



Anthony Guerrero, Plaza Pacoima construction worker

Annual Financial Report

Independent Auditor's Report

After several unsuccessful months looking for work, Anthony Guerrero met a vendor at a job fair that said they would be hiring construction workers for the CRA/LA's Plaza Pacoima project.

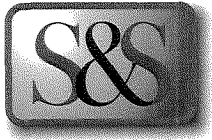
Through the CRA/LA's Construction Careers and Project Stabilization Policy and Local Hire Program, Anthony entered a union apprenticeship program sponsored by GBI Electric.

"I recommend that non-union workers join the union. Union jobs start at \$14 an hour and non-union work starts at \$8 an hour. There are also benefits and there's always room for growth."

CRA/LA's policy ensures that construction jobs created by redevelopment dollars are filled by Los Angeles residents through training and apprenticeship programs with local unions. Upon completion of the program, Anthony began working on Plaza Pacoima doing electrical work for Verizon and DWP.

Community Redevelopment Agency
of the CITY OF LOS ANGELES

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



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INDEPENDENT AUDITOR'S REPORT

*The Honorable Wendy Greuel
Controller of the City of Los Angeles and
The Community Redevelopment Agency of
The City of Los Angeles, California*

*The Board of Commissioners of
The Community Redevelopment Agency of
The City of Los Angeles, California*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of The Community Redevelopment Agency of the City of Los Angeles, California (CRA/LA), as of and for the year ended June 30, 2009, which collectively comprise the CRA/LA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the CRA/LA'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 opinion.

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 Community Redevelopment Agency of the City of Los Angeles, California, as of June 30, 2009, and the respective changes in financial position and cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1-S to the financial statements, CRA/LA adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* effective July 1, 2008.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2009 on our consideration of the CRA/LA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 11 through 20, the schedule of funding progress - employees' pension plan and other postemployment benefits on page 71, and the budgetary comparison schedule for the Housing Fund and Special Revenue Fund on pages 72 and 73, are not a required part of the





basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CRA/LA's basic financial statements. The other supplementary information identified in the accompanying table of contents as the budgetary comparison schedule for Capital Projects Fund and Debt Service Fund, combining financial statements of the Internal Service Funds and Agency Funds, combined schedules by redevelopment project area, and schedule of third-party indebtedness, is presented for purposes of additional analysis and is not a required part of the basic financial statements of CRA/LA. Such information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information identified in the accompanying table of contents as the introductory and statistical sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of CRA/LA. Such information has not been subjected to the auditing procedures applied in the audit of the CRA/LA's basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script, appearing to read 'Simpson & Simpson'.

Los Angeles, California
December 16, 2009