

**CIVIC CENTER MONROE COUNTY
LOCAL DEVELOPMENT CORPORATION**
(A Discretely Presented Component Unit
of the County of Monroe, New York)

**Financial Statements
as of December 31, 2013
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

March 10, 2014

To the Board of Directors of
Civic Center Monroe County Local Development Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Civic Center Monroe County Local Development Corporation (Civic Center) (a discretely presented component unit of the County of Monroe, New York), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Civic Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Civic Center, as of December 31, 2013, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2014 on our consideration of Civic Center'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 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 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 Civic Center's internal control over financial reporting and compliance.

Bonadio & Co., LLP

**CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of the County of Monroe, New York)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2013**

The Management's Discussion and Analysis (MD&A) of Civic Center Monroe County Local Development Corporation (Civic Center) provides an introduction and overview of the financial statements of Civic Center for the year ended December 31, 2013. Following this MD&A are the financial statements of Civic Center together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of Civic Center exceeded its liabilities and deferred inflows at December 31, 2013 by \$2.96 million.
- Civic Center's net position increased by \$270 thousand in 2013 as a result of 2013 operations.
- Civic Center's total revenues (operating and non-operating) were \$1.03 and \$1.05 million in 2013 and 2012, respectively.
- Civic Center's total expenses were \$757 thousand and \$785 thousand in 2013 and 2012, respectively.
- Civic Center completed a major reconstruction project in 2013, making improvements to the Civic Center garage. Total additions in capital assets amounted to \$1.3 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of Civic Center are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board (GASB). The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which requires that transactions be recorded when they occur, not when its related cash receipt or disbursement occurs.

The Statement of Net Position depicts Civic Center's financial position at December 31, the end of Civic Center's fiscal year. The statements present all the financial assets and liabilities of Civic Center. Net position represents Civic Center's assets after liabilities are deducted.

The Statement of Revenues, Expenses and Changes in Net Position reports operating revenues and expenses, non-operating revenues and expenses, capital contributions and the changes in net position for the year ended December 31. The change in net position combined with the previous year's net position total, reconciles to the net position total for the reporting period.

The Statement of Cash Flows reports cash activities for the year resulting from operating activities, investing activities, and capital and related financing activities. The net result of these activities, added to the beginning of the year cash balance, reconciles to the total cash balance at the end of the year.

NOTES TO FINANCIAL STATEMENTS

The financial statements also include notes that explain the information in the financial statements. They are essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

The analysis below summarizes the statements of net position (Table 1) and changes in net position (Table 2) of Civic Center as of and for the years ended December 31, 2013 and 2012.

Table 1 - Statements of Net Position

	<u>2013</u>	(restated) <u>2012</u>
Assets:		
Current assets	\$ 623,002	\$ 623,511
Capital assets	<u>7,358,029</u>	<u>6,200,718</u>
Total assets	<u>7,981,031</u>	<u>6,824,229</u>
Liabilities:		
Current liabilities	<u>1,623,803</u>	<u>397,389</u>
Total liabilities	<u>1,623,803</u>	<u>397,389</u>
Deferred inflows:		
Deferred revenue	<u>3,400,000</u>	<u>3,740,000</u>
Net position:		
Net investment in capital assets	5,816,658	6,200,718
Unrestricted	<u>(2,859,430)</u>	<u>(3,513,878)</u>
Total net position	<u>\$ 2,957,228</u>	<u>\$ 2,686,840</u>

At December 31, 2013 cash totaled \$357 thousand, a decrease of \$78 thousand over 2012, primarily due to additional capital related expenditures. Accounts receivable increased by \$75 thousand due to the timing of payments received. Accounts payable increased by \$1.13 million as a result of the capital construction project.

Other current assets include prepaid assets such as annual insurance premiums paid in advance.

Deferred inflow of resources is recorded as the amount of the lease contract fee received in advance under the terms of an operating lease agreement for the parking garage. The amount of the deferred inflow decreased by \$340,000 for 2013, as revenue was recognized.

Capital assets are discussed elsewhere in this management's discussion and analysis.

CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION (Continued)

Table 2 - Changes in Net Position

	<u>2013</u>	(restated) <u>2012</u>
Revenues:		
Parking garage lease fees	\$ 506,329	\$ 492,099
Lease contract fee amortization	340,000	340,000
Surface lot fees, net	180,551	220,368
Interest income	569	1,091
Other	<u>-</u>	<u>158</u>
Total revenues	<u>1,027,449</u>	<u>1,053,716</u>
Expenses:		
Property taxes	217,251	218,326
Surface lot revenue remitted to County	180,551	220,368
Depreciation	144,000	144,000
Building, maintenance, and repair	132,691	141,523
Professional services	77,477	56,923
Other	<u>5,091</u>	<u>4,588</u>
Total expenses	<u>757,061</u>	<u>785,728</u>
Change in net position	<u>\$ 270,388</u>	<u>\$ 267,988</u>

The primary revenue source for Civic Center is derived from parking garage fees. Parking garage revenue totaled \$506 thousand in 2013, an increase of \$14 thousand over 2012. Surface lot revenue is passed through to the County of Monroe (the County) and is recognized as both revenue and an expense.

Expenses include property taxes of \$217 thousand which is consistent with prior years. Building, maintenance and repair expenses, which include utility expenses, were \$133 thousand in 2013, compared to \$142 thousand in 2012. Professional service expenses include management and general contracts for legal, auditing and consulting services as well as the payment to the County for surface lot fees. Annual depreciation expense is recognized for capital assets.

CAPITAL ASSETS

For each of the years ended December 31, 2013 and 2012, the impact of recording depreciation is \$144 thousand. The net increase in capital assets is due to the improvements made to the Civic Center garage, which was \$1.3 million in 2013.

Table 3 - Capital assets, net of depreciation

	<u>2013</u>	<u>2012</u>
Category:		
Land	\$ 3,920,000	\$ 3,920,000
Buildings	3,438,029	1,584,000
Construction in progress	<u>-</u>	<u>696,718</u>
Total	<u>\$ 7,358,029</u>	<u>\$ 6,200,718</u>

2014 BUDGET

Civic Center's 2014 budget has been approved and contains no significant changes from the operational results for 2013. No known matters exist at this time that would have a significant effect on the financial position of Civic Center or on its expected results of operations for the coming year.

CONTACTING CIVIC CENTER'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of Civic Center's finances and to demonstrate Civic Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Civic Center Monroe County Local Development Corporation, 50 West Main Street, Rochester, New York 14614 or through the website, www.civiccenterldc.com.

CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of the County of Monroe, New York)

STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

ASSETS

CURRENT ASSETS:

Cash	\$	357,322
Accounts receivable		174,000
Prepaid expenses		<u>91,680</u>
Total current assets		<u>623,002</u>

CAPITAL ASSETS:

Land		3,920,000
Buildings, net		<u>3,438,029</u>
Total capital assets		<u>7,358,029</u>
Total assets		<u>7,981,031</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$	1,447,088
Due to Monroe County		48,511
Interest payable		32,131
Other liabilities		<u>96,073</u>
Total current liabilities		<u>1,623,803</u>
Total liabilities		<u>1,623,803</u>

DEFERRED INFLOWS

DEFERRED REVENUE		<u>3,400,000</u>
Total deferred inflows		<u>3,400,000</u>

NET POSITION

NET INVESTMENT IN CAPITAL ASSETS UNRESTRICTED		5,816,658
		<u>(2,859,430)</u>
Total net position	\$	<u><u>2,957,228</u></u>

The accompanying notes are an integral part of these statements.

CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of the County of Monroe, New York)

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

OPERATING REVENUE:	
Surface lot fees, net	\$ 180,551
Parking garage lease fees	506,329
Lease contract fee amortization	<u>340,000</u>
Total operating revenue	<u>1,026,880</u>
OPERATING EXPENSES:	
Program -	
Property taxes	217,251
Surface lot revenue remitted to County	180,551
Building, maintenance, and repair	132,691
Depreciation	<u>144,000</u>
Total program expenses	<u>674,493</u>
Management and general -	
Professional services	77,477
Other	<u>5,091</u>
Total management and general expenses	<u>82,568</u>
Total operating expenses	<u>757,061</u>
OPERATING INCOME	<u>269,819</u>
NONOPERATING REVENUES:	
Interest income	<u>569</u>
Total nonoperating revenues	<u>569</u>
CHANGE IN NET POSITION	270,388
NET POSITION - beginning of year	<u>2,686,840</u>
NET POSITION - end of year	<u><u>\$ 2,957,228</u></u>

The accompanying notes are an integral part of these statements.

CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of the County of Monroe, New York)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from surface lot fees, net	\$ 172,060
Receipts from parking garage lease fees	439,864
Payments for property taxes	(215,401)
Payments for surface lot revenue remitted to County	(190,340)
Payments for building, maintenance, and repair	(120,324)
Payments for professional services	(80,371)
Payments for other services	<u>(5,091)</u>
Net cash flow from operating activities	<u>397</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of building improvements	<u>(78,500)</u>
Net cash flow from capital and related financing activities	<u>(78,500)</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
Receipts from interest	<u>569</u>
Net cash flow from investing activities	<u>569</u>
CHANGE IN CASH	(77,534)
CASH - beginning of year	<u>434,856</u>
CASH - end of year	<u><u>\$ 357,322</u></u>
NON-CASH TRANSACTION:	
Building improvements included in accounts payable at year-end	<u><u>\$ 1,445,299</u></u>

The accompanying notes are an integral part of these statements.

CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of the County of Monroe, New York)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH FLOW FROM OPERATING ACTIVITIES:	
Operating income	\$ 269,819
Adjustments to reconcile operating income to net cash flow from operating activities:	
Depreciation	144,000
Amortization of deferred revenue	(340,000)
Changes in:	
Accounts receivable	(74,956)
Prepaid expenses	(2,069)
Accounts payable	(90,708)
Due to Monroe County	2,578
Interest payable	28,071
Other liabilities	<u>63,662</u>
Net cash flow from operating activities	<u>\$ 397</u>

The accompanying notes are an integral part of these statements.

CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of the County of Monroe, New York)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. THE CORPORATION

Civic Center Monroe County Local Development Corporation (Civic Center) was established in 2002 and is governed by its Articles of Incorporation, bylaws and general laws of the State of New York. On December 30, 2003, Civic Center purchased a public parking garage in downtown Rochester, New York and entered into a management agreement to operate surface parking lots leased by the County of Monroe (the County), New York. Civic Center is included as a discretely presented component unit within the County's basic financial statements due to the County's ability to impose will on Civic Center.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Civic Center's financial statements are prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds.

Basis of Presentation

GASB requires the classification of net position into three categories defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if applicable. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted net position - This component of net position consists of amounts which have external constraints placed on their use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component of net position consists of net position that do not meet the definition of "net investment in capital assets," or "restricted."

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

Cash

Cash includes cash on hand, demand deposits and savings accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Civic Center records receivables based upon the terms of the management agreement between MAPCO Civic Center, LLC (MAPCO), an unrelated party, and Civic Center to operate the surface lots and parking garage. Civic Center provides an allowance for doubtful accounts based upon Civic Center's historical collection experience and review of outstanding accounts. At December 31, 2013, no allowance was considered necessary.

Capital Assets

Capital assets are stated at cost or, if donated, at fair value at the date of contribution. Civic Center capitalizes fixed asset purchases greater than \$1,000, which have useful lives greater than one year. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for routine repairs and maintenance are expensed as incurred. Depreciation is computed on a straight-line basis over the shorter of the useful life or remaining lease term.

Deferred Revenue and Revenue Recognition

Deferred revenue is recorded for the lease contract fee received in advance under the terms of an operating lease agreement for the parking garage. The lease contract fee will be recognized as revenue on a straight-line basis over the 20-year term of the operating lease agreement which began in 2003. Parking fees are recognized as revenue as the services are provided to the customers.

Income Taxes

Civic Center is exempt from Federal reporting requirements under Internal Revenue Service Revenue Procedure 95-48, 1992 C.C 418 as a governmental unit or affiliate of a governmental unit as described in the Procedure.

Reclassifications

The prior-year financial statements have been reclassified and certain disclosures were revised in accordance with generally accepted accounting principles promulgated by the GASB.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Policies

Civic Center follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; provide sufficient liquidity of invested funds in order to meet obligations as they become due, and earn the maximum yield possible. Civic Center is incorporated as a not-for-profit and as such is not required to maintain collateral on its accounts.

Civic Center's monies must be deposited in a bank or banks designated by the Board of Directors; and to the extent practicable, consistent with the cash requirements of the Civic Center, all such money shall be deposited in interest bearing accounts.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. Civic Center has an investment policy that diversifies investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Civic Center's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Direct or indirect obligations of the State or any municipality, instrumentality, or political subdivision thereof, or the United States of America or any instrumentality thereof;
- Obligations, the full and timely payment of the principal and interest of which are directly and unconditionally guaranteed by the State or United States of America;
- Bankers' acceptances of, or certificates of deposits issued by, or time deposits or other banking arrangements or deposits with a Bank with a rating of investment grade at all times by a Rating Agency;
- Commercial paper of any Corporation which has been classified for rating purposes by a Rating Agency as Prime - 1 and by Standard & Poor's as A-1;
- Money market funds or other mutual funds which have been classified with at least an AAA rating as determined by Standard & Poor's Rating Group or AAA rating as determined by Moody's Investor's Service, Inc.

Cash

Total cash by type as of December 31, 2013 is as follows:

	<u>Carrying values</u>	<u>Bank balances</u>
Savings accounts	\$ 344,112	\$ 344,112
Demand deposits	<u>13,210</u>	<u>13,210</u>
	<u>\$ 357,322</u>	<u>\$ 357,322</u>

Credit Risk

All of Civic Center's deposits were invested in one financial institution at December 31, 2013.

4. CONCENTRATIONS

In 2013, 100% of the Civic Center's total operating revenue and accounts receivable were attributable to MAPCO.

5. CAPITAL ASSETS

Capital assets consisted of the following at December 31:

	Balance 01/01/13	Additions	Deletions	Transfers	Balance 12/31/13
Capital assets not being depreciated:					
Land	\$ 3,920,000	\$ -	\$ -	\$ -	\$ 3,920,000
Construction in progress	<u>696,718</u>	<u>1,301,311</u>	<u>-</u>	<u>(1,998,029)</u>	<u>-</u>
Total Capital assets not being depreciated	<u>4,616,718</u>	<u>1,301,311</u>	<u>-</u>	<u>(1,998,029)</u>	<u>3,920,000</u>
Depreciable capital assets:					
Buildings	<u>2,880,000</u>	<u>-</u>	<u>-</u>	<u>1,998,029</u>	<u>4,878,029</u>
Total depreciable capital assets	<u>2,880,000</u>	<u>-</u>	<u>-</u>	<u>1,998,029</u>	<u>4,878,029</u>
Less: Accumulated depreciation:					
Buildings	<u>(1,296,000)</u>	<u>(144,000)</u>	<u>-</u>	<u>-</u>	<u>(1,440,000)</u>
Total accumulated depreciation for depreciable capital assets, net	<u>(1,296,000)</u>	<u>(144,000)</u>	<u>-</u>	<u>-</u>	<u>(1,440,000)</u>
Total depreciable assets, net	<u>1,584,000</u>	<u>(144,000)</u>	<u>-</u>	<u>1,998,029</u>	<u>3,438,029</u>
Total capital assets, net	<u>\$ 6,200,718</u>	<u>\$ 1,157,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,358,029</u>

During 2009, Civic Center began a significant project to undergo improvements to the garage structure. As of December 31, 2013, these improvements and the entire project scope were considered to be complete and were ultimately placed in service. The improvements will be depreciated over the remaining lease term beginning January 1, 2014.

6. COMMITMENTS

Leases

Civic Center has an operating lease agreement with MAPCO through December 2023 for a public parking garage that requires monthly rent payments payable once MAPCO's gross revenue for the lease year exceeds a pre-determined floor of \$1,000,000. This floor was exceeded in 2013.

This lease agreement constitutes a long-term concession agreement in which MAPCO has the right to operate the garage and collect revenues for the term of the lease. In connection with the execution of the lease agreement between MAPCO and Civic Center, MAPCO was required to pay a contract fee of \$6,800,000 to Civic Center for the right to operate the parking facility for 20 years. The payment was recorded as a deferred inflow when received and is being amortized over the life of the agreement. At December 31, 2013, the amount of the deferred inflow was \$3,400,000. The rent received under this agreement was \$506,329 for 2013. All capital assets owned by Civic Center are currently being leased to MAPCO under this agreement.

6. COMMITMENTS (Continued)

Management Agreements

The County contracted with Civic Center to manage the County's surface lots in downtown Rochester through November 30, 2023. Simultaneously, Civic Center subcontracted with MAPCO to operate those same surface lots through the same time period. The agreement with MAPCO requires that Civic Center reimburse all of MAPCO's costs associated with managing the lot, as well as an amount equal to the lesser of 20 percent of gross receipts or 30 percent of net profits as defined in the agreement. Under the terms of this agreement, Civic Center incurred a management fee expense to MAPCO of \$74,364 for 2013.

Under the agreement with the County, after the management fee is paid to MAPCO, any remaining proceeds from the surface lots are to be collected and remitted to the County. Under the terms of the agreement with the County, as an agent for the County, Civic Center recorded a distribution to the County of \$180,551 in 2013 which equals to the surface lot revenue recorded in 2013. At December 31, 2013, Civic Center had a liability to the County in the amount of \$25,210, related to the surface lot fees collected, but not remitted.

7. ACCOUNTING PRONOUNCEMENTS ISSUED NOT YET IMPLEMENTED

In March 2012, the GASB issued Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. This Statement improves accounting and financial reporting by clarifying guidance regarding risk financing, operating lease payments, and accounting for loans. Civic Center is required to adopt the provisions of Statement No. 66 for the year ending December 31, 2014.

In June 2012, the GASB issued Statements No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, No. 68 *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and No. 71 *Pension Transition for Contributions made subsequent to the measurement date - an amendment to GASB Statement 68*. The objective of Statement No. 67 is to improve financial reporting by state and local governmental pension plans. Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. The objective of Statement No. 71 is to address an issue regarding application of the transition provisions of *Statement No. 68*. Civic Center is required to adopt the provisions of Statement No. 67 for the year ending December 31, 2014 and Statement No. 68 and No. 71 for the year ending December 31, 2015, with early adoption encouraged.

7. ACCOUNTING PRONOUNCEMENTS ISSUED NOT YET IMPLEMENTED (Continued)

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Civic Center is required to adopt the provisions of this Statement for the year ending December 31, 2014. A prospective basis should be applied and early adoption is encouraged.

In April 2013 the GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. This Statement improves accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. Civic Center is required to adopt the provisions of Statement No. 70 for the year ending December 31, 2014.