



Glendale

Year Ended – June 30, 2010



ANNUAL FINANCIAL REPORT *Glendale Redevelopment Agency*





Glendale

ANNUAL FINANCIAL REPORT

Glendale Redevelopment Agency

Year Ended - June 30, 2010

Chairperson

Laura Friedman



Agency Members

John Drayman

Ara Najarian

Frank Quintero

Dave Weaver

Executive Director

James E. Starbird

Director of

Community

Redevelopment and

Housing

Philip S. Lanzafame



Director of

Administrative

Services - Finance

Robert P. Elliot, CPA



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Glendale

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Glendale

INTRODUCTORY SECTION

Year Ended - June 30, 2010





Glendale Redevelopment Agency

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Honorable Chair and Members
of the Glendale Redevelopment Agency
City of Glendale
Glendale, CA 91206

INTRODUCTION

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants 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. Pursuant to the requirement, we hereby issue the annual financial report of the Glendale Redevelopment Agency (Agency) for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the Agency. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Agency has established a comprehensive internal control framework that is designed both to protect the Agency's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Agency's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Agency's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

McGladrey & Pullen LLP, a firm of certified public accountants, has audited the Agency's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Agency for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Agency's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GLENDALE REDEVELOPMENT AGENCY

The Agency was created by the Glendale City Council Ordinance No. 4017, adopted March 28, 1972 and was established pursuant to the Community Redevelopment Law of California as modified in Part I of Division 24 of the State of California Health and Safety Code. As such, the Agency acts as a legal entity, separate and distinct from the City even though the City Council has the authority to appoint the Agency's Governing Board.

At present, the Glendale City Council serves as the governing body of the Agency with the authority to carry out redevelopment activities. The City Manager serves as Executive Director; the Director of Administrative Services serves as the Treasurer of the Agency; the City Clerk serves as Secretary of the Agency; and the City Attorney serves as Agency Counsel.

The Agency currently has two project areas:

1. The Central Glendale Redevelopment Project was formally created by Ordinance No. 4042 dated August 1, 1972. Originally encompassing 221 acres located in the heart of the City of Glendale (the City), the project area has grown by annexation to encompass 263 acres. The project area consists principally of commercial, office, and retail uses.
2. The San Fernando Road Corridor Redevelopment Project was formally created by Ordinance No. 5003 dated December 15, 1992. The project area encompasses 750 acres, which is primarily used for industrial, manufacturing and entertainment related business.

The actions of the Agency are binding, and its appointed representatives routinely transact business, including the incurrence of long-term debt, in the Agency's name. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a blighted condition, as defined under State law.

The California Community Redevelopment Law of California provides that, pursuant to the adoption of a redevelopment plan, the Agency is entitled to a proportional amount based on statutory tax-sharing arrangement for all future incremental property tax revenues attributable to increases in the property tax base within the Central Redevelopment Project Area and a proportional amount based on tax-sharing agreements in the San Fernando Corridor Project Area. Property taxes levied for the fiscal year ended on June 30 are payable in equal installments due on November 1 and February 1 and collectible December 10 and April 10, respectively.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Agency operates.

LOCAL ECONOMY

Economic growth in the City of Glendale is relatively flat. During the last year, there has been a slow growth in property tax revenue. The growth in sales tax revenue decreased due to declining sales activity, especially for general consumer goods and the retail auto sector.

LONG-TERM FINANCIAL PLANNING

The Agency uses a cash-flow model in its long-term financial planning. This model is segregated by each project area {Central & San Fernando} and projects tax increment and project expenses out for ten years or longer.

The following projects are significant to the Agency's current and future generation of revenue:

CENTRAL PROJECT

AMERICANA AT BRAND (TOWN CENTER)

The Americana at Brand is a mixed-use pedestrian oriented, residential, retail and commercial center with major public open space elements anchoring the southern edge of the Project Area. The 15.5 acre site is generally bounded by Brand Boulevard, Central Avenue, the Galleria II parking structure, and Colorado Street. This project opened in May 2008.

EMBASSY SUITES HOTEL

The Embassy Suites Hotel project is an all-suites business class hotel located on Burchett Street adjacent to the Hilton Glendale. The 272 room hotel opened in November 2008.

HYATT PLACE GLENDALE

Hyatt Place Glendale is an 11-story, 172-room hotel located at the northeast corner of Central and Wilson Avenues. The Agency has approved the design and the environmental analysis for the proposed project. The development team is currently negotiating the business terms for the Ground Lease Agreement. The construction is estimated to commence at the end of 2011.

SAN FERNANDO CORRIDOR PROJECT

DREAMWORKS EXPANSION

DreamWorks Animation, LLC completed a \$40M addition of 128,700 SF to the existing Lakeside Building and the expansion of the existing parking structure in March 2010.

GRAND CENTRAL GLENDALE CREATIVE CAMPUS

The Walt Disney Co. development project is continuing at the GC3 campus, bringing new construction and more jobs to the area, along with increased tax increment revenue. The first phase consisting of two 3-story, Hollywood Art Deco buildings (each 125,000 SF) was completed in December 2006. This \$30 million first phase is located at the corner of Grandview and Flower Street. A 23,000 SF childcare, licensed for over 200 children is now complete and awaits state licensure prior to opening. The second phase of development at GC3 is now underway with an anticipated completion date of October 2012. This is a 338,000 SF project to be used for office space.

AGENCY LOANS

As of June 30, 2010, the Agency's loan's receivable total is \$3,343,606. The Agency's loan to the Glendale Unified School District (GUSD) in the amount of \$1,743,606 was to fund the Moyse Field improvement project of the school district and \$1,600,000 was to fund the purchase of the Embassy Suites Hotel property.

CASH MANAGEMENT POLICIES AND PRACTICES

Cash temporarily idle during the year was invested in the City Treasurer's portfolio. The average yield was 1.89 percent for the fiscal year. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

RISK MANAGEMENT

The Agency participates in the City of Glendale's self-insurance programs for workers' compensation and general liability, which affect the Agency. These insurance activities are accounted for in the City of Glendale's Liability Insurance Fund, an internal service fund. As a component unit of the City of Glendale, the Agency is also covered under the City's policies for property insurance and excess liability coverage.

Additional information on the Agency's risk management can be found in Note IX of the financial statements.

SUMMARY

I would like to take this opportunity to express my appreciation to the staff of the Administrative Services - Finance and Community Redevelopment and Housing, led by the efforts of Accounting Services Administrator, Lily Fang and Senior Accountant, Zinda Jimenez whose hard work and dedication have made the preparation of this report possible. I would like to express my appreciation to the Agency Members and the Director of Community Redevelopment and Housing, Philip S. Lanzafame, for their support and responsible planning of the Agency's financial affairs.

Respectfully submitted,

A handwritten signature in black ink that reads "Robert Elliot". The signature is written in a cursive style with a long horizontal stroke at the end.

Robert P. Elliot, CPA
Director of Administrative Services - Finance

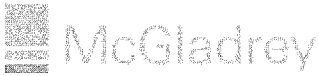


Glendale

FINANCIAL SECTION

Year Ended - June 30, 2010





Independent Auditor's Report

To the Honorable Chair and Members
Glendale Redevelopment Agency
Glendale, CA

We have audited the accompanying financial statements of the governmental activities and each major fund of the Glendale Redevelopment Agency (the Agency), a component unit of the City of Glendale, California, as of and for the year ended June 30, 2010, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the 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*, we have also issued our report dated November 29, 2010 on our consideration of the Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying introductory and statistical sections, including the Computation of Low-Moderate Income Housing Excess/Surplus Funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

McGladrey & Pullen, LLP

Pasadena, CA
November 29, 2010

GLENDALE REDEVELOPMENT AGENCY

Management's Discussion and Analysis

June 30, 2010

(in thousands)

As management of the Glendale Redevelopment Agency (Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on *pages i to iv* of this report. All amounts, unless otherwise indicated, are expressed in thousands.

Financial Highlights

- The liabilities of the Agency exceeded its assets at the close of the most recent fiscal year by \$19,356 (*net assets*). Of this amount, a negative \$101,341 (*unrestricted net assets*) exists. The deficit in unrestricted net assets is typical in redevelopment agencies. All redevelopment agencies leverage current tax increment revenues by issuing long-term debt to raise capital to promote economic growth within the project area.
- The Agency's total net assets increased by \$2,022. This increase is attributable primarily to the increase in property tax increment revenue received this fiscal year. In addition, although the total expenditures increased by \$10,454; due to the GRA payment to the Supplemental Education Relief Augmentation Fund (SERAF) of \$11,200, however, the net revenue increased by \$4,309 is primarily due to increase in the tax increment revenue by \$4,804.
- As of the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$113,726; an increase of \$21,069 in comparison with the prior year's combined fund balance of \$92,657. This increase is due primarily to 2010 Tax Allocation Bond Proceeds received in the current fiscal year. At the end of the current fiscal year, the total unreserved fund balance for the Central Project, San Fernando Project, Low and Moderate Housing, and Town Center funds was a positive \$55,963, \$15,247, \$24,790 and \$6,344 respectively.
- The Agency's total debt increased by \$26,302 (15.87 percent) during the current fiscal year mainly due to the following: (1) \$5,031 decrease in ongoing debt service; (2) net proceeds of 2010 Tax Allocation Bonds of \$26,621; (3) a new loan {Residential Development Loan Program (RDLP)} by the Glendale Housing Authority, net increase of \$4,643; (4) retirement of \$2,636 of Low & Mod Loans Payable and; (5) a net increase of \$2,705 to amounts owed to the City of Glendale.

Overview of the Financial Statements

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

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* presents information on all of the Agency's assets and liabilities, with the difference between the two reported as *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 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements identify functions of the Agency that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Agency include community development, education, housing assistance and interest and fiscal charges in bonds.

The government-wide financial statements can be found on *pages 11-13* of this report.

GLENDALE REDEVELOPMENT AGENCY

Management's Discussion and Analysis

June 30, 2010

(in thousands)

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are known as governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike 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 may be useful in evaluating an Agency's near-term financing requirements.

Because 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 government-wide financial statements. By doing so, readers may better understand the long-term impact of the Agency's near-term financing decisions. 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*.

The Agency maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Central Project, San Fernando Road Project, Low and Moderating Housing, Town Center, 2002 Tax Allocation Bonds, 2003 Tax Allocation Bonds, 2010 Tax Allocation Bonds Funds and Low and Mod Loans Payable.

The basic governmental fund financial statements can be found on *pages 15-26* of this report.

Notes to the financial statements. The notes 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 can be found on *pages 27-46* of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Agency's financial position. The Agency's liabilities exceeded assets by \$19,356 at the close of the fiscal year.

The Agency has a negative balance in *unrestricted net assets* (\$101,341) due primarily to a significant amount of (\$105,634) outstanding bonded debt. Restricted net assets are an additional portion of the Agency's net assets of \$34,455 that represent resources that are subject to external restrictions on how they may be used.

GLENDALE REDEVELOPMENT AGENCY
 Management's Discussion and Analysis
 June 30, 2010
 (in thousands)

Glendale Redevelopment Agency's Net Assets

		Total Governmental Activities	
		2010	2009
Current assets and other assets	\$	97,116	98,051
Capital assets		79,093	49,809
Total assets		<u>176,209</u>	<u>147,860</u>
Long term debt		181,107	156,298
Current liabilities		11,458	12,939
Total liabilities		<u>195,565</u>	<u>169,237</u>
Net assets (deficits):			
Investment in general FA		47,530	49,809
Restricted		34,455	34,131
Unrestricted		(101,341)	(105,317)
Total net assets (deficits)	\$	<u>(19,356)</u>	<u>(21,377)</u>

The Agency has a deficit in unrestricted net assets due to the nature of redevelopment financing. Redevelopment agencies typically leverage current tax increment revenues by issuing long-term debt (including loans from the City) in order to raise capital to conduct activities that eliminate blight and to promote economic development within the project area. The new projects constructed, in turn, generate additional tax increment revenues, which again, may only be captured to the extent that the Agency incurs indebtedness. Indebtedness includes bonded indebtedness, notes, loans, advances, payments due under development agreements, and City loans. The Agency incurs debt based on future tax increments to fund infrastructure projects. Once the infrastructure projects are completed, the asset is transferred to the City; however, the debt remains with the Agency resulting in deficit net assets.

GLENDALE REDEVELOPMENT AGENCY

Management's Discussion and Analysis

June 30, 2010

(in thousands)

Governmental activities. Governmental activities increased the Agency's net assets by \$2,022 thereby accounting for the total increase in the net assets of the Agency. Key elements of this increase are as follows:

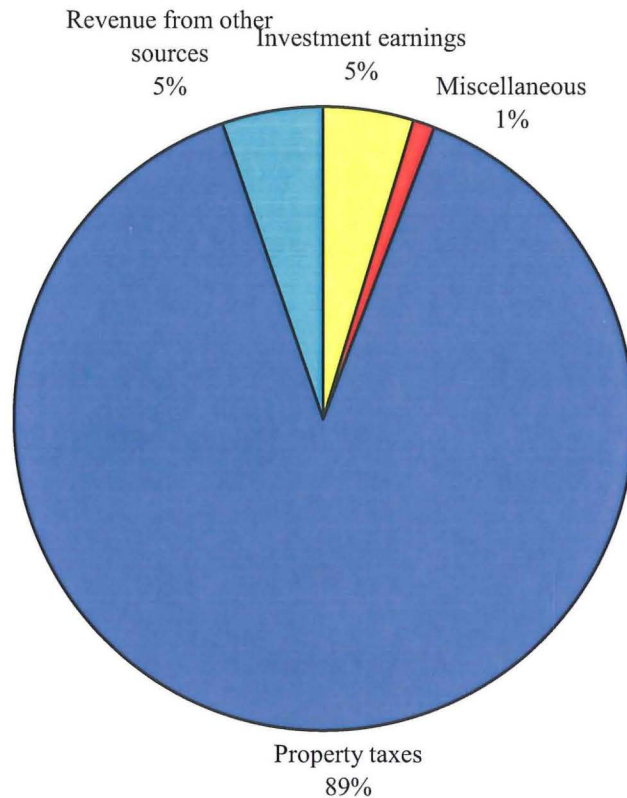
Glendale Redevelopment Agency's Changes in Net Assets

	Total Governmental Activities	
	2010	2009
Revenues:		
Program revenues:		
Charges for services	\$ 16	19
General revenues:		
Property taxes	40,086	35,282
Revenue from other sources	2,333	2,279
Investment earnings	2,146	2,521
Miscellaneous	529	703
Total revenues	45,110	40,804
Community development	11,491	13,793
Education	12,271	1,740
Housing assistance	9,718	11,151
Interest and fiscal charges on bonds	9,608	5,950
Total expenses	43,088	32,634
Change in net assets	2,022	8,170
Net assets - July 1	(21,377)	(29,547)
Net assets - June 30	\$ (19,356)	(21,377)

- Property taxes increased by \$4,804.
- Investment earnings decreased by \$375 largely due to decrease in the current year's investment yield.
- Miscellaneous revenues consist primarily of rental revenue and First Time Home Buyer Program loan payoffs.
- Community development related expenses decreased by \$2,302 in the current year due to lesser development in both Central & San Fernando Project Areas.
- Education related expenses net increase of \$10,531 due to the Agency's payment to SERAF.
- Interest and fiscal charges on bonds increased by \$3,658 due to Low & Mod Loan payments.

Revenues By Source – Governmental Activities

Revenues By Source - Governmental Activities



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 *spending* resources. Such information is useful in assessing the Agency's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of an Agency's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$113,726, an increase of \$21,069 in comparison with the prior year. The Agency has \$83,605 in *unreserved fund balance* and the remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period \$983, (2) to hold property for future development \$15,884, (3) for principal and interest payments toward outstanding bond debt \$9,665, (4) for deposits \$7, (5) for prepaid expenditures \$238 and (6) for loans receivable \$3,344.

GLENDALE REDEVELOPMENT AGENCY

Management's Discussion and Analysis

June 30, 2010

(in thousands)

The combined fund balance of the Agency's Central Project, San Fernando Project, Town Center, and Low & Moderate Housing funds increased from \$82,692 to \$102,344, a net increase of \$19,652 compared to the prior fiscal year. This change is primarily due to 2010 Tax Allocation Bonds proceeds, decrease activities in the San Fernando project area and Low & Mod Housing and decrease in the encumbrances.

The debt service funds have a total fund balance of \$11,383 of which \$9,665 is reserved for debt service payment.

Capital Asset and Debt Administration

Capital assets

The Agency's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$57,486 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress. The total increase in the Agency's investment in capital assets for the current fiscal year was \$7,677, which was primarily due to Housing moving under GRA.

**Glendale Redevelopment Agency's
Capital Assets**

	<u>Total Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Land	\$ 28,982	28,918
Buildings and Improvements	14,982	14,331
Machinery and Equipment	941	654
Construction in progress	<u>16,819</u>	<u>9,616</u>
Total capital assets	<u>61,724</u>	<u>53,519</u>
Less Accumulated Depreciation		
Building and Improvements	3,594	3,120
Machinery and Equipment	<u>645</u>	<u>589</u>
Total Accumulated Depreciation	<u>4,239</u>	<u>3,709</u>
Capital Assets Net of Depreciation	<u>\$ 57,485</u>	<u>49,809</u>

Additional information on the Agency's capital assets can be found in the notes on *page 36 of* this report.

GLENDALE REDEVELOPMENT AGENCY

Management’s Discussion and Analysis

June 30, 2010

(in thousands)

Long-term debt.

At the end of the current fiscal year, the Agency has total bonded debt outstanding of \$105,634 all of which is backed by the Agency’s revenue from property tax increment.

Glendale Redevelopment Agency's Outstanding Debt

		<u>Total Governmental Activities</u>	
		<u>2010</u>	<u>2009</u>
GRA Tax allocation bonds	\$	105,634	84,044
Long-term debt to City		71,086	68,380
Low & Mod Loan		10,716	13,352
Res. Dev. Loan Program(RDLP)		<u>4,643</u>	<u>-</u>
Total outstanding debt	\$	<u><u>192,079</u></u>	<u><u>165,776</u></u>

- The Agency’s total debt increased by \$26,302 (15.87 percent) during the current fiscal year mainly due to the following: (1) \$5,031 decrease in ongoing debt service; (2) net proceeds of 2010 Tax Allocation Bonds of \$26,621; (3) a new loan {Residential Development Loan Program (RDLP)} by the Glendale Housing Authority, net increase of \$4,643; (4) retirement of \$2,636 of Low & Mod Loans Payable and; (5) a net increase of \$2,705 to amounts owed to the City of Glendale.

Additional information on the Agency’s long-term debt can be found on *pages 37 through 40* of this report.

The City’s Debt Ratings (based on insurance purchased related to the issues):

<u>Debt Issue</u>	<u>Moody's</u>	<u>Standard & Poor's (S & P)</u>
2002 GRA Tax Allocation Bonds	Aaa	AAA
2003 GRA Tax Allocation Bonds	Aaa	AAA
2010 GRA Tax Allocation Bonds	Baa2	A-

Bonds which are rated ‘AAA’ & ‘Aaa’ are judged to be of the best quality. They carry the smallest degree of investment risk. Interest payments are protected by a large or an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues. Bonds rated ‘AAA’ are generally known as investment grade bonds of which the issuer of the Bonds is judged to have a very strong capacity to meet its financial commitments.

GLENDALE REDEVELOPMENT AGENCY

Management's Discussion and Analysis

June 30, 2010

(in thousands)

Economic Factors

- 89 percent of the Agency's revenues come from tax increment

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administrative Services - Finance, City of Glendale, 141 North Glendale Avenue, Suite 346, Glendale, CA 91206.



Glendale

BASIC FINANCIAL STATEMENTS

Year Ended - June 30, 2010



Exhibit A

Glendale Redevelopment Agency

Statement of Net Assets (Deficits)

June 30, 2010 (in thousands)

	Governmental Activities
	<u> </u>
ASSET	
Cash and invested cash	\$ 79,691
Cash with fiscal agent	12,308
Interest receivable	510
Prepaid items	239
Due from Other Agency	4,368
Deferred charges	2,380
Loans receivable	3,344
Property held for resale	15,884
Capital assets, net	<u>57,485</u>
Total assets	<u><u>176,209</u></u>
LIABILITIES	
Due to Other Agency	2,548
Interest payable	868
Bonds payable, due in one year	5,246
Other	2,726
Deposits	70
Intergovernmental payable	71,086
Bonds payable, net of current	<u>113,021</u>
Total liabilities	<u>195,565</u>
NET ASSETS (DEFICIT)	
Invested in capital assets, net of related debt	47,530
Restricted	
Low and moderate housing	24,790
Debt service	9,665
Unrestricted	<u>(101,341)</u>
Total net assets, (deficit)	<u><u>\$ (19,356)</u></u>

The notes to the financial statement are intergral part of this statement.

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Exhibit B
Glendale Redevelopment Agency
Statement of Activities
For Fiscal Year Ended June 30, 2010
(in thousands)

	Expenses	Charges for Services	Operating Grants and Contri- butions
Governmental activities:			
Community development	\$ 11,491	16	(11,475)
Education	12,271	-	(12,271)
Housing assistance	9,718	-	(9,718)
Interest and			
fiscal charges on bonds	9,608	-	(9,608)
Total government	<u>\$ 43,088</u>	<u>16</u>	<u>(43,072)</u>
Property taxes			40,086
Revenue from other sources			2,333
Investment earnings			2,146
Miscellaneous			<u>529</u>
Total general revenues			<u>45,094</u>
Change in net assets			<u>2,022</u>
Net assets (deficit) - July 1			<u>(21,377)</u>
Net assets (deficit) - June 30		\$	<u><u>(19,356)</u></u>

The notes to the financial statement are integral part of this statement.

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Exhibit C
Glendale Redevelopment Agency
Balance Sheet
Governmental Funds
June 30, 2010
(in thousands)

	<u>Central Project</u>	<u>San Fernando Project</u>	<u>Low and Moderate Housing</u>	<u>Town Center</u>
Assets				
Cash and invested cash	\$ 50,436	11,365	13,379	3,444
Cash with fiscal agent	-	1,995	-	-
Interest receivable	383	51	60	15
Prepaid items	-	222	17	-
Due from Other Agency	987	2,769	612	-
Loans receivable	3,344	-	-	-
Property held for resale	2,190	-	10,809	2,885
	<u>57,340</u>	<u>16,402</u>	<u>24,877</u>	<u>6,344</u>
Total assets	<u>57,340</u>	<u>16,402</u>	<u>24,877</u>	<u>6,344</u>
Liabilities and Fund Balances				
Liabilities:				
Due to Other Agency	1,351	1,111	87	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Deposits	26	44	-	-
	<u>1,377</u>	<u>1,155</u>	<u>87</u>	<u>-</u>
Total liabilities	<u>1,377</u>	<u>1,155</u>	<u>87</u>	<u>-</u>
Fund Balances:				
Reserved:				
Deposit	-	7	-	-
Prepaid	-	222	17	-
Debt service	-	-	-	-
Encumbrances	-	-	983	-
Loans receivable	3,344	-	-	-
Property resale	2,190	-	10,809	2,885
Unreserved	<u>50,429</u>	<u>15,018</u>	<u>12,981</u>	<u>3,459</u>
Total fund balances	<u>55,963</u>	<u>15,247</u>	<u>24,790</u>	<u>6,344</u>
Total liabilities and fund balances	<u>\$ 57,340</u>	<u>16,402</u>	<u>24,877</u>	<u>6,344</u>

The notes to the financial statement are integral part of the statement.

(Continued)

Exhibit C
Glendale Redevelopment Agency
 Balance Sheet
 Governmental Funds
 June 30, 2010
 (in thousands)

	2002 Tax Allocation Bonds	2003 Tax Allocation Bonds	2010 Tax Allocation Bonds	Low & Mod Loans Payable
Assets				
Cash and invested cash	\$ 423	640	-	6
Cash with fiscal agent	3,849	4,841	1,624	-
Interest receivable	-	-	-	-
Prepaid items	-	-	-	-
Due from Other Agency	-	-	-	-
Loans receivable	-	-	-	-
Property held for resale	-	-	-	-
Total assets	<u>4,272</u>	<u>5,481</u>	<u>1,624</u>	<u>6</u>
Liabilities and Fund Balances				
Liabilities:				
Due to Other Agency	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved:				
Deposit	-	-	-	-
Prepaid	-	-	-	-
Debt service	3,806	4,767	1,092	-
Encumbrances	-	-	-	-
Loans receivable	-	-	-	-
Property resale	-	-	-	-
Unreserved	<u>466</u>	<u>714</u>	<u>532</u>	<u>6</u>
Total fund balances	<u>4,272</u>	<u>5,481</u>	<u>1,624</u>	<u>6</u>
Total liabilities and fund balances	<u>\$ 4,272</u>	<u>5,481</u>	<u>1,624</u>	<u>6</u>

The notes to the financial statement are integral part of the statement.

(Continued)

Exhibit C
Glendale Redevelopment Agency
 Balance Sheet
 Governmental Funds
 June 30, 2010
 (in thousands)

	Total Governmental Funds
	<u> </u>
Assets	
Cash and invested cash	\$ 79,691
Cash with fiscal agent	12,308
Interest receivable	510
Prepaid items	239
Due from Other Agency	4,368
Loans receivable	3,344
Property held for resale	15,884
	<u> </u>
Total assets	<u><u>116,344</u></u>
Liabilities and Fund Balances	
Liabilities:	
Due to Other Agency	2,548
Due to other funds	-
Unearned revenues	-
Deposits	70
	<u> </u>
Total liabilities	<u>2,618</u>
Fund Balances:	
Reserved:	
Deposit	7
Prepaid	238
Debt service	9,665
Encumbrances	983
Loans receivable	3,344
Property resale	15,884
Unreserved	<u>83,605</u>
Total fund balances	<u>113,726</u>
Total liabilities and fund balances	<u>\$ <u>116,344</u></u>

The notes to the financial statement are integral part of the statement.

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Exhibit C.1

GLENDALE REDEVELOPMENT AGENCY

Governmental Funds

Reconciliation of Balance Sheet of

Governmental Funds to the Statement of Net Assets (Deficits)

June 30, 2010 (in thousands)

Fund balances of governmental funds		\$	113,726
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets are not included as financial resources in governmental fund activity.			
Cost of capital assets	\$	61,724	
Accumulated depreciation		<u>(4,239)</u>	57,485
Costs of issuance of bonds were fully expended in the governmental funds. This is the amount to establish the unamortized deferred charges.			
2002 Tax Allocation Bonds		663	
2003 Tax Allocation Bonds		1,322	
2010 Tax Allocation Bonds		347	
Low & Mod Loan		<u>48</u>	2,380
Long-term debt are not included in the governmental fund activity:			
Due within one year:			
Principal:			
Due to the City of Glendale		(3,081)	
2002 Tax allocation bonds		(2,240)	
2003 Tax allocation bonds - net of deferred amount on refunding		(2,755)	
Low & Mod Loan		(2,726)	
Bond premium:			
2002 Tax allocation bonds		(106)	
2003 Tax allocation bonds		<u>(145)</u>	(11,053)
Due more than one year:			
Principal:			
Due to the City of Glendale		(68,005)	
2002 Tax allocation bonds		(31,900)	
2003 Tax Allocation Bonds - net of deferred amount on refunding		(39,257)	
2010 Tax allocation bonds		(26,970)	
RDLP Loan		(4,643)	
Low & Mod Loan		(7,990)	
Bond premium/discount:			
2002 Tax allocation bonds premium		(1,109)	
2003 Tax allocation bonds premium		(1,501)	
2010 Tax allocation bonds discount		<u>349</u>	(181,026)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due:			
2002 Tax allocation bonds		(135)	
2003 Tax allocation bonds		(157)	
2010 Tax allocation bonds		(486)	
RDLP Loan		(37)	
Low & Mod Loan		<u>(53)</u>	(868)
Net assets (deficits) of governmental activities		\$	<u><u>(19,356)</u></u>

See accompanying notes to financial statements.

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Exhibit D
Glendale Redevelopment Agency
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For Fiscal Year Ended June 30, 2010
(in thousands)

	<u>Central Project</u>	<u>San Fernando Project</u>	<u>Low and Moderate Housing</u>	<u>Town Center</u>
Revenues:				
Property taxes	\$ 17,062	6,815	4,961	-
Revenue from other agencies	1	2,332	-	-
Charges for services	16	-	-	-
Use of money and property	1,314	239	333	68
Sale of Property	-	-	-	-
Miscellaneous revenue	130	-	399	-
Total Revenues	<u>18,523</u>	<u>9,386</u>	<u>5,693</u>	<u>68</u>
Expenditures:				
Current				
Community development				
County property tax administration	335	108	111	-
Pass through	1,959	3,919	-	-
Administration	3,302	438	1,182	-
Housing assistance	-	-	9,718	-
Education	11,570	701	-	-
Capital project	6,715	1,181	-	(96)
Debt Service				
Principal retirement	-	-	165	-
Interest bonds	-	-	88	-
Interest on debt to City	2,081	-	-	-
Total expenditures	<u>25,962</u>	<u>6,347</u>	<u>11,264</u>	<u>(96)</u>
Excess of revenues over (under) expenditures	(7,439)	3,039	(5,571)	164
Other financing sources (uses):				
Notes proceeds	24,650	-	4,808	-
Total other financing sources (uses)	<u>24,650</u>	<u>-</u>	<u>4,808</u>	<u>-</u>
Net change in fund balances	17,211	3,039	(763)	164
Fund balance, July 1	<u>38,752</u>	<u>12,208</u>	<u>25,552</u>	<u>6,180</u>
Fund Balance, June 30	<u>\$ <u>55,963</u></u>	<u>15,247</u>	<u>24,790</u>	<u>6,344</u>

The notes to the financial statement are integral part of the statement.

(Continued)

Exhibit D
Glendale Redevelopment Agency
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For Fiscal Year Ended June 30, 2010
(in thousands)

	2002 Tax Allocation Bonds	2003 Tax Allocation Bonds	2010 Tax Allocation Bonds	Low & Mod Loans Payable
Revenues:				
Property taxes	\$ 3,614	4,578	-	3,056
Revenue from other agencies	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	78	112	1	-
Sale of Property	-	-	-	-
Miscellaneous revenue	-	-	-	-
Total Revenues	<u>3,693</u>	<u>4,690</u>	<u>1</u>	<u>3,056</u>
Expenditures:				
Current				
Community development				
County property tax administration	-	-	-	-
Pass through	-	-	-	-
Administration	5	5	-	-
Housing assistance	-	-	-	-
Education	-	-	-	-
Capital project	-	-	-	-
Debt Service				
Principal retirement	2,165	2,815	-	2,636
Interest bonds	1,643	1,956	-	420
Interest on debt to City	-	-	-	-
Total expenditures	<u>3,813</u>	<u>4,776</u>	<u>-</u>	<u>3,056</u>
Excess of revenues over (under) expenditures	(120)	(86)	1	-
Other financing sources (uses):				
Notes proceeds	-	-	1,623	-
Total other financing sources (uses)	-	-	1,623	-
Net change in fund balances	(120)	(86)	1,624	-
Fund balance, July 1	4,392	5,567	-	6
Fund Balance, June 30	<u>\$ 4,272</u>	<u>5,481</u>	<u>1,624</u>	<u>6</u>

The notes to the financial statement are integral part of the statement.

(Continued)

Exhibit D
Glendale Redevelopment Agency
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For Fiscal Year Ended June 30, 2010
(in thousands)

	Total Governmental Funds
Revenues:	
Property taxes	\$ 40,086
Revenue from other agencies	2,333
Charges for services	16
Use of money and property	2,146
Sale of Property	-
Miscellaneous revenue	529
Total Revenues	<u>45,110</u>
Expenditures:	
Current	
Community development	
County property tax administration	554
Pass through	5,878
Administration	4,932
Housing assistance	9,718
Education	12,271
Capital project	7,800
Debt Service	
Principal retirement	7,781
Interest bonds	4,107
Interest on debt to City	2,081
Total expenditures	<u>55,122</u>
Excess of revenues over (under)	
expenditures	(10,012)
Other financing sources (uses):	
Notes proceeds	<u>31,081</u>
Total other financing sources (uses)	<u>31,081</u>
Net change in fund balances	21,069
Fund balance, July 1	<u>92,657</u>
Fund Balance, June 30	<u><u>\$ 113,726</u></u>

The notes to the financial statement are
integral part of the statement.

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Exhibit D.1

GLENDALE REDEVELOPMENT AGENCY

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For Fiscal Year Ended June 30, 2010 (in thousands)

Net change in fund balances - total governmental funds	\$	21,069
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital assets changes as expenditures		8,166
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		(490)
In the statement of activities, the cost of issuance of bonds is allocated over the life of bonds as an expense		
2002 Tax Allocation Bonds	\$ (58)	
2003 Tax Allocation Bonds	(118)	
Low & Mod Housing Loan	<u>(16)</u>	(192)
In the statement of activities, bond premium are allocated over the life but of the bonds as a component of interest expense		
2002 Tax Allocation Bonds	106	
2003 Tax Allocation Bonds	<u>145</u>	251
Repayment of bond principal is an expenditure in the governmental funds, the repayment reduces long-term liabilities in the statement of net assets.		
2003 Tax Allocation Bonds	2,615	
2002 Tax Allocation Bonds	2,165	
Low & Mod Loan	2,636	
RDLP Loan	<u>165</u>	7,581
In the statement of activities, interest is accrued on outstanding debt; whereas in the governmental fund, interest is recognized when matured.		
Due to the City of Glendale	(2,706)	
2002 Tax Allocation Bonds	6	
2003 Tax Allocation Bonds	12	
2010 Tax Allocation Bonds	(486)	
Low & Mod Loan	(70)	
RDLP Loan	<u>(37)</u>	(3,281)
Issuance of long-term debt provides current financial resources to the governmental but increases long-term liabilities in the statement of net assets		<u>(31,082)</u>
Change in net assets of governmental activities	\$	<u><u>2,022</u></u>

See accompanying notes to financial statements.

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GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

I. Summary of Significant Accounting Policies

A. Entity

The following is a summary of the significant accounting policies of the Glendale Redevelopment Agency (the Agency).

The Agency was created by the City Council Ordinance No. 4017, adopted on March 28, 1972 and was established pursuant to the Community Redevelopment Law of California as modified in Part I of Division 24 of the State of California Health and Safety Code.

Although the Agency is a separate legal entity, it is subject to the oversight responsibility of the City Council of the City of Glendale (the City) and accordingly, is a component unit of the City for financial reporting purposes. The Agency's governing board is the City Council.

The Agency currently has two project areas as follows:

1. The Central Glendale Redevelopment Project was formally created by Ordinance No. 4042 dated August 1, 1972. Originally encompassing 221 acres located in the heart of the City, the project area has grown by annexation to encompass 263 acres. The project area consists principally of commercial, office and retail uses.
2. The San Fernando Road Corridor Redevelopment Project was formally created by Ordinance No. 5003 dated December 15, 1992. The project area encompasses 750 acres, which is primarily used for industrial, manufacturing and entertainment related business.

The actions of the Agency are binding, and its appointed representatives routinely transact business, including the incurrence of long-term debt, in the Agency's name. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a declining condition.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on the Agency activities as a whole. For the most part, the effect of interfund activity has been removed from these statements. The Agency only uses governmental activities, which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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.

C. Fund Accounting

The accounts of the Agency are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues, and expenditures or expenses, as appropriate. The Agency records all of its transactions in governmental fund types.

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The Glendale Redevelopment Agency (the Agency) has categorized the Town Center Project Fund; the 2002 Tax Allocation Bonds; the Low and Mod Loans Payable and the 2010 Tax Allocation Bonds Funds as major funds for public interest reasons. The Agency believes that these judgmentally determined major funds are particularly important to the financial statement users. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the Agency's major governmental funds:

Special Revenue Funds -

- Central Project Fund - To account for monies received and expended within the Central Project area in accordance with the Redevelopment Plan of the Agency made pursuant to redevelopment laws of the State of California. Administrative expenditures for the project area are expended in this fund.
- San Fernando Project Fund -To account for monies received and expended within the San Fernando Project area in accordance with the Redevelopment Plan of the Agency made pursuant to redevelopment laws of the State of California. Administrative expenditures for the project area are expended in this fund.
- Low and Moderate Housing Fund - To account for housing set aside required under redevelopment laws of the State of California. Administrative expenditures for the Low and Mod projects or programs expended in this fund.
- Town Center Fund - Development fund for the 2002 Tax Allocation Bonds proceeds.

Debt Service Funds -

- 2003 Tax Allocation Bond Fund -To accumulate monies for the payment of interest and principal of the 2003 Tax Allocation Refunding Bonds. Debt Service is financed via the 80% of the incremental property tax from the Glendale Redevelopment Agency.
- 2002 Tax Allocation Bond Fund -To accumulate monies for the payment of interest and principal of the 2002 Tax Allocation bonds. Debt Service is financed via the 80% of the incremental property tax from the Glendale Redevelopment Agency.
- 2010 Tax Allocation Bond Fund - To accumulate monies for the payment of interest and principal of the 2010 Tax Allocation bonds. Debt service is financed via the 80% of the incremental property tax from the Glendale Redevelopment Agency.
- Low and Mod Loans Payable Fund -To accumulate monies for the payment of interest and principal of the Glendale Housing Authority Loan. Debt Service is financed via the 20% Housing set-aside of the incremental property tax from the Glendale Redevelopment Agency.

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

The Agency adopted GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, during the fiscal year ended June 30, 2002. The adoption of this Statement is meant to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the Agency's financial outlook.

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 Agency 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 are recorded only when payment is due.

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

Charges for services and intergovernmental revenue are recognized in the period they are susceptible to accrual when they become both measurable and available to finance the expenditures of the fiscal period. Intergovernmental revenue is considered available if it is expected to be collected within 120 days of fiscal year-end and all eligibility requirements are met.

Miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

All property taxes are collected and allocated by the County of Los Angeles to the various taxing entities. Property taxes are determined annually as of January 1 and attached as enforceable liens on real property as July 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. Secured property taxes become a lien on the property on March 1. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31. Property tax revenues are recognized in the fiscal period for which they are levied and collected, adjusted for any amounts deemed uncollectible and amounts expected to be collected more than 60 days after the fiscal year.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Net assets are reported as restricted when constraints placed on net assets use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation.

E. Assets, Liabilities, and Net Assets or Equity

Cash and Investments

The Agency pools its cash with the City. The City values its cash and investments in accordance with the provisions of Government Accounting Standard Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investments Pools (GASB 31)," which requires governmental entities, including governmental external investment pools, to report certain investments at fair value in the statement of net assets/balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. Fair value is determined using published market prices.

The City manages its pooled idle cash and investments under a formal investment policy that is reviewed by the Investment Committee and adopted by the City Council and that follow the guidelines of the State of California Government Code. Individual investments cannot be identified with any single fund because the City may be required to liquidate its investments at any time to cover large outlays required in excess of normal operating needs. Funds must request large outlays in advance in order that the City Treasurer will have the funding available. Interest income from the investment is allocated to all funds on a monthly basis based upon the prior month end cash balance of the fund as a percent of the month end total pooled cash balance. Accordingly, the Agency receives its portion of interest income. The City normally holds the investment to term.

Inter-fund Transactions

Transactions among the Agency funds that would be treated as revenues and expenditures if they involved organizations external to the Agency are accounted for as revenues and expenditures in the funds involved.

Due from Other Agency

The Agency records property taxes earned but not received from the County of Los Angeles. The California Community Redevelopment Law of California provides that, pursuant to the adoption of a redevelopment plan, the Agency is entitled to a

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

proportional amount based on statutory tax-sharing arrangement for all future incremental property tax revenues attributable to increases in the property tax base within the Central Redevelopment Project Area and a proportional amount based on tax-sharing agreements in the San Fernando Corridor Project Area.

Loans Receivable

Special Revenue Fund expenditures relating to long-term loans arising from loans subsidy programs are charged to operations upon funding and the loans are recorded, net of an estimated allowance for potentially uncollectible loans. As of June 30, 2010, the Agency's outstanding loans total is \$3,344. The original amount of the Agency's loan to the Glendale Unified School District (GUSD) to fund the Moyse Field improvement project of the school district was \$1,800. As of June 30, 2010, the loan balance was \$1,744. The term of the loan is 20 years with an interest rate of 4% per annum. The loan will be fully paid by GUSD in fiscal year 2024. The Agency's loan to Embassy Suites Hotel in the amount of \$1,600 was to fund the purchase of the Embassy Suites property. The term of the loan is twenty (20) years with an interest rate of 5.5% per annum, payable in forty (40) equal semi-annual installments.

Capital Assets

The Agency's capital assets include land, buildings, improvements and equipments that are reported in the Agency government-wide financial statements. As a component unit of the City, the Agency follows the City's asset capitalization policy. Capital assets are defined as assets with an initial, individual cost of \$5 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Capital outlays are recorded as expenditures of the Agency's Special Revenue and Capital Project Funds and as assets in the Agency's government-wide financial statements to the extent that the asset capitalization policy is met. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Buildings improvements and equipment assets are depreciated using the straight-line depreciation at the beginning of the following fiscal year over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	10-75
Machinery and equipment	4-10

Depreciation of capital assets is computed and recorded using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are forty years for buildings and improvements and four years for machinery and equipment.

Property Held for Resale

Land and buildings acquired for future sale to developers have been capitalized and are shown as real property held for resale in the accompanying combined financial statements. Real property held for resale is carried at the lower of cost or net realizable value (realizable value less cost to sell).

Due to Other Agency

Due to other agency consists of amounts owed as a result of statutory and negotiated tax increment pass through arrangements with the Glendale Unified School District, Glendale Community College, the County of Los Angeles and other County Taxing Entities.

Long-term Debt

In the Government-wide Financial Statements, long-term debt and other obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the

GLENDALE REDEVELOPMENT AGENCY

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effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost are reported as deferred charges and amortized over the term of the related debt. In the governmental funds statement of revenues, expenditures and changes in fund balances, issuance of debt is recorded as another financing source in the respective fund.

Due to City of Glendale

Due to City of Glendale represents amounts owed to the City as a result of expenditures incurred by the City on behalf of the Agency for improvements made by the City in the redevelopment project areas. These agreements are to be paid when funds are available. All of the agreements accrue interest at the fixed rate of 7% per annum effective fiscal year 2009-2010.

Compensated Absences

As a component unit of the City, the Agency follows the City's policies on compensated absences. The City records and funds a liability for its employees' earned but unused accumulated vacation and overtime. The unused accumulated vacation and overtime are expensed in the Employee Benefits Fund, an Internal Service Fund, which incurs the liability. As of June 30, 2010, the total liability is \$14,710, and the City has \$7,025 available in the Internal Service Fund dedicated to this liability. The Agency's portion of the liabilities is included on these balances. The total City-wide payouts incurred during the fiscal year 2009-10 are \$1,381.

The City compensated absences policies also provide sick leave conversion benefits through the Retiree Health Saving Plan (RHSP). Unused sick leave is converted to a dollar amount and deposited in the employee's RHSP account at retirement or termination with 20 years of City service for Glendale Police Officers Association (GPOA), Glendale City Employee Association (GCEA) and Glendale Management Association (GMA). The account is used to pay healthcare premiums for the retiree and beneficiaries. After the account is exhausted, the retirees can terminate coverage or elect to continue paying the healthcare premiums from personal funds. Total benefits paid by the City under the RHSP for the fiscal year ended June 30, 2010 is \$1,529.

Based on the most recent actuarial valuation, the actuarial accrued liability for the RHSP as of June 30, 2009 is \$17,074. The City has a reserve of \$4,245 in the RHSP Benefits Fund, an Internal Service Fund, dedicated to provide benefits, so the unreserved actuarial accrued liability is \$12,829 as of June 30, 2009. The City has \$5,014 in reserve for RHSP as of June 30, 2010, and the unreserved actuarial accrued liability is \$12,737. The actuarial accrued liability takes into account an estimate of future sick leave usage, additional sick leave accumulation for current active employees, and investment return of 4.5% and no increase for sick leave conversion hourly rate.

Encumbrances

Appropriations in the governmental funds are charged for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances, which serve as authorizations for expenditures in the subsequent year.

Fund Equity

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Agency legislation or external restrictions by other governments, creditors or grantors.

GLENDALE REDEVELOPMENT AGENCY

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F. Expenditures

Pass-through expenditures are Other County Taxing Entities' share of the property tax incremental revenue from both Central and San Fernando Project Areas. Other County Taxing Entities are: County General, County Flood Control, County Fire Dept., County Vector Control and the City of Glendale.

Education expenditures are the Glendale Unified School District, Glendale Community College and Los Angeles County Office of Education share of the property tax incremental revenue from both Central and San Fernando Project Areas. Also included in this category is the State's "take-away" of \$11.2 million of the Agency's fund in this fiscal year that was paid to the Supplemental Educational Relief Augmentation Fund (SERAF).

Housing assistance expenditures are expenditures to assist low and moderate income families such as first time home buyer program, housing rehabilitation program, rental assistance program, emergency assistance program, etc. Also, funds are awarded to developers to develop new construction of low and moderate income rental housing. Administrative expenditures for administering these programs are included in this category.

II. Compliance and Accountability

Budgetary control is an essential element in governmental accounting and reporting. The Agency's budget is prepared on a project basis. Therefore, no budget versus actual statements has been included in the accompanying basic financial statements as the completion of these projects may take more than one year. As part of its budgetary control, the Agency utilizes the encumbrance accounting method. Under this method, commitments such as purchase orders and uncompleted project expenditures are recorded as reservations of fund balance captioned "Fund Balances Reserved: Encumbrances". As of June 30, 2010, the Agency had \$983 in outstanding encumbrances.

III. Cash and Investments

The Agency pools its cash and investments with the City. Of the amounts detailed below, \$91,999 pertains to the Agency for fiscal year 2010 of which \$12,308 is cash with fiscal agents. The remaining cash and investments of \$79,691 cannot be identified with any single investment because the City may be required to liquidate its investment at any time to cover outlays required in excess of normal operating needs. Funds must request large outlays in advance in order that the City Treasurer will have the funding available.

Cash and investments for the City of Glendale at fiscal year end consist of the following:

Investments	\$	460,332
Cash with fiscal agents		<u>25,511</u>
		485,843
Cash held in financial institutions & imprest cash		<u>27,582</u>
Total	\$	<u><u>513,425</u></u>

Authorized Investments

Under provisions of the City's investment policy, and in accordance with California Government Code Section 53601, the City Treasurer may invest or deposit in the following types of investments:

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

	<u>Maximum Maturity</u>	<u>Maximum % of Portfolio</u>
U.S. Treasuries	5 years	100%
Federal Agencies	5 years	100%
Medium Term Corporate Notes	5 years	15%
Commercial Paper (A1, P1 minimum rating)	180 days	15%
Bankers Acceptance	180 Days	30%
Negotiable Certificates of Deposit	1 year	30%
Local Agency Investment Fund (State Pool)	N/A	LAIF maximum
Money Market Mutual Funds	90 days	20%
Time Deposits	1 year	10%

Investments in Medium Term Corporate Notes may be invested in Securities rated AA or better by Moody's or Standard and Poor's rating services and no more than 5% of the market value of the portfolio may be invested in one corporation. Maximum participation in Bankers Acceptance is limited to 10% per bank.

Investments Authorized by Debt Agreements

The Provisions of debt agreements, rather than the general provisions of the California Government Code or the City's investment policy, governs investments of debt proceeds held by bond fiscal agents. Permitted investments are specified in related trust agreements.

No maximum percentage of the related debt issue or maximum investment in one issuer is specified.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that fluctuations in market rates may adversely affect the fair value of an investment, generally, the longer the maturity of an investment the greater the sensitivity of its fair value to the changes in market interest rates. The City manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operation.

		<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
Commercial Paper	\$ 19,498	19,498	-	-	-
Federal Agency Term Notes	-	-	-	-	-
U.S. Government Agency Callable Bonds	226,296	8,113	15,498	202,685	-
Corporate Notes	26,373	9,127	2,644	14,602	-
Corporate Callable Notes	-	-	-	-	-
Negotiable Certificates of Deposits	4,997	4,997	-	-	-
Banker's Acceptances	13,307	13,307	-	-	-
State Investment Pool	150,247	150,247	-	-	-
Money Market Funds	19,614	19,614	-	-	-
Held by Fiscal Agents					
Federal Agency Term Notes	9,853	9,853	-	-	-
Guaranteed Investment Contracts	6,313	-	-	-	6,313
Money Market Funds	9,344	9,344	-	-	-
	<u>\$ 485,842</u>	<u>244,100</u>	<u>18,142</u>	<u>217,287</u>	<u>6,313</u>

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

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(in thousands)

The City assumes that callable investments will not be called.

Disclosures Relating to Credit Risks

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City invests only in the most risk-adverse instruments, such as AAA rated government securities, AAA or AA rated corporate securities, and A1,P1 rated commercial paper, negotiable certificates of deposit and banker's acceptance securities. The City's Investment Policy requires the City to sell any security with a credit rating below A.

		Rating as of Year End				
		AAA	AA	Aa2	A1,P1	Unrated
Commercial Paper	\$ 19,498	-	-	-	19,498	-
Federal Agency Term Notes	-	-	-	-	-	-
U.S. Government Agency Callable Bonds	226,296	226,296	-	-	-	-
Corporate Notes	26,373	-	18,014	-	8,359	-
Corporate Callable Notes	-	-	-	-	-	-
Negotiable Certificates of Deposits	4,997	-	-	-	4,997	-
Banker's Acceptances	13,307	-	-	-	13,307	-
State Investment Pool	150,247	-	-	-	-	150,247
Money Market Funds	19,614	19,614	-	-	-	-
Held by Fiscal Agents						
Federal Agency Term Notes	9,853	9,853	-	-	-	-
Guaranteed Investment Contracts	6,313	-	-	6,313	-	-
Money Market Funds	9,344	9,344	-	-	-	-
	\$ 485,842	265,107	18,014	6,313	46,161	150,247

Concentration on Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stated above. Investments in any one issuer that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
FFCB	Federal Agency Callable Bonds	\$ -
FHLB	Federal Agency Term Notes	-
FHLB	Federal Agency Callable Bonds	74,668
	Total	74,668
FHLMC	Federal Agency Callable Bonds	65,859
FNMA	Federal Agency Callable Bonds	\$ 84,443

GLENDALE REDEVELOPMENT AGENCY

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June 30, 2010

(in thousands)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2010, in accordance with the City's investment policy, none of the City's investments were held with a counter-party. All of the City's investments were held with an independent third party custodian bank. The City uses Bank of America as a third party custody and safekeeping service for its investment securities. All City investments held in custody and safe-keeping by Bank of America are held in the name of the City and segregated from securities owned by the bank. This is the lowest level of custodial credit risk exposure.

At June 30, 2010, the carrying amount of the City's deposits was \$27,582 and the corresponding bank balance was \$4,984. The difference of \$22,598 was principally due to outstanding warrants, wires and deposits in transit and some pending miscellaneous adjustments. Of the Bank balance, \$250 was insured by the FDIC depository insurance and \$4,734 was uncollateralized and not insured by FDIC depository insurance.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair market value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

IV. Changes in Capital Assets

Activity in Capital Assets during the year ended June 30, 2010 is as follows:

	Balance at July 1	Increases	Decreases/ Reclass	Balance at June 30
Governmental activities - Housing, health, and community development:				
Capital assets not being depreciated				
Land	\$ 28,918	64	-	28,982
Construction in progress	9,616	7,203	-	16,819
Total assets not being depreciated	<u>38,534</u>	<u>7,267</u>	-	<u>45,801</u>
Other capital assets				
Building and improvements	14,331	651	-	14,982
Machinery and equipment	654	287	-	941
Total other capital assets at cost	<u>14,985</u>	<u>938</u>	-	<u>15,923</u>
Less accumulated depreciation:				
Building and improvements	3,120	474	-	3,594
Machinery and equipment	589	56	-	645
Total accumulated depreciation	<u>3,709</u>	<u>530</u>	-	<u>4,239</u>
Total assets being depreciated	<u>11,276</u>	<u>408</u>	-	<u>11,684</u>
Governmental activities capital assets, net	<u>\$ 49,809</u>	<u>7,676</u>	-	<u>57,485</u>

Depreciation expense of \$490 has been allocated to community development and \$40 has been allocated to housing assistance.

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

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(in thousands)

V. Property Held for Resale

The following is a list of property held for resale at June 30, 2010:

Purpose	Acquisition Date	Location	Carrying Value
North Central	Dec-87	820 N. Central	\$ 825
			<u>825</u>
Other	Aug-82	111 E. Wilson	352
	Mar-86	225 W. Wilson	1,013
	Jun-08	216-218 S. Brand	2,885
			<u>4,250</u>
Housing Project	Oct-07	331-335 Doran	4,802
	Oct-08	Fifth & Sonora	6,007
			<u>10,809</u>
Total			\$ <u><u>15,884</u></u>

VI. Outstanding Indebtedness and Changes in Long-Term Debt

A summary of outstanding bonds payable at June 30, 2010 is as follows:

	Outstanding at June 30, 2009	Additions	Retirements	Outstanding at June 30, 2010	Due within one year
Governmental Activities					
2002 GRA Tax Allocation Bond	\$ 36,305	-	2,165	34,140	2,240
2003 GRA Tax Allocation Bond	44,627	-	2,615	42,012	2,755
2010 GRA Tax Allocation Bond	-	26,970		26,970	-
2002 GRA Bond Premium	1,320	-	106	1,214	106
2003 GRA Bond Premium	1,792	-	145	1,647	145
Net Original Bond Discount – 2010 GRA Tax Allocation Bonds	-	(349)	-	(349)	-
Total bonds payable	84,044	26,621	5,031	105,634	5,246
Low & Mod Loans Payable	13,352	-	2,636	10,716	2,726
Residential Dev. Loan Program (RDLP)	-	4,808	165	4,643	-
Due to the City of Glendale	68,380	4,786	2,081	71,086	3,081
Total long term liabilities	\$ 165,776	36,215	9,913	192,079	11,053

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Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

The Agency's outstanding bonds payable carry certain provisions unique to each issue and are summarized as follows:

2002 GRA Tax Allocation Bonds

The Agency issued \$48,015 in tax allocation bonds with an average rate of 4.5% to fund economic development activities of the Agency primarily relating to the Town Center development, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The 2002 Bonds mature in regularly increasing principal amounts ranging from \$2,240 to \$3,655 from 2011 to 2022. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area. The bonds maturing on or before December 1, 2012, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2013, are subject to redemption at the option of the Agency on any interest payment date at a price ranging from 101% to 100% of the principal value.

2003 GRA Tax Allocation Bonds

The Agency issued \$58,880 in 2003 tax allocation refunding bonds with an average rate of 4.18% to pay Agency's outstanding Central Glendale Redevelopment Project 1993 Tax Allocation Bonds (the "Prior Bonds") with an average interest rate of 5.5%, and to pay the cost of issuance of the 2003 Bonds. The 2003 Bonds mature in regularly increasing principal amounts ranging from \$2,955 to \$4,520 from 2011 to 2022. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area on a parity with the Agency's previously issued 2002 tax allocation bonds. The bonds maturing on or before December 1, 2013, are not subject to redemption prior to their respective maturities. The bonds maturing on or after December 1, 2014 are subject to redemption prior to maturity at the option of the Agency and by lot within a maturity, from any source of available funds at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

2010 GRA Tax Allocation Bonds

The agency issued \$26,970 in 2010 tax allocation bonds with an average rate of 5% for 15 years to fund economic development activities of the Agency primarily relating to the Adult Recreation Center Improvement; Glendale Central Library Renovation and Columbus Soccer Field Project, to fund a reserve account for the Bonds, and to pay the expense of the Agency in connection with the issuance of the Bonds. The bond indebtedness is secured by a pledge of 80% of all incremental property taxes allocated to and received by the Agency for the Central Project Area on a parity with the Agency's previously issued 2002 tax allocation bonds and 2003 tax allocation refunding bonds. The bonds mature in amounts ranging from \$150 to \$8,510 from 2014 to 2025.

The annual requirements (including payments to sinking fund) to amortize all bonded indebtedness outstanding as of June 30, 2010:

<u>Fiscal Year</u>		<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2011	\$	5,201	4,995	10,196
2012		4,640	5,225	9,865
2013		4,424	5,400	9,824
2014		4,159	5,805	9,964
2015		3,897	6,085	9,982
2016-2020		14,986	34,724	49,710
2021-2025		6,818	40,888	47,706
	\$	<u>44,125</u>	<u>103,122</u>	<u>147,247</u>

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

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Low & Mod Loans Payable

The Housing Authority obtained a \$14,000 loan from Union Bank in February 2009 to fund the development of affordable rental and owner housing projects. The Housing Authority received \$13,920 in February, net of cost of issuance of \$80. The term of the loan is five years, and the interest rate is 3.35%. The total interest is \$1,281. The loan is secured by the 20% set-aside funds of property tax increment received by the Housing Authority from Glendale Redevelopment Project areas.

The annual requirements to amortize the Loan outstanding as of June 30, 2010:

Fiscal Year	Interest	Principal	Total
2011	\$ 330	2,726	3,056
2012	237	2,820	3,057
2013	139	2,917	3,056
2014	39	2,253	2,292
	\$ 745	10,716	11,461

Residential Development Loan Program (RDLP) Loan

The Glendale Redevelopment Agency is acting as “pass-through” capacity of this loan. This Loan is not secured by the 20% set-aside funds of property tax incremental revenue received by the Housing Authority from Glendale Redevelopment Agency project areas. The loan amount of \$5,000 was approved by the California Housing Finance Authority to the Housing Authority of the City of Glendale, from proceeds of the Housing and Emergency Shelter Trust Fund of 2006 (Proposition 1C Housing Bond.) on November 5, 2008. The loan has a 5 year 9 month term (as amended) with a 3% simple annual interest rate. The Housing Authority drew \$4,809 in August 2009, and returned \$253 unused funds in March 2010, of which \$165 was applied to principal repayment, and \$88 was applied to interest. The purpose of the loan is to provide land acquisition financing for a portion of the Doran Gardens’ low and moderate income housing project. The Loan Agreement states that it is an unsecured loan, and repayment is a general obligation of the Housing Authority. The RDLP loan principal and interest will be repaid upon the sale of the affordable units for the Doran Gardens project.

The annual requirements to amortize the Loan outstanding as of June 30, 2010:

Fiscal Year	Interest	Principal	Total
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	571	4,643	5,214
	\$ 571	4,643	5,214

GLENDALE REDEVELOPMENT AGENCY

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June 30, 2010

(in thousands)

Due to the City of Glendale

The Agency and the City have entered into various agreements, which provide for the reimbursement to the City from the Agency for expenditures incurred by the City on behalf of the Agency. The expenditures incurred by the City represent improvements made by the City to the Agency's redevelopment projects. These agreements are to be paid when funds are available. All of the agreements accrue interest at the rate of 7% per annum effective fiscal year 2009-2010.

The following table is a summary of changes in the amounts due to the City under these agreements:

Project	Date of Agreement	Balance at July 1			Additions		Reductions/ Reclass	Balance at June 30		
		Principal	Interest	Total	Principal	Interest		Principal	Interest	Total
Central Project										
South Brand Improvement	May 1977	\$ -	2,727	2,727	-	191	-	-	2,918	2,918
Glenoaks Improvement	Oct 1977	660	3,409	4,069	-	285	-	660	3,694	4,353
Parking lots transferred to the Agency	Apr 1983	3,062	13,145	16,207	-	1,134	-	3,062	14,280	17,341
North Brand Improvement	Apr 1983	80	4,287	4,367	-	306	-	80	4,593	4,673
Verdugo Utility Improvement	Dec 1985	3,314	6,599	9,914	-	694	-	3,314	7,293	10,608
Block 24 Parking Structure	Oct 1985	6,758	16,026	22,784	-	1,595	(2,081)	4,677	17,621	22,298
Sub-total		13,873	46,194	60,067	-	4,205	(2,081)	11,792	50,398	62,191
San Fernando Project										
San Fernando Project-Advance New Business Incentive	Dec 1996	1,272	1,468	2,740	-	192	-	1,272	1,659	2,931
Dreamworks San Fernando Master Plan	Dec 1996	178	131	309	-	22	-	178	153	331
Facade Program Water Treatment Facilities	Dec 1996	602	351	952	-	67	-	602	417	1,019
Grand Central Business	Dec 1996	184	38	223	-	16	-	184	54	238
Recycling Center	Jul 1997	1,600	859	2,459	-	172	-	1,600	1,032	2,632
	Nov 1997	50	25	75	-	5	-	50	30	80
	Jul 1996	1,000	525	1,525	-	107	-	1,000	632	1,632
Subtotal		4,902	3,411	8,313	-	582	-	4,902	3,993	8,895
Grand Total for both Projects		\$ 18,775	49,605	68,380	-	4,787	(2,081)	16,694	54,391	71,086

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Notes to the Basic Financial Statements

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VII. Employee Retirement System and Plans

Plan Description

As a component unit of the City, all Agency personnel are employees of the City of Glendale. The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the state of California.

All full-time employees, which includes both safety and general employees, are required to participate in the single CalPERS plan, in which all related benefits vest after five years of service. Upon five years of service, employees who retire at age 50 or older are entitled to receive an annual retirement benefit. The benefit is payable monthly for life. The benefit is calculated as follows: years of credited service multiplied by their highest twelve consecutive months of salary multiplied by a percentage factor. This percentage factor is age-based – public safety employees use the 3% at age 50 factor and general employees use the 2.5% at age 55 factor. The system also provides death and disability benefits. CalPERS issues a publicly available financial report that includes financial statements and required supplemental information of participating public entities within the state of California. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Funding Policy

CalPERS is a contributory plan deriving funds from employee and employer contributions as well as earnings from investments. According to the plan, the City's general employees are required to contribute 8% of their annual salary and the City's safety employees are required to contribute 9% of their annual salary. The City is also required to contribute at an actuarially determined rate. The City's contribution rate for safety members starting on July 1, 2009 was 24.000%. The City's contribution rate for general members starting on July 1, 2009 was 11.519%. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Based on the Memorandum of Understandings between the City and the various City Associations, all employees contribute part of the City's portion in fiscal year 2009-10, in addition to their required employees' contributions. Both Glendale City Employee Association (GCEA) and Glendale Management Association (GMA) contribute additional 0.5% of their persable earnings, Glendale Fire Fighter Association (GFFA) contribute additional 1.5% of their persable earnings, and Glendale Police Officers Association (GPOA) contribute additional 1.5% of their annual salaries.

Annual Pension Cost

The Agency's portion of the contribution to CalPERS in fiscal year 2009-2010 was \$352. The City's contributions to CalPERS totaling \$23,852 were made during the fiscal year ended June 30, 2010 in accordance with actuarially determined contribution requirements through an actuarial valuation performed at June 30, 2005. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.75% a year compounded annually (net of administrative expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45%, (c) no additional projected salary increases attributable to seniority/merit and (d) no post retirement benefit increases. The actuarial value of the City's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen year period depending on the size of investment gains and/or losses. CalPERS uses the entry-age-normal-actuarial-cost method, which is a projected-benefit-cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. In addition, the employer's total normal cost is expressed as a level percentage of payroll. CalPERS also uses the level-percentage-of-payroll method to amortize any unfunded actuarial liabilities. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20 year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization.

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

Three year Trend Information

Fiscal year ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008:			
Misc.	\$ 10,691	100%	0
Safety	11,213	100%	0
Total	<u>21,904</u>		
6/30/2009:			
Misc.	12,004	100%	0
Safety	11,885	100%	0
Total	<u>23,889</u>		
6/30/2010:			
Misc.	11,829	100%	0
Safety	12,023	100%	0
Total	<u>\$ 23,852</u>		

Schedule of Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability <AAL> – Entry Age	(Over-funded AAL) / Unfunded AAL	Funded Ratio	Covered Payroll	(Over-funded AAL)/ Unfunded AAL as a Percentage of Covered Payroll
	<a>		<b-a>	<a/b>	<c>	<(b-a)/c>
6/30/2007:						
Misc.	\$ 603,040	634,332	31,292	95.1%	95,082	32.9%
Safety	386,561	447,885	61,324	86.3%	44,131	139.0%
Total	<u>989,601</u>	<u>1,082,217</u>	<u>92,616</u>	<u>91.4%</u>	<u>139,213</u>	<u>66.5%</u>
6/30/2008:						
Misc.	641,356	678,218	36,862	94.6%	101,970	36.1%
Safety	413,321	485,398	72,077	85.2%	46,911	153.6%
Total	<u>1,054,677</u>	<u>1,163,616</u>	<u>108,939</u>	<u>90.6%</u>	<u>148,881</u>	<u>73.2%</u>
6/30/2009:						
Misc.	666,773	759,485	92,712	87.8%	104,075	89.1%
Safety	430,823	533,851	103,028	80.7%	48,703	211.55%
Total	<u>\$ 1,097,596</u>	<u>1,293,336</u>	<u>195,740</u>	<u>84.9%</u>	<u>152,778</u>	<u>128.1%</u>

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

VIII. Risk Management

The Agency contracts with the City for unemployment and workers’ compensation insurance. For purposes of general liability, the Agency is self-insured through the City’s self-insurance program which is accounted for in the internal service fund of the City.

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City retains risks for the following types of liabilities: workers’ compensation insurance, unemployment insurance, post employment benefits, general auto, dental, medical and vision as well as public liability through separate Internal Service Funds. The City purchased several commercial insurance policies from third-party insurance companies for errors and omissions of its officers and employees, and destruction of assets as well as excess workers’ compensation and general public liability claims. The City also purchases property, aviation and employee dishonesty insurance. There were no significant settlements or reductions in insurance coverage from settlements for the past three years. The insurance schedule for fiscal year 2010-11 is as follows:

Insurance Type	Program Limits	Deductible /SIR (self insured retention)
Excess Liability Insurance	\$20,000	\$2,000 SIR per occurrence
D &O Employment Practices	\$2,000	\$250 SIR non-safety; \$500 SIR safety
Excess Workers’ Comp Employer’s Liability Insurance	Statutory	\$2,000 SIR per occurrence
Property Insurance (GWP)	\$250,000	Various deductibles up to \$250
Property Insurance (Non-GWP)	\$400,000	\$25 deductible all locations
Aviation Insurance (Police Helicopter)	\$50,000	Various deductibles
Employee Dishonesty – Crime Policy	\$1,000	\$10

Operating funds are charged a premium and the Internal Service Funds recognize the corresponding revenue. Claims expenses are recorded in the Internal Service Funds. Premiums are evaluated periodically and increases are charged to the operating funds to reflect recent trends in actual claims experience and to provide sufficient reserve for catastrophic losses.

Claims payable liability has been established in these funds based on estimates of incurred but not reported and litigated claims. Management believes that provisions for claims at June 30, 2010 are adequate to cover the cost of claims incurred to date. However, such liabilities are, by necessity, based upon estimates and there can be no assurance that the ultimate cost will not exceed such estimates. A reconciliation of the changes in the aggregate liabilities for claims for the current fiscal and the prior fiscal year are as follows:

Fiscal Year	Beginning Balance	Claims and Changes	Claim Payments	Ending Balance
2008-09	\$31,306	\$33,329	\$28,511	\$36,124
2009-10	36,124	45,743	41,091	40,776

IX. Commitments and Contingencies

The Agency is involved in litigation in the normal course of business. In the opinion of management, based on consultation with the City Attorney, these cases, in the aggregate, are not expected to result in a material adverse financial impact to the Agency.

In December 2000, the Agency entered into an Owner Participation Agreement with Walt Disney World Co., a Florida corporation, for the Grand Central Creative Campus (GC3) project in the San Fernando Road Corridor Project Area. The purpose of this agreement is to effectuate the Redevelopment Plan for the project area by providing for the development of a landscaped, campus environment, consisting of a mix of media related/entertainment use including media offices, high bay, sound stage production facilities and related auxiliary uses. The term of this project is 32 years. The Agency has committed to pay the Walt Disney World Co. approximately \$128.7 million ratably for the duration of this agreement. The Agency shall reimburse Walt Disney Redevelopment Costs upon completion of any Phase containing Private Improvements totaling at least one million (1,000,000) square feet of Floor Area (at least 50% of which Floor Area is

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

Net New). Redevelopment Costs are deemed to be Eight Dollars and Fifty Seven Cents (\$8.57) per square foot of Floor Area of Private Improvements developed up to the date any Redevelopment Cost payment is made.

In July 2009, the State of California Legislature approved a \$2.05 billion shift of Redevelopment Tax Increment funds to the Supplemental Educational Revenue Augmentation Fund (SERAF) for fiscal years 2009-10 and 2010-11. The State approved \$1.7 billion in transfer for fiscal year 2009-10 and \$350 million for fiscal year 2010-2011. The State Department of Finance will determine each Agency's SERAF payment by November 15 of each year. Payments are due by May 10 of the applicable year.

The Glendale Redevelopment Agency (the "Agency") made payment to the "SERAF" in the amount of \$11.2 million in May 2010. A portion of the property tax increment received by the Agency in fiscal year 2009-2010 was used to pay "SERAF". As of June 30, 2010, the Agency's projected amount to pay "SERAF" for fiscal year 2010-11 is \$2.3 million.

X. Subsequent Events

CalPERS Employer Contribution Rates

As is the case with most retirement systems, CalPERS is exposed to general market risk. This general market risk is reflected in asset valuations fluctuating with market volatility. Any impact from market volatility on the Retirement System depends in large measure on how deep the market downturn is, how long it lasts, and how it fits within fiscal year reporting periods. The resulting market risk and associated realized and unrealized gains and losses could impact the financial condition of the Retirement System and the City's required contribution to the Retirement System. The reader of these financial statements is advised that financial markets may continue to be volatile and are experiencing significant changes on almost a daily basis.

CalPERS rate stabilization policies now spread market gains and losses over 15 years, thus reducing the volatility of employee rates. Despite the rate stabilization, CalPERS's negative investment returns in fiscal year 2007-08 and 2008-09, caused by the unprecedented turmoil in the financial markets, will increase the City's employer contributions substantially starting fiscal year 2011-2012.

The good news is that cushioning the impact of investment set backs is the fact that CalPERS experienced double digit gains in the four years leading up to the 2007-2008 fiscal year. In previous down markets, flat or negative investment returns contributed substantially to increases in employer contributions the following year. However, CalPERS rate stabilization policies now spread market gains and losses over 15 years, thus reducing the volatility of employer rates.

Based on CalPERS Annual Valuation Report as of June 30, 2009, which was issued in October 2010, the required and projected employer contributions for the next four fiscal years are as follows:

	Miscellaneous Plan	
	Employer Rates	Covered Payroll – GRA portion (unaudited)
FY2010-11	11.672%	\$2,273
FY2011-12	15.660%	\$2,273
FY2012-13	17.0%(projected)	\$2,273
FY2013-14	20.4%(projected)	\$2,273

GLENDALE REDEVELOPMENT AGENCY

Notes to the Basic Financial Statements

June 30, 2010

(in thousands)

XII. Pronouncement Issued but Not yet Accepted

GASB issued pronouncements prior to June 30, 2010 that have an effective date that may impact future financial presentation. Management has not currently determined any impact on the implementation of the following statements may have on the financial statements of the City:

- Governmental Accounting Standards Board Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions.*
- Governmental Accounting Standards Board Statement No. 57 - *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,*
- Governmental Accounting Standards Board Statement No. 59 – *Financial Instruments Omnibus*

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Glendale

STATISTICAL SECTION

Year Ended - June 30, 2010



SUPPLEMENTAL INFORMATION

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GLENDALE REDEVELOPMENT AGENCY

Computation of Low-Moderate Income Housing Excess/Surplus Funds

Year Ended June 30, 2010

(in thousands)

Fund Balance - Beginning of Year	\$	25,552
Adjustments (Note 1)		6
Less unavailable funds - included in beginning fund balance:		
Prepaid items		(6)
Encumbrances		(9,886)
Land held for resale		<u>(10,809)</u>
Total unavailable funds		<u>(20,701)</u>
Available Fund Balance - Beginning of Year		4,857
Current year proceeds/uses (actual plus changes in unavailable):		
Proceeds		13,559
Uses		(14,321)
Changes in unavailable amounts		<u>4,249</u>
Available Fund Balance - End of Year for Excess Surplus		<u><u>8,344</u></u>
Does available fund balance for excess/surplus exceed one-million dollars? If so, enter available fund balance and evaluate that amount against tax increment. If less, enter zero.		8,344
Does available fund balance for excess/surplus exceed the greater of prior years' set aside deposits or one-million dollars?		
Fiscal year 2005-06	\$	5,586
Fiscal year 2006-07		5,883
Fiscal year 2007-08		6,467
Fiscal year 2008-09		<u>7,056</u>
Total set-aside deposited into fund		<u>24,992</u>
Greater of the tax increment deposits or one-million dollars		24,992
Excess/surplus Funds		<u> </u>
Available fund balance for excess/surplus less prior four years' tax increment set aside deposits.		<u><u>-</u></u>
Reconciliation to Ending Fund Balance		
Ending GAAP fund balance		<u>24,796</u>
Available fund balance - end of year above		8,344
Add unavailable funds - end of year:		
Prepaid items		17
Encumbrances		983
Unspent debt proceeds		4,643
Land held for resale		<u>10,809</u>
Total unavailable funds		<u>16,452</u>
Computed Ending Fund Balance	\$	<u><u>24,796</u></u>

Note 1 - The Low & Moderate Housing Fund's debt service fund balance was inadvertently omitted from FY08-09 calculation.

GLENDALE REDEVELOPMENT AGENCY
 CIP Projects and Low and Moderate Housing Programs
 June 30, 2010
 (in thousands)

The following are the on-going Capital Improvement Projects for both Central Project Area and San Fernando Project Area and the Low and Moderate Housing Programs:

A. Central Glendale Redevelopment Projects

Project Description	Project Budget	Current Year Expenditures	Expenditures To Date	Remaining Balance
Block 24/25 Rehab	\$ 7,774	-	7,702	72
800 North Central	4,951	-	4,901	50
Glendale City Center	451	2	415	36
DPSS Site	3,907	5	3,877	30
Block 29/30	4,831	4	4,818	13
Alex Theater Project	6,669	251	5,887	782
Downtown Green Space	470	-	372	98
Freeway Landscape	200	-	-	200
Town Center 2001	44,321	64	42,328	1,993
CA Central Office Project	32	-	7	25
Downtown Development Standards	1,133	36	1,050	83
Town Center/ARC East Brand Con	1,210	97	169	1,041
Central Glendale Area Facade	606	43	274	332
Galleria Expansion	175	-	21	154
Central Ave SR134 Off Ramp	1,200	-	-	1,200
Citywide Public Signage Program	50	-	40	10
Orange Street Garage	65	6	32	33
Verdugo Gardens-610 N. Central	20	-	3	17
Brand at 134 Fwy Mixed Use Project	25	-	-	25
Agency Development Site	120	-	20	100
Intracorp Orange/Wilson Mixed	10	(4)	2	8
Environmental Graphics	67	23	23	44
Milford & Orange Project	20	-	1	19
Armenian Society of LA	20	-	-	20
Brand Boulevard Capital Costs	312	-	113	199
Art Installation Program	83	-	-	83
Total (Central Projects)	\$ 78,722	527	72,055	6,667

GLENDALE REDEVELOPMENT AGENCY
 CIP Projects and Low and Moderate Housing Programs
 June 30, 2010
 (in thousands)

B. Town Center Projects

<u>Project Description</u>		Project Budget	Current Year Expenditures	Expenditures To Date	Remaining Balance
Town Center 2001	\$	40,590	(750)	39,803	787
Town Center/ARC East Brand Con		173	3	24	149
Total (Town Center Projects)	\$	40,763	(747)	39,827	936

C. 2010 Tax Allocation Bonds Proceeds Projects

<u>Project Description</u>		Project Budget	Current Year Expenditures	Expenditures To Date	Remaining Balance
Adult Rec. Center Improvement	\$	7,000	6,188	6,188	812
Renovate Existing Libraries		4,400	-	-	4,400
Town Center/ARC East Brand Con		4,500	-	-	4,500
Columbus Soccer Field		3,200	-	-	3,200
Total (Town Center Projects)	\$	19,100	6,188	6,188	12,912

D. San Fernando Road Corridor Redevelopment Projects

<u>Project Description</u>		Project Budget	Current Year Expenditures	Expenditures To Date	Remaining Balance
DreamWorks	\$	200	-	199	1
San Fernando Streetscape		6,562	144	5,639	923
Flower Street Rail Crossing		679	281	654	25
KABC 7		288	-	3	285
San Fernando Rd. Facade Grant		921	166	796	125
Griffith Manor Park		3,000	302	441	2,559
Broadway & Doran Sts RR Improv.		2,000	-	31	1,969
Total (San Fernando Projects)	\$	13,650	893	7,763	5,887

GLENDALE REDEVELOPMENT AGENCY
 CIP Projects and Low and Moderate Housing Programs
 June 30, 2010
 (in thousands)

E. Low and Moderate Housing Programs

FY2009-10		
Programs	Program Budget	Current Year Expenditures
Housing Rehabilitations Program	\$ 843	456
First Time Home Buyer Program	225	63
New Construction of Ownership Housing Program	5,521	263
Rental Assistance Program	1,415	-
New Construction of Rental Housing Program	12,368	7,700
Code Enforcement Program	1,203	1,160
Section 8 HQS Repair Program	5	-
Section 8 Moving Assistance Program	13	2
Low Income Family Employment and Rent Assistance Program	914	273
Emergency Rental Assistance Program	20	8
Emergency Shelter-PATH Achieve Glendale Program	54	46
Total	\$ 22,581	9,971

Note: The program budget include both the FY2009-10 budget and the carryover budget from prior fiscal years.

Statistical Section

This section of the Glendale Redevelopment Agency's (the Agency) annual financial report presents detail information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall financial health.

Contents	Page
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time. have changed over time.	55
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the Agency's most significant local revenue sources, the property taxes.	59
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt in the future.	62
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place.	65
<u>Credits</u>	67

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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Schedule 1

GLENDALE REDEVELOPMENT AGENCY

Net Assets by Component

Last Six Fiscal Years (in thousands)

(accrual basis of accounting)

	Fiscal Year					
	2010	2009	2008	2007	2006	2005
Governmental activities						
Invested in capital assets, net of related debt	\$ 47,530	49,809	44,545	38,768	11,726	11,190
Restricted	34,455	34,131	34,933	35,343	31,630	28,930
Unrestricted	<u>(101,341)</u>	<u>(105,317)</u>	<u>(109,024)</u>	<u>(108,018)</u>	<u>(62,103)</u>	<u>(58,157)</u>
Total governmental activities net assets	\$ <u>(19,356)</u>	<u>(21,377)</u>	<u>(29,547)</u>	<u>(33,907)</u>	<u>(18,747)</u>	<u>(18,037)</u>

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 2
GLENDALE REDEVELOPMENT AGENCY
 Changes in Net Assets, Governmental Activities
 Last Six Fiscal Years (in thousands)
 (accrual basis of accounting)

	Fiscal Year					
	2,010	2009	2008	2007	2006	2005
Expenses						
Governmental activities:						
Community Development	\$ 11,475	13,774	31,451	41,560	24,418	12,323
Education	12,271	1,740	675	762	2,173	2,665
Housing Assistance	9,718	11,151	2,252	2,365	6,841	3,666
Interest and fiscal charges on bonds	9,608	5,950	6,948	6,914	6,402	6,870
Total governmental activities expenses	<u>43,073</u>	<u>32,615</u>	<u>41,326</u>	<u>51,601</u>	<u>39,833</u>	<u>25,525</u>
General Revenues						
Property Taxes	40,086	35,282	32,334	29,417	27,931	27,740
Revenue from other sources	2,333	2,279	2,244	1,249	1,416	1,458
Investment Earnings	2,146	2,521	3,332	3,982	1,904	3,315
Sale of Property	-	-	5,980	-	-	-
Miscellaneous	529	703	1,795	1,792	7,873	2,132
Total governmental activities revenues	<u>45,094</u>	<u>40,785</u>	<u>45,686</u>	<u>36,441</u>	<u>39,123</u>	<u>34,645</u>
Change in Net Assets	<u>\$ 2,022</u>	<u>8,170</u>	<u>4,361</u>	<u>(15,160)</u>	<u>(710)</u>	<u>9,120</u>

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 3

GLENDALE REDEVELOPMENT AGENCY

Fund Balances, Governmental Funds

Last Six Fiscal Years (in thousands)

(modified accrual basis of accounting)

	Fiscal Year					
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
All Governmental Funds						
Reserved	\$ 30,122	40,167	31,713	27,839	86,696	104,991
Unreserved, reported in:						
Special revenue funds	81,887	51,105	47,969	56,921	44,394	31,647
Debt service funds	<u>1,718</u>	<u>1,385</u>	<u>1,462</u>	<u>1,446</u>	<u>1,008</u>	<u>537</u>
Total all governmental funds	\$ <u>113,726</u>	<u>92,657</u>	<u>81,143</u>	<u>86,206</u>	<u>132,098</u>	<u>137,175</u>

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 4

GLENDALE REDEVELOPMENT AGENCY

Changes in Fund Balances, Governmental Funds,
Last Six Fiscal Years (in thousands)
(accrual basis of accounting)

	Fiscal Year					
	2010	2009	2008	2007	2006	2005
Revenues						
Property taxes	\$ 40,086	35,282	32,334	29,417	27,931	27,740
Revenue from other agencies	2,333	2,279	2,244	1,249	1,416	1,458
Charges for services	16	19	25	18	14	13
Use of money and property	2,146	2,499	3,332	3,982	1,904	3,315
Sale of Property	-	131	5,980	-	-	-
Miscellaneous revenue	529	725	1,795	1,792	7,742	2,132
Total Revenues	45,110	40,935	45,712	36,459	39,006	34,658
Expenditures						
Community development						
County property tax administration	554	601	575	534	446	429
Pass through	5,878	5,732	4,851	3,291	2,363	2,450
Lease	-	-	-	-	-	-
Administration	4,932	4,043	4,048	3,616	4,148	3,526
Housing and community development	-	-	-	-	-	5,195
Housing assistance	9,718	11,151	7,712	8,032	12,813	4,905
Education	12,271	1,740	967	762	2,173	2,665
Capital outlay	-	-	-	-	-	-
Capital projects	7,800	8,681	22,027	55,512	11,614	-
Debt service	-	-	-	-	-	-
Principal retirement	7,781	5,428	4,590	4,415	4,235	3,865
Interest on bonds	4,107	3,925	4,004	4,189	4,366	4,511
Interest on debt to City	2,081	2,040	2,000	2,000	1,925	1,747
Bond issuance costs	-	-	-	-	-	-
Total Expenditures	55,122	43,341	50,774	82,351	44,083	29,293
Excess of revenues over (under) expenditures	(10,012)	(2,406)	(5,062)	(45,892)	(5,077)	5,365
Other Financing Sources (Uses)						
Notes Proceeds	31,081	14,000	-	-	-	-
Issuance of debt	-	(80)	-	-	-	-
Bond Premium	-	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	31,081	13,920	-	-	-	-
Net change in fund balances	\$ 21,069	11,514	(5,062)	(45,892)	(5,077)	5,365
Debt service as a percentage of noncapital expenditures	21.6%	21.6%	16.9%	10.4%	19.5%	28.6%

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Please note that the administration expenses, housing assistance expenses, capital project expenses do not exactly match Exhibit D because the report layout does not correctly categorize Fund 242's expenses, so manually adjust it on the statistical section.

Schedule 5

GLENDALE REDEVELOPMENT AGENCY

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years (In \$thousands)

CENTRAL PROJECT

Fiscal Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2001	24,212	1,097,337	505	511,721	17,883	1,615,892	0.96763%
2002	25,519	1,204,413	515	489,187	47,371	1,672,263	0.96750%
2003	26,494	1,199,414	389	486,471	19,696	1,693,072	0.96604%
2004	27,665	1,463,270	230	356,955	21,433	1,826,687	0.96817%
2005	29,878	1,446,991	446	332,276	25,736	1,783,855	0.96666%
2006	31,631	1,813,451	455	280,192	23,596	2,102,133	0.97197%
2007	35,234	2,063,043	464	265,800	24,282	2,340,259	0.97484%
2008	36,409	2,137,311	473	261,620	12,425	2,423,387	0.97477%
2009	37,534	2,249,908	483	542,574	12,425	2,818,074	0.97867%
2010	39,282	2,236,155	492	595,368	-	2,871,297	0.95752%

SAN FERNANDO PROJECT

2001	39,360	213,347	495,419	262,540	5,998	1,004,667	0.40519%
2002	41,218	253,274	521,580	272,607	7,033	1,081,647	0.44679%
2003	43,289	255,854	547,928	278,207	6,608	1,118,670	0.45562%
2004	47,992	269,460	569,884	273,000	7,257	1,153,079	0.47241%
2005	50,650	290,255	577,573	265,764	7,987	1,176,255	0.48331%
2006	50,274	335,263	563,159	258,064	10,236	1,196,523	0.49332%
2007	59,105	368,785	603,894	309,711	16,291	1,325,205	0.54376%
2008	61,694	447,241	623,365	309,040	16,713	1,424,628	0.57724%
2009	74,852	482,580	676,696	326,876	20,829	1,540,175	0.60858%
2010	77,421	483,880	680,086	329,235	-	1,570,621	0.53839%

Notes:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the 'assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is assessed at the purchased price of the property sold. The assessed valuation data shown above represents the only data currently available with respect the actual market value of taxable property and is subject to the limitations described above.

(2) Total direct tax rate is the weighted average of all individual direct rates, calculated by HdL Coren & Cone.

Not covered by independent auditor's report

Schedule 6

GLENDALE REDEVELOPMENT AGENCY

Direct and Overlapping Property Tax Rates

Last Five Fiscal Years

Fiscal Year	City Basic Rate	Redevelopment Agency Rate	Total Direct Tax Rate	Overlapping Rates				
				City of Glendale Area	Flood Control District	Detention Facilities	Glendale Community College District	Glendale Unified School District
2006	0.13687%	1.00600%	0.25043%	0.00520%	0.00005%	0.00080%	0.01858%	0.05220%
2007	0.13687%	1.00541%	0.25543%	0.00470%	0.00005%	0.00066%	0.02214%	0.05205%
2008	0.13687%	1.00450%	0.25637%	0.00450%	0.00000%	0.00000%	0.02408%	0.04742%
2009	0.13573%	1.00430%	0.26764%	0.00430%	0.00000%	0.00000%	0.02119%	0.04559%
2010	0.13573%	1.00430%	0.26915%	0.00430%	0.00000%	0.00000%	0.02366%	0.04603%

Note: In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the property resides within. Due to the passage of the Proposition 13, the City of Glendale levies no tax but receives a portion (0.13687%) of the County's 1% rate apportioned on a complex formula. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the various voter-approved bonds.

The rates are calculated by HdL Coren & Cone.

The data prior to FY2006 are not available.

Not covered by independent auditor's report

Schedule 7

GLENDALE REDEVELOPMENT AGENCY

Property Tax Levies and Collections

Last Nine Fiscal Years (in thousands)

Fiscal Year Ended June 30,	Redevelopment Agency					
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 20,012	17,532	87.6%	472	18,005	90.0%
2003	21,931	21,704	99.0%	510	22,215	101.3%
2004	23,474	21,406	91.2%	590	21,996	93.7%
2005	28,489	26,662	93.6%	1,078	27,740	97.4%
2006	26,505	25,798	97.3%	2,132	27,931	105.4%
2007	29,118	27,415	94.2%	2,002	29,417	101.0%
2008	31,205	30,982	99.3%	1,352	32,334	103.6%
2009	36,408	34,667	95.2%	615	35,282	96.9%
2010	41,442	39,884	96.2%	202	40,086	96.7%

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 8

GLENDALE REDEVELOPMENT AGENCY

Ratios of Outstanding Debt by Type

Last Nine Fiscal Years (in thousands)

Fiscal Year	Parking Lease Revenue Bonds Series A	Refunding Parking Lease Revenue Bonds Series 1976	1993 Tax Allocation Bond	2002 Tax Allocation Bond	2003 Tax Allocation Bond	2010 Tax Allocation Bond
2002	\$ 440	1,025	61,250	-	-	-
2003	-	-	59,315	49,969	-	-
2004	-	-	-	48,053	58,129	-
2005	-	-	-	46,083	56,184	-
2006	-	-	-	44,057	53,924	-
2007	-	-	-	41,971	51,543	-
2008	-	-	-	39,831	49,043	-
2009	-	-	-	37,625	46,418	-
2010	-	-	-	35,355	43,658	26,970

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Source: Sales and Marketing Management: Survey of Buying Power and Media Markets
- (3) California State Department of Finance, January 1 of every year.
- (4) City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

(Continued)

Schedule 8

GLENDALE REDEVELOPMENT AGENCY

Ratios of Outstanding Debt by Type
 Last Nine Fiscal Years (in thousands)

Fiscal Year	(1)	(2)	Percentage of Personal Income	(3)	
	Total Primary Government	Total Personal Income		Population	per Capita
2002	62,715	8,352,544	0.75%	200	313
2003	109,284	8,458,808	1.29%	203	539
2004	106,182	7,743,409	1.37%	205	517
2005	102,266	7,805,406	1.31%	207	494
2006	97,981	8,015,891	1.22%	206	475
2007	93,515	10,994,029	0.85%	207	451
2008	88,874	11,274,313	0.79%	207	429
2009	84,043	10,871,591	0.77%	207	405
2010	105,983	6,186,748	1.71%	208	510

Notes:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) Source: Sales and Marketing Management: Survey of Buying Power and Media Markets

(3) California State Department of Finance, January 1 of every year.

(4) City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 9

GLENDALE REDEVELOPMENT AGENCY

Pledged-Revenue Coverage

Last Nine Fiscal Years (in thousands)

Fiscal Year	Tax Allocation Bonds						Coverage
	Property Tax Increment	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2002	5,640	-	5,640	1,845	3,442	1.07	
2003	5,926	-	5,926	1,935	4,366	0.94	
2004	6,033	-	6,033	1,810	3,626	1.11	
2005	8,376	-	8,376	3,865	4,511	1.00	
2006	8,601	-	8,601	4,235	4,366	1.00	
2007	8,607	-	8,607	4,415	4,189	1.00	
2008	8,194	-	8,194	4,590	4,004	0.95	
2009	8,199	-	8,199	4,780	3,808	0.95	
2010	8,192	-	8,192	4,980	3,599	0.95	

Note: City of Glendale implemented GASB Statement 34 in fiscal year 2002.

Not covered by independent auditor's report

Schedule 10
GLENDALE REDEVELOPMENT AGENCY
 Principal Employers
 Fiscal Year 2010

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
CITY OF GLENDALE	2,310 (4)	1	2.90% (5)
GLENDALE ADVENTIST MED CENTER #262	2,023 (2)	2	2.54% (5)
GLENDALE UNIFIED SCHOOL DISTRICT	1,894 (2)(3)	3	2.38% (5)
NESTLE COMPANY	1,520 (2)(6)	4	1.91% (5)
GLENDALE MEMORIAL MEDICAL CENTER	1,500 (2)	5	1.88% (5)
DISNEY CONSUMER & INTERACTIVE	1,400 (2)	6	1.76% (5)
ACCO ENGINEERED SYSTEMS	1,350 (2)	7	1.70% (5)
GLENDALE COMMUNITY COLLEGE	1,169 (2)	8	1.47% (5)
COMPENSATION INSURANCE FUND	850 (2)	9	1.07% (5)
KABC	800 (2)	10	1.00% (5)

Notes:

- (1) Both full-time and hourly employees are included.
- (2) Source: 2009-2010 HDL Report, Exception-City of Glendale Data. 2010 City of Glendale Data is from the City Finance Department.
- (3) Does not include the individual schools only admin.
- (4) City of Glendale Payroll Section, 1,776 full-time employees and 534 hourly employees.
- (5) % of total employment is calculated using a baseline of 79,628 workers in 2010 (per HDL report).
- (6) Includes the three subsidiaries of Nestle in Glendale.

Not covered by independent auditor's report

GLENDALE REVELOPMENT AGENCY

Market Values of Taxable Properties

Last Ten Fiscal Years (in thousands)

CENTRAL PROJECT

Fiscal year	Market value	Base year (1972)	Net increment	Secured	Unsecured	Total
1973-1974	30,235	24,659	5,576	5,212	363	5,576
2000-2001	1,615,892	85,370	1,530,522	1,376,061	154,462	1,530,522
2001-2002	1,672,263	85,370	1,586,893	1,416,463	170,430	1,586,893
2002-2003	1,693,072	85,370	1,607,702	1,421,359	186,343	1,607,702
2003-2004	1,826,687	85,370	1,741,318	1,556,323	184,995	1,741,318
2004-2005	1,783,855	85,370	1,698,485	1,547,948	150,537	1,698,485
2005-2006	2,102,133	85,370	2,016,763	1,870,512	146,251	2,016,763
2006-2007	2,340,259	85,370	2,254,889	2,122,309	132,580	2,254,889
2007-2008	2,436,359	85,370	2,350,989	2,215,358	135,631	2,350,989
2008-2009	2,818,074	85,370	2,732,704	2,593,325	139,379	2,732,704
2009-2010	2,871,297	85,370	2,785,927	2,618,032	167,896	2,785,927

SAN FERNANDO PROJECT

Fiscal year	Market value	Base year (1993)	Net increment	Secured	Unsecured	Total
1994-1995	803,254	730,208	73,046	88,434	(15,389)	73,046
2000-2001	1,004,694	730,208	274,486	249,104	25,382	274,486
2001-2002	1,081,647	730,208	351,439	319,079	32,360	351,439
2002-2003	1,118,670	730,208	388,461	350,487	37,974	388,461
2003-2004	1,153,079	730,208	422,870	391,488	31,383	422,870
2004-2005	1,176,255	730,208	446,047	417,272	28,775	446,047
2005-2006	1,196,523	730,208	466,314	456,956	9,358	466,314
2006-2007	1,325,205	730,208	594,996	545,734	49,262	594,996
2007-2008	1,424,628	730,208	694,420	649,292	45,128	694,420
2008-2009	1,540,175	730,208	809,967	743,384	66,583	809,967
2009-2010	1,570,621	730,208	840,413	754,134	86,275	840,410

Source: Taxpayer's Guide compiled under the supervision of the Los Angeles County Auditor-Controller's Office (Tax Division)

Schedule 12
GLENDALE REVELOPMENT AGENCY
Schedule of Credits

Robert Elliot, CPA
Director of Administrative Services-Finance

General Overview
Letter of Transmittal

Philip S. Lanzafame
Director of Community Redevelopment and Housing

General Overview

Lily Fang, Accounting Services Administrator

General Overview
Management's discussion & analysis
Combined Statements Overview
Notes to Financial Statements

Zinda Jimenez, Senior Accountant
Rima Dagbashyan, Accountant I
Nan Chao, Accountant I

Glendale Redevelopment Agency
Glendale Redevelopment Agency
Debt Reporting

Artak Khachatryan, Senior Accountant

PeopleSoft Nvision Report Writing

Shu-Jun Li, Senior Accountant
Anne Bockenkamp, Senior Administrative Analyst

Glendale Housing Authority
Low and Moderate Housing

Adriana Escutia, Office Services Supervisor
Erica Gharibian

Community Redevelopment & Housing
Community Redevelopment & Housing
Cover Design

Graphics Section

Cover Design & Reprographics

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Glendale

COMPLIANCE SECTION

Year Ended - June 30, 2010



ACTIVITIES BY GLENDALE REDEVELOPMENT AGENCY
 (Not Covered by Independent Auditors' Report)

ACCOMPLISHMENTS-FISCAL YEAR 2009-10

Accomplishment	Expenditures FY 09-10	Blighting Conditions Alleviated	Corresponding Citywide Strategic Goals
CENTRAL GLENDALE REDEVELOPMENT PROJECT AREA			
<ul style="list-style-type: none"> Completed entitlement of a 26,000 SF, four-story mixed use, retail and office building at 610 W. Broadway (The Broadway). 	\$0	Defective Design and Character; Age, Obsolescence, Deterioration, Dilapidation, Mixed Character or Shifting of Uses	Sense of Community, Economic Vitality, Community and Planning Character
<ul style="list-style-type: none"> Completed entitlement of a 72,000 SF, 72-unit mixed use residential and retail building at 300 N. Central Avenue (Legendary Tower). 	\$0	Defective Design and Character, Obsolescence, Deterioration, Dilapidation, Mixed Character or Shifting of Uses	Sense of Community, Economic Vitality, Community and Planning Character
<ul style="list-style-type: none"> Completed Stage I Design for a 163,000SF, mixed use retail and office building at 435 Los Feliz Road (Mitaa Plaza), final entitlements underway. 	\$0	Defective Design and Character, Obsolescence, Deterioration, Dilapidation, Mixed Character or Shifting of Uses	Sense of Community, Economic Vitality, Community Planning and Character
<ul style="list-style-type: none"> Approved master plan for 200 S. Brand Boulevard block, bordered by Harvard, Colorado and Louise Streets, and began design work on a pedestrian passageway, connecting the Americana at Brand to the civic uses on the east side of Brand Boulevard that include the Central Library, Adult Recreation Center, Central Park, and Museum of Neon Art (MONA) for which the ground lease negotiations and design is currently underway. 	\$96,698	Age, Obsolescence, Deterioration, Dilapidation, Mixed Character or Shifting Uses	Arts and Culture, Sense of Community, Economic Vitality, Community Services and Facilities
<ul style="list-style-type: none"> Provided ongoing management and coordination of the Alex Theatre operations. Completed seat refurbishment and began façade restoration work. 	\$251,705	Defective Design and Character; Age, Obsolescence, Deterioration, and Dilapidation	Safe Community, Arts and Culture, Sense of Community, Community Services and Facilities
<ul style="list-style-type: none"> Completed one (1) storefront renovation through the Façade Improvement Grant Program for the Central Redevelopment Project Area. 	\$42,500	Defective Design and Character; Age, Obsolescence, Deterioration, Dilapidation, Mixed Character or Shifting Uses	Economic Vitality

ACTIVITIES BY GLENDALE REDEVELOPMENT AGENCY
 (Not Covered by Independent Auditors' Report)

ACCOMPLISHMENTS-FISCAL YEAR 2009-10

Accomplishment	Expenditures FY 09-10	Blighting Conditions Alleviated	Corresponding Citywide Strategic Goals
SAN FERNANDO ROAD CORRIDOR REDEVELOPMENT PROJECT AREA			
<ul style="list-style-type: none"> Completed the final entitlements for the second phase of The Walt Disney Co. Grand Central Creative Campus (GC3), consisting of 331,000 SF of office space and 1,200 parking spaces. 	\$0	Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Economic Vitality, Community Planning and Character
<ul style="list-style-type: none"> Began construction of a 25,000 SF state of the art, Childcare facility for 250 infants and toddlers, serving the GC3 campus. 	\$0	Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Economic Vitality, Community Planning and Character
<ul style="list-style-type: none"> Began construction of a 9,000 SF simulation building for Disney. 	\$0	Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Economic Vitality, Community Planning and Character
<ul style="list-style-type: none"> Completed construction of a 128,000 SF expansion and addition of 260 parking spaces at the DreamWorks campus. 	\$0	Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots	Economic Vitality, Community Planning and Character
<ul style="list-style-type: none"> Completed four (4) storefront renovation through the Façade Improvement Grant Program for the San Fernando Road Corridor Redevelopment Project Area. 	\$165,560	Defective Design and Character; Age, Obsolescence, Deterioration, Dilapidation, Mixed Character or Shifting Uses	Economic Vitality

WORK PROGRAM-FISCAL YEAR 2010-11
 (Not Covered by the Independent Auditors' Report)

Goals	Corresponding Citywide Strategic Goals
CENTRAL GLENDALE REDEVELOPMENT PROJECT AREA	
<ul style="list-style-type: none"> • Complete design and commence construction of pedestrian passageway from the Central Library & Adult Recreation Center to Brand Boulevard. • Complete construction of the Armenian Society of Los Angeles. • Complete the entitlement approval for Hyatt Place Glendale. • Provide ongoing staff assistance with the management and coordination of the Alex Theatre operations and capital improvement projects. • Complete the entitlement approval for the Museum of Neon Art for property located at 212-216 S. Brand and complete design and commence construction of the new museum facility. • Complete construction of mixed use project located at 220 E. Broadway, with 34 dwelling units with ground floor retail. 	<ul style="list-style-type: none"> • Economic Vitality, Sense of Community, Parks and Open Space, Community Planning and Character, Community Services and Facility • Economic Vitality • Economic Vitality • Arts and Culture, Sense of Community, Community Services and Facilities • Economic Vitality, Community Planning and Character, Arts and Culture, Community Services and Facilities • Economic Vitality, Housing, Community Planning and Character
SAN FERNANDO ROAD CORRIDOR REDEVELOPMENT PROJECT AREA	
<ul style="list-style-type: none"> • Begin construction of the second phase of the Disney (GC3) project. • Begin construction of the ICIS multifamily housing project. • Complete entitlement of Mitaa Plaza located at 435 W. Los Feliz Boulevard. • Complete restoration of Seeley Building and construction of the associated three live/work units at 1800 S. Brand Boulevard. • Complete expansion of Gateway Animal Hospital located at 431 W. Los Feliz Boulevard. 	<ul style="list-style-type: none"> • Economic Vitality, Community Planning and Character • Housing, Sense of Community, Community Planning and Character • Economic Vitality, Community Planning and Character • Economic Vitality, Housing, Sense of Community, Community Planning and Character • Economic Vitality, Sense of Community, Community Planning and Character

ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT

(Not Covered by Independent Auditors' Report)

ACCOMPLISHMENTS-FISCAL YEAR 2009-10

Note: Activities are funded with Redevelopment Tax-Increment funds set aside for Affordable Housing (Redevelopment Set Aside) and administered by the Housing Authority of the City of Glendale. Projects funded with federal HOME funds through the Housing Authority are noted in accomplishments, but not in Expenditures section.

Accomplishment	RDA Expenditures 2009-10	Population Served	Corresponding Citywide Strategic Goals
INCREASING AFFORDABLE HOME OWNERSHIP OPPORTUNITIES – NEW CONSTRUCTION			
<ul style="list-style-type: none"> Completed: 711-717 N. Kenwood Townhomes Developer: San Gabriel Valley Habitat for Humanity \$1.25 million (HOME) 	\$0	11 units Large Low Income Families	Housing Economic Vitality
<ul style="list-style-type: none"> Predevelopment: Doran Gardens 331-353 W. Doran Street Homes Developer: Heritage Housing Partners \$8.82 million 	\$253,000	57 units Large and Small Moderate Income Families ½ acre Open Space Amenity	Housing Economic Vitality Sense of Community
<ul style="list-style-type: none"> Predevelopment: 624 – 630 Geneva Street Homes Developer: San Gabriel Valley Habitat for Humanity (ENA) \$2.62 million 	\$10,100	5 units Large Low Income Families	Housing Economic Vitality Sense of Community
INCREASING AFFORDABLE HOME OWNERSHIP OPPORTUNITIES – HOMEBUYER ASSISTANCE			
<ul style="list-style-type: none"> Downpayment and Closing Cost Assistance Resale Homes 	\$63,000	1 household Small Moderate Income Family	Housing Economic Vitality
<ul style="list-style-type: none"> Homeownership Education Classes Targeted to Low and Moderate Income People Who Live and Work in Glendale 	\$4,800	230 persons 7 classes	Housing Education, Knowledge & Literacy
INCREASING AFFORDABLE RENTAL OPPORTUNITIES – NEW CONSTRUCTION			
<ul style="list-style-type: none"> Completed: Glendale City Lights 3673 San Fernando Rd. Developer: Glendale City Lights, LP \$8.4 million RDA; \$1.4 million HOME 	\$100,000	67 units Large and Small Low and Very Low Income Families	Housing Economic Vitality
<ul style="list-style-type: none"> Completed: Gardens on Garfield 303 E. Garfield Street Developer: Thomas Safran and Associates \$0.5 million RDA; \$3.7 million HOME 	\$196,700	29 units Large and Small Low and Very Low Income Families	Housing Economic Vitality Sense of Community

ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT

(Not Covered by Independent Auditors' Report)

ACCOMPLISHMENTS-FISCAL YEAR 2009-10

Accomplishment	RDA Expenditures 2009-10	Population Served	Corresponding Citywide Strategic Goals
INCREASING AFFORDABLE RENTAL OPPORTUNITIES – NEW CONSTRUCTION (CONT.)			
<ul style="list-style-type: none"> Completed: Casa De La Amistad 6200 San Fernando Rd Developer: Glendale Housing Corp. \$1.3 million RDA; \$3.2 million HOME 	\$0	23 units Very Low Income Developmentally Disabled Persons	Housing Economic Vitality Sense of Community
<ul style="list-style-type: none"> Completed: Chester Village Apartments 615 Chester Street Developer: Salvation Army \$660,000 HOME 	\$0	4 units Low Income Small Families Formerly Homeless Households	Housing Economic Vitality
<ul style="list-style-type: none"> In Construction: Vassar City Lights 3685 San Fernando Rd Developer: Vassar City Lights, LP \$11.7 million RDA; \$2.2 million HOME 	\$8,262,000	70 units Large and Small Low and Very Low Income Families	Housing Economic Vitality
<ul style="list-style-type: none"> Predevelopment: Central City Lights 327-331 W Salem Street Developer: Central City Lights, LP \$3.9 million RDA; \$2.3 million HOME (Anticipated) 	\$1,054,000	35 units Large and Small Low and Very Low Income Families	Housing Economic Vitality
INCREASING AFFORDABLE RENTAL OPPORTUNITIES – SPECIAL RENTAL ASSISTANCE PROGRAMS			
<ul style="list-style-type: none"> Special Rental Assistance Provided Low Income Family Employment Rental Assistance Program (LIFERAP) Emergency Rental Assistance Program (ERAP) Moving Assistance Grant Program 	\$282,800	30 households assisted Low and Very Low Income Families Extremely Low Income Elderly	Housing Economic Vitality
SUPPORT CONTINUUM OF CARE			
<ul style="list-style-type: none"> PATH Achieve Glendale Operations Nonprofit Organization Support (RDA Administrative funds) 	\$46,600	N/A	Housing Economic Vitality

ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT

(Not Covered by Independent Auditors' Report)

ACCOMPLISHMENTS-FISCAL YEAR 2009-10

Accomplishment	RDA Expenditures 2009-10	Population Served	Corresponding Citywide Strategic Goals
PRESERVATION OF AFFORDABLE HOUSING – HOUSING REHABILITATION			
<ul style="list-style-type: none"> Completed Single Family Rehabilitation – Home Ownership Multi Family Rehabilitation – Renter Housing Accessibility Assistance Grants 	\$341,500	30 SF units 16 MF units Very Low, Low and Moderate Income Households	Housing Economic Vitality Sense of Community
<ul style="list-style-type: none"> Completed Housing Compliance Inspections Program Systematic Rental Housing Inspection Program Housing Security Program 	\$1,160,000	4,186 residential units compliance inspections 480 buildings - habitability cases resolved as compliant 4 classes – Property Management Certification 5,881 residential units systematic inspections 433 buildings – deficiencies resolved Tenant/Landlord educational brochure updated – 4 languages – Korean, Armenian, Spanish and English Target Low and Moderate Income Neighborhoods	Housing Sense of Community
RESIDENTIAL DISPLACEMENTS, RELOCATIONS, OR DEMOLITIONS IN 2009-10 - None			
ADMINISTRATION PROGRAMS			
<ul style="list-style-type: none"> Overall Operations of Housing Development & Preservation Programs Monitoring of Affordable Housing Covenants Planning and Reporting per State, Federal and other funder requirements. Professional Service Agreements – Legal, Financial 	\$1,293,200	Program Delivery: see above. Residential units monitored annually: 773 Rental New Construction 298 Single and MF Rehab 157 Homeownership-Resale/NC	Housing Trust in Government

ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT
 (Not Covered by Independent Auditors' Report)

WORK PROGRAM-FISCAL YEAR 2010-11

INCREASE AFFORDABLE OWNERSHIP OPPORTUNITIES

Goals	Population To Be Served	Corresponding Citywide Strategic Goals
<ul style="list-style-type: none"> Start Construction: 624 – 630 Geneva Street Homes Developer: San Gabriel Valley Habitat for Humanity (ENA) 	5 units Large Low Income Families	Housing Economic Vitality Sense of Community
<ul style="list-style-type: none"> Start Construction: Doran Gardens 331-353 W. Doran Street Homes Developer: Heritage Housing Partners 	57 units Large and Small Moderate Income Families ½ acre Open Space Amenity	Housing Economic Vitality Sense of Community
<ul style="list-style-type: none"> Provide Down Payment and Closing Cost Assistance Loans for Resale Homes 	1 household Small Moderate Income Families	Housing Economic Vitality
<ul style="list-style-type: none"> Provide Homeownership Education Classes Targeted to Low and Moderate Income People Who Live and Work in Glendale 	190 persons 6 classes Target Low and Moderate Income Families	Housing Economic Vitality Education, Knowledge & Literacy

INCREASE AFFORDABLE RENTAL OPPORTUNITIES

<ul style="list-style-type: none"> Complete: Vassar City Lights 3685 San Fernando Rd Developer: Vassar City Lights, LP 	70 units Large and Small Low and Very Low Income Families	Housing Economic Vitality
<ul style="list-style-type: none"> Provide Special Rental Assistance Low Income Family Employment Rental Assistance Program (LIFERAP) Emergency Rental Assistance Program (ERAP) Moving Assistance Grant Program Veterans Rental Assistance Program 	30 households assisted Low and Very Low Income Families Extremely Low Income Elderly	Housing Economic Vitality
<ul style="list-style-type: none"> Design and Development Concepts: Fifth & Sonora Site 	To be determined	Housing Economic Vitality Sense of Community

SUPPORT GLENDALE CONTINUUM OF CARE

<ul style="list-style-type: none"> Support PATH Achieve Glendale Operations Nonprofit Organization Support (RDA Administration Program funds) 	N/A	Housing Economic Vitality
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ACTIVITIES AFFECTING HOUSING AND DISPLACEMENT

(Not Covered by Independent Auditors' Report)

WORK PROGRAM-FISCAL YEAR 2010-11

Goals	Population To Be Served	Corresponding Citywide Strategic Goals
PRESERVATION OF AFFORDABLE HOUSING – HOUSING REHABILITATION		
<ul style="list-style-type: none"> Provide Housing Rehabilitation Grants and Loans; Housing Accessibility Assistance Grants 	30 SF units 0 MF units Very Low, Low and Moderate Income Households Families with Physically Disabled Person	Housing Economic Vitality Sense of Community
<ul style="list-style-type: none"> Provide Housing Compliance Inspections Program Systematic Rental Housing Inspection Program Housing Security Program 	4,100 residential units compliance inspections 400 building habitability cases resolved as compliant 4 classes – Property Management Certification 5,000 residential units systematic inspections 400 buildings – deficiencies resolved Tenant/Landlord educational brochure updated – 4 languages – Korean, Armenian, Spanish and English Target Low & Moderate Income Neighborhoods	Housing Sense of Community

RESIDENTIAL DISPLACEMENTS, RELOCATIONS, OR DEMOLITIONS IN 2010-11 – None anticipated.

ADMINISTRATION PROGRAM

<ul style="list-style-type: none"> Overall Program Operations and Delivery 	Program Delivery: see above.	Housing
<ul style="list-style-type: none"> Monitoring of Affordable Housing Covenants 	Residential units monitored annually:	Trust in Government
<ul style="list-style-type: none"> Planning and Reporting per State, Federal and other funder requirements. 	773 Rental New Construction 298 Single and MF Rehab	
<ul style="list-style-type: none"> Professional Service Agreements – legal and financial 	157 Homeownership-Resale/NC	