

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

June 30, 2012

Financial Statements

With

Independent Auditors' Report

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

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-11
Basic Financial Statements:	
Statement of Net Assets as of June 30, 2012	12
Statement of Activities for the year ended June 30, 2012	13
Balance Sheet - Governmental Fund as of June 30, 2012	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund for the year ended June 30, 2012	15
Statement of Net Assets - Proprietary Fund as of June 30, 2012	16
Statement of Revenues, Expenditures, and Changes in Net Assets - Proprietary Fund for the year ended June 30, 2012	17
Statement of Cash Flows - Proprietary Fund for the year ended June 30, 2012	18
Notes to the Financial Statements	19–27
Other Supplementary Information	
Capital Projects Fund Budgetary Schedule of Revenues and Expenditures for the year ended June 30, 2012	28
Proprietary Fund Budgetary Schedule of Revenues and Expenditures for the year ended June 30, 2012	29



CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Civic-Recreational-Industrial Authority, a component unit of the City of Industry, as of and for the year ended June 30, 2012, which collectively comprise the Civic-Recreational-Industrial Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Civic-Recreational-Industrial Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Civic-Recreational-Industrial Authority as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

-1-

Redlands Office
Ontario Office

1839 W. Redlands Blvd., Redlands, CA 92373
4200 Concourse, Suite 360, Ontario, CA 91764

T. (909) 793-2406
T. (909) 466-5252

F. (909) 792-3516
F. (909) 466-5250

www.eadiepaynellp.com

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2013 on our consideration of the Civic-Recreational-Industrial Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Civic-Recreational-Industrial Authority's financial statements as a whole. The budgetary comparison information on pages 28 and 29 are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Eadie and Payne LLP

February 4, 2013
Redlands, California

Management's Discussion and Analysis

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

The Civic-Recreational-Industrial Authority (referred to as "CRIA") is a component unit and an integral part of the City of Industry (the "City") and, accordingly, has also been included in the basic financial statements of the City of Industry issued as of June 30 of each year. The accompanying component financial statements present only the activities of CRIA. The Management's Discussion and Analysis provides an overview of CRIA's activities for the year ending June 30, 2012. Please read this information in conjunction with CRIA's component unit financial statements following this section.

Financial Highlights

As management of CRIA, we offer readers of CRIA's financial statements this narrative and analysis of the financial activities of CRIA for the fiscal year ending June 30, 2012.

- CRIA's total net assets decreased by \$491,337. Total assets exceeded liabilities by \$10,907,288.
- The net assets of CRIA for governmental activities increased during the year by \$57,250 as revenues and transfers from the City exceeded expenses for the year. Governmental activities' assets exceeded liabilities at June 30, 2012, by \$176,044.
- CRIA's net assets for business-type activities decreased during the year by \$548,587 as the cost of operations exceeded revenues and transfers from the Capital Projects Fund. Assets for business-type activities exceeded liabilities by \$10,731,244.

General Overview of the Financial Statements

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

Government-wide Statements

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about CRIA as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

Reporting CRIA's Most Significant Funds

Fund Financial Statements

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

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

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

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

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

CRIA as a Whole

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

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

Governmental activities

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

Table 1
 Net Assets

	Governmental Activities	
	2012	2011
Assets	\$ 240,183	\$ 163,893
Liabilities	<u>64,139</u>	<u>45,099</u>
Net assets:		
Unrestricted	<u>176,044</u>	<u>118,794</u>
Total net assets	<u>\$ 176,044</u>	<u>\$ 118,794</u>

As noted above, net assets may serve over time as useful indicators of a government's financial position. In the case of CRIA, assets exceeded liabilities by \$176,044 at June 30, 2012.

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

Table 2
Change in Net Assets

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Revenues:		
Interest income	\$ 674	\$ 711
Total revenues	<u>674</u>	<u>711</u>
Expenses:		
General administration:		
Administrative costs	59,148	61,550
Professional services	92,216	74,515
Operation of property	<u>5,341</u>	<u>7,385</u>
Total expenses	<u>156,705</u>	<u>143,450</u>
Decrease in net assets before transfers	(156,031)	(142,739)
Transfers and other sources, net	<u>213,281</u>	<u>112,157</u>
Increase (decrease) in net assets	\$ <u><u>57,250</u></u>	\$ <u><u>(30,582)</u></u>

Total expenses increased during the current year due to higher professional services incurred during the year. This increase in expenses was offset by an increase in transfers in from the City of Industry.

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

Business-type activities

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

Total assets decreased \$548,587 from the prior year primarily due to current year depreciation expense in the amount of \$728,828.

Table 3
Net Assets

	Business-Type Activities	
	2012	2011
Assets:		
Current and other assets	\$ 225,275	\$ 142,511
Capital assets	10,820,206	11,485,339
Total assets	11,045,481	11,627,850
Liabilities	314,237	348,019
Net assets:		
Invested in capital assets	10,820,206	11,485,339
Unrestricted	(88,962)	(205,508)
Total net assets	\$ 10,731,244	\$ 11,279,831

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

CRIA's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. CRIA incurred an operating loss of \$1,668,146 from the Expo Center, which was partially offset by net transfers from CRIA's Capital Projects Fund of \$1,119,559. Total revenues increased \$326,028 from the prior year as there were more Speedway events held this year as compared to the prior year. Total expenses have increased \$153,201 over the prior year due to an increase in cost of operations as a result of the increased Speedway events held during the current year.

Table 4
Change in Net Assets

	Business-Type Activities	
	2012	2011
Revenues:		
Rental income	\$ 641,768	\$ 572,193
Concessions income	788,631	522,100
Interest and other income	6,164	16,242
Total revenues	<u>1,436,563</u>	<u>1,110,535</u>
Expenses:		
General administration	1,197,876	1,230,178
Cost of operations	1,178,005	974,438
Depreciation	728,828	746,892
Total expenses	<u>3,104,709</u>	<u>2,951,508</u>
Decrease in net assets before transfers	(1,668,146)	(1,840,973)
Transfers	<u>1,119,559</u>	<u>974,843</u>
Change in net assets	(548,587)	(866,130)
Net assets, beginning of year	<u>11,279,831</u>	<u>12,145,961</u>
Net assets, end of year	<u>\$ 10,731,244</u>	<u>\$ 11,279,831</u>

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

Fund Budgetary Highlights

Table 5
Capital Projects Budgetary Highlights

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Interest income	\$ 1,000	\$ 310	\$ 674	\$ 364
Total revenues	<u>1,000</u>	<u>310</u>	<u>674</u>	<u>364</u>
General administration:				
Administrative costs	61,940	85,240	59,148	26,092
Professional services	75,000	89,000	92,216	(3,216)
Operation of property	9,000	4,000	5,341	(1,341)
Total expenditures	<u>145,940</u>	<u>178,240</u>	<u>156,705</u>	<u>21,535</u>
Other financing sources, net	<u>145,940</u>	<u>1,221,020</u>	<u>213,281</u>	<u>(1,007,739)</u>
Net change	<u>\$ 1,000</u>	<u>\$ 1,043,090</u>	<u>\$ 57,250</u>	<u>\$ (985,840)</u>

During the year there was one budget amendment. Actual other financing sources were lower than budgeted as transfers in from the City of Industry were lower than budgeted as a result of certain capital projects planned for the current year were postponed for future projects.

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

Table 6
Proprietary Fund Budgetary Highlights

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Rental income	\$ 499,413	\$ 583,107	\$ 641,768	\$ 58,661
Concessions income	561,037	643,513	788,631	145,118
Interest and other income	4,015	4,003	6,164	2,161
Total revenues	<u>1,064,465</u>	<u>1,230,623</u>	<u>1,436,563</u>	<u>205,940</u>
General administration	1,275,026	1,234,951	1,197,876	37,075
Cost of operations	1,002,548	1,049,500	1,178,005	(128,505)
Depreciation	-	-	728,828	(728,828)
Total expenses	<u>2,277,574</u>	<u>2,284,451</u>	<u>3,104,709</u>	<u>(820,258)</u>
Other financing sources	<u>1,052,244</u>	<u>1,043,000</u>	<u>1,119,559</u>	<u>76,559</u>
Net change	<u>\$ (160,865)</u>	<u>\$ (10,828)</u>	<u>\$ (548,587)</u>	<u>\$ (537,759)</u>

During the year there was one budget amendment. Revenues were higher than budgeted as additional events were booked and revenues exceeded their original estimated amounts. Expenses exceeded budget due to the increase in events. Other financing sources exceeded the amended budget amount by \$76,559 as the Expo Center required additional funds for investment in capital assets and funding of operations. Depreciation expense is not budgeted for the year.

Capital Assets

At June 30, 2012, CRIA had approximately \$10.8 million invested in capital assets including buildings and improvements and equipment, furniture and fixtures.

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

Table 7
Net Capital Assets at Year-End

	Capital Assets	
	2012	2011
Building and improvements	\$ 23,421,572	\$ 23,421,572
Equipment, furniture and fixtures	806,629	742,937
Vehicles	88,053	88,053
Capital assets, gross	<u>24,316,254</u>	<u>24,252,562</u>
Less: accumulated depreciation	(13,496,048)	(12,767,220)
Capital assets, net	<u>\$ 10,820,206</u>	<u>\$ 11,485,342</u>

CRIA had made approximately \$63,692 in additions to capital assets during the year. Depreciation expense of \$728,828 was incurred during the year. Overall, capital assets decreased due to the depreciation of assets.

Economic Factors and Next Year's Budget

During fiscal year 2012-13 CRIA will continue to be directly responsible for operating the Expo Center. CRIA will continue to contract with a management company to manage the daily operations of the Expo Center. Next year's budget reflects an operating budget of \$2,415,900.

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

Requests for Information

This financial report is designed to provide a general overview of CRIA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller at the City of Industry, PO Box 3305, City of Industry, California 91744.

Basic Financial Statements

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash	\$ 95,430	\$ 150,938	\$ 246,368
Investments	144,496		144,496
Accounts receivable, less allowance for doubtful accounts of \$6,647		34,604	34,604
Inventories		36,733	36,733
Deposits		3,000	3,000
Accrued interest	257		257
Capital assets being depreciated:			
Buildings and improvements		23,421,572	23,421,572
Equipment, furniture and fixtures		806,629	806,629
Vehicles		88,053	88,053
Less: accumulated depreciation		(13,496,048)	(13,496,048)
Capital assets, net of accumulated depreciation	-	10,820,206	10,820,206
Total assets	240,183	11,045,481	11,285,664
LIABILITIES			
Accounts payable	64,139	174,969	239,108
Rental deposits and advances		139,268	139,268
Total liabilities	64,139	314,237	378,376
NET ASSETS			
Invested in capital assets		10,820,206	10,820,206
Unrestricted	176,044	(88,962)	87,082
Total net assets	\$ 176,044	\$ 10,731,244	\$ 10,907,288

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	Expenses	Charges for Services	Net (Expense) Revenue and Changes in Net Assets		Totals
			Governmental Activities	Business-Type Activities	
GOVERNMENTAL ACTIVITIES					
General administration	\$ 156,705	\$ -	\$ (156,705)	\$ -	\$ (156,705)
Total governmental activities	<u>156,705</u>	<u>-</u>	<u>(156,705)</u>	<u>-</u>	<u>(156,705)</u>
BUSINESS - TYPE ACTIVITIES					
Operation of expo center	3,104,709	1,430,399	-	(1,674,310)	(1,674,310)
Total business-type activities	<u>3,104,709</u>	<u>1,430,399</u>	<u>-</u>	<u>(1,674,310)</u>	<u>(1,674,310)</u>
 Totals	 <u>\$ 3,261,414</u>	 <u>\$ 1,430,399</u>	 <u>(156,705)</u>	 <u>(1,674,310)</u>	 <u>(1,831,015)</u>
 General revenues and transfers:					
Interest and other income			674	6,164	6,838
Transfers in from City of Industry			1,332,840		1,332,840
Transfers - internal activities			(1,119,559)	1,119,559	
Total general revenues and transfers			<u>213,955</u>	<u>1,125,723</u>	<u>1,339,678</u>
 Change in net assets			57,250	(548,587)	(491,337)
 Net assets, beginning of year			<u>118,794</u>	<u>11,279,831</u>	<u>11,398,625</u>
Net assets, end of year			<u>\$ 176,044</u>	<u>\$ 10,731,244</u>	<u>\$ 10,907,288</u>

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
 CITY OF INDUSTRY
 (A COMPONENT UNIT OF CITY OF INDUSTRY)
 BALANCE SHEET
 GOVERNMENTAL FUND
 JUNE 30, 2012

ASSETS

Cash	\$	95,430
Investments		144,496
Accrued interest		257
Total assets	\$	<u><u>240,183</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	<u>64,139</u>
Total liabilities		<u>64,139</u>

Fund balance:

Restricted for capital projects		144,496
Unassigned		<u>31,548</u>
Total fund balance		<u>176,044</u>
Total liabilities and fund balance	\$	<u><u>240,183</u></u>

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

REVENUES

Interest and other income	\$	674
Total revenues		<u>674</u>

EXPENDITURES

General administration:		
Administrative costs		59,148
Professional services		92,216
Operation of property		<u>5,341</u>
Total expenditures		<u>156,705</u>

Revenues under expenditures		<u>(156,031)</u>
-----------------------------	--	------------------

Other financing sources (uses)

Transfers in from City of Industry		1,332,840
Transfers out to other funds		<u>(1,119,559)</u>
Total other financing sources (uses), net		<u>213,281</u>

Net change in fund balance		57,250
----------------------------	--	--------

FUND BALANCE, July 1, 2011		<u>118,794</u>
-----------------------------------	--	----------------

FUND BALANCE, June 30, 2012	\$	<u><u>176,044</u></u>
------------------------------------	----	-----------------------

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

ASSETS

Current assets:

Cash	\$ 150,938
Accounts receivable	34,604
Inventories	36,733
Deposits	<u>3,000</u>
Total current assets	<u>225,275</u>

Non-current assets:

Capital assets:

Buildings and improvements	23,421,572
Equipment, furniture and fixtures	806,629
Vehicles	88,053
Less: accumulated depreciation	<u>(13,496,048)</u>
Total non-current assets	<u>10,820,206</u>
Total assets	<u>11,045,481</u>

LIABILITIES

Current liabilities:

Accounts payable	174,969
Rental deposits and advances	<u>139,268</u>
Total current liabilities	<u>314,237</u>

NET ASSETS

Invested in capital assets	10,820,206
Unrestricted	<u>(88,962)</u>
Total net assets	<u>\$ 10,731,244</u>

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

OPERATING REVENUES:

Rental income	\$	641,768
Concessions income		788,631
Total operating revenues		<u>1,430,399</u>

OPERATING EXPENSES:

General administration		1,197,876
Cost of operations		1,178,005
Depreciation		728,828
Total operating expenses		<u>3,104,709</u>

Operating loss		<u>(1,674,310)</u>
----------------	--	--------------------

NON-OPERATING REVENUES:

Interest and other income		6,164
Total non-operating revenues		<u>6,164</u>

Loss before transfers		<u>(1,668,146)</u>
-----------------------	--	--------------------

TRANSFERS

Transfers in from capital project fund		1,119,559
Total transfers		<u>1,119,559</u>

Change in net assets		(548,587)
----------------------	--	-----------

NET ASSETS, beginning of the year		11,279,831
NET ASSETS, end of the year	\$	<u><u>10,731,244</u></u>

The accompanying notes are an integral part of this statement.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 1,398,440
Payments to suppliers and contractors	<u>(2,377,107)</u>
Net cash used in operating activities	<u>(978,667)</u>

CASH FLOWS FROM NON-OPERATING ACTIVITIES

Interest and other income received	<u>6,164</u>
Net cash provided by non-operating activities	<u>6,164</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Acquisition of capital assets	<u>(63,692)</u>
Net cash used in capital financing activities	<u>(63,692)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Cash received from other funds	<u>1,119,559</u>
Net cash provided by non-capital financing activities	<u>1,119,559</u>

Net increase in cash 83,364

CASH, BEGINNING OF YEAR

67,574

CASH, END OF YEAR \$ 150,938

Reconciliation of operating loss to net cash used in operating activities

Operating loss	\$ (1,674,310)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	728,828
Increase (decrease) in assets:	
Accounts receivable	(6,073)
Inventories	6,673
(Decrease) in liabilities:	
Accounts payable	(7,899)
Rental deposits and advances	<u>(25,886)</u>
Net cash used in operating activities	<u><u>\$ (978,667)</u></u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

Description of the reporting entity

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

Basis of accounting and measurement focus

The component unit financial statements of CRIA are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

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

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB Pronouncements issued after November 30, 1989, are not followed in the preparation of the accompanying financial statements.

Government-wide financial statements

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

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

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

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

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Eliminations for inter-fund activities, payables, and receivables are required to be made in accordance with GASB Statement No. 34. There were no internal fund activities that were required to be eliminated as of and for the year ended June 30, 2012.

Fund financial statements

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

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

Governmental funds

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

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

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

Proprietary funds

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

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Proprietary funds (continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of CRIA generally come from the leasing of its facilities to various parties. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund types

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

Governmental fund types

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

Proprietary fund types

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

Cash and investments

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

Capital assets and depreciation

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

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Capital assets and depreciation (continued)

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

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

Estimates

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

Accounts receivable

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

Inventories

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

Net Assets

- Net assets represent the difference between assets and liabilities in the government –wide financial statements. Net assets are classified as follows:
- Invested in Capital Assets – this amount consists of capital assets net of accumulated depreciation.
- Unrestricted Net Assets – this amount is all net assets which do not meet the definition of restricted net assets.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Fund balances

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

- Nonspendable – items that cannot be spent because they are not in spendable form or items that are legally or contractually required to be maintained intact.
- Restricted – restricted fund balances are amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (b) imposed by law by constitutional provisions or enabling legislation.
- Assigned – assigned fund balances are amounts that are constrained by CRIA's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. The Board of Directors are authorized for this purpose.
- Committed – committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that CRIA's imposes upon itself at its highest level of decision making authority (the Board of Directors) through board resolution and that remain binding unless removed in the same manner.
- Unassigned – this category represents fund balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes.

2. Organization

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

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

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.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
NOTES TO THE FINANCIAL STATEMENTS

3. Cash and investments

Cash and investments as of June 30, 2012, are classified in the accompanying financial statements as follows:

Governmental activities:	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Cash and investments	\$ 95,430	\$ 144,496	\$ 239,926
Business-type activities			
Cash	<u>150,938</u>	<u> </u>	<u>150,938</u>
Total cash and investments	<u>\$ 246,368</u>	<u>\$ 144,496</u>	<u>\$ 390,864</u>

Cash

Cash includes deposits in accounts maintained in the United States. Certain financial instruments, such as cash, subject CRIA to concentration of credit risk. CRIA maintains balances at financial institutions which, from time to time, may exceed Federal Deposit Insurance Corporation insured limits. As of June 30, 2012, CRIA's carrying amount of cash deposits amounted to \$246,368 and the total bank balance amounted to \$246,368. As of June 30, 2012, CRIA's deposits were fully federally-insured.

State of California Local Agency Investment Fund

CRIA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of CRIA's investment in the investment pool is approximately the same as the value of the pool shares. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government sponsored enterprises, and corporations.

As of June 30, 2012, the carrying amount of the investments in LAIF amounted to \$144,496 and its fair value amounted to \$144,673.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
NOTES TO THE FINANCIAL STATEMENTS

3. Cash and investments (continued)

Investments

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

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

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

Interest rate risk

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

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. The California Government Code and CRIA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
NOTES TO THE FINANCIAL STATEMENTS

3. Cash and investments (continued)

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

As of June 30, 2012, none of CRIA's investments were exposed to custodial credit risk.

4. Capital assets

The capital assets activity during the year ended June 30, 2012 is summarized below:

CAPITAL ASSETS	BALANCE JULY 1, 2011	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 2012
Buildings and improvements	\$ 23,421,572	\$ -	\$ -	\$ 23,421,572
Furniture and fixtures	742,937	63,692	-	806,629
Vehicles	88,053	-	-	88,053
Totals	<u>24,252,562</u>	<u>63,692</u>	<u>-</u>	<u>24,316,254</u>
Accumulated Depreciation:				
Vehicles, furniture, and fixtures	667,887	30,617	-	698,504
Buildings and improvements	12,099,333	698,211	-	12,797,544
Totals	<u>12,767,220</u>	<u>728,828</u>	<u>-</u>	<u>13,496,048</u>
Net	<u>\$ 11,485,342</u>	<u>\$ (665,136)</u>	<u>\$ -</u>	<u>\$ 10,820,206</u>

Depreciation expense for the year ended June 30, 2012 amounted to \$728,828.

5. Transactions with related parties

A company that provides auto body and towing services to the City and its component units is a related party to a board member of CRIA. For the year ended June 30, 2012, total expenses amounted to \$99,222. As of June 30, 2012, included in accounts payable is \$14,270 that is owed to this company by City.

CRIA employs a management company to manage the daily operations of the Industry Hills Expo Center. The management company employs a general manager to manage the everyday operations of the Expo Center and this individual is related to the ex-Mayor of the City of Industry.

A company that provides maintenance services to CRIA is related to the ex-Mayor of the City of Industry through family ownership. CRIA incurred total expenses related to these services in the amount of \$35,361 for the year ended June 30, 2012. Included in accounts payable is \$7,255 due to this company as of June 30, 2012.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
NOTES TO THE FINANCIAL STATEMENTS

6. Self-insurance plan

The City of Industry has established a Self-Insurance Plan (the "Plan") to pay for liability claims against the City and CRIA. The Plan is administered by an insurance committee which is responsible for approving all claims of \$25,000 or less and for making provision for having sufficient funds available to pay approved claims and legal and investigative expenses. The insurance committee has given this authority to the City Manager. Potential liability of claims in excess of \$250,000, up to \$10,000,000, is covered by excess liability insurance policies. As of June 30, 2012, there are no pending liability claims outstanding against CRIA.

7. Transfers to/from other funds

During the year ending June 30, 2012, a total of \$1,332,840 was transferred in from the City of Industry to fund CRIA's operations. The Capital Projects fund transferred \$1,119,559 to the Enterprise fund to fund the acquisition of capital assets and operational expenses.

Other Supplementary Information

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CAPITAL PROJECTS FUND BUDGETARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Interest and other income	\$ 1,000	\$ 310	\$ 674	\$ 364
Total revenues	<u>1,000</u>	<u>310</u>	<u>674</u>	<u>364</u>
EXPENDITURES				
General administration:				
Administrative costs	61,940	85,240	59,148	26,092
Professional services	75,000	89,000	92,216	(3,216)
Operation of property	9,000	4,000	5,341	(1,341)
Total expenditures	<u>145,940</u>	<u>178,240</u>	<u>156,705</u>	<u>21,535</u>
Revenues under expenditures	<u>(144,940)</u>	<u>(177,930)</u>	<u>(156,031)</u>	<u>21,899</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from City of Industry	1,198,184	2,264,020	1,332,840	(931,180)
Transfers out to other funds	<u>(1,052,244)</u>	<u>(1,043,000)</u>	<u>(1,119,559)</u>	<u>(76,559)</u>
Total other financing sources, net	<u>145,940</u>	<u>1,221,020</u>	<u>213,281</u>	<u>(1,007,739)</u>
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 1,043,090</u>	<u>\$ 57,250</u>	<u>\$ (985,840)</u>

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
CITY OF INDUSTRY
(A COMPONENT UNIT OF THE CITY OF INDUSTRY)
PROPRIETARY FUND BUDGETARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES				
Rental income	\$ 499,413	\$ 583,107	\$ 641,768	\$ 58,661
Concessions income	<u>561,037</u>	<u>643,513</u>	<u>788,631</u>	<u>145,118</u>
Total operating revenues	<u>1,060,450</u>	<u>1,226,620</u>	<u>1,430,399</u>	<u>203,779</u>
OPERATING EXPENSES				
General administration	1,275,026	1,234,951	1,197,876	37,075
Cost of operations	1,002,548	1,049,500	1,178,005	(128,505)
Depreciation	<u>728,828</u>	<u>728,828</u>	<u>728,828</u>	<u>(728,828)</u>
Total operating expenses	<u>2,277,574</u>	<u>2,284,451</u>	<u>3,104,709</u>	<u>(820,258)</u>
Operating loss	<u>(1,217,124)</u>	<u>(1,057,831)</u>	<u>(1,674,310)</u>	<u>(616,479)</u>
NON-OPERATING REVENUES				
Interest and other income	<u>4,015</u>	<u>4,003</u>	<u>6,164</u>	<u>2,161</u>
Total non-operating revenues	<u>4,015</u>	<u>4,003</u>	<u>6,164</u>	<u>2,161</u>
Loss before transfers and other financing sources	<u>(1,213,109)</u>	<u>(1,053,828)</u>	<u>(1,668,146)</u>	<u>(614,318)</u>
TRANSFERS				
Transfers in from other funds	<u>1,052,244</u>	<u>1,043,000</u>	<u>1,119,559</u>	<u>76,559</u>
Total transfers, net	<u>1,052,244</u>	<u>1,043,000</u>	<u>1,119,559</u>	<u>76,559</u>
Change in net assets	<u>\$ (160,865)</u>	<u>\$ (10,828)</u>	<u>\$ (548,587)</u>	<u>\$ (537,759)</u>