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EMERYVILLE REDEVELOPMENT AGENCY
EMERYVILLE, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2010

Lance Soll & Lunghard, LLP

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INDEPENDENT AUDITORS' REPORT

To the Honorable Chair and Members of the Governing Board
Emeryville Redevelopment Agency
City of Emeryville, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Emeryville Redevelopment Agency, a component unit of City of Emeryville, California, as of and for the year ended June 30, 2010, which collectively comprise the Emeryville Redevelopment Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Emeryville Redevelopment 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 *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 misstatements. 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 Emeryville Redevelopment Agency as of June 30, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, we have also issued our report dated November 12, 2010, on our consideration of the Emeryville Redevelopment 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 on pages 5 through 18 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting

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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 Emeryville Redevelopment Agency's basic financial statements. The combining project area statements and computation of low and moderate income housing funds excess/surplus are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

Lance, Soll & Lunghard, LLP

November 12, 2010

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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 Chair and Members of the Governing Board
Emeryville Redevelopment Agency
City of Emeryville, California

We have audited the financial statements of the governmental activities and each major fund of the Emeryville Redevelopment Agency as of and for the year ended June 30, 2010, which collectively comprise the Emeryville Redevelopment Agency's basic financial statements and have issued our report thereon dated November 12, 2010. 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.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* 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 *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Emeryville Redevelopment Agency's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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To the Honorable Chair and Members of the Governing Board
Emeryville Redevelopment Agency

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Emeryville Redevelopment Agency are free of material misstatements, 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 included those provisions of laws and regulations identified in the Guidelines for *Compliance Audits of California Redevelopment Agencies*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. 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 instance of noncompliance that is required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States and under the Guidelines for Compliance Audits of California Redevelopment Agencies, issued by the State Controller.

This report is intended for the information of the Audit committee, management and the State Controller. However, this report is a matter of public record and its distribution is not limited.

Lance, Soll & Lunghard, LLP

November 12, 2010

Emeryville Redevelopment Agency
Management's Discussion and Analysis
June 30, 2010

This discussion and analysis of the Emeryville Redevelopment Agency's financial performance provides an overview of the Agency's financial activities for the fiscal year ended June 30, 2010. Please read this discussion and analysis in conjunction with the accompanying Basic Financial Statements.

FISCAL 2010 FINANCIAL HIGHLIGHTS

Assets of the Agency exceeded its liabilities in governmental activities at the close of fiscal year June 30, 2010 by $47,211,000 (net assets). Of this amount, $27,925,000 represents investment in capital assets, net of related debt, and $41,760,000 represents resources restricted for debt service payments and community development activities. The remaining negative amount of $22,475,000 represents the accumulated unrestricted deficit at the close of fiscal year 2010.

Total revenues in governmental activities increased approximately $11,850,000 over the prior year. The increase is mainly attributable to settlements received in fiscal year 2010 of $15,000,000 offset by a decrease in charges for services of $2,075,000. Net tax increment revenue increased slightly by $363,000 while revenue from use of money and property decreased $1,920,000. During fiscal year 2010, a settlement related to the Site B property assemblage and remediation in the amount of $15,000,000 was received. The increase in tax increment revenue is related to increased assessed valuation of property in the project areas. The decrease in charges for services is attributable to developer contributions of $2,000,000 received during the prior fiscal year. The decrease in use of cash and property revenue is attributable to reduced investment earnings due to the current depressed interest rate environment in which to invest funds on hand.

Total expenses in governmental activities increased overall by $9,190,000 or approximately 27% from the previous year. The increase is primarily related to the required State of California shift to Supplemental Educational Revenue Augmentation Fund (SERAF) for $11,292,000.

At the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of $151,160,000, a decrease of $5,760,000 in comparison to the previous year. Of the combined unreserved fund balance, $100,294,000 is available and designated by the Agency Board for redevelopment and housing projects.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplemental combining and individual fund schedules in addition to the basic financial statements.

Government-wide Financial Statements

The Government–wide Financial Statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The *statement of net assets* reports all financial and capital resources of the Agency. The Agency presents the statement in a format that displays assets less liabilities equal net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how the Agency's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items that will result in cash flows in future fiscal periods such as revenues pertaining to uncollected taxes.

All of the Agency's basic services are considered governmental activities, consisting of redevelopment services. These services are supported by general Agency revenues such as property tax increments, and by program revenues such as fees.

Fund Financial Statements

Fund Financial Statements are design to report information about groupings (funds) of related accounts, which are use to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses *fund accounting* to ensure and demonstrate finance-related legal compliance. All *funds* of the Agency are categorized as *governmental funds.*

Governmental funds are use to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements,* governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources*, available at the end of the fiscal year. Such information is useful in determining what financial resources are available in the near future to finance the Agency's redevelopment programs.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

Notes to the Basic Financial Statements

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 31 to 52 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents supplemental combining and individual fund schedules (pages 54 to 74).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, it is also an important determinant of its ability to finance current and future redevelopment projects.

At the close of fiscal 2010, the Agency has total net assets of $47,211,000. Of this amount $27,925,000 is invested in capital assets-net of related debt, $14,259,000 is restricted for debt service, and $27,502,000 is restricted for community development. The remaining negative balance of $22,475,000 represents a deficit, which will be eliminated from collection of future tax increment and other revenues. The largest portion of the Agency's deficit is the result of outstanding long-term debt obligations of $171,545,000.

Traditionally, the Agency carries a deficit to collect tax increment. This is primarily due to the nature of tax increment financing allowed under California law whereby a redevelopment agency issues bonds or incurs long-term debt to finance its redevelopment project by pledging future tax increment revenues.

Shown below is a comparative schedule that summarizes the Agency's net assets (deficit):

	Agency's Net Assets (Deficit) Governmental Activities As of June 30, 2010 and 2009 (In Thousands)	
	2010	**2009**
Cash and Investments	136,965	145,730
Other Assets	61,389	60,697
Capital Assets	27,925	24,237
Total Assets	226,279	230,664
Long-Term Liabilities	171,545	178,540
Other Liabilities	7,524	10,767
Total Liabilities	179,069	189,307
Net Assets:		
Invested in Capital Assets	27,925	24,237
Restricted Net Assets	41,760	40,570
Unrestricted Net Assets (deficit)	(22,475)	(23,451)
Total Net Assets	**47,210**	**41,357**

The Agency uses its capital assets of $27,925,000 (see page 42 for additional information) to eliminate blight in the Emeryville Redevelopment Agency project areas. These assets are not available for future spending and cannot be used to liquidate the Agency's debt since resources needed to repay the debt will be provided primarily from collections of future tax increments and other revenues.

Long-term liabilities consist of bonds issued under the Public Financing Authority to finance redevelopment projects. The decrease of $6,995,000 in long-term liabilities is primarily attributable to City loan and bond principal repayments of $7,043,000. The change in other liabilities is due to a decrease of $3,223,000 in outstanding accounts payable and accrued expenses over the prior year.

Governmental Activities

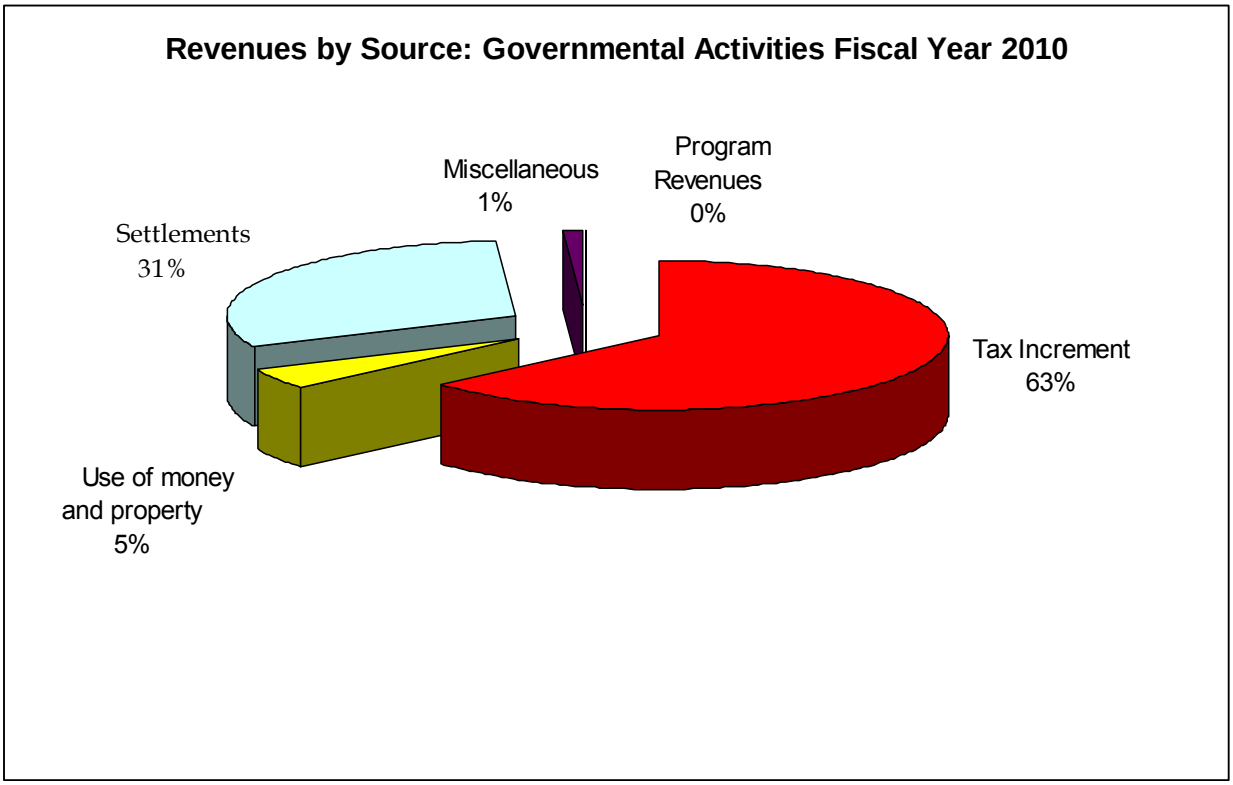
Overall, the Agency's financial position increased from the prior year. Under the governmental activities, the Agency's net assets increased $5,854,000. Total revenues increased $11,845,000 and expenses increased by $9,190,000 from the prior year.

Key elements of the changes in net assets for governmental activities are presented below:

Agency's Changes in Net Assets (Deficit)
For Fiscal Years Ended June 30, 2010 and 2009
(In Thousands)

	2010	2009
Revenues		
Program Revenues	50	2,125
General revenues:		
Tax increment	30,756	30,393
Use of money and property	2,218	4,139
Settlements	15,000	0
Miscellaneous	478	0
Total revenues	48,502	36,657
Expenses:		
General government	3,438	3,414
Community development	19,256	15,840
Interest on long-term debt	8,662	8,775
Payments to SERAF	11,292	0
Other	0	5,429
Total expenses	42,648	33,458
Change in net assets	5,854	3,199
Net assets (deficit)- beginning of year	41,357	37,148
Restatement of net assets	0	1,010
Net assets (deficit)- ending of year	47,211	41,357

*Other expenses are primarily attributable to capital assets transferred from the Redevelopment Agency to the City of Emeryville.

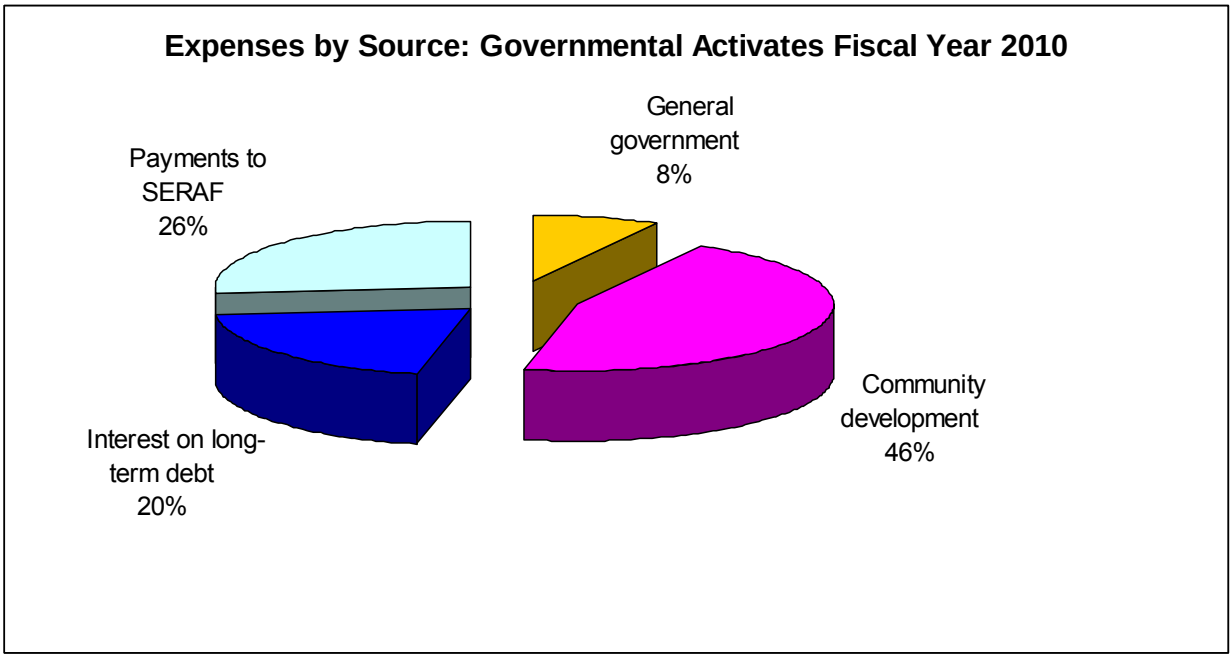


- Settlements associated with the land assemblage and remediation of Site B (property north of Bay Street) were received in the amount of $15,000,000 in fiscal year 2010. .

- Tax increment revenue, which represents approximately 63% of total revenues, increased over the prior year by $363,000. The increase was due to reassessments in property values as properties changed ownership.

- The decrease of $1,920,000 from the use of cash and property is primarily a result of reduced investment earnings due to the current depressed interest rate environment in which to invest funds on hand.

- Program revenues decreased $2,075,000 mainly due to a developer contribution of $2,000,000 received in the prior fiscal year. These funds are restricted for the Cultural Arts Center capital project.



- Total expenses increased overall $9,190,000 or approximately 27% from the previous year. The increase was mainly due to the $11,292,000 State of California take away for Supplemental Education Relief Fund (SERAF). This take away was imposed on redevelopment agencies in the State of California and was part of the State's overall budget package for fiscal year 2010. An additional payment of $2,300,000 is required in fiscal year 2011.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier the Agency uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Agency's *governmental funds* is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Agency's financial requirements. In particular, *unreserved fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Individual fund information of governmental funds reported by the Agency includes the 1976 Project Area Operating fund, the Shellmound Project Area operating fund, the Combined Low and Moderate Housing Operating fund, Capital Projects fund and the Debt Service funds.

The table below summarizes Agency activity and balances at the fund level.

Financial Highlights at Governmental Fund Level
As of June 30, 2010 and 2009
(in thousands)

	2010	2009
Total assets	207,937	204,647
Total liabilities	56,777	47,727
Total fund balances	151,160	156,920
Total revenues	54,605	45,286
Total expenditures	42,221	35,915
Total other financing sources (uses)	(18,144)	(8,020)

At the end of the current fiscal year, the Agency's governmental funds reported *combined fund balances* of $151,160,000, a decrease of $5,760,000. Of the *combined fund balance,* $114,553,000 constitutes *unreserved fund balance,* which is available for redevelopment spending at the discretion of the Agency Board. The remainder of the fund balance is reserved to indicate that it is *not* available for spending because it has been committed 1) to pay encumbrances ($7,459,000), 2) for land held for resale ($17,839,000), 3) for prepaid costs ($17,000) and 4) Advances to Capital Project funds ($11,292,000).

Debt Service Funds

The debt service funds account for receipts transferred from both the 1976 and Shellmound Project Area Operating funds and the Low/Moderate Income Housing Program. Transfers, for use in paying debt service, from both 1976 and Shellmound project area operating funds and the Low and Moderate Income Housing fund increased $5,040,000 to $14,141,000. Current year debt service totaled $14,161,000 in fiscal 2010. The increase in debt service transfers is due to the termination, in the prior fiscal year, of a guaranteed investment contract in which debt service was partially pre-funded. As a result, only transfers for a portion of the annual obligation were required in fiscal year 2009.

Capital Project Funds

The Agency's Capital Project funds used to account for the operating and capital project activities of the 1976 and Shellmound Project Areas and the Low and Moderate Income Housing Program. Subsidiary funds include operating funds and capital funds dedicated by the Agency for specific capital projects.

At the end of the current fiscal year, the Agency's Capital Project funds reported combined fund balances of $136,901,000, a decrease of $5,746,000 from last fiscal year.

Total revenues increased $9,900,000 over fiscal 2009, primarily due to receipt of $15,000,000 in settlement payments related to the land assemblage and remediation of Site B, offset by a developer contribution of $2,000,000 received in the prior year. Use of money and property

declined $1,332,000 from the prior year, a result of reduced investment earnings due to the current depressed interest rate environment in which to invest funds on hand

Major activities during the current fiscal year included the following:

- Completed a parking management plan for North Hollis district
- Completed construction of the Doyle St. Park
- Completed Oak Walk Development including financial assistance for 5 single family homes for moderate income buyers
- Completed construction of Flatiron commercial project and achieved occupancy of project by Lanesplitter Pizza
- Continued negotiation and remediation efforts on the Site B parcels

Operating Funds Highlights:

1976 Project Area Operating Fund. This fund accounts for receipt of tax increment revenue allocated to the project area and expenditures for operations. This fund transfers monies to fund debt service requirements.

Total revenues of $22,501,000 decreased $1,916,000 from the prior year. Tax increment revenues amounted to $22,141,000 in fiscal 2010 compared to $23,972,000 in fiscal 2009, a decrease of $1,831,000 or 8%. This decrease is primarily related to lower supplemental tax collections in 2010 of $170,470 compared to 2009 of $2,201,495.

Total expenditures remained relatively flat at $2,073,000 in 2010 compared to $2,246,000 in 2009. Transfers out increased $7,945,000 primarily due to an increase in debt service transfers of $3,726,000 and by increased transfers to capital projects fund of $4,219,000 over the prior year. The increase in debt service transfers is due to the termination of a guaranteed investment contract, in the prior fiscal year, in which debt service was partially pre-funded. As a result, only transfers for a portion of the annual obligation were required in fiscal year 2009.

Payments to the Supplemental Educational Revenue Augmentation Fund (SERAF) increased $7,348,000 due to State legislation requiring the shift of monies from the redevelopment agency to the County SERAF during fiscal years 2010 and 2011. The funds are to be distributed to meet the State's obligations to schools.

In fiscal 2010, transfers out for the 20% set aside for low and moderate-income housing programs amounted to $4,428,000, a decrease of $366,000 over fiscal 2009, consistent with the decrease in supplemental tax increment revenue. Pass through payments to other agencies according to fiscal agreements decreased $1,129,000 to $2,850,000 due to decreased incremental tax revenue and pass though payments disbursed in the prior fiscal year covering multiple years.

Shellmound Project Area Operating Fund. This Fund accounts for the receipt of tax increment revenue allocated to the Project Area and expenditures for operations and capital projects, and transfers monies to fund debt service requirements.

Total fiscal 2010 revenues of $14,697,000 increased slightly by $125,000 from fiscal 2009 revenues.

Total expenditures increased $1,580,000 to $3,053,000 from $1,473,000 in fiscal 2009, primarily due to debt repayments of $1,488,000 related to loans from the City of Emeryville for the remediation of the Park Avenue Park and Doyle Hollis Park sites. In 2010, transfers out decreased $400,000 primarily due to a decrease in transfers to the capital projects fund of $814,000 over the prior year offset by an increase in transfers to debt service of $396,000.

Payments to the Supplemental Educational Revenue Augmentation Fund (SERAF) increased $3,944,000 due to State legislation requiring the shift of monies from the redevelopment agency to the County SERAF during fiscal years 2010 and 2011. The funds are to be distributed to meet the State's obligations to schools.

Transfers out to the 20% set-aside for low and moderate-income housing programs amounted to $2,901,000. Pass through payments to other agencies according to fiscal agreements decreased $954,000 to $4,167,000 due to due to decreased incremental tax revenue and pass though payments disbursed in the prior fiscal year covering multiple years.

Low/Moderate Income Housing Operating Fund. This fund accounts for receipt of the mandated 20% set-aside tax increment revenue from both the 1976 and Shellmound Project Area Operating funds, and for debt service expenditures.

Total revenue decreased $28,000 to $70,700 due to the lower interest rate environment in which to invest funds. Total expenditures remained relatively flat $955,000. In fiscal 2010, the Redevelopment Agency transferred $7,329,000 into this fund representing the portion of tax increment required to be set aside for low and moderate-income housing programs. Transfers out decreased $2,400,000 over the prior year primarily due to a decrease in transfers to capital projects fund of $3,300,000 offset by an increase in transfers to debt service of $900,000. The increase in debt service transfers is due to the termination of a guaranteed investment contract, in the previous fiscal year, in which debt service was partially pre-funded. As a result, only transfers for a portion of the annual obligation were required in fiscal 2009.

CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical costs if actual historical costs are not available. The Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

At the end of fiscal 2010, the cost of capital assets recorded on the Agency's financial statements was as shown in the table below (further detail may be found in Note 5 to the financial statements):

Capital Assets
At June 30, 2010 and 2009
(in thousands)

Governmental activities	2010	2009
Land and construction in progress	23,622	19,833
Buildings and improvements	4,711	4,711
Furnishings, vehicles and equipment	1	1
Less accumulated depreciation	(409)	(308)
Governmental activity capital assets, net	27,925	24,237

The largest increase in capital assets in fiscal 2010 is $3,789,000 in construction in progress for a number of projects including Park Avenue Beautification and the renovation of the Police Building. The Agency has a policy whereby completed capital assets are transferred to the City as the City assumes responsibility for their maintenance and upkeep. One asset, Christie Ave Pedestrian improvements costing $78,000, was transferred during fiscal year 2010.

When depreciation occurs, the depreciation of all capital assets is charged as an expense against operations each year. Depreciation is taken using the straight-line method, which means that the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated.

DEBT ADMINISTRATION

The Agency's long-term debt is discussed in more detail in Note 6 to the financial statements. As of June 30, 2010 the Agency had long-term bonds and notes outstanding aggregating to $170,270,000. The breakdown, before addition for unamortized original issue discount of $1,274,000, is as follows:

Outstanding Debt
As of June 30, 2010 and 2009
(In thousands)

	2010	2009
City Loans, 2.00%-5.00% due 5/1/10, 2/1/14	1,215	2,603
Public Financing Authority Revenue Bonds:		
2004 Series A, 3.50% - 5.00%, due 9/01/34	70,745	72,880
2002 Series A, 2.00% - 5.25%, due 9/01/21	16,000	17,015
2001 Series A, 4.00% - 5.20%, due 9/01/31	18,760	19,385
2001 Series B, 7.02% - 7.20%, due 9/01/31	3,175	3,215
1998 Series B, 4.00% - 5.00%, due 9/01/28	40,590	41,715
1998 Series C, 5.75% - 6.75%, due 9/01/26	14,470	14,890
Series 1995, 4.00% - 6.20%, due 9/01/02	5,315	5,510
Total Public Financing Authority Revenue Bonds	169,055	174,610
Total Redevelopment Agency Long-Term Debt	170,270	177,213

Repayments of existing debt totaled $7,043,000.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

The economy of the City and its major initiatives for the coming year are discussed in detail in the Transmittal Letter to the City of Emeryville's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010.

COMPLETED REDEVELOPMENT PROJECTS AND PROGRAMS

Below are examples of Redevelopment projects and programs completed since the inception of the Redevelopment Project Areas:

I. Public Facilities / Infrastructure
   1. Emeryville Child Development Center
   2. Stanford Avenue Park
   3. Temescal Creek Park

4. Peninsula Fire Station, Fire Station #2
5. Amtrak Train Station and Pedestrian/Bike Overcrossing
6. Reconstruction of City streets and construction of new streets to accommodate growth
7. Christie Avenue Park
8. Land assemblage and assessment district for new streets
9. Emeryville Senior Center/Veteran's Building
10. San Pablo Commercial Revitalization Program (street beautification)
11. Community Gardens Improvements (Doyle St. & Magnolia St.)
12. Public Works Facility Acquisition
13. Greenway Linear Park Right of Way Acquisition
14. Completed Doyle Hollis Park
15. Lease for Big Daddy's community garden
16. Parcel acquisition for park at Sherwin and Halleck
17. Doyle Street Undergrounding of utilities

II. Economic Development Activities
1. Land acquisition for Chiron Life Science Center
2. Land assemblage and Financing for Bay Street, a Regional Retail facility
3. Land assemblage for Pixar Campus
4. Business attraction and promotion programs
5. Emery Go Round/Transportation management programs to facilitate pedestrian and vehicle circulation
6. Land acquisition for Promenade retail use project on San Pablo Avenue
7. Financing for four business startup units in Promenade Project
8. Financing for 19 commercial San Pablo Avenue Façade Improvement Projects
9. Land acquisition/clean up for 285 room Marriott Hotel
10. Signal improvements for 200 room Woodfin Suites Hotel
11. Land acquisition for Emery Station Office Project
12. Completed redevelopment of Check Cashing and Jug Liquor parcels
13. Land acquisition for development project north of Bay Street

III. Affordable Housing Activities
1. Implementation of First Time Homebuyers Program & completion of 515 Loans, 42 in fiscal year 2009-10
2. Implementation of Infill/Vacant Housing Program
3. Implementation of Housing Rehabilitation Program
4. Development of 50 very low-income elderly units (Emery Villa)
5. Development of 260 mixed-income units (Emery Bay Club & Apartments)
6. Development of 8 for sale, infill affordable units
7. Redevelopment of warehouse space (1500 Park Avenue) into 142 for-sale mixed income units
8. Development of 66 very low income senior units (Avalon)
9. Development of 220 mixed-income units (Bridge Court)
10. Development of 17 for sale units (Gateway)
11. Development of 6 rental units for very low-income AIDs patients
12. Development of 20 rental units for very low and low income (Triangle Court)
13. Development of 36 units (Emery Glen)

14. Development of 112 condominium units (Emery Bay Village)
15. Redevelopment of warehouse space (45th Street Artist Coop)
16. Financing for Bay Street Residential: 94 for sale units and 281 rental units
17. Acquisition of Ambassador Laundry Building for 55 unit rental low and moderate income residential
18. Development of 125 Condominium units, mixed income and mixed use Andante Project
19. Adoption of affordability agreements for low and moderate income housing units for Liquid Sugars Lofts, Elevation 22 Town houses, Terraces at Emery Station, Andante project, Courtyards at 65th, and 46th Street Lofts
20. Obtained $500,000 in State grants for funding a portion of the cost of additional low-income home buyer loans
21. Obtained up to $1,000,000 in CalHome funds for funding a portion of the cost of additional low-income home buyer loans.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

These financial statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Chief Financial Officer in the Finance Division of the Administrative Services Department, City of Emeryville, 1333 Park Avenue, Emeryville, CA 94608.

EMERYVILLE REDEVELOPMENT AGENCY

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	
Assets:		
Cash and investments		$ 83,666,895
Receivables:		
Accounts	$ 106,247	
Interest	28,368	
Loans	40,245,622	
Lease payments	508,648	
Total Receivables		40,888,885
Deposits with others		935,000
Land held for resale (net)		17,838,720
Deferred charges		1,708,979
Other assets		17,133
Restricted assets:		
Cash and investments with trustees		53,298,393
Capital assets (Net of Depreciation):		
Equipment	1,164	
Land and improvements	27,924,203	
Total Capital Assets		27,925,367
Total Assets		**226,279,372**
Liabilities:		
Accounts payable and accrued expenses		7,336,657
Due to other governments		1,250
Deposits from others		135,768
Unearned revenue		50,000
Long-term liabilities:		
Due within one year	5,981,284	
Due in more than one year	165,563,614	
Total Long-Term Liabilities		171,544,898
Total Liabilities		**179,068,573**
Net Assets:		
Invested in capital assets, net of related debt		27,925,367
Restricted for:		
Community development	27,501,764	
Debt service	14,258,660	41,760,424
Unrestricted		(22,474,992)
Total Net Assets		**$ 47,210,799**

See Notes to Financial Statements

EMERYVILLE REDEVELOPMENT AGENCY

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

		Program Revenues			Net (Expense) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
Functions/Programs					
Governmental Activities:					
General government	$ 3,437,868	$ -	$ -	$ -	$ (3,437,868)
Community development	19,256,155	50,000	-	-	(19,206,155)
Interest on long-term debt	8,662,205	-	-	-	(8,662,205)
Payments to SERAF	11,291,592	-	-	-	(11,291,592)
Total Governmental Activities	**$ 42,647,820**	**$ 50,000**	**$ -**	**$ -**	**(42,597,820)**
General Revenues:					
Tax increment (net of pass-through payments)					30,755,908
Use of money and property					2,218,378
Other					15,477,786
Total General Revenues					**48,452,072**
Change in Net Assets					5,854,252
Net Assets at Beginning of Year					41,356,547
Net Assets at End of Year					**$ 47,210,799**

See Notes to Financial Statements

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EMERYVILLE REDEVELOPMENT AGENCY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	Capital Projects Funds		
	1976 Project Area	**Shellmound Project Area**	**Combined Low and Moderate Housing**
Assets:			
Cash and investments	$ 48,784,136	$ 19,755,721	$ 15,127,038
Cash and investments with trustee	14,974,714	12,815,916	11,249,103
Receivables:			
Accounts	28,539	75,585	2,123
Interest	14,718	6,648	7,002
Loans	3,049,184	23,011,589	14,184,849
Lease payments	508,648	-	-
Advances to Capital Project Funds	-	-	11,292,000
Deposits with others	935,000	-	-
Land held for resale	12,163,530	3,430,732	2,244,458
Prepaid expenses	17,133	-	-
Total Assets	**$ 80,475,602**	**$ 59,096,191**	**$ 54,106,573**
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	$ 3,798,222	$ 454,283	$ 291,364
Deposits from others	125,768	-	10,000
Advance from Low and Moderate Housing Funds	8,494,300	2,797,700	-
Due to City	1,250	-	-
Deferred revenue	3,557,832	23,011,589	14,184,849
Unearned revenue	50,000	-	-
Total Liabilities	**16,027,372**	**26,263,572**	**14,486,213**
Fund Balances:			
Reserved:			
Encumbrances	3,515,721	3,868,478	75,113
Land held for resale	12,163,530	3,430,732	2,244,458
Prepaid costs	17,133	-	-
Advances	-	-	11,292,000
Unreserved:			
Designated:			
Debt service	-	-	-
Continuing projects	48,751,846	25,533,409	-
Housing	-	-	26,008,789
Total Fund Balances	**64,448,230**	**32,832,619**	**39,620,360**
Total Liabilities and Fund Balances	**$ 80,475,602**	**$ 59,096,191**	**$ 54,106,573**

EMERYVILLE REDEVELOPMENT AGENCY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010 **(Continued)**

	Debt Service Funds		
	1976 Project Area	**Shellmound Project Area**	**Combined Low and Moderate Housing**
Assets:			
Cash and investments	$ -	$ -	$ -
Cash and investments with trustee	8,606,455	2,502,873	3,149,332
Receivables:			
Accounts	-	-	-
Interest	-	-	-
Loans	-	-	-
Lease payments	-	-	-
Advances to Capital Project Funds	-	-	-
Deposits with others	-	-	-
Land held for resale	-	-	-
Prepaid expenses	-	-	-
Total Assets	**$ 8,606,455**	**$ 2,502,873**	**$ 3,149,332**
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Deposits from others	-	-	-
Advance from Low and Moderate Housing Funds	-	-	-
Due to City	-	-	-
Deferred revenue	-	-	-
Unearned revenue	-	-	-
Total Liabilities	**-**	**-**	**-**
Fund Balances:			
Reserved:			
Encumbrances	-	-	-
Land held for resale	-	-	-
Prepaid costs	-	-	-
Advances	-	-	-
Unreserved:			
Designated:			
Debt service	8,606,455	2,502,873	3,149,332
Continuing projects	-	-	-
Housing	-	-	-
Total Fund Balances	**8,606,455**	**2,502,873**	**3,149,332**
Total Liabilities and Fund Balances	**$ 8,606,455**	**$ 2,502,873**	**$ 3,149,332**

EMERYVILLE REDEVELOPMENT AGENCY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	Total Governmental Funds
Assets:	
Cash and investments	$ 83,666,895
Cash and investments with trustee	53,298,393
Receivables:	
Accounts	106,247
Interest	28,368
Loans	40,245,622
Lease payments	508,648
Advances to Capital Project Funds	11,292,000
Deposits with others	935,000
Land held for resale	17,838,720
Prepaid expenses	17,133
Total Assets	**$ 207,937,026**
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	$ 4,543,869
Deposits from others	135,768
Advance from Low and Moderate Housing Funds	11,292,000
Due to City	1,250
Deferred revenue	40,754,270
Unearned revenue	50,000
Total Liabilities	**56,777,157**
Fund Balances:	
Reserved:	
Encumbrances	7,459,312
Land held for resale	17,838,720
Prepaid costs	17,133
Advances	11,292,000
Unreserved:	
Designated:	
Debt service	14,258,660
Continuing projects	74,285,255
Housing	26,008,789
Total Fund Balances	**151,159,869**
Total Liabilities and Fund Balances	**$ 207,937,026**

See Notes to Financial Statements

EMERYVILLE REDEVELOPMENT AGENCY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Fund balances of governmental funds	**$ 151,159,869**
Amounts 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 funds.	27,925,367
Deferred revenue is present in governmental fund financial statements to indicate that receivables are not available currently; however, in the Statement of Net Assets these deferrals are eliminated.	40,754,270
Bond issuance costs is an expenditure in the governmental funds, but it is deferred charges in the statement of net assets:	
Unamortized Debt issuance costs on bonds issued	2,121,098
Amortization over life of new bonds through end of fiscal year	(412,119)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(169,055,000)
Loans from City	(1,215,450)
Unamortized original issue premium	(1,274,448)
Accrued interest payable for the current portion of interest due on Tax Allocation Bonds has not been reported in the governmental funds.	(2,792,788)
Net assets of governmental activities	**$ 47,210,799**

EMERYVILLE REDEVELOPMENT AGENCY

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Capital Projects Funds		
	1976 Project Area	**Shellmound Project Area**	**Combined Low and Moderate Housing**
Revenues:			
Taxes and assessments	$ 22,141,191	$ 14,503,188	$ -
Use of money and property	856,391	559,036	798,292
Other revenue	15,550,000	-	192,030
Total Revenues	**38,547,582**	**15,062,224**	**990,322**
Expenditures:			
Current:			
General government	1,397,072	1,279,602	659,858
Community development	8,290,985	5,131,973	371,172
Capital outlay	5,497,107	440,728	3,391,834
Debt service	-	1,600,000	-
Total Expenditures	**15,185,164**	**8,452,303**	**4,422,864**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**23,362,418**	**6,609,921**	**(3,432,542)**
Other Financing Sources (Uses):			
Transfers in	8,919,000	2,985,757	7,548,875
Transfers out	(21,895,210)	(8,368,670)	(3,331,248)
Long-term debt issued	-	100,000	-
Pass-through agreement payments	(1,721,139)	(4,167,332)	-
Bond administrative fees	-	-	100,828
Payment to the Supplemental Educational Revenue Augmentation Fund	(7,348,069)	(3,943,523)	-
Miscellaneous	92,185	(132,389)	(1,124,455)
Total Other Financing Sources (Uses):	**(21,953,233)**	**(13,526,157)**	**3,194,000**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	**1,409,185**	**(6,916,236)**	**(238,542)**
Fund Balances:			
Beginning of Year	63,039,045	39,748,855	39,858,902
End of Year	**$ 64,448,230**	**$ 32,832,619**	**$ 39,620,360**

See Notes to Financial Statements

EMERYVILLE REDEVELOPMENT AGENCY

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010 **(Continued)**

	Debt Service Funds		
	1976 Project Area	**Shellmound Project Area**	**Combined Low and Moderate Housing**
Revenues:			
Taxes and assessments	$ -	$ -	$ -
Use of money and property	2,915	849	895
Other revenue	-	-	-
Total Revenues	**2,915**	**849**	**895**
Expenditures:			
Current:			
General government	-	-	-
Community development	-	-	-
Capital outlay	-	-	-
Debt service	8,557,538	2,486,266	3,116,863
Total Expenditures	**8,557,538**	**2,486,266**	**3,116,863**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(8,554,623)**	**(2,485,417)**	**(3,115,968)**
Other Financing Sources (Uses):			
Transfers in	8,547,972	2,482,276	3,111,248
Transfers out	-	-	-
Long-term debt issued	-	-	-
Pass-through agreement payments	-	-	-
Bond administrative fees	-	-	-
Payment to the Supplemental Educational Revenue Augmentation Fund	-	-	-
Miscellaneous	-	-	-
Total Other Financing Sources (Uses):	**8,547,972**	**2,482,276**	**3,111,248**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(6,651)**	**(3,141)**	**(4,720)**
Fund Balances:			
Beginning of Year	8,613,106	2,506,014	3,154,052
End of Year	**$ 8,606,455**	**$ 2,502,873**	**$ 3,149,332**

See Notes to Financial Statements

EMERYVILLE REDEVELOPMENT AGENCY

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Total Governmental Funds
Revenues:	
Taxes and assessments	$ 36,644,379
Use of money and property	2,218,378
Other revenue	15,742,030
Total Revenues	**54,604,787**
Expenditures:	
Current:	
General government	3,336,532
Community development	13,794,130
Capital outlay	9,329,669
Debt service	15,760,667
Total Expenditures	**42,220,998**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**12,383,789**
Other Financing Sources (Uses):	
Transfers in	33,595,128
Transfers out	(33,595,128)
Long-term debt issued	100,000
Pass-through agreement payments	(5,888,471)
Bond administrative fees	100,828
Payment to the Supplemental Educational Revenue Augmentation Fund	(11,291,592)
Miscellaneous	(1,164,659)
Total Other Financing Sources (Uses):	**(18,143,894)**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(5,760,105)**
Fund Balances:	
Beginning of Year	156,919,974
End of Year	**$ 151,159,869**

See Notes to Financial Statements

EMERYVILLE REDEVELOPMENT AGENCY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds	**$**	**(5,760,105)**
Amounts reported for governmental activities in the statement of activities differ because:		
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		7,042,932
Bond issuance costs is an expenditure in the governmental funds, but it is deferred charges in the statement of net assets:		
Amortization for current fiscal year		(70,704)
Unamortized premium or discounts on bonds issued are revenue or expenditures in the governmental funds, but these are spread to future periods over the life of the new bonds:		
Amortization for current fiscal year		52,726
Collections on receivables and loan transactions offset by deferred revenue are reported as revenue and expenditures in governmental funds; however, they do not provide revenue or expenses in the statement of activities.		927,815
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets in capitalized and allocated over their estimated useful lives through depreciation expense:		
Capital outlay expenditures removed		3,867,644
Transfer of capital assets to the City and adjustment of expenditures		(78,229)
Depreciation		(101,336)
Proceeds of debt is revenue in the governmental funds, but these are additions to the statement of net assets.		(100,000)
Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Current accrual of interest due on bonds		(2,792,788)
Prior year accrual of interest due on bonds		2,866,297
Change in net assets of governmental activities	**$**	**5,854,252**

See Notes to Financial Statements

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The Emeryville Redevelopment Agency (the Agency) is a component unit of a reporting entity, which consists of the following primary, and component units:

Reporting Entity:

Primary Government:

City of Emeryville

Component Units:

Emeryville Redevelopment Agency
Emeryville Housing Authority
Emeryville Financing Authority

The attached basic financial statements contain information relative only to the Agency as one component unit that is an integral part of the total reporting entity. They do not contain financial data relating to the other component units.

The Agency was created in 1976 under the provisions of the Redevelopment Law (California Health and Safety Code) to clear and rehabilitate areas determined to be in a declining condition in the Project Areas. The 1976 Redevelopment Plan was adopted in 1976 and Shellmound Redevelopment Plan was adopted in 1987 to provide an improved physical, social and economic environment in these Project Areas. The members of the City Council serve in a separate capacity as the governing board of the Agency and the City Manager serves as the Executive Director.

The Agency is a component unit of the City of Emeryville and, accordingly, the financial statements of the Agency are included in the financial statements of the City of Emeryville.

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America, as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Agency has no business-type activities. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus, 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Agency's primary source of revenue is property taxes, referred to in the accompanying financial statements as "tax increment". Property taxes allocated to the Agency are computed in the following manner:

1. The assessed valuation of all property in the Project Areas was determined on the date of adoption of the Redevelopment Plan by a designation of a fiscal year assessment roll.

2. Property taxes related to any increase in assessed values after the adoption of a Redevelopment Plan are allocated to the Agency; all taxes on the "frozen" assessed valuation of the property are allocated to the City and other districts receiving taxes from the project area.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The Agency has no power to levy and collect taxes and any legislative property tax reduction would lower the amount of tax revenues that would otherwise be available to pay the principal and interest on bonds or loans from the City. Any increased tax rate or assessed valuation or any elimination of present exemptions would increase the amount of tax revenues available for this purpose. The Agency is also authorized to finance the Redevelopment Plan from other sources, including assistance from the City, the State and federal governments, interest income and the issuance of Agency debt.

Alameda County assesses properties, and it bills, collects, and distributes property taxes for the Agency, remitting the full assessment regardless of the amounts received. Secured and unsecured property taxes are levied January 1 and collected in the following fiscal year.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on January 1, and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings, on which taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the Agency in the fiscal year they are assessed provided they become available as defined above.

The Agency has agreements with several other agencies under which it must pass through a portion of property tax increments to the other agencies.

Financial Statement Presentation

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to 10% of their fund-type total and 5% of the grand total. The Agency may also select other funds it believes should be presented as major funds. To provide a more complete presentation, the Agency selected the Shellmound Project Area Debt Service Fund to be a major fund.

The Agency breaks down its major funds into subsidiary funds related either to bonding (proceeds or debt service) or restricted programs/operations. These subsidiary funds have been listed below together with the major funds to which they relate.

The Agency reports the following major governmental funds:

Debt Service Funds:

1976 Project Area - accounts for the receipt of the transfers from the 1976 Project Area Project Fund. These amounts are utilized on debt service requirements on bonds issued for redevelopment purposes.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Subsidiary Funds:

1998 B Tax Exempt Fund
1998 C Taxable Fund
2001 A Tax Exempt Fund
2002 A Bond Fund
2004 A Bond Fund

Shellmound Project Area - accounts for the receipt of the transfers from the Shellmound Project Area Project Fund. These amounts are utilized on debt service requirements on bonds issued for redevelopment purposes.

Subsidiary Funds:

1998 B Tax Exempt Fund
2001 A Tax Exempt Fund
2004 A Bond Fund

Combined Low and Moderate Income Housing - accounts for the receipt of the transfers from the Combined Low and Moderate Income Housing Capital Project Fund. These amounts are utilized on debt service requirements on bonds issued for housing purposes.

Subsidiary Funds:

1995 Revenue Bonds Fund
1998 B Tax Exempt Fund
1998 C Taxable Bonds Fund
2001 B Taxable Bonds Fund
2004 A Bond Fund

Capital Project Funds:

1976 Project Area - accounts for the receipt of tax increment revenue allocated to the Project Area and expenditures for operations and capital projects. These amounts are utilized to fund debt service requirements.

Subsidiary Funds:

Operating Fund
1998 C Taxable Fund
2001 A Tax Exempt Fund
2002 A Tax Exempt Fund
2004 A Bond Fund
Capital Projects Fund
East Bay Bridge OPA Fund
Homebuyer Program Fund

Shellmound Project Area - accounts for the receipt of tax increment revenue allocated to the Project Area and expenditures for operations and capital projects. These amounts are utilized to fund debt service requirements.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Subsidiary Funds:

Operating Fund
2001 A Tax Exempt Fund
2004 A Bond Fund
Capital Projects Fund
Homebuyer Program Fund

Combined Low and Moderate Income Housing - accounts for the receipt of the mandated 20% set-aside of tax increment revenue from the 1976 and Shellmound Project Areas for low and moderate income housing programs. These amounts are utilized to fund debt service requirements.

Subsidiary Funds:

Combined Operating Fund
Revolving Loans Fund
1995 Housing Bond Fund
1998 C Taxable Fund
2004 A Bond Fund
Capital Projects Fund

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

d. Assets, Liabilities and Net Assets or Equity

1. Investments

Investments for the Agency are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding five years.

With the implementation of GASB Statement 34, the Agency recorded all current year expenditures for its public domain (infrastructure) capital assets, including grading, curbs and gutters, and sidewalks systems that it maintains. GASB 34 also requires the Agency to look back 20 years and estimate, depreciate and record prior year infrastructure costs. This retroactive restatement was completed during fiscal year 2003-2004.

GASB Statement 34 also requires that the Agency exclude from its financial statements assets maintained by other governments or organizations. The Agency has constructed a variety of capital assets that upon completion were "contributed" to the City or third party developers/operators, as part of development agreements. Since the City and developers/operators maintain the contributed capital assets, those amounts have been excluded from the accompanying financial statements.

GASB Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Agency has assigned the useful lives and capitalization thresholds listed below to capital assets:

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Asset	Useful Lives Years	Capitalization Thresholds
Park improvements and other improvements	20	$ 50,000
Building and improvements	25 - 50	50,000
Furnishings, vehicles and equipment	3 - 20	1,000
Grading, curb and gutters, sidewalks	10 - 50	50,000

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital Asset Contributions

Some capital assets may be acquired using federal and state grant funds, or they may be contributed by developers or other governments. GASB Statement 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

4. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

5. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Budgetary Data

General Budget Policies

The Agency operates under the general laws of the State of California and bi-annually adopts a budget for its governmental fund types to be effective July 1 for the ensuing fiscal years. From the effective date of the budget, which is adopted by the Agency and controlled by the Executive Director at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various Agency funds. The Agency may amend the budget by resolution during the fiscal year. The Executive Director may authorize transfers of appropriations from one object to another within the same fund as long as the level of service remains the same. The legal level of budgetary control is the fund level. All appropriations lapse at year-end, except those relating to long-term capital projects. During the year, several supplementary appropriations were necessary. In accordance with the requirements of GASB Statement 34, budgetary comparison statements are required for the General Fund and any Special Revenue Funds. Since these fund types are not present within the Agency, no budgetary comparison statements are presented in this report. Within the City of Emeryville's Comprehensive Annual Financial Report budgetary comparison statements have been presented.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue and similar governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at year-end are completed. They do not constitute expenditures or estimated liabilities.

Budget Basis of Accounting

Bi-annual budgets are adopted on a basis consistent with the generally accepted accounting principles (GAAP).

III. DETAIL NOTES ON FUNDS

Note 3: Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	$ 83,666,895
Cash and investments with fiscal agent	53,298,393
Total Cash and Investments	$ 136,965,288

Note 3: Cash and Investments (Continued)

The Agency's funds are pooled with the City of Emeryville's cash and investments in order to generate optimum interest income. The City has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This pronouncement is an amendment to GASB Statement No. 3. GASB Statement No. 40 established and modified disclosure requirements related to deposit and investment risks. The information required by GASB Statement No. 40 related to authorized investments, credit risk, etc., is available in the City of Emeryville's Comprehensive Annual Financial Report.

Note 4: Loans and Lease Payment Receivable and Deferred Revenue

At June 30, 2010, the Agency's notes and lease payments receivable and related deferred revenue totaled:

Home Rehabilitation and Assistance	$ 318,020
First-Time Homebuyer	6,519,585
Ownership Housing Assistance	4,529,552
Homeowner's Association Assessment	310,831
Artists Cooperative	508,648
Bayfront Industrial Center	178,862
Business Development	2,525,674
AIDS Housing Deferred	461,821
Remar Lofts	250,000
Emeryville Town Center (Bay Street)	21,344,000
Emeryville Unified School District	2,947,579
Avalon Commercial LLC	859,698
Total	$ 40,754,270

a. Home Rehabilitation and Assistance Loans

The Agency administers a housing rehabilitation loan program using community development block grant funds and Agency's low and moderate income housing funds. Under these programs, individuals with incomes below a certain level are eligible to receive low interest, 15-year loans, secured by deeds of trust, for rehabilitation work on their homes. The loan repayments may be amortized over the life of the loans, deferred or a combination of both.

b. First-Time Homebuyer Loans

The Agency's First Time Homebuyer Program offers down payment assistance to low and moderate income first time homebuyers purchasing a home in the City of Emeryville. The deferred loans bear interest at 5%, require no monthly payments, are not due until the property is sold, transferred or rented and are collateralized by second deeds of trust. The loans are forgiven if the buyer resides in the home for more than 30 years.

c. Ownership Housing Assistance Loans

The Agency's Ownership Housing Assistance Program offers down payment assistance to very-low and low-income homebuyers purchasing a below-market-rate unit in the City of Emeryville. The deferred loans bear interest at a rate that is 75% of the interest rate on the first mortgage, or 5%, whichever is less; require no monthly payments; are not due

Note 4: Loans Receivable and Deferred Revenue (Continued)

until the property is sold or transferred; are completely forgiven after 30 years; and are collateralized by subordinate deeds of trust.

d. Oliver Lofts Special Assessment Loan Program

In February 2009, the Agency provided loans to owners of below market rate (BMR) units and market rate units in the Oliver Lofts development. Loans to owners of market rate units are secured by trust deeds, bear interest at 3.7% and are fully amortized over 20 years. Loans to BMR unit owners are partially or fully unsecured and may be deferred payment loans to meet debt-to-income ratio requirements. Deferred loans will be reassessed every five years and converted to amortized loans based on owners' ability to make payments. The BMR loans bear interest at 3.7% and are due in 20 years, with the exception that the deferred loans bear interest at a simple interest rate.

e. Artists Cooperative Loan

The Agency has a receivable from the 45th Street Artists Cooperative that is due in annual installments until January 5, 2042. Proceeds from this loan were used to finance the first mortgage on housing units within the Redevelopment Project Area. The loan bears 7% interest until paid in full.

f. Bayfront Industrial Center Loan

This developer used proceeds of the loan to construct a parking facility. The loan is secured by a second deed of trust on the project, bears interest at 6.8% and has monthly payments, including interest, of $1,909 due until August 1, 2021.

g. Business Development Loans

The Agency has made loans to five local business developers within the 1976 and Shellmound Project Areas. These loans were made for the purpose of making property improvements to the businesses. The interest rate on these loans is 3% and they are secured by deeds of trusts or equipment and have monthly payments, including interest, due until 2014.

h. Bay Bridge Corporation (AIDS Housing) Deferred Loan

In May 1995, the Agency loaned $325,000 to a nonprofit public benefit corporation which used the funds to develop a six-unit rental housing project for low income persons who are disabled as a result of being HIV positive or diagnosed with AIDS. The loan is secured by a second deed of trust on the project and bears annual interest rate at 3%. The loan principal and all accrued interest will be due and payable on the earliest of 40 years from the date of the loan, when the property is sold or refinanced or in the event of default on the loan agreement.

i. Remar Lofts Loan

During the fiscal year ended June 30, 2001, the Agency loaned $250,000 to a developer that was used to finance the development of eight residential units at affordable rental levels for moderate income households. The loan is secured by a second deed of trust. The loan does not have a due date and is only obligated to be repaid to the Agency at 8% interest per annum in the event of a violation of the affordability agreement.

Note 4: Loans Receivable and Deferred Revenue (Continued)

j. Emeryville Town Center (Bay Street) Loans

The Agency assembled a 20-acre site in the Bay Street area, demolished existing improvements and cleaned toxic contaminants. An agreement with Madison-Marquette (Bay Street Partners, LLC), the developer, provides for the Agency sale of the property for the construction of a one million square foot mixed-use project consisting of 400,000 square feet of retail space, 350 residential units and a 250 room hotel.

During fiscal year ended June 30, 2001, the Agency sold the property for $25,500,000. The developer paid $1.8 million to the Agency and executed a loan payable to the Agency in the amount of $23,700,000 secured by an option agreement under which the Agency may purchase the retail parking parcel and structure from the developer for $1. $3,300,000 of the receivable was due the earlier of December 31, 2002 or upon the issuance of a certificate of occupancy for the first tenant. The remaining principal and interest are due annually commencing the 10th year of the Town Center operations with the final payment due in the 25th year of operation. $3,300,000 was received in fiscal year 2003.

k. Emeryville Unified School District Loan

On March 25, 2008, the Agency made a facilities loan of $2,836,648 to the Emery Unified School District (EUSD) for the Emeryville Center of Community Life (ECCL) Project. The ECCL is a vision for the centralized and coordinated delivery of social, educational, and recreation resources for all members of the community and includes the enhancement of existing facilities and programs provided by EUSD. The facilities loan will be used by EUSD to provide supplemental funding of project costs for a two story modular classroom for Anna Yates Elementary School and the replacement of the playing field and the renovation of the industrial arts building at Emery Secondary School. The loan has an interest rate of 4.577333% and is amortized over 16 years with repayment made semi-annually effective December 31, 2008 from EUSD's share of AB 1290 pass through payments that would otherwise be available for educational facilities.

l. Avalon Commercial LLC

On December 4, 1998, the Agency loaned the developer of the Avalon Senior Housing Project $475,000 to cover development costs associated with the commercial space of the project. The interest rate is 7% and secured by a deed of trust on the property. Payments of principal and interest are to be made from residual cash flow as defined in the promissory note with the full amount of outstanding principal and interest due the earliest of 55 years from the date of the note, when the property is sold or refinanced or in the event of default on the loan agreement.

Note 5: Capital Assets

Capital assets at June 30, 2010 are composed of the following:

	Beginning Balance	Additions	Decreases	Transfers **	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 16,927,471	$ -	$ -	$ -	$ 16,927,471
Construction-in-progress:	2,905,289	3,867,644	-	(78,229)	6,694,704
Total capital assets not being depreciated	19,832,760	3,867,644	-	(78,229)	23,622,175
Capital assets, being depreciated:					
Buildings and improvements	4,711,417	-	-	-	4,711,417
Furnishings, vehicles and equipment	1,164	-	-	-	1,164
Total capital assets being depreciated	4,712,581	-	-	-	4,712,581
Less accumulated depreciation:					
Buildings and improvements	307,587	101,278	-	-	408,865
Furnishings, vehicles and equipment	466	58	-	-	524
Total accumulated depreciation	308,053	101,336	-	-	409,389
Total capital assets being depreciated, net	4,404,528	(101,336)	-	-	4,303,192
Governmental activities capital assets, net	$ 24,237,288	$ 3,766,308	$ -	$ (78,229)	$ 27,925,367

** Transfers were made to the City of Emeryville for capital assets that it is responsible for maintaining.

Depreciation expense war charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program was as follows:

General Government $101,336

Note 6: Long-Term Debt

The Agency generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

For governmental activities, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another financing source net of the applicable premium discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

a. A description of long-term debt outstanding as of June 30, 2010 follows:

Public Financing Authority Revenue Bonds, 2004 Series A

On August 12, 2004, the Public Financing Authority issued $78,790,000 of Emeryville Public Financing Authority, Revenue Bonds, 2004 Series A to provide financing for various redevelopment projects, and to fund a debt service reserve fund. Agency tax increment revenue is pledged for the repayment of these bonds. Interest is due

Note 6: Long-Term Debt (Continued)

semiannually each September 1 and March 1. Interest rates on the bonds range from 3.50% to 5.00%. Commencing 2006, principal is payable each September 1 through 2034.

Debt service requirements to maturity for these bonds as of June 30, 2010 is as follows:

	Public Financing Authority, Revenue Bonds, 2004 Series A	
	Principal	Interest
2010 - 2011	$ 2,205,000	$ 3,199,650
2011 - 2012	2,310,000	3,092,550
2012 - 2013	2,420,000	2,980,075
2013 - 2014	2,535,000	2,856,200
2014 - 2015	2,660,000	2,726,325
2015 - 2020	15,180,000	11,806,398
2020 - 2025	18,705,000	8,161,811
2025 - 2030	13,495,000	3,929,168
2030 - 2035	11,235,000	1,583,404
Totals	$ 70,745,000	$ 40,335,581

Public Financing Authority Revenue Bonds, 2002 Series A

On November 19, 2002, the City and Agency jointly issued, through a financing intermediary called the Emeryville Public Financing Authority, $22,120,000 in Revenue Bonds Series A (2002 Bonds). The bonds proceeds were used to defease the outstanding 1993 Series A Revenue Bonds, to provide financing for various redevelopment projects, and to fund a debt service reserve fund. A portion of proceeds from the 2002 Bonds was placed in an irrevocable trust to provide all the future debt service payments in the defeased 1993 Bonds. The defeased 1993 Bonds were called on January 2003. As a result of the refunding, the aggregate debt service was decreased by $2,913, and an economic gain of $2,851,526 was realized.

Agency tax increment revenue is pledged for the repayment of the 2002 Bonds. Interest is due semiannually each September 1 and March 1 at rates ranging from 2.00% to 5.25% per annum. Commencing 2003, principal is payable each September 1 through 2021.

Debt service requirements to maturity for these bonds as of June 30, 2010 is as follows:

Note 6: Long-Term Debt (Continued)

	Public Financing Authority, Revenue Bonds, 2002 Series A	
	Principal	Interest
2010 - 2011	$ 1,050,000	$ 744,958
2011 - 2012	1,080,000	709,535
2012 - 2013	1,120,000	671,575
2013 - 2014	1,160,000	630,225
2014 - 2015	1,205,000	576,844
2015 - 2020	7,030,000	1,841,700
2020 - 2025	3,355,000	178,369
Totals	$ 16,000,000	$ 5,353,206

Public Financing Authority Revenue Bonds, 2001 Series A and Series B

On July 1, 2001, the City and Agency jointly issued, through a financing intermediary called the Emeryville Public Financing Authority, Revenue Bonds, 2001 Series A and 2001 Series B in the principal amounts of $23,000,000 and $3,420,000, respectively. The proceeds of Series A Bonds were used to finance redevelopment activities within the 1976 Redevelopment Project Area and Shellmound Redevelopment Project Area. The proceeds of Series B Bonds were used to finance low and moderate income housing projects. The Series A Bonds are secured by a pledge of the Agency's Tax Increment Revenues and Series B Bonds are secured by Housing Set Aside revenue.

Interest is due semiannually each September 1 and March 1. Interest rates on the Series A Bonds and Series B Bonds range from 4.00% to 5.20% and 7.02% to 7.20% per annum, respectively. Commencing 2002, principal is payable each September 1 through 2031.

Debt service requirements to maturity for these bonds as of June 30, 2010 is as follows:

	Public Financing Authority, Revenue Bonds, 2001 Series A		Public Financing Authority, Revenue Bonds, 2001 Series B	
	Principal	Interest	Principal	Interest
2010 - 2011	$ 650,000	$ 919,100	$ 50,000	$ 225,531
2011 - 2012	680,000	890,830	50,000	222,021
2012 - 2013	705,000	860,524	55,000	218,336
2013 - 2014	740,000	828,188	55,000	214,475
2014 - 2015	775,000	793,713	60,000	210,438
2015 - 2020	4,440,000	3,354,915	370,000	979,533
2020 - 2025	5,690,000	2,064,238	515,000	824,139
2025 - 2030	3,675,000	699,947	1,245,000	548,820
2030 - 2035	1,405,000	72,903	775,000	56,700
Totals	$ 18,760,000	$ 10,484,358	$ 3,175,000	$ 3,499,993

Note 6: Long-Term Debt (Continued)

Public Financing Authority Revenue Bonds 1998 Series B and 1998 Series C

On July 23, 1998, the City and Agency jointly issued, through a financing intermediary called the Emeryville Public Financing Authority, Revenue Bonds, 1998 Series B and 1998 Series C in the principal amounts of $50,650,000 and $17,905,000, respectively, to finance certain redevelopment projects. The bond proceeds were also used to refund a portion of Revenue Bonds, Series 1995 and a portion of 1993 Revenue Bonds, Series A, and to refund all of the Revenue Bonds, Series 1994, by purchasing Federal Securities which were deposited in irrevocable trusts with an escrow agent to provide future debt payments on the refunded bonds. As a result, the Refunded Bonds were considered to be defeased and the liability for those obligations was removed from the Agency's financial statements.

Agency tax increment revenue is pledged for the repayment of the 1998 Bonds. Interest is due semiannually each September 1 and March 1. Interest rates on the Series B Bonds and Series C Bonds range from 4.00% to 5.00% and 5.75% to 6.75% per annum, respectively. Principal is payable each September 1 through 2028 for Series B Bonds and 2026 for Series C Bonds.

Debt service requirements to maturity for these bonds as of June 30, 2010 is as follows:

	Public Financing Authority, Revenue Bonds, 1998 Series B		Public Financing Authority, Revenue Bonds, 1998 Series C	
	Principal	Interest	Principal	Interest
2010 - 2011	$ 1,180,000	$ 1,992,110	$ 440,000	$ 954,594
2011 - 2012	1,235,000	1,935,491	475,000	924,284
2012 - 2013	1,295,000	1,875,080	505,000	891,822
2013 - 2014	1,350,000	1,810,250	545,000	857,041
2014 - 2015	1,425,000	1,740,875	575,000	819,941
2015 - 2020	8,270,000	7,532,250	3,505,000	3,454,428
2020 - 2025	16,245,000	4,773,625	4,860,000	2,065,838
2025 - 2030	9,590,000	560,000	3,565,000	280,631
Totals	$ 40,590,000	$ 22,219,681	$ 14,470,000	$ 10,248,579

Public Financing Authority Revenue Bonds, Series 1995

The Revenue Bonds, Series 1995 (1995 Bonds) were issued to refinance the Agency's share of the cost of acquisition, construction and funding for low and moderate income housing projects. The bonds are special obligations of the Agency payable solely from and secured by a pledge of and lien upon tax increment revenues. Principal and interest are payable semi-annually each March 1 and September 1 at rates ranging from 4.00% to 5.00% per annum. The proceeds from the bonds were used to advance refund outstanding 1990 Housing Revenue Bonds, Increment Series A ("Refunded Bonds") by purchasing U.S. government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Refunded Bonds. As a result, the 1990 Bonds were considered to be defeased and the liability for those obligations were removed from the Agency's financial statements.

Note 6: Long-Term Debt (Continued)

Debt service requirements to maturity for these bonds as of June 30, 2010 is as follows:

	Public Financing Authority, Revenue Bonds, Series 1995	
	Principal	Interest
2010 - 2011	$ 205,000	$ 322,336
2011 - 2012	220,000	309,476
2012 - 2013	230,000	295,751
2013 - 2014	245,000	281,233
2014 - 2015	260,000	265,670
2015 - 2020	1,555,000	1,058,805
2020 - 2025	2,105,000	495,845
2025 - 2030	495,000	15,345
Totals	$ 5,315,000	$ 3,044,461

Loan from City - Environmental Protection Agency

Park Avenue Park

The Agency received a loan from the City to remediate the two-acre Park Avenue Park pursuant to the Park Avenue District Plan. The remediation was completed the end of 2008. The loan was for $2.0 million and has a 5 percent per annum interest rate for five years. There is a balloon payment of $2.5 million required at the end of the term. The loan can be repaid, penalty-free, at any time.

Doyle-Hollis Park

On June 5, 2007, the Agency approved the plans and specifications for the remediation of the former Dutro property, site of the future Doyle-Hollis Park bounded by Hollis Street, 61st Street, 62nd Street and Doyle Street.

To accomplish this, the City Council and Agency authorized the execution of a Capital Incentives for Emeryville's Redevelopment and Remediation (*CIERRA*) loan agreement for the remediation of the former Dutro property in the amount of $603,382. The loan bears interest at a rate of 2 percent per annum and will be repaid in three annual installments of $209,405 beginning May 2010. Debt service requirements to maturity for this loan as of June 30, 2010 is as follows:

	Principal	Interest
2010-2011	$ 201,284	$ 8,121
2011-2012	204,761	4,644
Totals	$ 406,045	$ 12,765

Note 6: Long-Term Debt (Continued)

b. The following is a schedule of changes in long-term debt of the Agency for the fiscal year ended June 30, 2010:

	Balance July 1, 2009	Additions	Repayments	Balance June 30, 2010	Due Within One Year
City Loans - Principal	$ 2,603,382	$ -	$ 1,487,932	$ 1,115,450	$ 201,284
City Loans - Unpaid Interest	-	100,000	-	100,000	-
Bonds - 2002 Revenue	17,015,000	-	1,015,000	16,000,000	1,050,000
Bonds - 2001 Revenue A	19,385,000	-	625,000	18,760,000	650,000
Bonds - 2001 Revenue B	3,215,000	-	40,000	3,175,000	50,000
Bonds - 1998 Revenue B	41,715,000	-	1,125,000	40,590,000	1,180,000
Bonds - 1998 Revenue C	14,890,000	-	420,000	14,470,000	440,000
Bonds - 1995 Revenue	5,510,000	-	195,000	5,315,000	205,000
Bonds - 2004 Revenue A	72,880,000	-	2,135,000	70,745,000	2,205,000
Total	177,213,382	100,000	7,042,932	170,270,450	5,981,284
Total - All Project Areas					
City Loans - Principal	$ 2,603,382	$ -	$ 1,487,932	$ 1,115,450	$ 201,284
City Loans - Unpaid Interest	-	100,000	-	100,000	-
Bonds Payable	174,610,000	-	5,555,000	169,055,000	5,780,000
Total	$ 177,213,382	$ 100,000	$ 7,042,932	$ 170,270,450	$ 5,981,284
Adjustments:					
Unamortized net original issue (discount) or premium				1,274,448	
Net Long-term Debt				$ 171,544,898	

c. Pledge of Revenues

As previously discussed, the Agency has pledged, as security for bonds it has issued, either directly or through the Emeryville Public Financing Authority, a portion of the tax increment revenue (including low and moderate income housing set-aside) that it receives. These bonds were to provide financing for various capital projects, accomplish low and moderate income housing projects and to defease previously issued bonds. The Agency has committed to appropriate each year, from these resources amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is $264,240,859 with annual debt service requirements as indicated above. For the current year, the total tax increment revenue, net of pass through payments, recognized by the Agency was $30,755,908 and the debt service obligation on the bonds was $14,160,666.

Note 6: Long-Term Debt (Continued)

d. Defeased Bonds

In prior years, the Agency defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Agency's financial statements. At June 30, 2010, outstanding balances for defeased debt was $1,245,000 for the 1979 Residential Mortgage Revenue Bonds.

e. Housing Revenue Bonds Without Agency Commitment

On August 15, 1996, the Agency assisted in the issuance of $16,470,000 in Revenue Bonds for the purpose of providing funds to make a loan to East Bay Bridge Partners to provide permanent financing for a multifamily rental housing project known as the East Bay Bridge Project. Principal and interest on the bonds are payable semiannually on March 1 and September 1 of each year, commencing March 1, 1998. The Agency has no legal or moral commitment for the repayment of these bonds.

On October 9, 2002, the Agency assisted in the issuance of $66,715,000 in Multi-family Housing Refunding Revenue Bonds, Series 2002 A for the purpose of providing funds to make a loan to Bay Street Housing Partners to provide financing for the acquisition, and construction of a multi-family residential project known as Bay Street Apartments. Interest on the bonds is payable on the 15th day of each month, commencing October 15, 2002. The bonds are due October 15, 2042. The Agency has no legal or moral commitment for the repayment of these bonds.

The Agency assisted in the issuance of $21,000,000 in Multifamily Housing Refunding Revenue Bonds, Series 2005 A for the purpose of providing funds to make a loan to Bay Street Partners to provide additional financing for the construction of a multifamily residential project know as Bay Street Apartments. This was done in December 2005 and these bonds provided additional financing to the previously issued Multifamily Housing Refunding Revenue Bonds, Series 2002 A. Due to cost overruns in connection with the project, the Borrower requested that the Agency sell the additional bonds. The Agency has no legal or moral commitment for the repayment of these bonds.

Note 7: Land Held For Resale

The Agency has purchased parcels of land as part of its efforts to develop or redevelop blighted properties within the Redevelopment Areas. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

IV. OTHER DISCLOSURES

Note 8: Interfund Transfers

With Agency approval, resources may be transferred from one Agency fund to another. The majority of transfers are for debt service, housing set aside and to distinguish funds earmarked for capital projects from those for operations.

Note 8: Interfund Transfers (Continued)

Interfund transfers for the year ended June 30, 2010, consisted of the following:

	Transfers In:			
	Capital Projects Funds			
Transfers Out:	1976 Project Area	Shellmound Project Area	Low and Moderate Housing	Total
Capital Projects Funds:				
Emeryville Project Area	$ 8,919,000	$ -	$ -	$ 8,919,000
Shellmound Project Area	-	2,985,757	-	2,985,757
Low and Moderate Housing	4,428,238	2,900,637	220,000	7,548,875
Debt Service Funds:				
Emeryville Project Area	8,547,972	-	-	8,547,972
Shellmound Project Area	-	2,482,276	-	2,482,276
Low and Moderate Housing	-	-	3,111,248	3,111,248
Total	$ 21,895,210	$ 8,368,670	$ 3,331,248	$ 33,595,128

Purpose of Transfers:	Amounts	
Low and Moderate Housing Set Aside:		
Emeryville Project Area	$ 4,428,238	
Shellmound Project Area	2,900,637	$ 7,328,875
Debt Service Requirements		14,141,496
Fund Capital Projects		12,124,757
Total		$ 33,595,128

Note 9: Interfund Advances

On May 4, 2010 the City Council passed a resolution approving an advance from the Combined Low and Moderate Income Housing Fund to the 1976 Project Area Capital Project Fund and Shellmound Project Area Capital Projects Fund for $8,494,300 and $2,797,700, respectively totaling $11,292,000 for the purpose of providing funding to pay the County's "Supplemental" Educational Revenue Augmentation Fund (SERAF) payment for 2009-2010. There is no repayment schedule, however State legislation requires it to be repaid by June 30, 2015 to avoid penalty. If it is not repaid by that date, then the set-aside percentage to Low and Moderate Income Housing will increase from 20% to 25% for the remainder of the life of the Agency.

Note 10: Development Agreements

a. Development of Emeryville Amtrak Station

In March of 1993, the Agency entered into a Participation Agreement with Wareham Development Corporation to develop the Emeryville Amtrak Station (the Station). Under the terms of the Participation Agreement, the Agency developed the Station public improvements, including tracks, platforms, parking, landscaping and street improvements. Wareham developed the Station building, which the Agency leases from Wareham and subleases to Amtrak for a period of 25 years, after which time ownership of the station goes to Amtrak.

Note 10: Development Agreements (Continued)

The Agency is paying annual lease payments of $164,942 for the next 14 years. Under the lease terms, the Agency is also responsible for property taxes through 2011, thereafter the developer is liable for the first $15,000 of the annual amount. Under the terms of the Agency's sublease of the Amtrak Station to the National Railroad Passenger Cooperation (Amtrak), the Agency will receive payments as follows:

Year Ending June 30,	Amount
2011	$ 90,000
2012	90,000
2013	90,000
2014	90,000
2015	90,000
2015-2020	270,000
Total	$ 720,000

b. Novartis Corporation Project

The Agency has a Development Agreement with Novartis Corporation under which the Agency will reimburse the Corporation for extraordinary costs incurred in remediating and improving property to be used as a site for expansion of its Biotech Research facilities. The Corporation constructed the first building of the project and is entitled to receive 40% of future tax increment revenue generated by the Project until fiscal 2026-2027 subject to certain limitations defined in the Agreement. No payments we due during the current year.

c. Pixar

Pixar has reimbursed the Agency for costs of acquiring a portion of Watts Street that is to be used along with property owned by Pixar to construct a two-phase project involving headquarters and an animation studio. As of June 30, 2010, phase two of the project was under construction.

d. Emeryville Town Center (Bay Street)

The developer has acquired parcels from the Agency for use as a site for the Emeryville Town Center (Bay Street) in exchange for a note receivable due to the Agency that is disclosed in Note 4 above.

Note 11: Risk Management

The City and the Agency manage risk by participating in public entity risk pools as discussed in the City's Comprehensive Annual Financial Report.

In addition, the Agency has a pollution legal liability insurance, which covers third-party claims and additional cleanup costs related to Site B (parcels north of Bay Street) for up to $10,000,000. The Agency has a deductible or uninsured liability of $100,000 per claim. During fiscal year 2008-2009 the Agency paid a one-time premium of $181,857 for this policy that covers a ten-year period from November 3, 2008 to November 3, 2018.

Note 12: Commitment and Contingencies

a. General

The Agency is subject to litigation arising in the normal course of business. In the opinion of the Agency's attorney, there is no pending litigation that is likely to have a material adverse effect on the financial position of the Agency.

The Agency participates in several federal and state grant programs. These programs have been audited by the Agency's independent accountants in accordance with the provisions of the federal Single Audit Act Amendments of 1986 and applicable state requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Agency expects such amounts, if any, to be immaterial.

b. Lease Agreement with the Emery Unified School District and Reimbursement Agreement with the City of Emeryville

On October 15, 2002, the City and the Emery Unified School District (the District) signed a lease agreement to lease and improve recreational facilities at Emery High School for a period of 40 years for rent payments totaling $1.5 million and estimated improvement costs of $250,000. Through this Lease Agreement, the Agency will eliminate blighting influences in both the 1976 and Shellmound Project Areas by improving inadequate public facilities in order to benefit the public. As a result, a Reimbursement Agreement between the City and the Agency was also signed to reimburse the City for all payments disbursed to the District during each fiscal year.

Note 13: SERAF Shift for fiscal year 2009-2010 and 2010-2011

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Prop 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010 the Sacramento Superior Court upheld the legislation. This decision is in the process of being appealed by CRA and its member agencies.

The payment of the SERAF was due on May 10, 2010 for fiscal year 2009-2010 and it was made in the amount of $11,291,592. The legislation allowed this payment to be made from any available monies present in any project area(s). Subsequent legislation was passed which allowed the funding for this payment to be borrowed from the Low and Moderate Income Housing Fund with appropriate findings from its legislative body. Any amounts borrowed from Low and Moderate Income Housing (including any suspended set-aside amounts) are to be repaid by June 30, 2015. If those amounts are not repaid, by that date, then the set-aside percentage to Low and Moderate Income Housing will increase from 20% to 25% for the remainder of the life of the Agency.

To accomplish the payment, the Agency borrowed $11,292,000 from the Low and Moderate Income Housing Fund (after adopting appropriate findings of necessity). In the accompanying financial statements, the amount paid to the County has been reported as a use of current year resources. Borrowings relating to the Low and Moderate Income Housing Fund have been reflected as inter-fund advances between the accounting funds of the Agency.

Note 13: SERAF Shift for fiscal year 2009-2010 and 2010-2011 (Continued)

It is estimated that the Agency's share of the SERAF shift for fiscal year 2010-2011 will amount to approximately $2,322,498 and this amount will be payable in May 2011 if the appeal is not successful.

Note 14: Subsequent Events

On September 7, 2010 the City Council/Redevelopment Agency Board approved a resolution to purchase two units that were developed as below market rate units, affordable to moderate income households. The estimated amount to purchase these units is $550,000 and will be paid for using Low and Moderate Income Housing Capital Project Fund.

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EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
ALL DEBT SERVICE AND CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	1976 Project Area		Shellmound Project Area	
	Debt Service	Capital Projects	Debt Service	Capital Projects
Assets:				
Cash and investments	$ -	$ 48,784,136	$ -	$ 19,755,721
Cash and investments with trustee	8,606,455	14,974,714	2,502,873	12,815,916
Receivables:				
Accounts	-	28,539	-	75,585
Interest	-	14,718	-	6,648
Loans	-	3,049,184	-	23,011,589
Lease payments	-	508,648	-	-
Advances to Tax Increment Fund	-	-	-	-
Deposits with others	-	935,000	-	-
Land held for resale	-	12,163,530	-	3,430,732
Prepaid expenses	-	17,133	-	-
Total Assets	**$ 8,606,455**	**$ 80,475,602**	**$ 2,502,873**	**$ 59,096,191**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 3,798,222	$ -	$ 454,283
Deposits from others	-	125,768	-	-
Due to Low and Moderate Housing Funds	-	8,494,300	-	2,797,700
Due to City	-	1,250	-	-
Deferred revenue	-	3,557,832	-	23,011,589
Unearned revenue	-	50,000	-	-
Total Liabilities	**-**	**16,027,372**	**-**	**26,263,572**
Fund Balances:				
Reserved:				
Encumbrances	-	3,515,721	-	3,868,478
Land held for resale	-	12,163,530	-	3,430,732
Prepaid costs	-	17,133	-	-
Advances	-	-	-	-
Unreserved:				
Designated:				
Debt service	8,606,455	-	2,502,873	-
Continuing projects	-	48,751,846	-	25,533,409
Housing	-	-	-	-
Total Fund Balances	**8,606,455**	**64,448,230**	**2,502,873**	**32,832,619**
Total Liabilities and Fund Balances	**$ 8,606,455**	**$ 80,475,602**	**$ 2,502,873**	**$ 59,096,191**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
ALL DEBT SERVICE AND CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Combined Low and Moderate Housing		Totals	
	Debt Service	**Capital Projects**	**Debt Service**	**Capital Projects**
Assets:				
Cash and investments	$ -	$ 15,127,038	$ -	$ 83,666,895
Cash and investments with trustee	3,149,332	11,249,103	14,258,660	39,039,733
Receivables:				
Accounts	-	2,123	-	106,247
Interest	-	7,002	-	28,368
Loans	-	14,184,849	-	40,245,622
Lease payments	-	-	-	508,648
Advances to Tax Increment Fund	-	11,292,000	-	11,292,000
Deposits with others	-	-	-	935,000
Land held for resale	-	2,244,458	-	17,838,720
Prepaid expenses	-	-	-	17,133
Total Assets	**$ 3,149,332**	**$ 54,106,573**	**$ 14,258,660**	**$ 193,678,366**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 291,364	$ -	$ 4,543,869
Deposits from others	-	10,000	-	135,768
Due to Low and Moderate Housing Funds	-	-	-	11,292,000
Due to City	-	-	-	1,250
Deferred revenue	-	14,184,849	-	40,754,270
Unearned revenue	-	-	-	50,000
Total Liabilities	**-**	**14,486,213**	**-**	**56,777,157**
Fund Balances:				
Reserved:				
Encumbrances	-	75,113	-	7,459,312
Land held for resale	-	2,244,458	-	17,838,720
Prepaid costs	-	-	-	17,133
Advances	-	11,292,000	-	11,292,000
Unreserved:				
Designated:				
Debt service	3,149,332	-	14,258,660	-
Continuing projects	-	-	-	74,285,255
Housing	-	26,008,789	-	26,008,789
Total Fund Balances	**3,149,332**	**39,620,360**	**14,258,660**	**136,901,209**
Total Liabilities and Fund Balances	**$ 3,149,332**	**$ 54,106,573**	**$ 14,258,660**	**$ 193,678,366**

COMBINING PROJECT AREA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE AND CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	1976 Project Area		Shellmound Project Area	
	Debt Service	Capital Projects	Debt Service	Capital Projects
Revenues:				
Taxes and assessments:				
Tax increment	$ -	$ 22,141,191	$ -	$ 14,503,188
Use of money and property:				
Interest income	2,915	766,391	849	487,766
Rental income	-	-	-	71,270
Lease income	-	90,000	-	-
Other revenue:				
Litigation settlement	-	15,500,000	-	-
Total Revenues	**2,915**	**38,497,582**	**849**	**15,062,224**
Expenditures:				
Current:				
General government:				
Administrative costs	-	1,397,072	-	1,279,602
Community development:				
Professional services	-	5,159,708	-	4,110,682
Planning, survey and design	-	803,672	-	163,027
Real estate acquisitions	-	2,325,992	-	257,735
Operation of acquired property	-	1,613	-	-
Relocation costs	-	-	-	600,529
Rehabilitation grants	-	-	-	-
Capital outlay:				
Project improvement costs	-	5,497,107	-	440,728
Debt service:				
Interest expense	4,877,538	-	1,671,266	112,068
Long-term debt repayments	3,680,000	-	815,000	1,487,932
Total Expenditures	**8,557,538**	**15,185,164**	**2,486,266**	**8,452,303**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,554,623)	23,312,418	(2,485,417)	6,609,921
Other Financing Sources (Uses):				
Transfers in	8,547,972	8,919,000	2,482,276	2,985,757
Housing set-aside transfers in	-	-	-	-
Transfers out	-	(17,466,972)	-	(5,468,033)
Housing set-aside transfers out	-	(4,428,238)	-	(2,900,637)
Long-term debt issued	-	-	-	100,000
Pass-through agreement payments	-	(1,721,139)	-	(4,167,332)
Developer participation	-	50,000	-	-
Bond administrative fees	-	-	-	-
Payment to the Supplemetal Educational Revenue Augmentation Fund	-	(7,348,069)	-	(3,943,523)
Loans received (made)	-	93,835	-	(102,027)
Loss on sale of property	-	-	-	(30,362)
Miscellaneous	-	(1,650)	-	-
Total Other Financing Sources (Uses)	**8,547,972**	**(21,903,233)**	**2,482,276**	**(13,526,157)**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(6,651)**	**1,409,185**	**(3,141)**	**(6,916,236)**
Fund Balances:				
Beginning of Year	8,613,106	63,039,045	2,506,014	39,748,855
End of Year	**$ 8,606,455**	**$ 64,448,230**	**$ 2,502,873**	**$ 32,832,619**

COMBINING PROJECT AREA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE AND CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Combined Low and Moderate Housing		Totals	
Revenues:	**Debt Service**	**Capital Projects**	**Debt Service**	**Capital Projects**
Taxes and assessments:				
Tax increment	$ -	$ -	$ -	$ 36,644,379
Use of money and property:				
Interest income	895	798,292	4,659	2,052,449
Rental income	-	-	-	71,270
Lease income	-	-	-	90,000
Other revenue:				
Litigation settlement	-	-	-	15,500,000
Total Revenues	**895**	**798,292**	**4,659**	**54,358,098**
Expenditures:				
Current:				
General government:				
Administrative costs	-	659,858	-	3,336,532
Community development:				
Professional services	-	212,059	-	9,482,449
Planning, survey and design	-	72,452	-	1,039,151
Real estate acquisitions	-	-	-	2,583,727
Operation of acquired property	-	3,621	-	5,234
Relocation costs	-	-	-	600,529
Rehabilitation grants	-	83,040	-	83,040
Capital outlay:				
Project improvement costs	-	3,391,834	-	9,329,669
Debt service:				
Interest expense	2,056,863	-	8,605,667	112,068
Long-term debt repayments	1,060,000	-	5,555,000	1,487,932
Total Expenditures	**3,116,863**	**4,422,864**	**14,160,667**	**28,060,331**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,115,968)	(3,624,572)	(14,156,008)	26,297,767
Other Financing Sources (Uses):				
Transfers in	3,111,248	220,000	14,141,496	12,124,757
Housing set-aside transfers in	-	7,328,875	-	7,328,875
Transfers out	-	(3,331,248)	-	(26,266,253)
Housing set-aside transfers out	-	-	-	(7,328,875)
Long-term debt issued	-	-	-	100,000
Pass-through agreement payments	-	-	-	(5,888,471)
Developer participation	-	-	-	50,000
Bond administrative fees	-	100,828	-	100,828
Payment to the Supplemetal Educational Revenue Augmentation Fund	-	-	-	(11,291,592)
Loans received (made)	-	(919,624)	-	(927,816)
Loss on sale of property	-	(204,831)	-	(235,193)
Miscellaneous	-	192,030	-	190,380
Total Other Financing Sources (Uses)	**3,111,248**	**3,386,030**	**14,141,496**	**(32,043,360)**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(4,720)**	**(238,542)**	**(14,512)**	**(5,745,593)**
Fund Balances:				
Beginning of Year	3,154,052	39,858,902	14,273,172	142,646,802
End of Year	**$ 3,149,332**	**$ 39,620,360**	**$ 14,258,660**	**$ 136,901,209**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
1976 PROJECT AREA DEBT SERVICE FUNDS
JUNE 30, 2010

	1998 B Tax Exempt	1998 C Taxable	2001 A Tax Exempt	2002 A Bonds	2004 A Bonds	Total
Assets:						
Cash and investments with trustee	$ 2,928,035	$ -	$ 1,304,849	$ 1,815,504	$ 2,558,067	$ 8,606,455
Total Assets	**$ 2,928,035**	**$ -**	**$ 1,304,849**	**$ 1,815,504**	**$ 2,558,067**	**$ 8,606,455**
Fund Balances:						
Unreserved:						
Designated:						
Debt service	$ 2,928,035	$ -	$ 1,304,849	$ 1,815,504	$ 2,558,067	$ 8,606,455
Total Fund Balances	**$ 2,928,035**	**$ -**	**$ 1,304,849**	**$ 1,815,504**	**$ 2,558,067**	**$ 8,606,455**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
1976 PROJECT AREA DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	1998 B Tax Exempt	1998 C Taxable	2001 A Tax Exempt	2002 A Bonds	2004 A Bonds	Total
Revenues:						
Use of money and property:						
Interest income	$ 990	$ -	$ 442	$ 616	$ 867	$ 2,915
Total Revenues	**990**	**-**	**442**	**616**	**867**	**2,915**
Expenditures:						
Debt service:						
Interest expense	1,429,036	561,144	734,813	777,245	1,375,300	4,877,538
Long-term debt repayments	685,000	260,000	555,000	1,015,000	1,165,000	3,680,000
Total Expenditures	**2,114,036**	**821,144**	**1,289,813**	**1,792,245**	**2,540,300**	**8,557,538**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,113,046)	(821,144)	(1,289,371)	(1,791,629)	(2,539,433)	(8,554,623)
Other Financing Sources (Uses):						
Transfers in	2,114,036	821,144	1,289,813	1,788,299	2,534,680	8,547,972
Total Other Financing Sources (Uses)	**2,114,036**	**821,144**	**1,289,813**	**1,788,299**	**2,534,680**	**8,547,972**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	990	-	442	(3,330)	(4,753)	(6,651)
Fund Balances:						
Beginning of Year	2,927,045	-	1,304,407	1,818,834	2,562,820	8,613,106
End of Year	**$ 2,928,035**	**$ -**	**$ 1,304,849**	**$ 1,815,504**	**$ 2,558,067**	**$ 8,606,455**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
1976 PROJECT AREA CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Operating Fund	1998 C Taxable	2001 A Tax Exempt	2002 A Tax Exempt	2004 A Bonds
Assets:					
Cash and investments	$ 13,704,763	$ 3,049	$ 516,842	$ 404,641	$ -
Cash and investments with trustee	-	627,199	-	55,529	14,291,986
Receivables:					
Accounts	28,500	-	39	-	-
Interest	2,693	-	-	119	-
Loans	1,046,404	-	-	-	-
Lease payments	508,648	-	-	-	-
Deposits with others	-	-	935,000	-	-
Land held for resale	-	-	2,407,365	2,000,000	3,114,853
Prepaid expenses	17,133	-	-	-	-
Total Assets	**$ 15,308,141**	**$ 630,248**	**$ 3,859,246**	**$ 2,460,289**	**$ 17,406,839**
Liabilities:					
Accounts payable	$ 2,345,792	$ -	$ 4,911	$ -	$ 664,266
Deposits from others	49,268	-	-	-	-
Due to Low and Moderate Housing Funds	8,494,300	-	-	-	-
Due to City	-	-	-	-	1,250
Deferred revenue	1,555,052	-	-	-	-
Unearned revenue	50,000	-	-	-	-
Total Liabilities	**12,494,412**	**-**	**4,911**	**-**	**665,516**
Fund Balances:					
Reserved:					
Encumbrances	184,051	981	299,973	28,491	383,242
Land held for resale	-	-	2,407,365	2,000,000	3,114,853
Long-term loans	-	-	-	-	-
Prepaid costs	17,133	-	-	-	-
Unreserved:					
Designated:					
Continuing projects	2,612,545	629,267	1,146,997	431,798	13,243,228
Total Fund Balances	**2,813,729**	**630,248**	**3,854,335**	**2,460,289**	**16,741,323**
Total Liabilities and Fund Balances	**$ 15,308,141**	**$ 630,248**	**$ 3,859,246**	**$ 2,460,289**	**$ 17,406,839**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
1976 PROJECT AREA CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Capital Projects	East Baybridge OPA	Homebuyer Program	Total
Assets:				
Cash and investments	$ 33,595,530	$ 384,811	$ 174,500	$ 48,784,136
Cash and investments with trustee	-	-	-	14,974,714
Receivables:				
Accounts	-	-	-	28,539
Interest	11,743	112	51	14,718
Loans	2,002,780	-	-	3,049,184
Lease payments	-	-	-	508,648
Deposits with others	-	-	-	935,000
Land held for resale	4,641,312	-	-	12,163,530
Prepaid expenses	-	-	-	17,133
Total Assets	**$ 40,251,365**	**$ 384,923**	**$ 174,551**	**$ 80,475,602**
Liabilities:				
Accounts payable	$ 783,253	$ -	$ -	$ 3,798,222
Deposits from others	76,500	-	-	125,768
Due to Low and Moderate Housing Funds	-	-	-	8,494,300
Due to City	-	-	-	1,250
Deferred revenue	2,002,780	-	-	3,557,832
Unearned revenue	-	-	-	50,000
Total Liabilities	**2,862,533**	**-**	**-**	**16,027,372**
Fund Balances:				
Reserved:				
Encumbrances	2,618,983	-	-	3,515,721
Land held for resale	4,641,312	-	-	12,163,530
Long-term loans	-	-	-	-
Prepaid costs	-	-	-	17,133
Unreserved:				
Designated:				
Continuing projects	30,128,537	384,923	174,551	48,751,846
Total Fund Balances	**37,388,832**	**384,923**	**174,551**	**64,448,230**
Total Liabilities and Fund Balances	**$ 40,251,365**	**$ 384,923**	**$ 174,551**	**$ 80,475,602**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
1976 PROJECT AREA CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Operating Fund	1998 C Taxable	2001 A Tax Exempt	2002 A Tax Exempt	2004 A Bonds
Revenues:					
Taxes and assessments:					
Tax increment	$ 22,141,191	$ -	$ -	$ -	$ -
Use of money and property:					
Interest income	270,117	415	6,515	7,458	(91,164)
Lease income	90,000	-	-	-	-
Other revenue:					
Litigation settlement	-	-	-	-	-
Total Revenues	**22,501,308**	**415**	**6,515**	**7,458**	**(91,164)**
Expenditures:					
Current:					
General government:					
Administrative costs	1,353,547	-	-	759	32,848
Community development:					
Professional services	256,183	-	35,037	35,856	1,973,689
Planning, survey and design	18,748	-	55,523	23,805	33,246
Real estate acquisitions	-	-	2,600	-	-
Operation of acquired property	-	-	-	-	-
Capital outlay:					
Project improvement costs	444,810	-	98,854	16,000	1,685,333
Total Expenditures	**2,073,288**	**-**	**192,014**	**76,420**	**3,725,116**
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,428,020	415	(185,499)	(68,962)	(3,816,280)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(17,466,972)	-	-	-	-
Housing set-aside transfers out	(4,428,238)	-	-	-	-
Pass through agreement payments	(1,721,139)	-	-	-	-
Developer participation	-	-	-	-	-
Payment to the Supplemental Educational Revenue Augmentation Fund	(7,348,069)	-	-	-	-
Loans received (made)	(6,486)	-	-	-	-
Miscellaneous	(1,650)	-	-	-	-
Total Other Financing Sources (Uses)	**(30,972,554)**	**-**	**-**	**-**	**-**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(10,544,534)	415	(185,499)	(68,962)	(3,816,280)
Fund Balances:					
Beginning of Year	13,358,263	629,833	4,039,834	2,529,251	20,557,603
End of Year	**$ 2,813,729**	**$ 630,248**	**$ 3,854,335**	**$ 2,460,289**	**$ 16,741,323**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
1976 PROJECT AREA CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Capital Projects	East Baybridge OPA	Homebuyer Program	Total
Revenues:				
Taxes and assessments:				
Tax increment	$ -	$ -	$ -	$ 22,141,191
Use of money and property:				
Interest income	564,146	5,938	2,966	766,391
Lease income	-	-	-	90,000
Other revenue:				
Litigation settlement	15,500,000	-	-	15,500,000
Total Revenues	**16,064,146**	**5,938**	**2,966**	**38,497,582**
Expenditures:				
Current:				
General government:				
Administrative costs	9,918	-	-	1,397,072
Community development:				
Professional services	2,858,943	-	-	5,159,708
Planning, survey and design	672,350	-	-	803,672
Real estate acquisitions	2,323,392	-	-	2,325,992
Operation of acquired property	1,613	-	-	1,613
Capital outlay:				
Project improvement costs	3,252,110	-	-	5,497,107
Total Expenditures	**9,118,326**	**-**	**-**	**15,185,164**
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,945,820	5,938	2,966	23,312,418
Other Financing Sources (Uses):				
Transfers in	8,919,000	-	-	8,919,000
Transfers out	-	-	-	(17,466,972)
Housing set-aside transfers out	-	-	-	(4,428,238)
Pass through agreement payments	-	-	-	(1,721,139)
Developer participation	-	50,000	-	50,000
Payment to the Supplemental Educational Revenue Augmentation Fund	-	-	-	(7,348,069)
Loans received (made)	100,321	-	-	93,835
Miscellaneous	-	-	-	(1,650)
Total Other Financing Sources (Uses)	**9,019,321**	**50,000**	**-**	**(21,903,233)**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	15,965,141	55,938	2,966	1,409,185
Fund Balances:				
Beginning of Year	21,423,691	328,985	171,585	63,039,045
End of Year	**$ 37,388,832**	**$ 384,923**	**$ 174,551**	**$ 64,448,230**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
SHELLMOUND PROJECT AREA DEBT SERVICE FUNDS
JUNE 30, 2010

	1998 B Tax Exempt	2001 A Tax Exempt	2004 A Bonds	Total
Assets:				
Cash and investments with trustee	$ 481,241	$ 281,615	$ 1,740,017	$ 2,502,873
Total Assets	**$ 481,241**	**$ 281,615**	**$ 1,740,017**	**$ 2,502,873**
Fund Balances:				
Unreserved:				
Designated:				
Debt service	$ 481,241	$ 281,615	$ 1,740,017	$ 2,502,873
Total Fund Balances	**$ 481,241**	**$ 281,615**	**$ 1,740,017**	**$ 2,502,873**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SHELLMOUND PROJECT AREA DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	1998 B Tax Exempt	2001 A Tax Exempt	2004 A Bonds	Total
Revenues:				
Use of money and property:				
Interest income	$ 163	$ 95	$ 591	$ 849
Total Revenues	**163**	**95**	**591**	**849**
Expenditures:				
Debt service:				
Interest expense	291,918	210,750	1,168,598	1,671,266
Long-term debt repayments	180,000	70,000	565,000	815,000
Total Expenditures	**471,918**	**280,750**	**1,733,598**	**2,486,266**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(471,755)	(280,655)	(1,733,007)	(2,485,417)
Other Financing Sources (Uses):				
Transfers in	471,640	280,750	1,729,886	2,482,276
Total Other Financing Sources (Uses)	**471,640**	**280,750**	**1,729,886**	**2,482,276**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(115)	95	(3,121)	(3,141)
Fund Balances:				
Beginning of Year	481,356	281,520	1,743,138	2,506,014
End of Year	**$ 481,241**	**$ 281,615**	**$ 1,740,017**	**$ 2,502,873**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
SHELLMOUND PROJECT AREA CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Operating Fund	2001 A Tax Exempt	2004 A Bonds	Capital Projects	Homebuyer Program	Total
Assets:						
Cash and investments	$ 4,424,398	$ 127,730	$ -	$ 15,029,093	$ 174,500	$ 19,755,721
Cash and investments with trustee	-	-	12,815,916	-	-	12,815,916
Receivables:						
Accounts	71,270	-	-	4,315	-	75,585
Interest	1,559	22	552	4,464	51	6,648
Loans	-	-	-	23,011,589	-	23,011,589
Land held for resale	-	-	3,430,732	-	-	3,430,732
Total Assets	**$ 4,497,227**	**$ 127,752**	**$ 16,247,200**	**$ 38,049,461**	**$ 174,551**	**$ 59,096,191**
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	$ 238,536	$ -	$ 63	$ 215,684	$ -	$ 454,283
Due to Low and Moderate Housing Funds	2,797,700	-	-	-	-	2,797,700
Deferred revenue	-	-	-	23,011,589	-	23,011,589
Total Liabilities	**3,036,236**	**-**	**63**	**23,227,273**	**-**	**26,263,572**
Fund Balances:						
Reserved:						
Encumbrances	171,014	182,937	6,032	3,508,495	-	3,868,478
Land held for resale	-	-	3,430,732	-	-	3,430,732
Unreserved:						
Designated:						
Continuing projects	1,289,977	-	12,810,373	11,313,693	174,551	25,588,594
Undesignated	-	(55,185)	-	-	-	(55,185)
Total Fund Balances	**1,460,991**	**127,752**	**16,247,137**	**14,822,188**	**174,551**	**32,832,619**
Total Liabilities and Fund Balances	**$ 4,497,227**	**$ 127,752**	**$ 16,247,200**	**$ 38,049,461**	**$ 174,551**	**$ 59,096,191**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
STATEMENT OF REVENEUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SHELLMOUND PROJECT AREA CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Operating Fund	2001 A Tax Exempt	2004 A Bonds	Capital Projects	Homebuyer Program	Total
Revenues:						
Taxes and assessments:						
Tax increment	$ 14,503,188	$ -	$ -	$ -	$ -	$ 14,503,188
Use of money and property:						
Interest income	122,057	1,777	(15,014)	375,980	2,966	487,766
Rental income	71,270	-	-	-	-	71,270
Total Revenues	**14,696,515**	**1,777**	**(15,014)**	**375,980**	**2,966**	**15,062,224**
Expenditures:						
Current:						
General government:						
Administrative costs	1,264,831	-	11,875	2,896	-	1,279,602
Community development:						
Professional services	174,174	81,856	44,551	3,810,101	-	4,110,682
Planning, survey and design	13,909	-	-	149,118	-	163,027
Real estate acquisitions	-	-	257,735	-	-	257,735
Acquisition cost	-	-	-	-	-	-
Relocation costs	-	-	-	600,529	-	600,529
Capital outlay:						
Project improvement costs	-	68,779	2,789	369,160	-	440,728
Debt Service:						
Interest expense	112,068	-	-	-	-	112,068
Long-term debt repayments	1,487,932	-	-	-	-	1,487,932
Total Expenditures	**3,052,914**	**150,635**	**316,950**	**4,931,804**	**-**	**8,452,303**
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,643,601	(148,858)	(331,964)	(4,555,824)	2,966	6,609,921
Other Financing Sources (Uses):						
Transfers in	-	-	-	2,985,757	-	2,985,757
Transfers out	(5,468,033)	-	-	-	-	(5,468,033)
Housing set-aside transfers out	(2,900,637)	-	-	-	-	(2,900,637)
Long-term debt issued	100,000	-	-	-	-	100,000
Pass-through agreement payments	(4,167,332)	-	-	-	-	(4,167,332)
Payment to the Supplemental Educational Revenue Augmentation Fund	(3,943,523)	-	-	-	-	(3,943,523)
Loans received (made)	-	-	-	(102,027)	-	(102,027)
Loss on sale of property	-	-	-	(30,362)	-	(30,362)
Total Other Financing Sources (Uses)	**(16,379,525)**	**-**	**-**	**2,853,368**	**-**	**(13,526,157)**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,735,924)	(148,858)	(331,964)	(1,702,456)	2,966	(6,916,236)
Fund Balances:						
Beginning of Year	6,196,915	276,610	16,579,101	16,524,644	171,585	39,748,855
End of Year	**$ 1,460,991**	**$ 127,752**	**$ 16,247,137**	**$ 14,822,188**	**$ 174,551**	**$ 32,832,619**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
LOW AND MODERATE HOUSING DEBT SERVICE FUNDS
JUNE 30, 2010

	1995 Revenue Bonds	1998 B Tax Exempt	1998 C Taxable Bonds	2001 B Taxable Bonds	2004 A Housing Bonds	Total
Assets:						
Cash and investments with trustee	$ 573,702	$ 595,250	$ 543,945	$ 278,000	$ 1,158,435	$ 3,149,332
Total Assets	**$ 573,702**	**$ 595,250**	**$ 543,945**	**$ 278,000**	**$ 1,158,435**	**$ 3,149,332**
Fund Balances:						
Unreserved:						
Designated:						
Debt service	$ 573,702	$ 595,250	$ 543,945	$ 278,000	$ 1,158,435	$ 3,149,332
Total Fund Balances	**$ 573,702**	**$ 595,250**	**$ 543,945**	**$ 278,000**	**$ 1,158,435**	**$ 3,149,332**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
LOW AND MODERATE HOUSING DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	1995 Revenue Bonds	1998 B Tax Exempt	1998 C Taxable Bonds	2001 B Taxable Bonds	2004 A Housing Bonds	Total
Revenues:						
Use of money and property:						
Interest income	$ 194	$ 30	$ 185	$ 94	$ 392	$ 895
Total Revenues	**194**	**30**	**185**	**94**	**392**	**895**
Expenditures:						
Debt service:						
Interest expense	334,239	323,756	421,938	228,690	748,240	2,056,863
Long-term debt repayments	195,000	260,000	160,000	40,000	405,000	1,060,000
Total Expenditures	**529,239**	**583,756**	**581,938**	**268,690**	**1,153,240**	**3,116,863**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(529,045)	(583,726)	(581,753)	(268,596)	(1,152,848)	(3,115,968)
Other Financing Sources (Uses):						
Transfers in	527,984	583,726	580,747	268,080	1,150,711	3,111,248
Total Other Financing Sources (Uses)	**527,984**	**583,726**	**580,747**	**268,080**	**1,150,711**	**3,111,248**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,061)	-	(1,006)	(516)	(2,137)	(4,720)
Fund Balances:						
Beginning of Year	574,763	595,250	544,951	278,516	1,160,572	3,154,052
End of Year	**$ 573,702**	**$ 595,250**	**$ 543,945**	**$ 278,000**	**$ 1,158,435**	**$ 3,149,332**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
LOW AND MODERATE HOUSING CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Combined Operating	Revolving Loans	1995 Housing Bonds	1998 C Taxable
Assets:				
Cash and investments	$ 402,804	$ 2,180,632	$ -	$ 128,147
Cash and investments with trustee	-	-	-	-
Receivables:				
Accounts	-	1,289	-	-
Interest	1,891	647	-	37
Loans	250,000	9,088,604	-	-
Due from Capital Projects Funds	8,494,300	-	-	-
Land held for resale	-	-	394,511	-
Total Assets	**$ 9,148,995**	**$ 11,271,172**	**$ 394,511**	**$ 128,184**
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	$ 34,838	$ -	$ -	$ -
Deposits from others	-	-	-	-
Deferred revenue	250,000	9,088,604	-	-
Total Liabilities	**284,838**	**9,088,604**	**-**	**-**
Fund Balances:				
Reserved:				
Encumbrances	63,352	-	-	-
Land held for resale	-	-	394,511	-
Advances	8,494,300	-	-	-
Unreserved:				
Designated:				
Housing	306,505	2,182,568	-	128,184
Total Fund Balances	**8,864,157**	**2,182,568**	**394,511**	**128,184**
Total Liabilities and Fund Balances	**$ 9,148,995**	**$ 11,271,172**	**$ 394,511**	**$ 128,184**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
BALANCE SHEET
LOW AND MODERATE HOUSING CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	2004 A Housing Capital	Capital Projects	Total
Assets:			
Cash and investments	$ 348,794	$ 12,066,661	$ 15,127,038
Cash and investments with trustee	11,249,103	-	11,249,103
Receivables:			
Accounts	-	834	2,123
Interest	105	4,322	7,002
Loans	-	4,846,245	14,184,849
Due from Capital Projects Funds	-	2,797,700	11,292,000
Land held for resale	-	1,849,947	2,244,458
Total Assets	**$ 11,598,002**	**$ 21,565,709**	**$ 54,106,573**
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	$ 2,101	$ 254,425	$ 291,364
Deposits from others	-	10,000	10,000
Deferred revenue	-	4,846,245	14,184,849
Total Liabilities	**2,101**	**5,110,670**	**14,486,213**
Fund Balances:			
Reserved:			
Encumbrances	6,766	4,995	75,113
Land held for resale	-	1,849,947	2,244,458
Advances	-	2,797,700	11,292,000
Unreserved:			
Designated:			
Housing	11,589,135	11,802,397	26,008,789
Total Fund Balances	**11,595,901**	**16,455,039**	**39,620,360**
Total Liabilities and Fund Balances	**$ 11,598,002**	**$ 21,565,709**	**$ 54,106,573**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
LOW AND MODERATE HOUSING CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Combined Operating	Revolving Loans	1995 Housing Bonds	1998 C Taxable
Revenues:				
Use of money and property:				
Interest income	$ 70,719	$ 90,804	$ -	$ 2,177
Total Revenues	**70,719**	**90,804**	**-**	**2,177**
Expenditures:				
Current:				
General government:				
Administrative costs	652,424	-	-	-
Community development:				
Professional services	207,335	-	-	-
Planning, survey and design	9,057	-	-	-
Operation of acquired property	3,472	-	-	-
Rehabilitation grants	83,040	-	-	-
Capital outlay:				
Project improvement costs	-	-	-	-
Total Expenditures	**955,328**	**-**	**-**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(884,609)	90,804	-	2,177
Other Financing Sources (Uses):				
Transfers in	-	220,000	-	-
Housing set-aside transfers in	7,328,875	-	-	-
Transfers out	(3,331,248)	-	-	-
Bond administrative fees	100,828	-	-	-
Loans received (made)	-	(303,363)	-	-
Loss on sale of property	-	(171,071)	-	-
Miscellaneous	48,030	-	-	-
Total Other Financing Sources (Uses)	**4,146,485**	**(254,434)**	**-**	**-**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	3,261,876	(163,630)	-	2,177
Fund Balances:				
Beginning of Year	5,602,281	2,346,198	394,511	126,007
End of Year	**$ 8,864,157**	**$ 2,182,568**	**$ 394,511**	**$ 128,184**

EMERYVILLE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
LOW AND MODERATE HOUSING CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2004 A Housing Capital	Capital Projects	Total
Revenues:			
Use of money and property:			
Interest income	$ 23,364	$ 611,228	$ 798,292
Total Revenues	**23,364**	**611,228**	**798,292**
Expenditures:			
Current:			
General government:			
Administrative costs	-	7,434	659,858
Community development:			
Professional services	4,372	352	212,059
Planning, survey and design	42,106	21,289	72,452
Operation of acquired property	-	149	3,621
Rehabilitation grants	-	-	83,040
Capital outlay:			
Project improvement costs	1,422,500	1,969,334	3,391,834
Total Expenditures	**1,468,978**	**1,998,558**	**4,422,864**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,445,614)	(1,387,330)	(3,624,572)
Other Financing Sources (Uses):			
Transfers in	-	-	220,000
Housing set-aside transfers in	-	-	7,328,875
Transfers out	-	-	(3,331,248)
Bond administrative fees	-	-	100,828
Loans received (made)	-	(616,261)	(919,624)
Loss on sale of property	-	(33,760)	(204,831)
Miscellaneous	-	144,000	192,030
Total Other Financing Sources (Uses)	**-**	**(506,021)**	**3,386,030**
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,445,614)	(1,893,351)	(238,542)
Fund Balances:			
Beginning of Year	13,041,515	18,348,390	39,858,902
End of Year	**$ 11,595,901**	**$ 16,455,039**	**$ 39,620,360**

CITY OF EMERYVILLE

COMPUTATION OF LOW AND MODERATE INCOME HOUSING FUNDS EXCESS/SURPLUS

	Low and Moderate Housing Funds - All Project Areas July 1, 2009		Low and Moderate Housing Funds - All Project Areas July 1, 2010	
Opening Fund Balance		$ 43,012,954		$ 42,769,692
Less Unavailable Amounts:				
Land held for resale	$ (2,244,458)		$ (2,244,458)	
SERAF loans	-		(11,292,000)	
Encumbrances (Section 33334.12 (g)(2))	(1,051,231)		(75,113)	
Unspent debt proceeds (Section 33334.12 (g)(3)(B))	(13,562,033)		(12,118,596)	
		(16,857,722)		(25,730,167)
Available Low and Moderate Income Housing Funds		26,155,232		17,039,525
Limitation (greater of $1,000,000 or four years set-aside)				
Set-Aside for last four years:				
2009 - 2010	$ -		$ 7,328,875	
2008 - 2009	7,672,661		7,672,661	
2007 - 2008	6,796,446		6,796,446	
2006 - 2007	6,031,223		6,031,223	
2005 - 2006	5,037,987		-	
Total	**$ 25,538,317**		**$ 27,829,205**	
Base Limitation	**$ 1,000,000**		**$ 1,000,000**	
Greater amount		$ 25,538,317		$ 27,829,205
Computed Excess/Surplus		**$ 616,915**		**None**