ENDED DECEMBER 31, 2025 AND 2024**

<u>Expo Center Operations</u>	MONTH ENDED 12/31/2025	YEAR TO DATE 12/31/2025	ANNUAL BUDGET 2025-2026	% OF ANNUAL BUDGET 2025-2026	MONTH ENDED 12/31/2024	YEAR TO DATE 12/31/2024
<b>Expo revenues</b>						
Facilities rentals	\$ 22,132	\$ 121,006	\$ 253,000	48%	\$ 56,898	\$ 195,028
Facilities rentals - bar sales	27,538	111,182	224,000	50%	45,292	144,267
Facilities - security	4,723	26,425	59,000	45%	6,140	31,202
Facilities - food	-	-	2,000	0%	-	-
Facilities - insurance	200	1,400	11,000	13%	1,000	5,800
Facilities - other	2,698	11,520	6,000	192%	11,030	11,680
Facilities - concessions	72	364	-	0%	146	1,100
Grand Arena - special events rentals	20,200	97,200	187,000	52%	4,000	108,500
Grand Arena - outdoor arena rentals	-	-	7,000	0%	-	5,900
Grand Arena - show barn stall rentals	875	22,303	58,000	38%	875	29,365
Grand Arena - shaving sales	-	3,512	5,000	70%	-	4,123
Grand Arena - security	7,750	58,469	106,000	55%	-	43,838
Grand Arena - trailer parking	610	23,585	68,000	35%	550	37,950
Grand Arena - bar sales	-	257,375	391,000	66%	-	218,574
Grand Arena - parking	14,780	159,238	277,000	57%	-	131,658
Grand Arena - other	1,997	65,693	162,000	41%	-	82,413
Total revenues	<u>103,575</u>	<u>959,272</u>	<u>1,816,000</u>	53%	<u>125,931</u>	<u>1,051,398</u>
<b>Direct general and administrative revenues</b>						
G&A- Other	<u>(2,857)</u>	<u>41</u>	<u>1,000</u>	4%	<u>-</u>	<u>120</u>
<b>Expo expenses</b>						
Cost of sales	3,496	96,751	187,000	52%	19,703	112,888
Bar supplies	-	6,319	8,000	79%	260	4,714
Promotional banquet	250	536	-	0%	-	-
Contract labor/wages	47,177	356,552	627,000	57%	64,163	337,409
Furniture/fixtures & equipment	545	716	55,000	1%	-	21,821
Facilities - insurance	-	370	-	0%	-	-
Miscellaneous	2,217	11,903	13,000	92%	10,338	10,612
Promotional	250	250	10,000	3%	-	-
Property maintenance	-	1,090	17,000	6%	2,958	13,597
Repairs and maintenance	-	-	-	0%	-	930
Sales tax	15	1,245	2,000	62%	1	628
Security - Grand Arena	7,726	66,860	115,000	58%	-	49,812
Security - Facilities	5,410	29,440	59,000	50%	6,776	32,290
Shavings	-	2,881	4,000	72%	-	2,964
Supplies	4,021	25,919	52,000	50%	5,403	30,407
Equipment rental	1,652	10,942	33,000	33%	554	11,394
Bad debt	-	3,673	-	0%	-	-
Total Expo expenses	<u>72,759</u>	<u>615,447</u>	<u>1,182,000</u>	52%	<u>110,156</u>	<u>629,466</u>
<b>Operating net income before direct G &amp; A and CRIA indirect expenses</b>	<u>27,959</u>	<u>343,866</u>	<u>635,000</u>	54%	<u>15,775</u>	<u>422,052</u>
<b>Direct general and administrative expenses</b>						
Office supplies	1,849	4,729	18,000	26%	-	14,927
Travel and meetings	-	230	-	0%	-	100
Dues, subscriptions, books, etc.	1,065	9,018	17,000	53%	1,024	8,646
Equipment rental/lease	858	4,805	11,000	44%	1,819	5,767
Furniture/fixtures & equipment	-	-	5,000	0%	-	3,950
Telephone	1,507	10,014	19,000	53%	1,507	9,366
Postage	-	825	3,000	28%	251	720
Miscellaneous	3,593	15,649	39,000	40%	3,321	18,073
Professional services	29,562	205,304	354,000	58%	21,933	181,845
Repairs and equipment	-	-	4,000	0%	-	219
Vehicle expenses	-	10,838	30,000	36%	3,605	17,933
Insurance and bonds	1,134	6,806	14,000	49%	1,124	7,004
Supplies	4,920	26,358	42,000	63%	3,426	22,314
Contract labor/administrative wages	41,302	282,196	525,000	54%	56,502	260,705
Property maintenance	10,143	64,153	166,000	39%	12,933	78,368
Utilities	10,751	86,588	297,000	29%	11,583	145,091
Total direct general and administrative expenses	<u>106,684</u>	<u>727,513</u>	<u>1,544,000</u>	47%	<u>119,028</u>	<u>775,028</u>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<u>\$ (78,725)</u>	<u>\$ (383,647)</u>	<u>\$ (909,000)</u>	42%	<u>\$ (103,253)</u>	<u>\$ (352,976)</u>

CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 FOR THE MONTH AND YEAR TO DATE ENDED DECEMBER 31, 2025

REVENUES:	MONTH ENDED 12/31/2025	YEAR TO DATE 12/31/2025	ANNUAL BUDGET 2025-2026	% OF ANNUAL BUDGET
Other revenues	\$ -	\$ 1,023	\$ 5,000	20%
<b>GENERAL AND ADMINISTRATIVE EXPENDITURES:</b>				
Salaries - board	3,949	23,696	47,000	50%
Payroll taxes	-	-	2,000	0%
Life insurance, state comp, and LTC	-	-	1,000	0%
Medicare/disability	58	344	1,000	34%
PARS - ARS	148	888	2,000	44%
Landscaping	2,604	4,304	950,000	0%
Taxes and assessments	-	287	-	0%
Legal	-	5,623	16,000	35%
Professional services	13,348	173,078	335,000	52%
Accounting	249	881	2,000	44%
Small equipment and supplies	435	726	2,000	36%
Vehicle expenses	685	3,235	10,000	32%
Computer- Licenses	19,905	19,905	-	0%
General engineering	22,478	136,051	200,000	68%
Printing/photography	-	-	1,000	0%
Security	-	222,480	679,000	33%
Property maintenance	19,227	66,676	400,000	17%
Furniture, equipment & fixtures	9,270	9,269	2,000	463%
Utilities	-	11,758	28,000	42%
Reclaimed water	-	-	22,000	0%
Other	-	-	15,000	0%
Total general and administrative expenditures	<u>92,356</u>	<u>679,201</u>	<u>2,715,000</u>	25%
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<u>\$ (92,356)</u>	<u>\$ (678,178)</u>	<u>\$ (2,710,000)</u>	25%

CAPITAL IMPROVEMENT FUND  
 SCHEDULE OF EXPENDITURES  
FOR THE MONTH AND YEAR TO DATE ENDED DECEMBER 31, 2025

EXPENDITURES	MONTH ENDED 12/31/2025	YEAR TO DATE 12/31/2025	ANNUAL BUDGET 2025-2026	% OF ANNUAL BUDGET
Equestrian center capital improvements:				
Planning, survey and design	\$ 90,570	\$ 502,857	\$ 1,150,000	44%
Construction costs	711,658	3,215,956	7,700,000	42%
Small equipment & supplies	2,103	39,957	5,000	799%
Total expenditures	<u>804,331</u>	<u>3,758,770</u>	<u>8,855,000</u>	42%
EXCESS OF EXPENDITURES OVER REVENUES	<u>\$ 804,331</u>	<u>\$ 3,758,770</u>	<u>\$ 8,855,000</u>	42%

ITEM NO. 7.2

Verbal Presentation