

INGLEWOOD REDEVELOPMENT AGENCY
(A Component Unit of the City of Inglewood, California)

Independent Auditor's Reports,
Management's Discussion and Analysis,
Basic Financial Statements and Supplementary Information
For the Fiscal Year Ended September 30, 2007



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
CARL P. SIMPSON, CPA

To the Honorable Mayor and
Members of the Agency Council
Inglewood Redevelopment Agency, California

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, and each major fund of the **Inglewood Redevelopment Agency** (Agency), a component unit of the **City of Inglewood**, California (City), as of and for the fiscal year ended September 30, 2007, which collectively comprise the Agency's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Agency'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, and each major fund of the Agency as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2009 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

The management's discussion and analysis and budgetary comparison schedules listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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.

Los Angeles, California
June 26, 2009

**Management's Discussion and Analysis
(Required Supplementary Information)**

INGLEWOOD REDEVELOPMENT AGENCY
Management's Discussion and Analysis (*Unaudited*)
September 30, 2007

The information presented in the "Management's Discussion and Analysis" (MD&A) is intended to be a narrative overview of the financial activities of the Inglewood Redevelopment Agency (Agency) for the fiscal year ended September 30, 2007. We encourage readers to consider this information in conjunction with the accompanying financial statements, notes and required supplementary information.

FINANCIAL HIGHLIGHTS

The Agency's assets exceeded its liabilities at the close of the fiscal year ended September 30, 2007 by \$38,417,752 (net assets), an increase of \$10,869,078 compared to the prior fiscal year restated net assets. Significant changes in the Agency's assets and liabilities during the fiscal year are as follows:

- The Agency's cash and investments increased by \$10,947,546 due to higher revenues and lower cash expenditures for the fiscal year.
- The Agency's total long-term debt decreased by a net \$1,131,810 in comparison with the prior year primarily due to scheduled principal retirements on existing debt.
- Deposits and prepaid items decreased by \$1,730,000. This decrease occurred because certain condemnation proceedings were cancelled and the funds deposited were returned by the State Treasurer.
- The Agency's accounts payable increased by \$1,123,235. This increase resulted after it was determined that pass-through payments due to other taxing agencies had not been calculated correctly and that additional payments were due.

FINANCIAL STATEMENT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are made up of the following two financial statements: the *Statement of Net Assets* and the *Statement of Activities*. Both of these statements are prepared using accounting methods similar to those used by private-sector companies, the economic resources measurement focus and the accrual basis of accounting.

The Statement of Net Assets provides information regarding all of the Agency's assets and liabilities, with the difference between the two reported as net assets.

INGLEWOOD REDEVELOPMENT AGENCY
Management's Discussion and Analysis (*Unaudited*)
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The Statement of Activities presents information showing the Agency's revenues and expenses for the fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to them occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and incurred but unpaid interest expense).

The basic services of the Agency are considered to be governmental activities including community development, low and moderate-income housing, and interest expense. All Agency activities are primarily funded by tax increment and its leverage through the issuance of bonds.

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. The Agency uses fund accounting to ensure and demonstrate compliance with legal requirements. All of the Agency's services are reported in governmental funds. These funds are reported using modified accrual accounting, which recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. The governmental fund statements provide a detailed view of the Agency's operations.

The Agency maintains governmental funds organized according to their type: debt service and capital projects. Reconciliations are prepared for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to facilitate comparisons between governmental funds and governmental activities. This reconciliation identifies the differences between modified accrual accounting and full accrual accounting. The major differences include recognition of accrued expenses, capital assets, and long-term liabilities shown in the Statement of Net Assets and Statement of Activities, which are not shown in the fund financial statements.

Notes to basic financial statements: The notes provide information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information: This section of the report contains budgetary comparison schedules for the debt service and capital project funds. This section is presented to provide supplementary information required by the Government Accounting Standards Board that is useful to users of these financial statements.

AGENCY-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

The following table compares the Agency's net assets as of September 30, 2007 to the amounts at September 30, 2006.

INGLEWOOD REDEVELOPMENT AGENCY
Management's Discussion and Analysis (Unaudited)
September 30, 2007

Statement of Net Assets

	Governmental Activities	
	2007	2006 As Restated
Current and other assets	\$ 97,760,746	\$ 87,724,742
Capital assets, net	5,675,316	5,924,883
Total assets	103,436,062	93,649,625
Long-term liabilities	58,759,314	59,891,124
Other liabilities	6,258,996	6,209,827
Total liabilities	65,018,310	66,100,951
Net assets:		
Invested in capital assets, net of related debt	5,334,020	5,924,883
Restricted	57,107,196	26,439,163
Unrestricted	(24,023,464)	(4,815,372)
Total net assets	\$ 38,417,752	\$ 27,548,674

The Agency's assets exceeded liabilities by \$38,417,752 at the close of this fiscal year. The Agency's net assets are subject to external restrictions on how they may be used. Such resources are restricted for low and moderate-income housing, the alleviation of blight and debt service. The remaining balance of unrestricted net assets (deficit) of (\$24,023,464) will be covered by collections of property tax increment in the future. The deficit balance is not a reflection of the Agency's insufficient resources to run its programs; rather it is a result of having long-term liabilities (of which some of the bonds will not be due for up to 10 years) that are greater than currently available resources.

Analysis of Activities

Governmental Activities:

Revenues: The Agency's governmental activities rely on several sources of revenue to finance ongoing operations. Property tax increments comprised the largest revenue source for the Agency followed by investment earnings and charges for services. Total revenues for fiscal year 2006-07 governmental activities were \$19,335,305, an increase of \$2,822,294 over the prior year. The increase is primarily due to increased property tax increment generated from development and higher assessed property values and greater investment earnings.

Expenses: Total expenses for fiscal year 2006-07 governmental activities were \$8,466,227. The majority of this amount was spent for community development and interest expense.

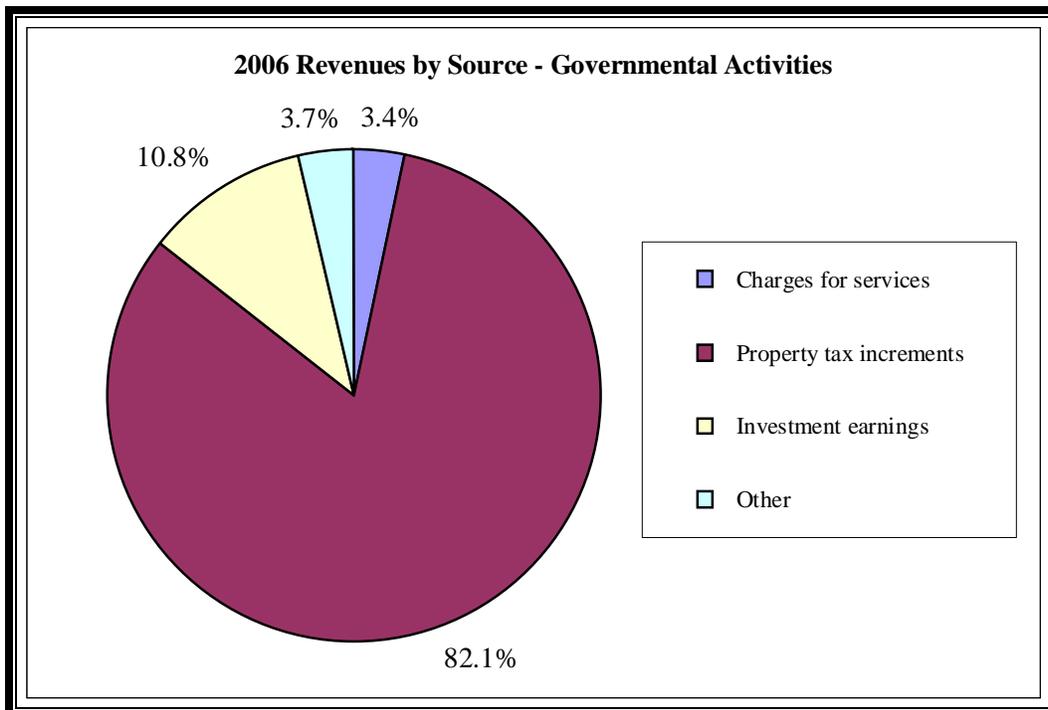
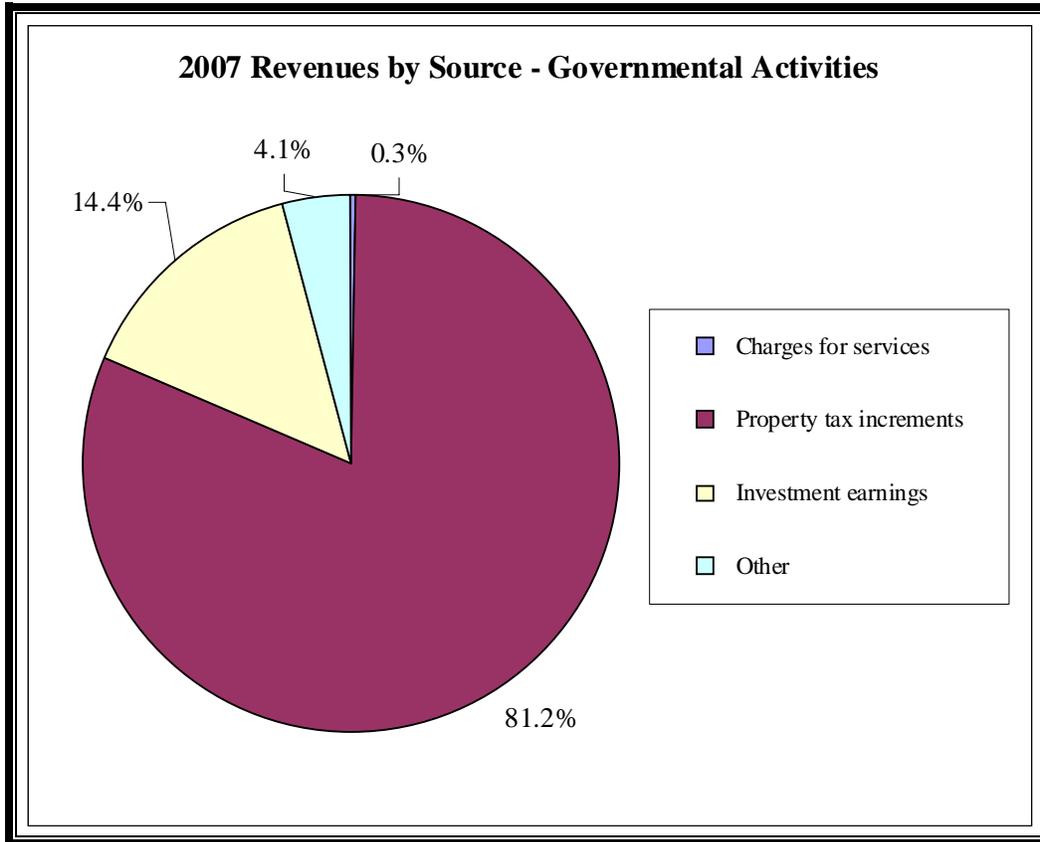
INGLEWOOD REDEVELOPMENT AGENCY
Management's Discussion and Analysis (Unaudited)
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The following table provides summarized information from the Statement of Activities:

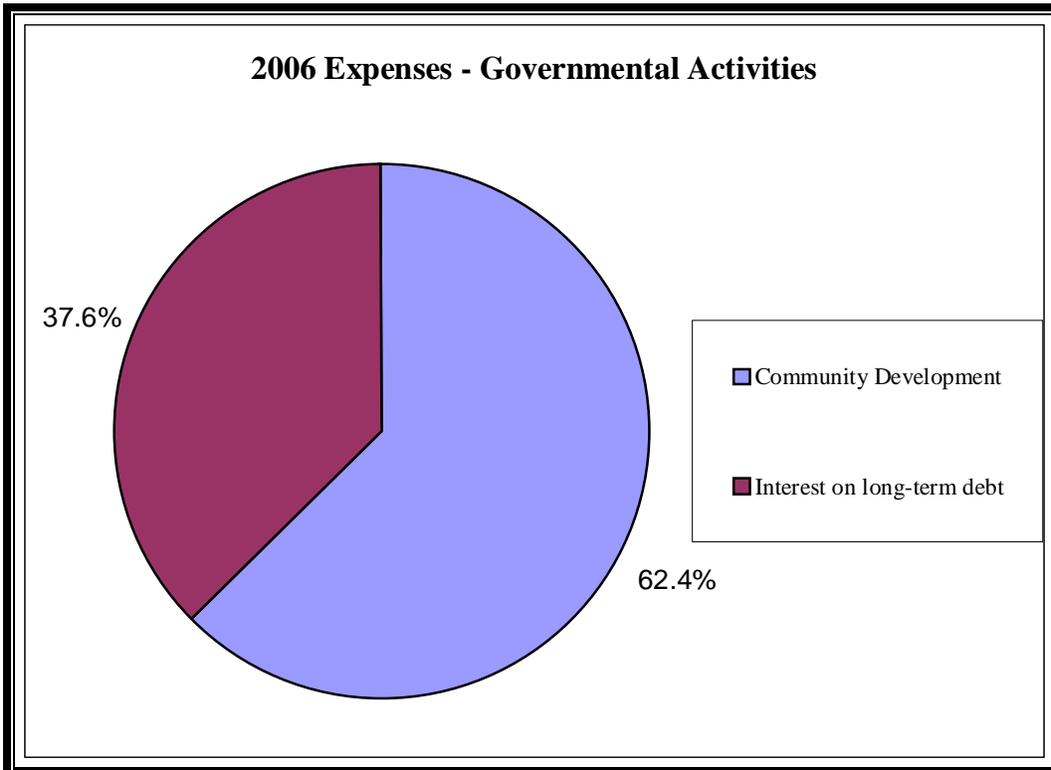
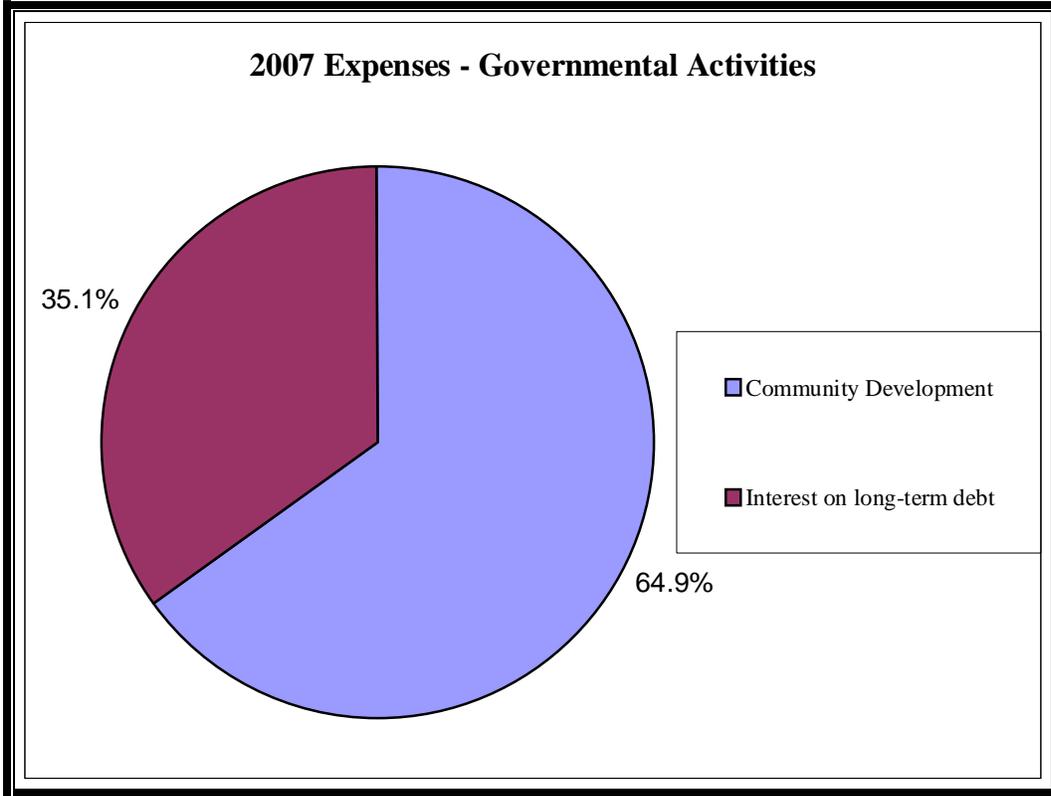
	Governmental Activities	
	2007	2006
<u>Revenues:</u>		
Program revenues – Charges for services	\$ 60,000	\$ 558,685
General revenues:		
Property tax increment	15,699,940	13,562,274
Investment earnings	2,778,210	1,782,119
Other	797,155	609,933
Total revenues	<u>19,335,305</u>	<u>16,513,011</u>
<u>Expenses:</u>		
Community Development	5,495,765	5,064,950
Interest on long-term debt	2,970,462	3,056,953
Total expenses	<u>8,466,227</u>	<u>8,121,903</u>
Change in net assets	10,869,078	8,391,108
Net assets (deficit) - beginning of the year	27,548,674	20,596,703
Prior period adjustment (Note 13)	<u> </u>	<u>(1,439,137)</u>
Net assets (deficit) – end of the year	<u>\$ 38,417,752</u>	<u>\$ 27,548,674</u>

The following charts present percentage breakdowns of revenues and expenses for the fiscal years ended September 30, 2007 and 2006.

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FUND FINANCIAL ANALYSIS

The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only assets and current liabilities generally are included on the balance sheet. Such information is useful in assessing the Agency's financial requirements. Types of governmental funds reported by the Agency are Debt Service Funds – Merged Redevelopment Debt Service and Merged Redevelopment Revenue; Capital Project Funds – Merged Redevelopment Capital Projects and Low / Moderate Income Housing.

At September 30, 2007, the Agency's governmental funds reported combined fund balances of \$87,049,430 an increase of \$10,001,885 compared to the prior year restated balances. The increase is primarily due to increased property tax increment revenues offset by spending on community development. Of the total fund balances for the governmental funds, \$21,064,727 constitutes unreserved fund balances. This amount is available for spending at the Agency's discretion. The remainder of the fund balances is reserved for the particular purpose for which the respective fund was established and is comprised of \$5,897,941 reserved for debt service (payment of principal and interest on general long-term debt), \$18,082,590 reserved for encumbrances on continuing capital projects, \$27,948,700 reserved for land held for resale and \$14,055,472 reserved for low to moderate-income housing.

At September 30, 2007, the Low / Moderate Income Housing Fund had a total fund balance of \$33,139,060. This capital projects fund is used to account for the portion of tax increment revenue designated for low to moderate-income housing. As required by the California Redevelopment Law, the Agency allocates 20 percent of the tax increment during the year for low to moderate-income housing projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Agency's investment in capital assets for its governmental activities as of September 30, 2007 amounted to \$5,675,316 net of accumulated depreciation, down from \$5,924,883 in the prior year. The investment in capital assets includes structure and improvements. There were no changes to capital assets during the fiscal year ended September 30, 2007. Additional information about the Agency's capital assets can be found in Note 6 to the financial statements.

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Debt Administration

At September 30, 2007, the Agency had total long-term debt outstanding of \$58,759,314. The outstanding debt is comprised of the following:

- \$28,480,000 Merged Redevelopment Project Tax Allocation Refunding Bonds Series 1998 A
- \$16,157,175 Merged Redevelopment Project Tax Allocation Refunding Bonds Series 2003 A
- \$10,993,749 Merged Redevelopment Project Tax Allocation Subordinate Lien Bonds Series 2003
- \$3,128,390 Note payable to Vons Company, Inc.

The following is a summary of changes to long-term debt for the fiscal year ended September 30, 2007:

	Balance October 1, 2006	Additions	Retirements	Balance September 30, 2007	Amounts Due Within One Year
Tax Allocation Bonds Payable	\$ 56,955,924	-	\$ 1,325,000	\$ 55,630,924	\$ 1,380,000
Notes payable	2,935,200	\$ 220,140	26,950	3,128,390	-
Total long-term liabilities	<u>\$ 59,891,124</u>	<u>\$ 220,140</u>	<u>\$ 1,351,950</u>	<u>\$ 58,759,314</u>	<u>\$ 1,380,000</u>

Additional information about the Agency's long-term obligations can be found in Note 7 and Note 14 to the financial statements.

Economic Factors and Next Year's Budget and Rates

- California's economy experienced a recession at the end of 2008. The slow economy is expected to continue through 2009.
- California's unemployment rate was 6.1 percent in December 2007. In December 2008, California's unemployment rate was 8.7 percent and 11.6 percent in June 2009. Unemployment is expected to increase due to weakness in the housing and financial services sectors.
- Comparing 2007 with 2006, the assessed values of all taxable property in Inglewood rose 9.9%, while the County of Los Angeles as a whole rose 9.2%. However, the regional housing market is expected to experience declining values through the end of 2009.

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- Increasing retirement benefits costs are expected to have an impact on future budgets. It is expected that pension costs and contributions will continue to increase for 2007 and 2008.

All these factors were considered in the preparation of the budget for fiscal year 2008 and future years.

Request for Information

We hope that the preceding information has provided you with a general overview of the Agency's overall financial status. For questions or comments concerning information contained in this report, please contact the Inglewood Redevelopment Agency, One Manchester Boulevard P.O. Box 6500, Inglewood, CA 90301.

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INGLEWOOD REDEVELOPMENT AGENCY
Statement of Net Assets
September 30, 2007

	Governmental Activities
ASSETS	
Cash and investments	\$55,811,423
Receivables	6,428,962
Restricted cash and investments	5,814,274
Deferred charges	1,757,387
Land held for resale	27,948,700
Capital assets:	
Depreciable, net	5,675,316
Total assets	\$103,436,062
 LIABILITIES	
Accounts/ vouchers payable	1,538,559
Due to City	590,863
Deposits and funds held for others	833,701
Accrued interest payable	3,295,873
Long-term liabilities:	
Due within one year	1,380,000
Due in more than one year	57,379,314
Total liabilities	65,018,310
 NET ASSETS	
Invested in capital assets, net of related debt	5,334,020
Restricted for:	
Capital projects	12,259,465
Debt service	5,897,941
Low-moderate income housing	38,949,790
Unrestricted	(24,023,464)
Total net assets	\$38,417,752

See accompanying notes to basic financial statements.

INGLEWOOD REDEVELOPMENT AGENCY

Statement of Activities

For the Fiscal Year Ended September 30, 2007

			Program Revenues		Net (Expenses)
			Operating	Capital	Revenues and
	Expenses	Charges for	Grants and	Grants and	Changes in
		Services	Contributions	Contributions	Net Assets
FUNCTION/PROGRAM ACTIVITIES:					Governmental
					Activities
Primary government:					
Community development	\$ 5,495,765	\$ 60,000	-	-	\$ (5,435,765)
Interest on long-term debt	2,970,462		-	-	(2,970,462)
Total governmental activities	<u>8,466,227</u>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>(8,406,227)</u>
GENERAL REVENUES:					
Property tax increment					15,699,940
Investment earnings					2,778,210
Other					797,155
Total general revenues					<u>19,275,305</u>
Change in net assets					10,869,078
NET ASSETS, BEGINNING OF YEAR, AS RESTATED					<u>27,548,674</u>
NET ASSETS, END OF YEAR					<u>\$ 38,417,752</u>

See accompanying notes to basic financial statements.

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INGLEWOOD REDEVELOPMENT AGENCY

Balance Sheet

Merged RDA Governmental Funds

September 30, 2007

	<u>Debt Service Funds</u>	
	<u>Merged Redevelopment</u>	<u>Merged Revenue</u>
ASSETS:		
Cash and investments	\$10,126,371	\$83,667
Accounts receivable	-	-
Taxes receivable	180,076	-
Interest receivable	120,085	-
Long-term receivables	-	-
Restricted cash and investments	5,814,274	-
Land held for resale	-	-
Total assets	<u>16,240,806</u>	<u>83,667</u>
 LIABILITIES AND FUND		
BALANCES:		
Liabilities:		
Accounts payable	1,441,194	-
Deferred revenue	180,076	-
Advance from City	-	-
Deposits and funds held for others	-	-
Total liabilities	<u>1,621,270</u>	<u>-</u>
 Fund balances:		
Reserved for:		
Debt service	5,814,274	83,667
Encumbrances	-	-
Land held for resale	-	-
Low-moderate income housing	-	-
Unreserved:		
Designated for debt service	8,805,262	-
Unreserved, reported in:		
Capital project funds	-	-
Total fund balances	<u>14,619,536</u>	<u>83,667</u>
 Total liabilities and fund balances	 <u>\$16,240,806</u>	 <u>\$83,667</u>

See accompanying notes to basic financial statements.

Capital Projects Funds		Total Merged RDA Governmental Funds
<u>Merged Redevelopment</u>	<u>Low / Moderate Income Housing</u>	<u>Funds</u>
\$14,563,348	\$31,038,037	\$55,811,423
43,302	-	43,302
-	-	180,076
-	274,769	394,854
-	5,810,730	5,810,730
-	-	5,814,274
26,082,446	1,866,254	27,948,700
<u>40,689,096</u>	<u>38,989,790</u>	<u>96,003,359</u>
87,365	10,000	1,538,559
-	5,810,730	5,990,806
590,863	-	590,863
803,701	30,000	833,701
<u>1,481,929</u>	<u>5,850,730</u>	<u>8,953,929</u>
-	-	5,897,941
865,256	17,217,334	18,082,590
26,082,446	1,866,254	27,948,700
-	14,055,472	14,055,472
-	-	8,805,262
12,259,465	0	12,259,465
<u>39,207,167</u>	<u>33,139,060</u>	<u>87,049,430</u>
<u>\$40,689,096</u>	<u>\$38,989,790</u>	<u>\$96,003,359</u>

See accompanying notes to basic financial statements.

INGLEWOOD REDEVELOPMENT AGENCY
 Reconciliation of the Governmental Funds Balance Sheet to
 Statement of Net Assets - Governmental Activities
 September 30, 2007

Fund balances - total governmental funds		\$ 87,049,430
Amount reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		5,675,316
Long-term loans receivable are not available to pay for current expenditures and reported as deferred revenues in the balance sheet for governmental funds.		5,810,730
In the statement of Net Assets, the City recognized uncollected property taxes levied in FY 06-07 that were earned but unavailable in FY 06-07.		180,076
Government funds report the effect of issuance costs, premium, discounts, and similar items when debt is first issued, whereas these amounts are reported as deferred charges in the statement of net assets and amortized in the statement of activities.		1,757,387
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in governmental funds.		
Note payable	(3,128,390)	
Tax allocation payable	(55,630,924)	
Accrued interest payable	<u>(3,295,873)</u>	<u>(62,055,187)</u>
Net assets of governmental activities		<u>\$ 38,417,752</u>

See accompanying notes to basic financial statements.

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INGLEWOOD REDEVELOPMENT AGENCY

Statement of Revenues, Expenditures and Changes in Fund Balances

Merged RDA Governmental Funds

For the Fiscal Year Ended September 30, 2007

	Debt Service Funds	
	<u>Merged Redevelopment</u>	<u>Merged Revenue</u>
REVENUES:		
Property tax increment	15,519,864	\$ -
Interest income	1,131,799	270,643
Rental income	-	-
Other income	26,950	-
Total revenues	<u>16,678,613</u>	<u>270,643</u>
EXPENDITURES:		
Personnel services	-	-
Maintenance and operations	-	-
Capital outlay/improvements	-	-
Debt service:		
Principal payments	1,325,000	-
Interest and other financing charges	2,179,925	-
Total expenditures	<u>3,504,925</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,173,688</u>	<u>270,643</u>
Other financing sources (uses):		
Transfers in	-	10,175,980
Transfers out	(14,058,440)	(17,455,064)
Total other financing sources (uses)	<u>(14,058,440)</u>	<u>(7,279,084)</u>
Net change in fund balances	(884,752)	(7,008,441)
Fund balances, beginning of year, as restated	<u>15,504,288</u>	<u>7,092,108</u>
Fund balances, end of year	<u>\$14,619,536</u>	<u>\$83,667</u>

See accompanying notes to basic financial statements.

Capital Projects Funds		Total
Merged Redevelopment	Low / Moderate Income Housing	Governmental Funds
\$ -	\$ -	\$15,519,864
12,356	1,363,412	2,778,210
-	60,000	60,000
401,080	446,904	874,934
413,436	1,870,316	19,233,008
2,320,238	299,123	2,619,361
1,962,144	858,776	2,820,920
285,917	-	285,917
-	-	1,325,000
-	-	2,179,925
4,568,299	1,157,899	9,231,123
(4,154,863)	712,417	10,001,885
17,455,064	3,882,460	31,513,504
-	-	(31,513,504)
17,455,064	3,882,460	-
13,300,201	4,594,877	10,001,885
25,906,966	28,544,183	77,047,545
\$39,207,167	\$33,139,060	\$87,049,430

See accompanying notes to basic financial statements.

INGLEWOOD REDEVELOPMENT AGENCY
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds
 to the Statement of Activities - Governmental Activities
 For the Fiscal Year Ended September 30, 2007

Net change in fund balances - total governmental funds		\$ 10,001,885
Amount reported for the governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and are charged to depreciation expense:		
Less current depreciation	<u>(249,567)</u>	(249,567)
Property tax increment earned in FY 05-06 and is available in the current fiscal year and recorded as revenues in the statement of activities.		-
Property tax increment earned in FY 06-07, recorded in the FY 06-07 statement of activities, but unavailable in the current fiscal year. However, in the statement of net assets, these transactions change the receivable balances.		180,076
Loans made for the Home Buyers and redevelopment of real property and the related principal repayments are recognized as expenditures and program revenues; respectively, in the governmental funds. However, in the statement of net assets, these transactions change the receivable balances.		402,221
The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premium, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts below represent differences in the treatment of long-term debt and related items.		
Change in accrued interest from prior to current year	(527,052)	
Accrued interest added in to principal on note payable	(220,140)	
Deferred interest	(70,295)	
Payments:		
Bonds principal	1,325,000	
Note payable	<u>26,950</u>	<u>534,463</u>
Change in net assets of governmental activities		<u>\$ 10,869,078</u>

See accompanying notes to basic financial statements.

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements
September 30, 2007

NOTE 1 – NATURE AND OPERATIONS OF THE AGENCY

The Redevelopment Agency of the City of Inglewood (Agency) is a separate governmental entity which was created on August 7, 1969 pursuant to the Community Redevelopment Law of the State of California Health and Safety Code; however, the Agency is a component unit of the City of Inglewood (City) and its financial activities have been blended with the financial activities of the City for purposes of financial reporting. The Agency has responsibility for elimination of blight within the limits of the City by preparing and carrying out redevelopment plans for area improvements and rehabilitation. To meet these goals, the Agency originally created six project areas: In-Town, La Cienega, North Inglewood Industrial Park ("North Inglewood"), Manchester-Prairie, Century and Imperial. Each redevelopment project involved a separate area of the City. In July of 1996, these project areas were merged to create one project area for financing purposes, facilitating improved use of resources. The general policy of the Agency is to develop such projects only to the point at which they can be sold to third parties or returned to the City as capital improvements.

The members of the City Council of the City also act as members of the Board of Directors of the Agency. Similarly, the officers of the City serve as officers of the Agency. Facilities, equipment and administrative, financial and legal services are provided to the Agency by the City, for which the City is reimbursed. The primary sources of revenue for the Agency are property tax increments, real estate sales, and bond proceeds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Government - wide Financial Statements

The statement of net assets and statement of activities display information about the Agency's activities. These statements include the financial activities of the Agency. These statements present the Agency's *governmental activities*, which normally are supported by taxes and intergovernmental revenues.

The statement of activities presents a comparison between program expenses and program revenues for each function of the Agency's governmental activities. Program expenses include such direct expenses that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When an expense is incurred for a purpose for which both restricted and unrestricted net assets are available, management has discretion as to which resources apply. It is the Agency's policy to use restricted resources before unrestricted resources.

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Agency reports the following Debt Service and Capital Projects Funds as major governmental funds:

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest. Redevelopment tax allocation debt service funds are as follows:

- Merged Redevelopment Project Area Debt Service Fund
- Merged Redevelopment Revenue Fund

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Redevelopment capital projects funds are as follows:

- Merged Redevelopment Project Area Capital Projects Fund
- Low / Moderate Income Housing Fund

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, special assessments, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental fund type financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues and other governmental fund type financial resources are recognized when they become susceptible to accrual – that is, when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered available and are accrued when received within sixty days after fiscal year-end.

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Revenue received from expenditure driven (cost-reimbursement) grants, contracts and other nonexchange transactions, as defined by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, are considered available and accrued if expected to be received within twelve months after fiscal year-end.

Cash and investments and cash and investments with fiscal agents

The Agency's cash from operations is deposited in the City Treasury. The City pools its funds with other government agencies in the City and invests them as prescribed by the California Government Code. The Agency's deposits in the City pool may be accessed at any time. The Agency is allocated interest income on monies deposited with the City based on its average yearly proportional share of the pooled cash and investments. All pooled investments and investments with fiscal agent are carried at fair value.

Property Taxes

The valuation of all taxable property is determined as of January 1 each year by the County of Los Angeles. Property taxes are levied and due in two equal installments on the following November 1 and February 1. They become delinquent if not paid by December 10 and April 10, respectively. Property taxes are remitted periodically to the Agency during the fiscal year and are net of a County administrative charge.

Land Held for Resale

Land acquired by the Agency for future development and sale is valued at the lower of cost or net realizable value and is offset by a reservation of fund balance to indicate that the assets do not constitute available spendable resources.

Capital Assets

Capital assets, which include property (e.g. land), plant (e.g. buildings, improvements), and equipment (e.g. vehicles, computers, office equipment) are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. The capitalization thresholds are \$5,000 for equipment and all buildings, improvements and infrastructure with a useful life of greater than one year.

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Senior Center	30 years
Parking Structures	30 years

Long-term Debt

The Agency reports long-term debt of governmental funds at net book value (i.e., face value adjusted by any premiums, discounts, and deferred amounts on refundings) in the government-wide statement of net assets. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide statement of net assets. At September 30, 2007, the face value of the debt equaled the net book value.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Interfund Transactions

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide presentation.

Net Assets/Fund Balances

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- Invested In Capital Assets, Net of Related Debt - This category groups all capital assets, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets/Fund Balances (Continued)

- Unrestricted Net Assets – This category represents net assets of the Agency, not restricted for any project or other purpose.

Reservations/Designations

In fund financial statements, reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental funds in the balance sheet are different from those reported for governmental activities in the statement of net assets. The following provides a reconciliation of those differences:

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

	Total Governmental Funds	Long-term Assets	Long-term Liabilities	Statement of Net Assets Totals
Assets:				
Cash and investments	\$ 55,811,423	-	-	\$ 55,811,423
Receivables	6,428,962	-	-	6,428,962
Restricted cash and investments	5,814,274	-	-	5,814,274
Deferred charges		\$ 1,757,387	-	1,757,387
Land held for resale	27,948,700	-	-	27,948,700
Capital assets:				
Depreciable, net	-	5,675,316	-	5,675,316
Total assets	<u>96,003,359</u>	<u>7,432,703</u>	<u>-</u>	<u>103,436,062</u>
Liabilities:				
Accounts payable	1,538,559	-	-	1,538,559
Deferred revenue	5,990,806	-	\$ (5,990,806)	-
Due to City	590,863	-	-	590,863
Deposits and funds held for others	833,701	-	-	833,701
Accrued interest payable	-	-	3,295,873	3,295,873
Due within one year:				
Tax allocation bonds payable	-	-	1,380,000	1,380,000
Due in more than one year:				
Notes payable – long-term portion	-	-	3,128,390	3,128,390
Tax allocation bonds payable	-	-	54,250,924	54,250,924
Total liabilities	<u>8,953,929</u>	<u>-</u>	<u>56,064,381</u>	<u>65,018,310</u>
Fund balances / net assets:				
Total fund balances / net assets	<u>\$ 87,049,430</u>	<u>\$ 7,432,703</u>	<u>\$ (56,064,381)</u>	<u>\$ 38,417,752</u>

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 4 – CASH AND INVESTMENTS

The Agency follows the practice of pooling cash with the City in order to achieve a higher return on investment. In addition, the Agency has funds that are held by trustees or fiscal agents and pledged to the payment or security of certain bonds. These funds are not pooled.

Interest income earned on pooled cash and investments is allocated to the various funds based on each fund's average monthly cash and investment balance. As of September 30, 2007, \$55,811,423 of the Agency's available cash was pooled with the City's investments.

The Agency's total cash and investments as of September 30, 2007, consisted of the following:

	<u>Carrying Amount At Fair Value</u>
Deposits	\$ 618
Pooled cash and investments with the City	55,810,805
Investments held by fiscal agents:	
Mutual funds comprised of treasury obligations	191,759
Guaranteed investment agreements	5,622,515
Total cash and investments	<u>\$ 61,625,697</u>

Detailed information concerning pooled investments with the City and related risk disclosures can be found in the City's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2007.

Under provisions of the Agency's Investment Policy and in accordance with California Government Code Section 53601, the Agency may invest or deposit in the following types of investments:

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Authorized Investments	Maxium Maturity	Maximum % of Portfolio
U. S. Treasuries	5 years	100%
Federal Agencies	5 years	50%
Certificates of Deposit	5 years	50%
Negotiable CD's	5years	30%
Bankers Acceptance	270 days	40%
Commercial Deposits (A1,P1 minimum rating)	180 days	30%
Local Agency Investment Fund (State Pool)	N/A	\$40 Mil. Per. Agency
Passbook Savings Accounts	N/A	50%
Repurchase and Reverse Repurchase Agreements	5 years	50%
Mutual Funds	N/A	15%
Medium Term Notes	5 years	30%
Certain Asset-Backed Securities	5 years	20%

The California Government Code provides that funds held by trustees or fiscal agents, unless otherwise required by statute, may be invested in accordance with the ordinances, resolutions or indentures specifying the types of investments the trustees or fiscal agents may make.

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 5 – INTERFUND TRANSACTIONS

Transfers

Transfers are indicative of funding for capital projects or debt service, subsidies of various Agency operations and re-allocations of special revenues. The following schedule briefly summarizes the Agency's transfer activity:

Transfer From	Transfer To	Amount	Purpose
<i>Operating or debt subsidy:</i>			
Merged Redevelopment Debt Service Fund	Low / Moderate Income Housing Fund	\$ 3,882,460	Transfer of 20% tax increment to fund low and moderate housing projects
	Merged Redevelopment Revenue Fund	10,175,981	Transfer of surplus tax increment to Merged Redevelopment Revenue Fund in accordance with Bond Indenture
Merged Redevelopment Revenue Fund	Merged Redevelopment Project Fund	17,455,064	Transfer of excess tax revenue amount above the amount required by the Bond Indenture.
Total		<u>\$ 31,513,505</u>	

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2007 was as follows:

	Balance October 1, 2006	Additions	Retirements	Balance September 30, 2007
<u>Governmental activities:</u>				
<i>Capital assets, depreciable</i>				
Senior Center	677,000	-	-	677,000
Parking Structures	6,810,000	-	-	6,810,000
Total capital assets, depreciable	<u>7,487,000</u>	<u>-</u>	<u>-</u>	<u>7,487,000</u>
Less accumulated depreciation for:				
Senior Center	130,700	22,567	-	153,267
Parking Structures	1,431,417	227,000	-	1,658,417
Total accumulated depreciation	<u>1,562,117</u>	<u>249,567</u>	<u>-</u>	<u>1,811,684</u>
Governmental activities capital assets, net	<u>5,924,883</u>	<u>(249,567)</u>	<u>-</u>	<u>5,675,316</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

Community Development	\$ 249,567
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INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 7 – LONG-TERM OBLIGATIONS

Notes Payable

During the 1994 fiscal year, the Agency entered into an agreement with Vons Company, Inc. for the construction of a store within the Manchester-Prairie Project Area, now part of the Merged Redevelopment Project Area. In conjunction with this agreement, the Agency issued a promissory note to repay the developer for value received. Part A of the note requires repayment of \$1,500,000 principal with interest accruing at 7.5% on the unpaid principal. Annual payments are to equal 60% of sales tax generated from the site and principal will increase by any excess in accrued interest over payment. Part A of the note expires June 1, 2013. The Agency will be under no further obligation to repay principal and interest after the expiration date except for tax amounts attributable to periods prior to the expiration date. As of September 30, 2007, accrued interest and principal due on the note was \$3,128,390. The annual debt service requirement on the note has been estimated based on the current year payment, increasing approximately 3% each year.

Tax Allocation Bonds Payable

Tax Allocation Bonds are secured by all tax increment revenue, which is deposited directly with the fiscal agent and recorded in the Debt Service Funds. Cash and investments in the custody of the fiscal agent are restricted by the bond resolutions for payment of principal and interest on the Tax Allocation Bonds. In addition, the bond resolutions require retention of funds held by the fiscal agent prior to use for other than debt service.

The Agency is in compliance with the covenants contained in the various debt indentures, which require the establishment of certain specific accounts for the Tax Allocation Bonds. The Agency is required to deposit all surplus tax revenues into a special surplus tax revenue fund. During the fiscal year ended September 30, 2007, the Agency deposited surplus revenues in the Merged Redevelopment Revenue Fund as required by the indentures. As of September 30, 2007, the surplus tax revenue fund balance totaled \$83,667.

On December 13, 2007, the Agency issued Merged Redevelopment Project Subordinate Lien Tax Allocation Bonds, Series 2007A (2007A Bonds). See Note 14.

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)

Notes Payable & Tax Allocation Bonds Payable

A summary of long-term debt obligations follows:

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments (in thousands)	Original Issue Amount	Outstanding at September 30, 2007
<u>Note payable:</u>					
Vons Company, Inc.	06/01/13	7.50%	\$0 - \$ 2,757	\$ 2,000,000	\$ 3,128,390
<u>Tax Allocation Bonds Payable:</u>					
Merged Redevelopment Project Tax Allocation Refunding Bonds Series 1998 A	05/01/23	4.00% - 5.25%	\$465 - \$2,305	38,960,000	28,480,000
Merged Redevelopment Project Tax Allocation Refunding Bonds Series 2003 A	05/01/31	4.30% - 4.71%	\$630 - \$1,555	16,157,175	16,157,175
Merged Redevelopment Project Subordinate Lien Tax Allocation Bonds Series 2003	05/01/31	5.00% - 6.50%	\$88 - \$1,390	10,993,749	10,993,749
Total Notes and Tax Allocation Bonds Payable				<u>\$ 68,110,924</u>	<u>\$ 58,759,314</u>

As of September 30, 2007, annual debt service requirements of governmental activities to maturity are as follows:

Year ending September 30:	Note Payable	
	Principal	Interest
2008	\$ -	\$ 40,000
2009	-	41,000
2010	-	42,000
2011	-	43,000
2012	-	44,000
2013	3,128,390	102,800
Total requirements	<u>\$ 3,128,390</u>	<u>\$ 312,800</u>
Tax Allocation Bonds Payable		
Year ending September 30:	Principal	Interest
2008	1,380,000	2,083,413
2009	1,440,000	2,026,487
2010	1,500,000	1,965,287
2011	1,565,000	1,899,663
2012	2,553,656	2,308,845
2013-2017	16,289,561	12,939,215
2018-2022	17,040,777	12,031,570
2023-2027	8,482,398	4,821,136
2028-2031	5,379,532	2,247,864
Total requirements	<u>\$ 55,630,924</u>	<u>\$ 42,323,480</u>

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)

Notes Payable & Tax Allocation Bonds Payable (Continued)

The following is a summary of long-term liabilities transactions for the year ended September 30, 2007:

	Balance October 1, 2006	Additions	Retirements	Balance September 30, 2007	Amounts Due Within One Year
<u>Governmental activities:</u>					
Note payable	\$ 2,935,200	\$ 220,140	\$ 26,950	\$ 3,128,390	-
Tax Allocation Bonds Payable	56,955,924	-	1,325,000	55,630,924	\$ 1,380,000
Total long-term liabilities	<u>\$ 59,891,124</u>	<u>\$ 220,140</u>	<u>\$ 1,351,950</u>	<u>\$ 58,759,314</u>	<u>\$ 1,380,000</u>

Defeasance of Debt

In prior years, the Agency defeased certain Tax Allocation Bonds by placing the proceeds of new bonds in irrevocable trust accounts to provide for all future debt service payments on the old bonds. As of September 30, 2007, all current liability on previously defeased bonds had been paid by the escrow agent.

NOTE 8 – LOW AND MODERATE INCOME HOUSING SET ASIDE

The Health and Safety Code Section 33334.2 requires a Redevelopment Agency to use at least 20% of tax increment revenues generated by a redevelopment project area to increase and improve the supply of low and moderate income housing in the community. State Assembly Bill 2080, enacted in September 1989, requires that for pre-1977 project areas all housing set-aside deferrals beginning with 1985/86 shall be considered deficits to the Low/Moderate Income Housing Fund, which the Agency is required to eliminate in subsequent years in accordance with a plan to be determined by the Agency.

For fiscal years 1986 through 2007, the Agency's commitment for its low and moderate income housing program amounted to \$15,921,726, which is fully funded and reflected as a reservation of fund balance for Low/Moderate Income Housing and Land Held for Resale in the Low/Moderate Income Housing Fund.

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 9 – LONG-TERM RECEIVABLES

The Agency provided financial assistance to qualifying low and moderate income households in connection with the first time home buyers loan program. In addition, the Agency provided a loan for the development of real property. Due to the long-term nature of the loans, the Agency, on the governmental fund financial statements, has deferred recognition of revenues until receipt. As of September 30, 2007, the balance of long-term receivables was as follows:

	Low/Moderate Income <u>Housing Fund</u>
First time home buyer loans	\$ 4,223,671
Development loan	<u>1,587,059</u>
Total long-term receivables	<u><u>\$ 5,810,730</u></u>

NOTE 10 – SELF-INSURANCE PROGRAM

In conjunction with the City, the Agency is self-insured for the first \$1,000,000 of general liability claims and for the first \$250,000 of workers' compensation claims. Information pertaining to the amounts accrued for claims payable may be found in the City's Comprehensive Annual Financial Report. The annual premium to the Agency in fiscal year 2007 was approximately \$136,715.

NOTE 11 – RETIREMENT PLAN

The Agency, as part of the City, contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer PERS that acts as a common investment and administrative agent for municipalities in California. The Agency pays the City's share of pension costs, which amounted to \$374,749 for the fiscal year ended September 30, 2007. Contribution amounts are based upon rates established by PERS for the City's general employees who have performed services for the Agency. No separate pension benefit obligation is calculated for the Agency; and accordingly, no obligation is presented herein. Further information regarding the City's participation in PERS may be found in the City's Comprehensive Annual Financial Report.

NOTE 12 – RELATIONSHIP WITH THE CITY OF INGLEWOOD

The Agency does not have any employees and does not own or use facilities separated from the City. Facilities, equipment and administrative, financial and legal services are provided to the Agency by the City, for which the City is reimbursed. During the fiscal year ended September 30, 2007, the City was reimbursed \$2,479,561 for salaries and benefits, \$782,805 for administration and facilities, \$110,004 for liability insurance, and \$26,711 for worker's compensation insurance. The remainder of the Agency's expenditures was paid by the City to third parties.

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

The accompanying financial statements reflect adjustments resulting from restatements of beginning fund balances and net assets as of September 30, 2007. Beginning fund balances and beginning net assets have been restated to reflect corrections in pass-through payments which were required to have been made by the RDA from fiscal years 2003-04 through 2005-06. Assembly Bill (AB) 1389, Chapter 751 of 2008, in part, added Section 33684 to the Health and Safety Code (H&S) which requires that every redevelopment agency submit a report of its pass-through obligations. During the preparation of this report, the RDA determined that pass-through payments had not been calculated correctly and that additional payments were due to other agencies.

The following schedule summarizes the effect of the prior period adjustments on the beginning fund balances at October 1, 2006:

Fund Statements:

Governmental Funds:

	Merged Redevelopment Debt Service Fund
Beginning fund balances, as previously reported	\$ 16,943,425
Property tax pass-through due to City	(608,651)
Property tax pass-through due to other taxing agencies	(830,486)
Beginning fund balances, as restated	\$ 15,504,288

The following schedule summarizes the effect of the prior period adjustments on the beginning net assets at October 1, 2006:

Statement of Net Assets:

	Governmental Activities	Total
Beginning net assets, as previously reported	\$ 28,987,811	\$ 28,987,811
Property tax pass-through due to the City	(608,651)	(608,651)
Property tax pass-through due to other taxing agencies	(830,486)	(830,486)
Beginning net assets, as restated	\$ 27,548,674	\$ 27,548,674

INGLEWOOD REDEVELOPMENT AGENCY
Notes to the Basic Financial Statements (Continued)
September 30, 2007

NOTE 14 - SUBSEQUENT EVENTS

The following events occurred subsequent to September 30, 2007:

New Bond Issuances

On December 13, 2007, the Agency issued Merged Redevelopment Project Subordinate Lien Tax Allocation Bonds, Series 2007A (2007A Bonds). The 2007A Bonds include three sub series: Series 2007A-1, Series 2007A-T and Series 2007A-H. Proceeds from the Series 2007A-1 Bonds will be used for non-housing related activities. The Series 2007A-1 Bonds were issued on a tax-exempt basis for a total amount of \$67,230,000 with interest rates ranging from 3.250% to 5.000%. Proceeds from the Series 2007A-T Bonds will also be used for non-housing related activities. However, to expand eligible uses, the Series 2007A-T Bonds were issued on a taxable basis for a total amount of \$7,535,000 at an interest rate of 6.315%. Proceeds from the Series 2007A-H Bonds will be used exclusively for housing activities. The Series 2007A-H Bonds were also issued on a taxable basis for a total amount of \$35,315,000 with interest rates ranging from 5.750% to 6.315%.

PERS Contribution Rates

PERS is indicating that the City's Miscellaneous Plan contribution rate will be 9.917% and 10.419% for FY 2007-08 and FY 2008-09, respectively. These contribution rate changes are accounted for in the Agency's 2007-08 budget and will be reflected in future budget years.

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INGLEWOOD REDEVELOPMENT AGENCY
Notes to Supplementary Information
September 30, 2007

BUDGETARY COMPARISON SCHEDULES

The Agency adopts an annual budget for all fund types as a management control technique to assist in controlling expenditures and enforcing revenue provisions. The adopted budget is consistent with GAAP except as follows:

Basis Difference - Purchases and sales of land held for resale are recorded as expenditures or revenue, respectively, for budgetary purposes while for GAAP purposes, they are recorded as additions or deletions of assets, respectively.

Timing Difference - Encumbrances, which represent commitments to acquire goods and services, are recorded as the equivalent of expenditures for budgetary purposes while they are recorded as reservations of fund balances for GAAP purposes.

Perspective Difference - Due to the Agency's relationship with the City, operating transfers between the Agency and the City are recorded as other financing sources or other financing uses for budgetary purposes while they are recorded as revenues or expenditures for GAAP purposes.

The Agency's Executive Director has the authority to transfer monies between line items and between and within organizational division, section activity, and program budgets, without restriction as to amount. The Agency's Executive Director may transfer monies between personnel service, maintenance and operation, and capital outlay and improvement accounts up to the amount of \$5,000 without approval of the Agency Board, as set forth in the Inglewood Municipal Code Section 2-235. However, the Agency Board has exclusive authority to approve any transfers exceeding \$5,000.

In order to provide a meaningful comparison of actual results with the budget, a reconciliation between the budgetary and GAAP bases has been presented in the accompanying Budgetary Comparison Schedules.

INGLEWOOD REDEVELOPMENT AGENCY

Budgetary Comparison Schedule
Merged Redevelopment Project - Debt Service Fund
For Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property tax	\$ 13,766,685	\$ 13,766,685	\$ 15,519,864	\$ 1,753,179
Use of money and property	600,000	600,000	1,131,799	531,799
Other revenues	-	-	-	-
Total revenues	<u>14,366,685</u>	<u>14,366,685</u>	<u>16,651,663</u>	<u>2,284,978</u>
EXPENDITURES:				
Debt Service:				
Principal	1,325,000	1,325,000	1,325,000	-
Interest and other administration expenses	<u>2,157,738</u>	<u>2,157,738</u>	<u>2,179,925</u>	<u>(22,187)</u>
Total expenditures	<u>3,482,738</u>	<u>3,482,738</u>	<u>3,504,925</u>	<u>(22,187)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,883,947</u>	<u>10,883,947</u>	<u>13,146,738</u>	<u>2,262,791</u>
Other financing sources (uses):				
Transfers in	40,000	40,000	26,950	(13,050)
Transfers out	<u>(10,120,000)</u>	<u>(10,120,000)</u>	<u>(14,058,440)</u>	<u>(3,938,440)</u>
Total of other financing sources (uses)	<u>(10,080,000)</u>	<u>(10,080,000)</u>	<u>(14,031,490)</u>	<u>(3,951,490)</u>
NET CHANGE IN FUND BALANCES	803,947	803,947	(884,752)	(1,688,699)
Fund balances, beginning of year, as restated	<u>15,504,288</u>	<u>15,504,288</u>	<u>15,504,288</u>	-
FUND BALANCE, END OF YEAR	<u><u>\$ 16,308,235</u></u>	<u><u>\$ 16,308,235</u></u>	<u><u>\$ 14,619,536</u></u>	<u><u>\$ (1,688,699)</u></u>

INGLEWOOD REDEVELOPMENT AGENCY

Budgetary Comparison Schedule
Merged Redevelopment - Capital Projects Fund
For Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 4,000	\$ 4,000	\$ 12,356	\$ 8,356
Charges for services	440,000	440,000	326,466	(113,534)
Other revenues	-	-	74,614	74,614
Total revenues	444,000	444,000	413,436	(30,564)
EXPENDITURES:				
Personnel services	2,597,649	2,599,449	2,320,238	279,211
Maintenance and operations	3,685,448	3,313,194	1,962,144	1,351,050
Capital outlay	6,000	4,720,485	285,917	4,434,568
Total expenditures	6,289,097	10,633,128	4,568,299	6,064,829
Excess (deficiency) of revenues over (under) expenditures	(5,845,097)	(10,189,128)	(4,154,863)	6,034,265
Other financing sources (uses):				
Transfers in	7,360,000	7,360,000	17,455,064	10,095,064
Transfers out	-	-	-	-
Total of other financing sources (uses)	7,360,000	7,360,000	17,455,064	10,095,064
NET CHANGE IN FUND BALANCES	1,514,903	(2,829,128)	13,300,201	16,129,329
Fund balances, beginning of year	25,906,966	25,906,966	25,906,966	-
FUND BALANCE, END OF YEAR	\$ 27,421,869	\$ 23,077,838	\$ 39,207,167	\$ 16,129,329

INGLEWOOD REDEVELOPMENT AGENCY

Budgetary Comparison Schedule
 Low/Moderate Housing Income Fund
 For Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES-				
Use of money and property	\$ 660,000	\$ 660,000	\$ 1,423,412	\$ 763,412
Other revenues	-	-	446,904	446,904
Total revenues	<u>660,000</u>	<u>660,000</u>	<u>1,870,316</u>	<u>1,210,316</u>
EXPENDITURES:				
Personnel services	469,632	469,632	299,123	170,509
Maintenance and operations	10,375,154	12,064,276	849,487	11,214,789
Capital outlay	-	-	-	-
Total expenditures	<u>10,844,786</u>	<u>12,533,908</u>	<u>1,148,610</u>	<u>11,385,298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,184,786)</u>	<u>(11,873,908)</u>	<u>721,706</u>	<u>12,595,614</u>
Other financing sources (uses):				
Transfers in	2,975,000	2,975,000	3,882,460	907,460
Transfers out	-	-	(9,289)	(9,289)
Total of other financing sources (uses)	<u>2,975,000</u>	<u>2,975,000</u>	<u>3,873,171</u>	<u>898,171</u>
NET CHANGE IN FUND BALANCES	(7,209,786)	(8,898,908)	4,594,877	13,493,785
Fund balances, beginning of year	<u>28,544,183</u>	<u>28,544,183</u>	<u>28,544,183</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 21,334,397</u></u>	<u><u>\$ 19,645,275</u></u>	<u><u>\$ 33,139,060</u></u>	<u><u>\$ 13,493,785</u></u>

INGLEWOOD REDEVELOPMENT AGENCY

Budgetary Comparison Schedule
Merged Redevelopment Revenue Fund
For Fiscal Year Ended September 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES-				
Use of money and property	\$ 51,000	\$ 51,000	\$ 270,643	\$ 219,643
Total revenues	51,000	51,000	270,643	219,643
OTHER FINANCING SOURCES (USES)-				
Transfers in	7,145,000	7,145,000	10,175,980	3,030,980
Transfers out	(7,145,000)	(7,145,000)	(17,455,064)	(10,310,064)
Total of other financing sources (uses)	-	-	(7,279,084)	(7,279,084)
NET CHANGE IN FUND BALANCES	51,000	51,000	(7,008,441)	(7,059,441)
Fund balances, beginning of year	7,092,108	7,092,108	7,092,108	-
FUND BALANCE, END OF YEAR	\$ 7,143,108	\$ 7,143,108	\$ 83,667	\$ (7,059,441)

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**Report on Internal Control Over Financial Reporting and on Compliance
And Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and
Members of the Agency Council
Inglewood Redevelopment Agency, California

We have audited the accompanying basic financial statements of the governmental activities, and each major fund of the **Inglewood Redevelopment Agency** (Agency), a component unit of **the City of Inglewood**, California (City), as of and for the year ended September 30, 2007, and have issued our report thereon dated June 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to a financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider deficiencies FS-07-01, FS-07-02, FS-07-03, FS-07-04, FS-07-05, FS-07-06 and FS-07-07 described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, we believe that deficiencies FS-07-01, FS-07-02 and FS-07-03 described above are material weaknesses.





Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies*, issued by the State Controller. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Agency in a separate letter dated June 26, 2009.

This report is intended solely for the information and use of the, Mayor, RDA Council, the Agency management, and the State Controller and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read 'Seriyson & Seriyson', written in black ink.

Los Angeles, California
June 26, 2009

INGLEWOOD REDEVELOPMENT AGENCY
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FS-07-01 Loans Receivable -Material Weakness

Criteria

In accordance with Section 33334.3 of the Health and Safety Code (b), any interest earned by the Low and Moderate Income Housing Fund and any repayments or other income to the agency for loans, advances, or grants, of any kind from the Low and Moderate Income Housing Fund, shall accrue to, and be deposited in the fund, and may only be used in the manner prescribed for the Low and Moderate Income Housing Fund.

Condition

The "First Time Homebuyer Mortgage Assistance Loan Program" and the "Home Rehabilitation Loan Program" had a balance of approximately \$4.2 million of non-interest bearing loans to qualified participants as of September 30, 2007 funded by the Inglewood Redevelopment Agency (RDA) from the 20% property tax set-aside in the Low and Moderate Income Housing Fund. Repayment of the loans is required if the title of the assisted property changes during the term of the loan.

The Agency contracted with a local not-for-profit organization (Organization) to manage these loan programs. In October, 2007, the Agency was informed by the Organization that they had received \$324,965 of loan principal repayments prior to September 30, 2007, which had not been remitted to the Agency. The Organization remitted the first payment along with the correspondence and indicated they were unable to remit the entire amount due the Agency and would pay the balance in installments. The funds were paid back to the Agency in three installment payments between October 5, 2007 and November 17, 2008. Therefore, the Agency was not aware that the borrowers had repaid the loans and the amount was still reflected as a receivable on the Agency's books and records as of September 30, 2007. Until receipt of correspondence from the Organization, the Agency was unaware that title had changed on 6 loans. Upon inquiry of program management, we were informed that between 1980 and 1994, and 2001 to present, the Agency was named as the beneficiary and trustee on all loans. However, between 1994 and 2001, for the Organization to be considered an official, administering agency, the Organization had to be beneficiary on the loan documents. One of the key internal control indicators that the loans have been paid off is the change in title when escrow closes.

Effect

The Agency's lack of programmatic internal controls and accounting internal controls related to the accuracy and monitoring of the loans receivable was not effective to prevent errors and detect potential fraud or abuse of the Agency funds. The unaudited loans receivable balance at September 30, 2007 was incorrectly stated, a receivable from the contracted Organization for funds collected and not remitted to the Agency was not recorded and interest income was not recorded. However, upon receipt of correspondence from the contracted Organization, the receivable balances were adjusted based upon the information provided by the non-profit organization and interest income was recorded.

Recommendation

We understand that the Agency has terminated its contract with the contracted Organization, and has engaged the services of an external public accounting CPA firm to review the entire loan portfolio maintained by the contracted organization on behalf of the Agency to determine what loans have been made, what loans have been repaid and to demand payment of any additional monies owed to the Agency.

INGLEWOOD REDEVELOPMENT AGENCY
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We recommend that the Agency develop and implement a tracking system to properly monitor the accuracy of the outstanding loan portfolio and payments of the loan balances for both the First time Homebuyers and the Rehabilitation loan programs to prevent a loss in revenue to the Agency. The Agency should ensure that all outstanding loans be titled to the Agency as beneficiary and trustee. We also recommend that the Agency properly monitor its contracts with all outside contracted entities to prevent possible defalcation, abuse or fraud in the accounting for these loans and to perform all of their fiduciary duties under the terms of the loan agreements and Agency internal control policies and procedures.

Views of Responsible Officials and Planned Corrective Action

The City agrees with the condition and finding of the auditors. The City has taken the following corrective action:

1. Performed title searches on the loans based on our records to determine whether title has changed without the City being notified.
2. Reviewed the title on all outstanding loans based on our records to ensure that City is the beneficiary and will be notified if title changes occur in the future.
3. Reviewed loans and compared owner data to the owner as listed on parcel records provided quarterly by the County of Los Angeles. Any discrepancies have been noted for follow up.
4. Engaged a separate firm to review the files for the First Time Home Buyer and Housing Rehabilitation Deferred Loan Programs. Any deficiencies noted in this review will be investigated. The City is currently in the process of reviewing its procedures and the communication between the Redevelopment Agency and the Finance Department. Once the current process is evaluated, the City will implement new practices that improve internal controls and ensure that loans issued are properly reconciled and recorded on the City's accounting records.

* * * * *

FS-07-02 Audit Adjustments – Material Weakness

Criteria

Pursuant to the Statement on Auditing Standards (SAS) 112, one control deficiency that should be regarded as at least a significant deficiency, and a strong indicator of a material weakness in internal control, is identification by the auditor of a material misstatement in the financial statements that was not initially identified by the entity's internal controls even if management subsequently corrects the misstatement.

Condition

During the course of the audit, we identified four material audit adjustments to the Agency's Governmental Fund financial statements. The Agency made the adjustments which resulted from the need to recognize revenues and expenditures for fiscal year 2006-07 in the Fund financial statements.

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Recommendation

We recommend that the City's Finance Director review the internal controls over financial reporting to improve the detection of misstatements in the financial statements. The controls should include a thorough review of the financial statements prior to the statements being audited.

Views of Responsible Officials and Planned Corrective Action

The City agrees with the condition and finding of the auditors. The City expects fewer audit adjustments in the future due to the following corrective action:

1. The City is currently recruiting for the positions of Assistant Finance Director and Internal Auditor. These positions have been difficult to fill. As a result, the City's ability to detect misstatements has been diminished. Once filled, these positions would provide the City greater ability to improve financial reporting and detect recording errors on a timely basis.
2. While the recruitment process is ongoing, the City has engaged temporary staff to assist the Finance Director in performing a thorough review of financial information, compiling financial reports and ensuring that errors are detected prior to annual audits

* * * * *

FS-07-03 Computer Operations Policies and Procedures – Material Weakness

Criteria

Documented computer operational procedures aid with ensuring management's criteria for operating information systems is effectively communicated and adhered to in a consistent manner. Also, documented procedures help ensure information systems are operated in compliance with an organization's policy.

Condition

The City does not have documented procedures for computer operations to include the following:

- Data backup and recovery
- Problem management
- System monitoring and error handling
- Network monitoring

Effect

The lack of documented procedures may contribute to the malfunctioning of mission critical accounting application systems that adversely impact Agency operations. The City's accounting and financial reporting system is centralized to handle the Agency transactions.

Recommendation

We recommend that IT management fully document their procedures for computer operation functions.

INGLEWOOD REDEVELOPMENT AGENCY

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Views of Responsible Officials and Planned Corrective Action

The City concurs with the findings of the auditors. Technology-centric policies and procedures are essential components to successful operation. With respect to data backup and recovery, the City's Information Technology and Communications (ITC) Department is currently revising its documentation, which should be completed by July 16, 2009. The City's ITC Department will begin documenting its procedures for problem management, system monitoring, error handling and network monitoring as soon as possible.

* * * * *

FS-07-04 Eden Security Administration - Significant Deficiencies

Criteria

Security reports for financial systems should be generated and reviewed by management periodically to ensure access to sensitive accounting transactions and system privileges is appropriate. Such a process is essential to restricting user access on a "need to know" basis and ensuring proper segregation of duties is enforced by the system. Also, the Security Administration function should be separate from the system's user departments to ensure user access approval (as well as transaction processing) and custody of assets (e.g., data) is properly segregated.

Condition

During the course of our audit, we noted the following relative to EDEN security administration:

- There is no documented periodic review of EDEN user access to ensure inappropriate system access is identified and removed in a timely manner.
- The Finance Director has systems administration access for the EDEN system. As a result, this person with the ability to administer user security and process accounting transactions.

Effect

The lack of user access review/certification and adequate segregation of security administration capabilities could result in unauthorized system access and the processing of accounting transactions. The City's accounting and financial reporting system is centralized to handle the RDA transactions.

Recommendation

We recommend that the City management generate and periodically (i.e., semi-annually) review user access for Eden system administration and transaction access. We also recommend that the systems administration function be separated from the Financial Director position and organized/placed within the Information Technology department.

Views of Responsible Officials and Planned Corrective Action

The City concurs with the findings of the auditors in that reviews of Eden user access should be separated from the Finance Director and performed by authorized network administrators and executive management within our ITC Department. This would provide the necessary checks and balances, as well as a level of security control at the transaction-level. ITC currently has this ability to perform these functions and will work with the City Administration to create a set of policies and

INGLEWOOD REDEVELOPMENT AGENCY

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procedures for periodically generating and reviewing these reports independent of the Finance Department and Finance Director.

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FS-07-05 Information Security Policies and Procedures – Significant Deficiency

Criteria

Documented information security policies and procedures govern the administration of security for an organization's mission critical systems (e.g., accounting systems). Such procedures establish management's standards for user account provisioning, data/transaction user access and information protection requirements.

Condition

Although the City is in the process of developing an information security policies and procedures manual, it is not yet completed. Such documentation ensures that appropriate security controls are in place to prevent unauthorized access to sensitive financial data and transactions. The security policy should include procedures for user account setup and termination provisions, password requirements, lockout controls, configuration standards, and user access review.

Effect

The lack of documented security administration procedures could result in the granting of inappropriate access to system users and inadvertent or intentional unauthorized changes to financial reporting data. The City's accounting and financial reporting system is centralized to handle the Agency transactions

Recommendation

We recommend that information security policies and procedures be documented.

Views of Responsible Officials and Planned Corrective Action

The City's ITC Department is in the process of documenting security protocols and procedures as they relate to network access. The City will ensure that its ITC and Finance Departments coordinate and implement a clear and concise set of Eden-related security policies.

* * * * *

FS-07-06 – Password Security - Significant Deficiency

Criteria

Stringent security over password management is vital to ensuring system access is effectively controlled. Password controls include the aging of passwords to force their periodic change and password complexity to prevent the guessing of passwords by a system intruder.

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Condition

The City does not enforce password complexity for network passwords and passwords are not aged to required periodic forced password changing.

Effect

The combination of these conditions creates a risk of a system intruder easily guessing a user's password to gain unauthorized access to sensitive data or system resources. The City's accounting and financial reporting system is centralized to handle the RDA transactions

Recommendation

We recommend that the City implement a domain wide strong password policy with the following requirements:

- Password history of 10 passwords
- Maximum password age of 60 days; Minimum password age of 30 days
- Passwords meet the following complexity requirements:
 - Not contain significant portions of the user's account name or full name
 - Be at least six to eight characters in length
 - Contain characters from three of the following four categories:
 - a. English uppercase characters (A through Z)
 - b. English lowercase characters (a through z)
 - c. Base 10 digits (0 through 9)
 - d. Non-alphabetic characters (for example, !, \$, #, %)

Views of Responsible Officials and Planned Corrective Action

The City concurs with the findings of the Auditor in this regard and will work to implement this policy at the user level as soon as possible. In addition, the City's ITC Department is looking into purchasing password key toggles for high-security ITC personnel.

* * * * *

FS -07-07 Ineffective Oversight of the Agency's Financial Reporting by Those Charged with Governance – Significant Deficiency

Criteria

Pursuant to Statement on Auditing Standards (SAS) 112, a control deficiency that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control, is ineffective oversight of the organization's financial reporting and internal control by those charged with governance.

Condition

The annual audited financial reports of the Agency for Fiscal Years ending September 30, 2005, 2006 and 2007 have been issued twelve to nineteen months after year-end. The late submission of the financial statements resulted from lack effective oversight by the Agency's management.

INGLEWOOD REDEVELOPMENT AGENCY

Schedule of Findings and Responses

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Effect

The delay in providing financial reports in a timely manner has impacted the Agency in the following ways:

- The Agency is not in compliance with its bond covenants due to non compliance with their submission of financial reports:
- Stale financial reports affect the ability of those responsible for financial oversight to effectively govern.

Recommendation

We recommend that those charged with governance implement internal reporting policies and procedures to ensure that accurate and timely financial information and related preparation of financial statements are submitted timely to various stakeholders. Accounting and financial information is the language of business and must be properly assessed and comprehended in order to allow for management to guide and direct an entity into the future.

Views of Responsible Officials and Planned Corrective Action

The City Administrator will recommend the immediate implementation of the following:

1. Creation of an Audit Committee of the City Council. This committee will be responsible for reviewing the City's Comprehensive Annual Financial Report (CAFR) and results of audits with the City Administrator, Finance Director and Auditors.
2. The City Administration, the Mayor and City Council are actively involved in recruiting for the positions of Assistant City Administrator – Chief Financial Officer, Assistant Finance Director and Internal Auditor. These positions have been difficult to fill. As a result, the City's ability to prepare financial information on a timely basis has been diminished. Once filled, these positions would provide the City greater ability to improve accuracy and timeliness of financial statements and strengthen internal controls.
3. While the recruitment process is ongoing, the City has engaged temporary staff to assist the Finance Director in improving timeliness of financial reports and ensuring that financial information is accurate.
4. An Administrative Policy will be developed requiring the Finance Department to complete the Annual CAFR in time to meet the requirements of Federal, State and local funding Agencies.
5. An Administrative Policy will be developed to ensure the Finance Department manages the City's financial system in a manner to ensure accurate and timely submittal of financial statements and reports to the City Council, City Administrator and relevant funding agencies.