



Annual Financial Report

Basic Financial Statements

The Soboroff Sports Field is a CRA/ LA environmentally-sustainable project, built on a dirt lot across the street from the Expo Center in South Los Angeles.

This state-of-the-art, multi-purpose playing field for the community was developed by the CRA/LA, in partnership with the South Park and Figueroa Business Improvement Districts (BID).

The BIDs received a \$30 million 1C Infill Infrastructure grant from the State of California Housing and Community Development Department. The grant included \$2 million for the Friends of Expo Center to match approximately \$3.5 million in other funding to build the artificial turf field, which has an irrigation system for cleaning and cooling the field, which is made from recycled Nike shoes. The funds also paid for lighting, storage and restrooms.

The Soboroff Sports Field is operated by the City of Los Angeles Recreation and Parks Department.

Community Redevelopment Agency
of the CITY OF LOS ANGELES

*A Component Unit of the City of
Los Angeles, California*

**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA**

Statement of Net Assets

**June 30, 2009
(In Thousands)**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 93,577	\$ 184	\$ 93,761
Unrestricted investments	412,286	-	412,286
Receivables:			
Incremental property taxes	9,532	-	9,532
Grants	4,703	-	4,703
Accrued interest	1,517	-	1,517
Other, net of uncollectibles of \$196	1,390	114	1,504
Loans receivable, net of allowance for market value write-downs and uncollectibles of \$559,899	84,225	-	84,225
Restricted assets	119,930	8,038	127,968
Deferred charges	16,492	1,869	18,361
Court and other deposits for land acquisition	17,537	-	17,537
Land held for redevelopment	138,364	-	138,364
Capital assets, net of accumulated depreciation and amortization of \$28,353:			
Land	57,080	10,428	67,508
Building and improvements	5,707	20,967	26,674
Equipment	2,598	1	2,599
Other assets	2,192	-	2,192
Total assets	967,130	41,601	1,008,731
LIABILITIES			
Accounts payable and accrued liabilities	6,708	1,018	7,726
Interest payable	21,723	3,276	24,999
Deferred revenue	3,933	-	3,933
Deposits and other liabilities	42,821	93	42,914
Noncurrent liabilities:			
Due within one year	27,260	835	28,095
Due in more than one year	756,220	42,043	798,263
Total liabilities	858,665	47,265	905,930
NET ASSETS (DEFICIT)			
Invested in capital assets, net of related debt	65,385	(11,482)	53,903
Restricted for:			
Capital projects	378,244	-	378,244
Low and moderate-income housing activities	117,560	-	117,560
Debt service	92,209	8,038	100,247
Unrestricted	(544,933)	(2,220)	(547,153)
Total net assets (deficit)	\$ 108,465	\$ (5,664)	\$ 102,801

See accompanying notes to basic financial statements.

**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA**

Statement of Activities

**For the Fiscal Year Ended June 30, 2009
(In Thousands)**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Assets		
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Program expenses:						
Housing	\$ 82,853	\$ -	\$ 7,456	\$ (75,397)	\$ -	\$ (75,397)
Community and economic development	39,682	4,873	23,730	(11,079)	-	(11,079)
Public improvement	17,625	-	3,982	(13,643)	-	(13,643)
Project general	55,529	-	2,021	(53,508)	-	(53,508)
Interest on long-term debt	41,033	-	-	(41,033)	-	(41,033)
Total governmental activities	<u>236,722</u>	<u>4,873</u>	<u>37,189</u>	<u>(194,660)</u>	<u>-</u>	<u>(194,660)</u>
Business-type activities:						
Parking activities	5,460	5,214	-	-	(246)	(246)
Total business-type activities	<u>5,460</u>	<u>5,214</u>	<u>-</u>	<u>-</u>	<u>(246)</u>	<u>(246)</u>
Total government-wide	<u>\$ 242,182</u>	<u>\$ 10,087</u>	<u>\$ 37,189</u>	<u>(194,660)</u>	<u>(246)</u>	<u>(194,906)</u>
General revenues:						
Incremental property taxes				217,868	-	217,868
Interest income				13,457	212	13,669
Net change in loan valuation				4,802	-	4,802
Other				1,104	313	1,417
Total general revenues				<u>237,231</u>	<u>525</u>	<u>237,756</u>
Change in net assets				42,571	279	42,850
Net assets (deficit) - beginning of year				<u>65,894</u>	<u>(5,943)</u>	<u>59,951</u>
Net assets (deficit) - end of year				<u>\$ 108,465</u>	<u>\$ (5,664)</u>	<u>\$ 102,801</u>

See accompanying notes to basic financial statements.

**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA**

**Balance Sheet
Governmental Funds**

**June 30, 2009
(In Thousands)**

	Capital Projects	Debt Service	Housing	Special Revenue	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,084	\$ -	\$ 23	\$ 23	\$ 2,130
Receivables:					
Incremental property taxes	9,532	-	-	-	9,532
Grants	3,130	-	-	1,573	4,703
Accrued interest	11	-	1	1	13
Other, net of uncollectibles of \$196	438	-	37	151	626
Due from other funds	321,019	11,949	114,606	38,257	485,831
Loans receivable, net of allowance for market value write-downs and uncollectibles of \$559,899	27,477	-	55,420	1,328	84,225
Restricted assets	29,212	82,095	3,308	1,037	115,652
Advances to other funds	11,153	-	-	-	11,153
Other assets	907	-	-	118	1,025
Total assets	\$ 404,963	\$ 94,044	\$ 173,395	\$ 42,488	\$ 714,890
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,320	\$ -	\$ 402	\$ 568	\$ 3,290
Due to other funds	5,292	1,013	-	1,655	7,960
Advances from other funds	8,240	-	-	315	8,555
Deferred revenue	31,142	-	55,433	1,583	88,158
Other liabilities	17,613	822	-	479	18,914
Total liabilities	64,607	1,835	55,835	4,600	126,877
Fund balances:					
Reserved for:					
Debt service	-	92,209	-	-	92,209
Low and moderate-income housing activities	-	-	111,806	-	111,806
Advances to other funds	11,153	-	-	-	11,153
Encumbrances	60,065	-	5,754	2,541	68,360
Unreserved, designated for continuing work programs	269,138	-	-	35,347	304,485
Total fund balances	340,356	92,209	117,560	37,888	588,013
Total liabilities and fund balances	\$ 404,963	\$ 94,044	\$ 173,395	\$ 42,488	\$ 714,890

See accompanying notes to basic financial statements.

**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA**

**Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of
Net Assets of Governmental Activities**

**June 30, 2009
(In Thousands)**

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances of all governmental funds (page 23)		\$ 588,013
Long-term receivables are not available to pay for current expenditures and are deferred on the modified accrual basis.		
Loans receivable		84,225
Deposits held by the Los Angeles County Court and other deposits for land acquisition are not spendable financial resources, therefore, are not reported in governmental funds.		17,537
Land held for redevelopment are not spendable financial resources, therefore, are not reported in governmental funds.		138,364
Land, building and improvements are not spendable financial resources, therefore, are not reported in governmental funds.		62,787
Interfund receivable/payable between the enterprise fund and the capital projects fund in governmental funds have been eliminated for financial statement presentation. This interfund receivable/payable do not affect the governmental activities.		7
Debt issuance costs are expended in governmental funds when paid, however, are capitalized and amortized over the life of the corresponding debt for purposes of the statement of net assets.		
Unamortized debt issuance costs		16,492
Interest payable on long-term debt does not require the use of current financial resources, therefore, is not accrued as a liability in the balance sheet of governmental funds.		(21,723)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in governmental funds.		
Long-term liabilities	\$ (777,609)	
Unamortized premiums, discounts, and deferred amounts on refunding	<u>372</u>	<u>(777,237)</u>
Net assets of governmental activities (page 21)		<u><u>\$ 108,465</u></u>

See accompanying notes to basic financial statements.

**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA**

**Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds**

**For the Fiscal Year Ended June 30, 2009
(In Thousands)**

	Capital Projects	Debt Service	Housing	Special Revenue	Total Governmental Funds
Revenues:					
Incremental property taxes	\$ 217,868	\$ -	\$ -	\$ -	\$ 217,868
Grants	8,754	-	-	1,406	10,160
Interest income	7,734	470	4,294	959	13,457
Proceeds from sale of land	-	-	-	2,360	2,360
Loan repayments	774	-	946	8	1,728
Rental income	4,733	-	100	40	4,873
Developer participation	11	100	-	1,876	1,987
City participation	320	-	-	12,584	12,904
Other	633	-	91	380	1,104
	<u>240,827</u>	<u>570</u>	<u>5,431</u>	<u>19,613</u>	<u>266,441</u>
Expenditures:					
Current:					
Program salaries and administrative costs, including technical and professional personnel	38,441	-	7,362	94	45,897
Real estate and other acquisition costs	52,004	-	11,028	3	63,035
Housing	13,511	-	20,339	773	34,623
Rehabilitation	2,360	-	111	-	2,471
Public improvement	15,221	-	-	9,899	25,120
Relocation	873	-	2,176	330	3,379
Development loans	8,906	-	26,378	6,473	41,757
Community service	1,521	-	86	418	2,025
Tax increment administrative fees	3,734	-	1,203	-	4,937
Other	13,471	-	1,460	2,533	17,464
Debt service:					
Principal	-	21,439	-	-	21,439
Interest expense	-	38,193	-	-	38,193
	<u>150,042</u>	<u>59,632</u>	<u>70,143</u>	<u>20,523</u>	<u>300,340</u>
Revenues over (under) expenditures	<u>90,785</u>	<u>(59,062)</u>	<u>(64,712)</u>	<u>(910)</u>	<u>(33,899)</u>
Other financing sources (uses):					
Issuance of long-term debt	-	1,921	-	-	1,921
Proceeds from limited recourse obligations	9,710	-	-	-	9,710
Transfers in	60,581	76,517	55,012	335	192,445
Transfers out	(165,376)	(10,196)	(16,155)	(718)	(192,445)
	<u>(95,085)</u>	<u>68,242</u>	<u>38,857</u>	<u>(383)</u>	<u>11,631</u>
Net change in fund balances	(4,300)	9,180	(25,855)	(1,293)	(22,268)
Fund balances, beginning of year	344,656	83,029	143,415	39,181	610,281
Fund balances, end of year	<u>\$ 340,356</u>	<u>\$ 92,209</u>	<u>\$ 117,560</u>	<u>\$ 37,888</u>	<u>\$ 588,013</u>

See accompanying notes to basic financial statements.

**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA**

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities of Governmental Activities**

**For the Fiscal Year Ended June 30, 2009
(In Thousands)**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds (page 25)	\$ (22,268)
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New loans, loan repayments, and related items recognized in governmental funds are reported in the statement of net assets as increases (decreases) in the loans receivable.

New loans given during the fiscal year	\$ 60,440	
Loan repayments received	(3,038)	
Write-offs	(9,363)	
Adjustments	3,844	
Net change in fair market value	<u>(47,081)</u>	4,802

The net effect of various transactions involving court and other deposits and land held for redevelopment is to increase (decrease) net assets.

Change in court and other deposits for land acquisition	6,207	
Change in land held for redevelopment	<u>42,164</u>	48,371

The net effect of various transactions involving capital assets is to decrease net assets.

Disposition		(457)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation or amortization expense.

Amortization of leasehold improvements		(474)
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Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities.

Amortization of debt issuance costs		(1,057)
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THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities of Governmental Activities - (Continued)

For the Fiscal Year Ended June 30, 2009
(In Thousands)

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities.

Amortization of premiums, discounts, and deferred amounts on refunding (433)

Principal repayment of long-term debt is reported as an expenditure in the governmental funds, thus, has the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Principal payment on long-term debt 21,439

Accrued interest expense on long-term debt is reported in the statement of activities, but does not require the use of current financial resources. This amount represents the increase in accrued interest expense not reported in governmental funds. (2,407)

Proceeds from issuance of debt are reported as other financing sources in governmental funds and, thus, contribute to the change in fund balances. However, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. Proceeds were received from issuance of notes payable. (1,921)

Amount represents other postemployment benefits cost for the year, which was accrued in the statement of activities but not in the governmental funds due to pending future funding. (3,024)

Change in net assets of governmental activities (page 22) \$ 42,571

See accompanying notes to basic financial statements.

**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA**

Proprietary Funds

Statement of Net Assets

**June 30, 2009
(In Thousands)**

	Governmental Activities	Business-type Activities
	<u>Internal Service</u>	<u>Enterprise Fund</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 91,447	\$ 184
Unrestricted investments	412,286	-
Receivables:		
Accrued interest	1,504	-
Other	764	107
Due from other funds	7,395	7
Other assets	1,167	-
Total current assets	<u>514,563</u>	<u>298</u>
Noncurrent assets:		
Restricted assets	4,278	8,038
Deferred charges	-	1,869
Capital assets:		
Land	-	10,428
Building and improvements	-	25,534
Equipment	16,197	69
Less accumulated depreciation	<u>(13,599)</u>	<u>(4,635)</u>
Total capital assets, net of accumulated depreciation	<u>2,598</u>	<u>31,396</u>
Total noncurrent assets	<u>6,876</u>	<u>41,303</u>
Total assets	<u>521,439</u>	<u>41,601</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	3,418	1,018
Interest payable	-	3,276
Due to other funds	507,140	-
Compensated absences	1,814	-
Matured bonds payable	-	835
Other liabilities	2,040	93
Total current liabilities	<u>514,412</u>	<u>5,222</u>
Noncurrent liabilities:		
Advances from other funds	2,598	-
Compensated absences	1,825	-
Other postemployment benefits obligation	5,628	-
Notes payable	-	4,037
Bonds payable	-	38,006
Total noncurrent liabilities	<u>10,051</u>	<u>42,043</u>
Total liabilities	<u>524,463</u>	<u>47,265</u>
NET ASSETS (DEFICIT)		
Invested in capital assets, net of related debt	2,598	(11,482)
Restricted for:		
Debt service	-	8,038
Unrestricted	<u>(5,622)</u>	<u>(2,220)</u>
Total net assets (deficit)	<u>\$ (3,024)</u>	<u>\$ (5,664)</u>

See accompanying notes to basic financial statements.

**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA**

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Fund Net Assets

**For the Fiscal Year Ended June 30, 2009
(In Thousands)**

	Governmental Activities Internal Service	Business-type Activities Enterprise Fund
Operating revenues:		
Parking receipts	\$ -	\$ 5,214
Applied charges	45,897	-
Total operating revenues	45,897	5,214
Operating expenses:		
Personnel compensation	25,575	-
Employee benefits	13,833	-
Central office expenses	4,982	-
Depreciation expense	1,174	643
Other administrative costs	3,357	2,014
Total operating expenses	48,921	2,657
Net income (loss) from operating activities	(3,024)	2,557
Nonoperating revenues (expenses):		
Interest income	32,981	212
Other revenue	-	313
Interest on long-term debt	-	(2,722)
Amortization of bond issuance costs	-	(81)
Interest income allocated to participating funds	(32,981)	-
Total nonoperating revenues (expenses)	-	(2,278)
Change in net assets	(3,024)	279
Total deficit - beginning of year	-	(5,943)
Total deficit - end of year	\$ (3,024)	\$ (5,664)

See accompanying notes to basic financial statements.

**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA**

Proprietary Funds

Statement of Cash Flows

**For the Fiscal Year Ended June 30, 2009
(In Thousands)**

	Governmental Activities	Business-type Activities
	Internal Service	Enterprise Fund
Cash flows from operating activities:		
Reimbursements for applied charges	\$ 45,897	\$ -
Parking receipts	-	5,163
Payments to employees	(36,384)	-
Payments to other vendors	(8,308)	(1,907)
Net cash provided by operating activities *	<u>1,205</u>	<u>3,256</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,011)	-
Principal paid on capital debt	-	(795)
Interest paid on capital debt	-	(2,290)
Deposits from other funds for capital and financing activities	304,065	313
Payments for capital and financing activities	(364,138)	-
Net cash provided (used) by capital and related financing activities	<u>(61,084)</u>	<u>(2,772)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	1,382,878	8,166
Purchase of investments	(1,366,629)	(9,588)
Interest income	32,981	212
Interest income allocated to other funds	(32,981)	-
Net cash used by investing activities	<u>16,249</u>	<u>(1,210)</u>
Net decrease in cash and cash equivalents	(43,630)	(726)
Cash and cash equivalents, beginning of year	135,077	910
Cash and cash equivalents, end of year	<u>\$ 91,447</u>	<u>\$ 184</u>
* Reconciliation of operating income to net cash provided by operating activities:		
Net income (loss) from operating activities	\$ (3,024)	\$ 2,557
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expenses	1,174	643
Increase in other receivables	(738)	(51)
Decrease in due from other funds	286	-
(Increase) decrease in other assets	(64)	1
Increase in accounts payable and accrued liabilities	164	82
Increase in compensated absences	500	-
Increase in other liabilities	46	24
Increase in other postemployment benefits obligation	3,024	-
Decrease in advance from other funds	(163)	-
Net cash provided by operating activities	<u>\$ 1,205</u>	<u>\$ 3,256</u>

See accompanying notes to basic financial statements.

THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES, CALIFORNIA

Fiduciary Funds

Statement of Fiduciary Net Assets - Agency Funds

June 30, 2009
(In Thousands)

ASSETS

Due from other funds	\$ 21,867
Restricted assets	<u>1,386</u>
Total assets	<u>\$ 23,253</u>

LIABILITIES

Construction disbursements payable	\$ 20,190
Other liabilities:	
Good faith deposits payable	1,864
Unclaimed properties	251
Restitution of wages payable	658
Security deposits	<u>290</u>
Total liabilities	<u>\$ 23,253</u>

See accompanying notes to basic financial statements.