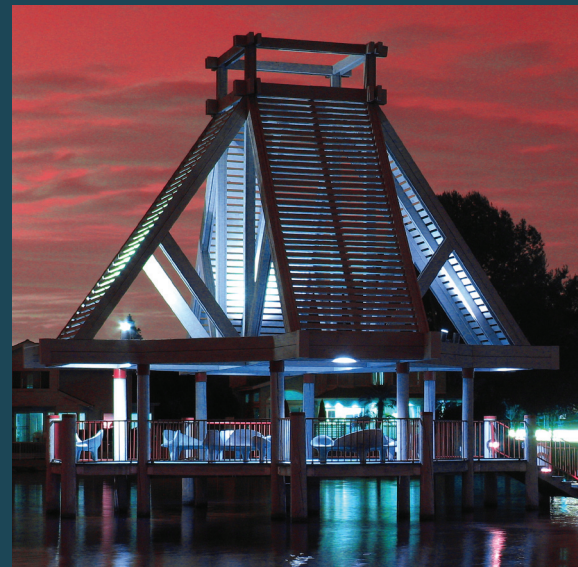


# CITY OF IRVINE, CALIFORNIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR  
ENDED JUNE 30, 2013





## City of Irvine

Incorporation: December 28, 1971  
 Population: 231,117 (January 1, 2013, est.)  
 Size: 66 square miles  
 Sphere of Influence: 74 square miles (approx.)



**City of Irvine, California**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2013



**Prepared by Fiscal Services**



# City of Irvine

## Comprehensive Annual Financial Report

### For the Fiscal Year Ended June 30, 2013

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**Comprehensive Annual Financial Report**  
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November 4, 2013

To the Honorable Mayor, Councilmembers, City Manager, and Residents of Irvine:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Irvine (City) for the fiscal year ended June 30, 2013. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

The report consists of management's representations concerning the finances of the City. 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 City has established a comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh its benefits, the City'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, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City.

Lance, Soll & Lunghard, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended June 30, 2013 are free of material misstatement. The independent auditor concluded there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

In addition, Lance, Soll & Lunghard, LLP audited the City's major program expenditures of federal funds for compliance with the Federal Single Audit Act Amendments of 1996, the Office of Management and Budget Circular A-133 regulating Single Audits, and the standards

applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The report of the Single Audit is published separately from this CAFR and may be obtained upon request from the City's Administrative Services Department.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **CITY OF IRVINE PROFILE**

The City, incorporated in 1971, is located in Orange County, California, approximately 40 miles southeast of Los Angeles. As one of the nation's largest master-planned communities, the City will increase from its current size of 66 square miles to 74 square miles at build-out, and is the largest city in Orange County (in square miles). The City includes residential communities, commercial retail centers, several industrial/office complexes, a 1,500-acre University of California campus, as well as civic, cultural, and recreational facilities. The City's residential population has grown from 10,081 in 1971 to 231,117 in 2013.

The City operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a four member Council. The City Council is responsible, among other things, for passing the City's ordinances and operating resolutions, adoption of the annual budget, appointing commissions and committees, and hiring the City Manager, City Clerk, City Treasurer, and City Attorney. The City Manager is responsible for implementing the policies, ordinances, and directives of the City Council, overseeing the day-to-day operations of the City, and appointing the Assistant City Manager and the directors of the City's departments. The City Council is elected on a nonpartisan basis. Councilmembers are elected to four-year staggered terms and the Mayor is elected to a two-year term.

The City provides a wide range of services. The City's core services consist of public safety, maintenance of City infrastructure, provision of life-affirming programs and services to the City's youngest, oldest and most vulnerable populations, financial support of our K-12 public schools, and preservation of the City's aesthetics and beauty. The Orange County Fire Authority provides fire protection and emergency medical aid services. The Orange County Transportation Authority provides transportation services in the City alongside the City's transportation service, Shuttle. Independent special districts provide educational, library, and utility services to Irvine residents.

The City is also financially accountable for a number of legally separate entities that are included as an integral part of the City's financial statements. These component units include a nonprofit public benefit entity, the Orange County Great Park Corporation; a nonprofit corporation, the Irvine Community Land Trust, and the Irvine Public Facilities and Infrastructure Authority, a public body corporate and politic duly created by the City for the construction, acquisition, maintenance, and improvements of public facilities and infrastructure within the City.

The annual budget serves as the foundation for the City's financial planning and control. The City Council is required to adopt a budget by the start of the fiscal year. The budget is prepared by fund, program (e.g. senior services) and department (e.g. Community Development). After adoption, the City Manager may amend the adopted general fund budget provided that the change does not decrease overall fund balance. Departmental requests for budget amendments over \$50,000, or amendments that decrease fund balance, or expand or add to City programs or services require review of the Finance Commission and approval by the City Council. The City's budgetary procedures are further discussed in section II.A. of the notes to the basic financial statements.

## **ECONOMIC CONDITION**

Irvine is renowned as the nation's most successful master-planned community. In the past year, *Money Magazine* ranked Irvine as one of the Best Places to Live in America based on strong job opportunities, great schools, low crime, quality health care and options for recreation. And *24/7 Wall Street*, the online financial news portal, ranked Irvine as one of America's Best Run Cities in 2012 and 2013 based on financial health, standard of living and municipal services. In June 2013, the Federal Bureau of Investigations named Irvine for the ninth consecutive year as the City with the lowest violent crime rate with populations of more than 100,000 residents. The City is home to over 21,000 businesses, many of which are headquarters for well-known national corporations. These businesses represent a wide range of industries such as, manufacturing, legal, finance, software, accounting, scientific, and medical research firms

The recovery from the Great Recession of 2007-2009 has been slow by historical standards, but economic growth has recently quickened. The California Economic Development Department reports that the unemployment rate in Orange County dropped from 8.1% to 6.1% in the last year through June 2013. Housing prices are increasing again, and new home construction starts are accelerating. According to Los Angeles Economic Development Corporation, Orange County's universities, high tech industries and other unique core strengths "...will provide a firm base for ongoing economic expansion."

Over the past five years, the City has overcome significant financial challenges presented by one of the most severe national recessions experienced in recent history. The City proactively managed these obstacles with creativity, resourcefulness and ongoing evaluations of how services are provided in the City and where efficiencies can be achieved in all levels of the organization.

Much of the credit for the City's success is attributable to the strength, dynamism, and adaptability of the City's business community. Irvine has access to a highly educated, skilled labor force and a fully operational transportation network. Over 10,000 acres in the City are available for business uses, Irvine issued more than 21,000 business licenses ranging from Fortune 500 corporations to on-the-grow companies, as the City continues to emerge as one of the nation's most prestigious business addresses. Within Irvine, there are several major commercial/industrial centers, such as the Irvine Business Complex, University Research Park, Irvine Spectrum, and West Irvine.

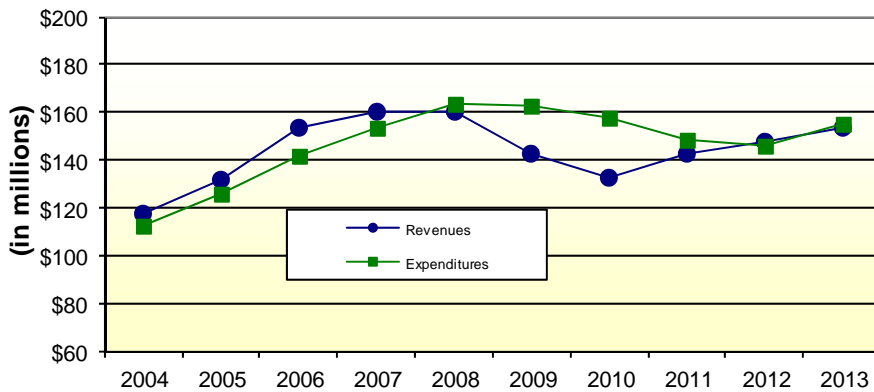
Irvine is fortunate to have outstanding education facilities. The Irvine Unified School District has nationally recognized schools; student performance well above state and national comparisons; and comprehensive programs in academics, the arts and athletics. Irvine Valley College is a community college, which offers courses for students seeking a degree/certificate or transfer to a four-year university. University of California, Irvine (UCI) and Concordia University are also located in Irvine, offering extensive four-year undergraduate programs. UCI provides graduate level degrees in a variety of areas including medical, business and computer sciences. According to the annual *U.S. News & World Report's* "America's Best Colleges," UCI ranked 44th among national universities and 12th among public universities in the United States. In addition, many of UCI's graduate programs consistently receive top-50 rankings from *U.S.*

As businesses move to Irvine they build on each other's efforts in research and innovation resulting in compounding growth and an expanding circle of productivity and wealth. With the City's entrepreneurial and technological orientation, Irvine is a center of innovation not unlike Silicon Valley. The Irvine Chamber of Commerce's website describes the City as "...the heart of Southern California's 'Technology Coast' with more than 40 percent of Orange County's high tech and biomedical companies engaged in research and development."

Overall, the City's general fund revenue for fiscal year 2012-13 increased 3.9% from prior fiscal year, while related expenditures increased 6.1%. The economic recovery has slower than historic post-recession recoveries; however, general fund revenues are forecasted to increase at a moderate pace, aided by increases in population and accelerating real estate and other economic activity. The City continues the tradition of effectively utilizing available resources to provide the services and staff necessary to accomplish the City Council's top priorities:

- Ensure the City is clean, well maintained and safe.
- Prevent visible disorder and deterioration
- Promote a prosperous business climate.
- Provide cost-effective and responsive services to residents.

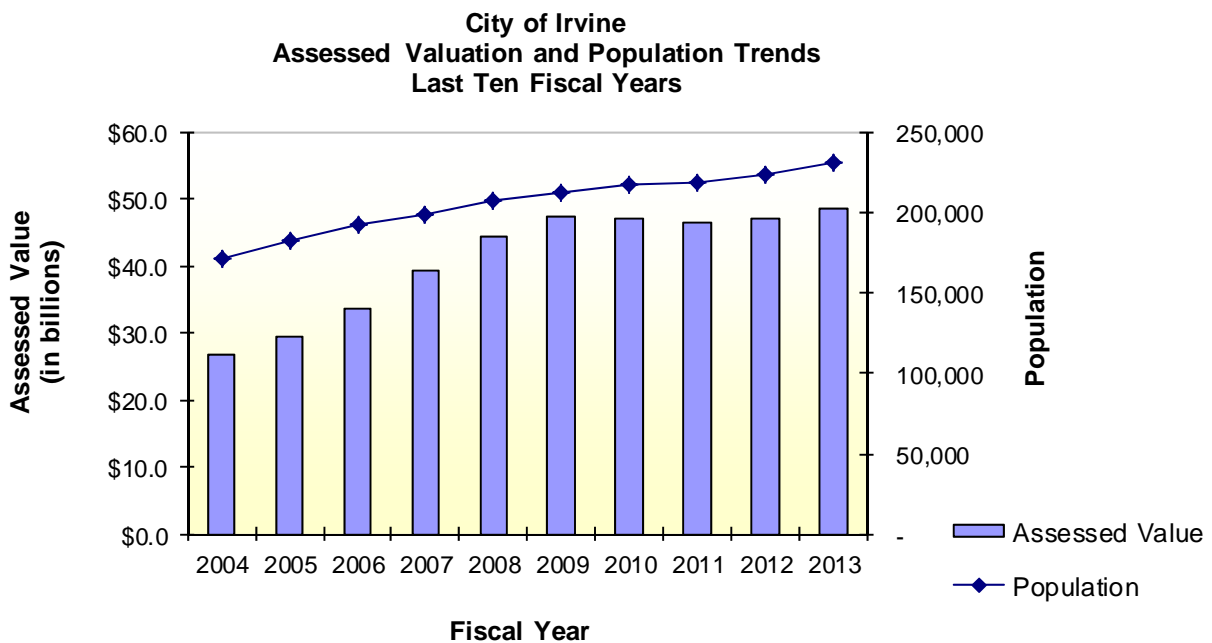
**City of Irvine  
General Fund Revenues and Expenditures  
Last Ten Years**



Property taxes have become a more significant revenue source since 2004, when the State swapped cities' motor vehicle license fee (VLF) allocations for additional property tax revenue

(property tax in-lieu of VLF revenues). The property tax and property tax in-lieu of VLF revenues received in fiscal year 2012-13 totaled \$44.3 million. Throughout the City's history, property tax revenue has grown significantly, reflecting both new development and increasing property values in Irvine. During the recession, property tax revenues dipped slightly, but resumed significant growth again in fiscal year 2012-13 with an increase in the City's assessed valuation of 3.2%.

The following chart compares the total assessed valuation of property located in Irvine against the annual population for the past ten fiscal years. The City's population has continued to increase over the last ten years and the assessed valuation of property has not kept pace with population growth. During this last year residential real estate pricing has surged by approximately 13% (Irvine detached median single family home price, full value sales, as of January 2013). If this trend continues, prior years assessed valuation reductions resulting from falling home prices will be recaptured over time. This has the potential to result in accelerating growth in the City's property tax revenue for the next several years.



Sales tax is the City's largest general fund revenue source with actual revenues in fiscal year 2012-13 of \$51.1 million. Projections for next year, estimate sales tax revenue increasing 5.9% to \$54.1 million in the general fund. While revenues are increasing, they still remain below the peak of fiscal year 2007-08, when the City received \$55.8 million in sales tax revenue.

**Major initiatives.** Through its Strategic Business Plan, Irvine's City Council seeks to assure a high quality of life endures and improves as the City ages and grows in size. The Strategic Business Plan (SBP) was first created in 1994 as a way to help the City Council assess the impact of policy decisions on the City's future quality of life. The SBP evaluates the City's financial capability to achieve its goals; helps set priorities for City operations and the annual budget; and guides the City's capital improvement and rehabilitation program. The following four strategic goals set priorities for the City operations and the annual budget.

*A clean and well maintained environment through:* maintenance and rehabilitation of streets, landscape, and facilities; upgrade of the traffic control systems; graffiti removal; modernization of older City facilities; code enforcement and planning with an eye toward preventing deterioration.

*Maintain a safe community through:* community policing and problem-solving; meeting emergency response standards; prevention of crime through community programs and after-school programs that support youth; increasing community involvement; and development of a wide variety of recreational opportunities for families.

*Promote economic prosperity and a livable community through:* the City's General Plan and Zoning Ordinance; creation of the Great Park; enhancing economic development and business retention; strengthening the City's revenue base; supporting legislation that protects the City's tax revenues; and increasing the number of businesses located in Irvine that generate sales tax.

*Promote effective government by:* providing civic information to the community; connecting the community with the past, present and future of Irvine; evaluating the staffing mix of employees, consultants and contractors; implementing the strategic technology plan; developing performance measurements for services; and measuring and evaluating citizen satisfaction.

**Long-term financial planning.** The City's Strategic Business Plan (SBP) is updated, published and adopted by the City Council annually at the same time as the budget; it establishes the foundation and framework for guiding policy and financial management decisions. This long-term perspective integrates strategic planning and budgeting in order to forecast and actively communicate challenges and opportunities before they arise. The SBP is important because it provides a long-term operating budget projection for the City's general fund revenues and expenditures. The purpose of the operating forecast is to prepare for the upcoming budget year and also to identify long-term financial trends and imbalances, so the budget can be proactively addressed. The second important purpose of the SBP is presentation of the City's five-year Capital Improvement Project program. This is the City's five-year investment plan for capital project infrastructure improvements such as street, park, and traffic signal construction and rehabilitation efforts.

To provide for future infrastructure rehabilitation needs, the City established the Asset Management Plan (AMP) Fund in 1985. The fund balance is \$55.5 million as of June 30, 2013 and continues to make annual contributions to meet the City's infrastructure needs. During fiscal year 2012-13, the AMP's contribution for City infrastructure rehabilitation was \$0.9 million. Future contributions to infrastructure rehab are limited to 90% of investment earnings per City Council policy.

**Financial policies.** City Council policy sets the Contingency Reserve at 20% of general fund expenditures, with a minimum reserve of 3%. The contingency reserve may be used at the discretion of the City Council to provide resources to make up for temporary decreases in revenues, in the event of an economic downturn while expenditure reductions are implemented, or to provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslides, or other natural disasters. At June 30, 2013 the fund balance is \$20.6 million; of which, \$4.2 million has been set aside for the 3% minimum reserve.

## AWARDS AND ACKNOWLEDGEMENTS

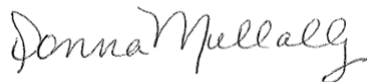
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This was the thirty-fourth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City's Budget Office also received the GFOA Distinguished Budget Presentation Award for its fiscal year 2012-13 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of the CAFR could not have been accomplished without the efficient and dedicated service of the Fiscal Services Division staff. We would like to express our appreciation to all members of the division who assisted and contributed to the preparation of this report, particularly the financial reporting team. Appreciation is also expressed to the Finance Commission, Investment Advisory Committee, Budget Office, and City departments for their assistance and support in planning and conducting the financial operations of the City during this fiscal year, as well as the Mayor and Councilmembers for their steadfast support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Donna Mullally  
Manager of Fiscal Services



Ken Brown  
Acting Director of Administrative Services







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Irvine  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

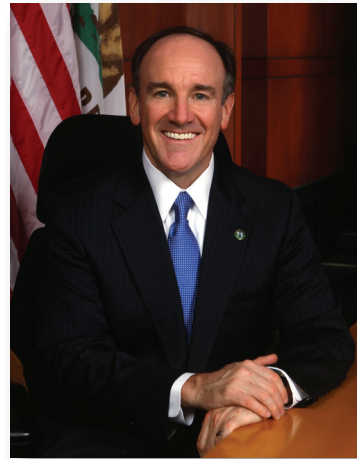
**June 30, 2012**

Executive Director/CEO

# IRVINE CITY OFFICIALS



STEVEN S. CHOI, PH.D.  
Mayor



JEFFREY LALLOWAY  
Mayor Pro Tem



LARRY AGRAN  
Councilmember



BETH KROM  
Councilmember

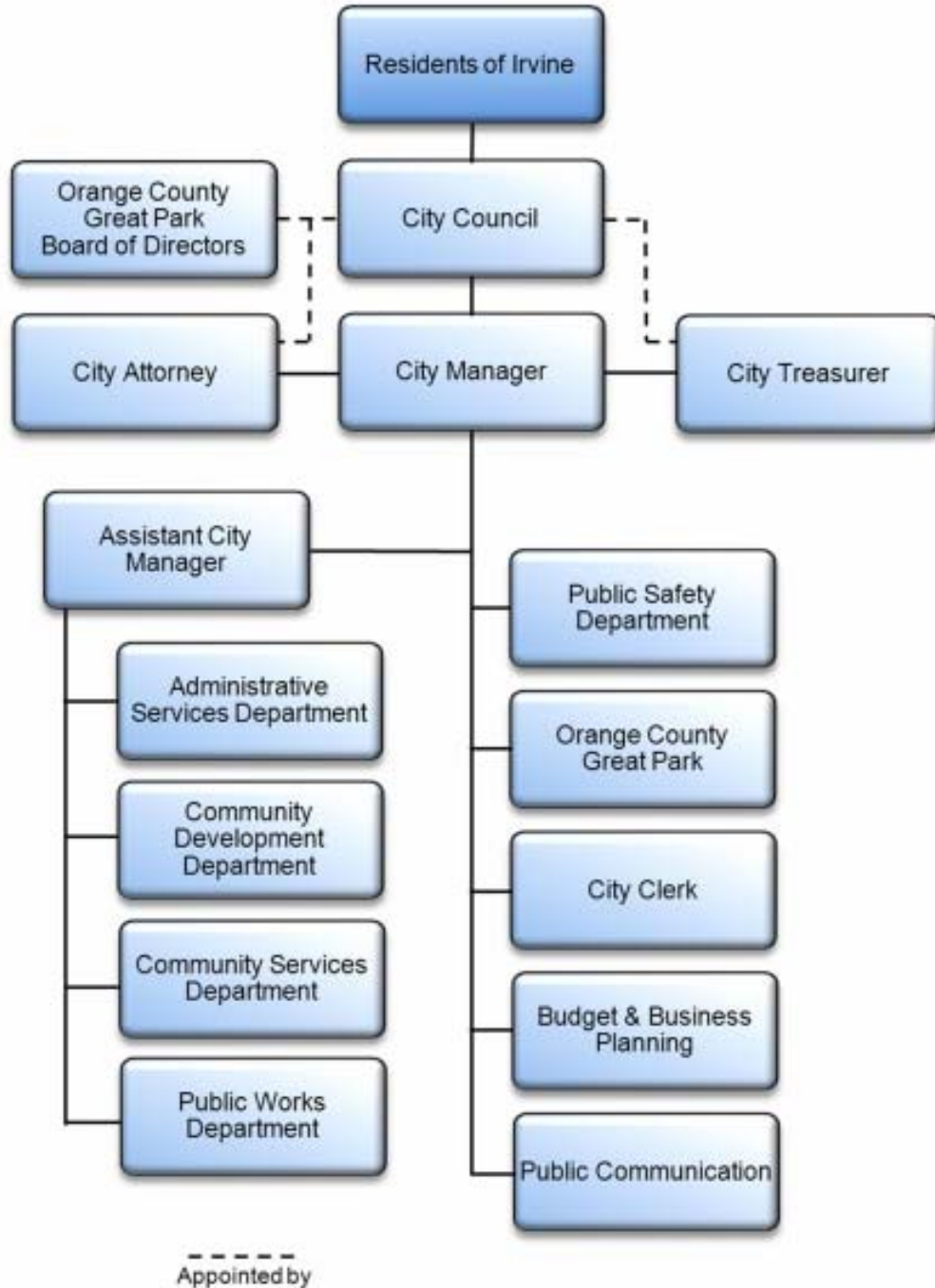


CHRISTINA SHEA  
Councilmember

City Manager • Sean Joyce

Assistant City Manager .....	Sharon Landers
Orange County Great Park CEO .....	Mike Ellzey
City Attorney.....	Richard D. Jones
City Clerk .....	Sharie Apodaca
Director of Administrative Services.....	Gary Burton
Director of Community Development.....	Eric Tolles
Director of Community Services.....	Brian Fisk
Director of Public Affairs & Communications ...	Craig Reem
Director of Public Safety.....	Dave Maggard
Director of Public Works.....	Manuel Gomez

# City of Irvine Organizational Chart







## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Irvine, California

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Irvine, California, (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

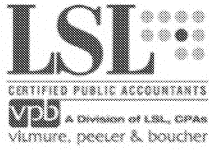
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Irvine, California, as of June 30, 2013, and the respective changes in



To the Honorable Mayor and Members of the City Council  
City of Irvine, California

financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Orange County Great Park Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

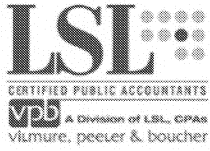
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements and schedules as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013 on our consideration of the City's internal control over financial reporting and on 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





To the Honorable Mayor and Members of the City Council  
City of Irvine, California

financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Lance, Solt & Loughard, LLP*

Brea, California

October 28, 2013

# City of Irvine

## Management's Discussion and Analysis

As management of the City of Irvine (City), California, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. 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 in the introductory section of this report, and with the City's financial statements, which follow this discussion.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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).

The government-wide financial statements present information about the functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City include general government, public safety, public works, community services, community development, and great park.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also two legally separate entities: the Orange County Great Park Corporation and the Irvine Community Land Trust. The City is financially accountable for these entities and financial information for these *blended component units* is reported within the financial information presented for the primary government itself. Financial information for two other blended component units, the Irvine Public Facilities Corporation and the Irvine Public Facility

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Infrastructure Authority, is also included with the activities of the primary government. The government-wide financial statements can be found immediately following this discussion and analysis.

### **Fund financial statements**

A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 a government'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 government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provides a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet, and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, Capital Improvement Projects Fund, Orange County Great Park Fund, Assessment Districts Fund, and the Northern Irvine Transportation Mitigation Fund; all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic financial statements also include budgetary comparison statements for the General Fund, and Orange County Great Park Fund, to demonstrate compliance with the annual budget as adopted and amended.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

***Proprietary funds.*** The City maintains various *internal service funds*. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, vehicle fleet operations, miscellaneous equipment maintenance, duplication and telecommunications

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services, and information technology systems. Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

The *internal service funds* are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found immediately following the basic governmental fund financial statements.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's programs. The basic fiduciary fund financial statements can be found immediately following the basic proprietary fund financial statements.

#### **Notes to the basic financial statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the basic fiduciary fund financial statements.

#### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's annual required contribution to the Defined Benefit Pension Plans, and Other Post Employment Benefit Plans. Required supplementary information can be found immediately following the notes to the basic financial statements.

The combining statements referred to earlier in connection with other governmental funds and internal service funds are presented for Other Special Revenue Funds, Other Capital Projects Funds, Permanent Fund, Internal Service Funds, and Fiduciary Funds. These combining and individual fund statements and schedules can be found immediately following the required supplementary information.

The *blended component units* referred to earlier in connection with the government-wide financial statements, although legally separate, function at the discretion and direction of the City's management. Their financial position and results of operations, therefore, have been included as an integral part of the primary government, and are presented in the fund financial statements.

## Financial Highlights

- The assets of the City exceeded its liabilities, at June 30, 2013, by \$2.26 billion (*net position*). Of this amount, \$362.18 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to residents and creditors, but is subject to allocation for specific City programs. Some of these designations are \$18.50 million for capital improvement projects, \$64.24 million for future infrastructure and rehabilitation, and \$93.78 million for the development of various non-circulation projects such as parks and public facilities.
- At the fiscal year ended June 30, 2013, the government's total net position increased by \$49.56 million. The increase in net position is attributable to the increase in capital grants and contributions. During the fiscal year, developers donated two parks to the City, a community park in Cypress Village and a neighborhood park in Stonegate.
- As of June 30, 2013, the City's governmental funds reported combined ending fund balances of \$610.36 million, a decrease of \$0.52 million in comparison with the prior year. Approximately 27% of this total amount, \$164.84 million, is available for spending at the government's discretion (*committed, assigned, and unassigned fund balance*) within the guidelines of the funding sources.
- At June 30, 2013, committed, assigned, and unassigned fund balance for the general fund was \$99.04 million or 64% of total general fund expenditures. This represents an increase of \$0.28 million or less than one percent, from the prior year. The City Council has designated all of the committed and assigned fund balance for specified purposes, in accordance with City policies and budgetary guidelines. The unassigned fund balance which is unrestricted in use, is anticipated to be designated by City Council also for specific purposes at a future City Council meeting.
- The City's total long-term liabilities increased by \$0.61 million or 3%, during the current fiscal year. The key factor in this increase is the additional accrual for general liability and workers' compensation claims, based on an annual actuarial valuation.

## Government-wide Financial Analysis

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

The largest portion of the City's net position, 70%, reflects its net investment in capital assets (e.g., land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress); less any related outstanding debt used to acquire those assets. The City's only outstanding debt against capital assets is two capital leases for public safety patrol cars. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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**City of Irvine**  
**Summary of Net Position**  
**June 30, 2013 and 2012**  
(amounts expressed in thousands)

	<b>Governmental</b>	
	<b>Activities</b>	
	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Current and other assets	\$ 743,544	\$ 732,950
Capital assets	1,575,831	1,537,567
Total Assets	2,319,375	2,270,517
<b>Liabilities</b>		
Other liabilities	36,669	43,989
Long-term liabilities	24,204	17,585
Total Liabilities	60,873	61,574
<b>Net Positions</b>		
Net investment in capital assets	1,575,361	1,536,306
Restricted	320,962	287,906
Unrestricted	362,179	384,731
Total Net Positions	\$ 2,258,502	\$ 2,208,943

During the fiscal year ended June 30, 2013, net position of the City increased to \$2.26 billion, of which \$1.58 billion was the net invested in capital assets such as equipment, buildings and infrastructure. Of the remaining total, \$320.96 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties. The remaining, \$362.18 million, is subject to designation for specific purposes as approved by the City Council. Some of the designations are \$93.78 million for non-circulation projects such as the Orange County Great Park, various neighborhood parks, and public facilities, \$64.24 million for future infrastructure and rehabilitation, and \$18.50 million for capital improvement projects.

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**City of Irvine**  
**Summary of Changes in Net Position**  
**For the Years Ended June 30, 2013 and 2012**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 51,847	\$ 40,193
Operating grants and contributions	32,664	23,693
Capital grants and contributions	145,897	35,229
General revenues:		
Property taxes	46,659	47,862
Sales taxes	51,596	48,972
Investment revenue	7,740	7,982
Other taxes	26,280	23,091
Other revenues	1,577	813
Total Revenues	364,260	227,835
 <b>Expenses</b>		
General Government	28,141	54,380
Public Safety	60,168	57,563
Public Works	69,539	59,037
Community Services	29,944	35,806
Community Development	20,575	20,694
Great Park	59,621	16,398
Interest on long-term debt	20	26
Unallocated infrastructure depreciation	46,693	44,770
Total Expenses	314,701	288,674
 Excess (Deficiency) of Revenues Over (Under) Expenditures Before Extraordinary Items	49,559	(60,839)
 Extraordinary Gain (Loss)	-	163,916
 <b>Change in Net Positions</b>	49,559	103,077
 Beginning Net Positions, as restated	2,208,943	2,105,866
 Ending Net Positions	\$ 2,258,502	\$ 2,208,943

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Overall, Citywide revenues for the fiscal year ended June 30, 2013 increased by \$136.43 million, a 60% increase from the prior year. The majority of the increase was attributed to capital grants and contributions. The City received bond proceeds from the Assessment Districts to continue the build-out of infrastructure in new developments. Also, developers donated two parks to the City, a community park in Cypress Village and a neighborhood park in the Stonegate area. In addition:

- Program revenues of \$230.41 million were 63% of total revenues. Within this category, capital grants and contributions related to infrastructure and capital improvements accounted for 40% of total revenues.
- General revenues of \$133.85 million were 37% of total revenues. The largest general revenue, sales tax, accounted for 14% of total revenues.

Total expenses increased by \$26.03 million, a 9% increase from the prior year. The majority of the expense increase is from Great Park. The Great Park development has seen a significant increase in capital asset depreciation due to additional park infrastructure completed in the last few years. Furthermore, the Great Park through various agreements with developers and other governments has reduced the land acreage. Public Works expenses accounted for 22% of the total expenses, while Public Safety and Great Park each accounted for 19% of total expenses.

## Financial Analysis of the Government's Funds

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

***Governmental funds.*** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements.

As of June 30, 2013, the City's governmental funds reported total combined ending fund balances of \$610.36 million, a decrease of \$0.52 million from the prior year. Approximately 27% of the City's governmental funds ending fund balances, or \$164.84 million, constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion within the guidelines of the funding sources. The remainder of fund balance, \$445.52 million, is either nonspendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation. The nonspendable total of \$143.98 million consists of an endowment to generate income to pay for senior citizen services programs of \$0.47 million, \$141.92 million of long-term advances to other funds, and \$1.59 million of prepaid expenditures. The remaining restricted funds totaling \$301.54 million are comprised of \$278.64 million for capital improvement projects, circulation improvements and maintenance, \$0.83 million for public transportation, \$1.09 million for community service activities, a contingency reserve of \$4.04 million, \$12.16 million for low-income housing, \$1.24 million for development activities, \$0.84 million for pollution remediation, \$0.91 for public education, and \$1.79 million for law enforcement purposes.

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## General Fund Financial Highlights

The general fund is the chief operating fund of the City. At June 30, 2013, committed, assigned, and unassigned fund balance of the general fund was \$98.60 million, while total fund balance was \$111.99 million. As a measure of the general fund's liquidity, it is useful to compare committed, assigned, and unassigned fund balance to total fund expenditures. Committed, assigned, and unassigned fund balance represents 64% of the total general fund expenditures. As mentioned above, however, the City Council has designated all of this committed, assigned, and unassigned fund balance for specified purposes.

For the fiscal year ended June 30, 2013, the cash and investments balance in the general fund was \$109.28 million, an increase of \$3.11 million from the prior fiscal year. Long-term notes receivable in the amount of \$10.67 million in the general fund, are a result of various housing loans made during the years.

**City of Irvine**  
**Summary of Changes in Fund Balances - General Fund**  
**For the Years Ended June 30, 2013 and 2012**  
(amounts expressed in thousands)

	<u>2013</u>	<u>2012</u>
<b>Revenues</b>		
Taxes:		
Property	\$ 44,338	\$ 42,297
Sales	51,065	49,226
Other	22,768	21,178
Total Taxes	<u>118,171</u>	<u>112,701</u>
Charges for services	21,189	19,188
Intergovernmental	982	3,525
Investment revenue	321	1,650
Other	12,813	10,646
Total Revenues	<u>153,476</u>	<u>147,710</u>
<b>Expenditures</b>		
General Government	22,020	15,816
Public Safety	57,440	54,607
Public Works	25,871	27,098
Community Development	18,404	18,017
Community Services	31,296	30,559
Total Expenditures	<u>155,031</u>	<u>146,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,555)</u>	<u>1,613</u>
<b>Other Financing Sources (Uses)</b>		
Proceeds from sale of capital assets	40	1,125
Net transfers	1,578	440
<b>Net Change in Fund Balance</b>	<u>\$ 63</u>	<u>\$ 3,178</u>

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Overall, General Fund revenues for the fiscal year ended June 30, 2013 increased by \$5.77 million, or 4%, over the prior year. The majority of this increase is attributable to higher tax revenues and charges for service.

Total General Fund expenditures increased by \$8.93 million, or 6%, from the prior year. Changes in expenditures, by function, occurred as follows during the fiscal year ended June 30, 2013:

- General Government expenditures increased by \$6.20 million, to \$22.02 million attributable in part to a onetime payment to the California Public Employees Retirement System to pay down the pension plan's unfunded accrued liability.
- Public Works expenditures decreased by \$1.23 million, to \$25.87 million, as the expenditures for the City's Shuttle were moved from the General Fund to a Special Revenue Fund for improved financial reporting.
- Public Safety, Community Services, and Community Development departments all experienced approximately a 2% increase in expenditure as a result of additional staffing expenditures.

### **General Fund Budgetary Highlights**

Differences between the general fund original budget expenditures and the final amended budget were \$9.59 million and can be briefly summarized as follows:

#### Increases for activities:

- \$5.32 million for general government.
- \$2.05 million for community services.
- \$1.13 million for public safety.
- \$0.78 million for community development.
- \$0.31 million for public works.

In each of the functional expenditure categories actual expenditures were less than final budgeted amounts, totaling \$155.03 million, and \$165.73 million, respectively. Additionally, for the fiscal year ended June 30, 2013, actual revenues exceeded budgetary estimates, at \$153.48 million and \$148.61 million, respectively. Since expenditures exceeded revenues, there was a need to draw upon the existing fund balance of \$111.93 million. Furthermore, actual net transfers into the general fund were more than final budget amounts by \$2.74 million, as a result of the closure of Fee District 89-1, excess funding was transferred to the general fund per the conditions of the resolution.

## **Financial Analysis of the Other Major Funds**

The Capital Improvement Projects Fund accounts for street, bridge, traffic signals, and other circulation related capital projects funded by grants, fees, gas tax, sales tax, and interest revenue. The fund balance decreased by \$8.79 million as a result of an increase in capital outlay for circulation projects. The fund balance of \$5.66 million is committed to future circulation construction.

The Orange County Great Park Fund accounts for transactions relating to the development, management, operation and maintenance of the Orange County Great Park to be located on the site of the former Marine Corps Air Station (MCAS) at El Toro. Current year expenditures, primarily for planning, operations, and programs for the Orange County Great Park amounted to \$14.86 million. The ending fund balance of \$163.39 million is designated for the future development of the Orange County Great Park.

The Assessment Districts Fund accounts for the 1915 Improvement Bond Act bond proceeds to fund major road and drainage improvements throughout the City. Capital outlays were \$27.61 million for improvements related to new development in the City. The ending fund balance of \$130.15 million is restricted for future construction of these projects.

The Northern Irvine Transportation Mitigation Fund accounts for the financial transaction related to the planning and implementation of circulation improvements necessary to accommodate the build-out of the City's Northern Sphere of Influence. Capital outlay for circulation projects were \$11.08 million. The ending fund balance of \$44.87 is restricted to circulation projects in the City's Northern Sphere of Influence.

## Capital Assets and Debt Administration

### Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$1.58 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, park facilities, roads, highways, and bridges. The total increase over prior fiscal year in the City's investment in capital assets was \$38.26 million, or a 2% increase.

**City of Irvine**  
**Summary of Changes in Capital Assets**  
**For the Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 612,830	\$ 69,295	\$ 40,008	\$ 642,117
Construction in progress	36,882	26,820	2,230	61,472
Total capital assets not being depreciated	<u>649,712</u>	<u>96,115</u>	<u>42,238</u>	<u>703,589</u>
Capital assets, being depreciated:				
Buildings	122,922	1,329	-	124,251
Improvements other than buildings	129,707	7,409	-	137,116
Machinery and equipment	43,000	2,441	507	44,934
Infrastructure	1,390,089	33,217	-	1,423,306
Total capital assets being depreciated	<u>1,685,718</u>	<u>44,396</u>	<u>507</u>	<u>1,729,607</u>
Less accumulated depreciation for:				
Buildings	(46,129)	(3,263)	-	(49,392)
Improvements other than buildings	(38,585)	(7,435)	-	(46,020)
Machinery and equipment	(33,303)	(2,604)	(494)	(35,413)
Infrastructure	(679,846)	(46,694)	-	(726,540)
Total accumulated depreciation	<u>(797,863)</u>	<u>(59,996)</u>	<u>(494)</u>	<u>(857,365)</u>
Total capital assets, being depreciated, net	<u>887,855</u>	<u>(15,600)</u>	<u>13</u>	<u>872,242</u>
Governmental activities capital assets, net	<u>\$ 1,537,567</u>	<u>\$ 80,515</u>	<u>\$ 42,251</u>	<u>\$ 1,575,831</u>

Major capital asset transactions during the current fiscal year included the following:

- Infrastructure additions were \$33.22 million. Street additions accounted for \$30.84 million, traffic signal additions totaled \$1.82 million, trail additions totaled \$0.49 million, and landscaping additions were \$0.07 million.

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- Machinery and equipment acquisitions of \$2.44 million included vehicles, and hardware and software per the Strategic Technology Plan.

Additional information on the City's capital assets can be found under section III. B. entitled “Capital Assets” of the Notes to the Basic Financial Statements section of this report.

### Long-term Debt

Total outstanding long-term debt at June 30, 2013 is \$23.21, an increase of \$0.61 million from the prior year.

#### City of Irvine Summary of Changes in Long-Term Liabilities (amounts expressed in thousands)

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013	Long- Term	Due Within One Year
Compensated absences	\$ 10,302	\$ 2,781	\$ 2,535	\$ 10,548	\$ 7,797	\$ 2,751
Claims payable	11,913	3,157	2,879	12,191	8,742	3,449
Capital lease obligation	386	295	211	470	177	293
<b>Total Long-Term Liabilities</b>	<b>\$ 22,601</b>	<b>\$ 6,233</b>	<b>\$ 5,625</b>	<b>\$ 23,209</b>	<b>\$ 16,716</b>	<b>\$ 6,493</b>

Long-term debt-related events during the fiscal year ended June 30, 2013 included:

- Compensated absences liabilities increased by \$0.25 million and payouts to employees upon termination amounted to \$2.54 million.
- A net increase to claim payable of \$0.28 million to adjust for possible future general liability and workers' compensation claims.
- Capital lease obligations increased \$0.08 million as a result of the City entering into a new lease agreement for patrol cars.

Additional information on the City's long-term debt can be found under Section III. E. entitled “Changes in Long-term Liabilities” of the Notes to the Basic Financial Statements.

### Economic Factors and Next Year's Budgets and Rates

The City's economy is linked to the national and state economy. However, because the City is still developing, its local economy can experience departures from other local, state or national trends; with resultant recurring revenue fluctuations. Additionally, because the City's revenues are obtained from a limited number of sources, further revenue fluctuations may occur from year to year. To develop its budget model, the City uses the “Orange County Economic Forecast” prepared by Chapman University's Center for Economic Research, the UCLA Anderson Forecast, and the California State University at Fullerton Mihaylo College of Business and Economics as well as projections provided by City consultants. Detailed information about the economic analysis, revenue assumptions, and other budgetary process parameters utilized in

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the annual budget preparation, can be obtained from the City's fiscal year 2013-14 citywide budget, available through the Administrative Services Department.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Manager of Fiscal Services, One Civic Center Plaza, Post Office Box 19575, Irvine, CA 92623-9575.

# BASIC FINANCIAL STATEMENTS



**City of Irvine**  
**Statement of Net Position**  
**June 30, 2013**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 385,784
Cash and investments held by trustee	128,366
Receivables, net of allowances:	
Taxes	15,765
Accounts	3,291
Accrued interest	528
Prepaid	2,005
Inventories	92
Advances to the Successor Agency	181,626
Due from other governments	4,496
Due from developers	32
Long-term note receivable	20,131
Net pension asset	1,428
Capital assets, net of accumulated depreciation:	
Land	642,117
Buildings and systems	74,859
Improvements other than buildings	91,096
Machinery and equipment	9,521
Infrastructure	696,766
Construction in progress	61,472
Total Assets	2,319,375
<b>LIABILITIES</b>	
Accounts payable	15,210
Accrued liabilities	5,264
Due to other governments	130
Grant advances	2,491
Deposits	5,358
Unearned revenue	8,216
Noncurrent liabilities:	
Due within one year	6,493
Due in more than one year	16,716
Net OPEB	995
Total Liabilities	60,873
<b>NET POSITION</b>	
Net investment in capital assets	1,575,361
Restricted	
Expendable:	
Pension	1,428
Assessment infrastructure and capital improvements	279,870
Housing programs	33,642
Public safety programs	1,904
Other programs and activities	3,649
Nonexpendable:	
Senior Services Fund program	469
Unrestricted	362,179
Total Net Position	\$ 2,258,502

See Independent Auditors' Report and Notes to the Basic Financial Statements



**City of Irvine**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
General Government	\$ 28,141	\$ 560	\$ -	\$ -	\$ (27,581)
Public Safety	60,168	4,471	1,383	13	(54,301)
Public Works	69,539	13,847	9,929	40,955	(4,808)
Community Services	29,944	14,326	1,236	70,671	56,289
Community Development	20,575	14,410	8,048	34,258	36,141
Great Park	59,621	4,233	12,068	-	(43,320)
Interest on Long-Term Debt	20	-	-	-	(20)
Unallocated infrastructure depreciation	46,693	-	-	-	(46,693)
Total Governmental Activities	<u>\$ 314,701</u>	<u>\$ 51,847</u>	<u>\$ 32,664</u>	<u>\$ 145,897</u>	<u>(84,293)</u>
<b>General Revenues</b>					
Taxes:					
Property taxes					46,659
Sales taxes					51,596
Franchise taxes					12,505
Transient occupancy taxes					11,256
Document transfer taxes					2,404
Unrestricted motor vehicle in-lieu					115
Gain on sales of assets					129
Investment revenue					7,740
Other revenue					1,448
Total General Revenues					133,852
Change in Net Position					49,559
Total Net Position, Beginning, as restated					<u>2,208,943</u>
Total Net Position, Ending					<u>\$ 2,258,502</u>

See Independent Auditors' Report and Notes to the Basic Financial Statements

**City of Irvine**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**  
(amounts expressed in thousands)  
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	<u>General</u>	<u>Capital Improvement Projects</u>	<u>Orange County Great Park</u>
<b>ASSETS</b>			
Cash and investments	\$ 109,280	\$ 12,723	\$ 30,337
Receivables, net of allowances:			
Taxes	9,408	-	-
Accounts	1,226	1,361	344
Accrued interest	149	13	34
Prepaid	1,419	-	563
Due from other funds	36	-	-
Due from other governments	128	1,826	316
Due from developers	32	-	-
Advances to the Successor Agency	7,742	-	173,884
Advances to other funds	-	-	-
Long-term note receivable	10,673	-	-
	<u>\$ 140,093</u>	<u>\$ 15,923</u>	<u>\$ 205,478</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	\$ 4,994	\$ 1,909	\$ 1,405
Accrued liabilities	2,353	1,699	213
Due to General Fund	-	-	-
Due to other governments	22	-	11
Grant advances	-	2,491	-
Deposits	4,349	427	-
Advances from other funds	-	-	-
	<u>11,718</u>	<u>6,526</u>	<u>1,629</u>
Total Liabilities			
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue	<u>16,380</u>	<u>3,740</u>	<u>40,457</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	7,987	-	134,563
Restricted	5,378	-	-
Committed	16,538	5,657	28,829
Assigned	70,987	-	-
Unassigned	11,105	-	-
	<u>111,995</u>	<u>5,657</u>	<u>163,392</u>
Total Fund Balances (Deficits)			
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 140,093</u>	<u>\$ 15,923</u>	<u>\$ 205,478</u>

- continued -

**City of Irvine**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**  
(amounts expressed in thousands)  
Page 2 of 2

	<u>Assessment Districts</u>	<u>North Irvine Transportation Mitigation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 130,354	\$ 45,660	\$ 160,252	\$ 488,606
Receivables, net of allowances:				
Taxes	-	-	1,341	10,749
Accounts	-	-	230	3,161
Accrued interest	14	51	176	437
Prepaid	-	-	18	2,000
Due from other funds	-	-	-	36
Due from other governments	-	-	2,226	4,496
Due from developers	-	-	-	32
Advances to the Successor Agency	-	-	-	181,626
Advances to other funds	-	-	1,350	1,350
Long-term note receivable	-	-	7,498	18,171
Total Assets	<u>\$ 130,368</u>	<u>\$ 45,711</u>	<u>\$ 173,091</u>	<u>\$ 710,664</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 121	\$ 817	\$ 4,548	\$ 13,794
Accrued liabilities	5	24	894	5,188
Due to General Fund	-	-	36	36
Due to other governments	92	-	3	128
Grant advances	-	-	-	2,491
Deposits	-	-	582	5,358
Advances from other funds	-	-	1,350	1,350
Total Liabilities	<u>218</u>	<u>841</u>	<u>7,413</u>	<u>28,345</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>11,384</u>	<u>71,961</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	1,837	144,387
Restricted	130,150	44,870	121,140	301,538
Committed	-	-	28,708	79,732
Assigned	-	-	5,062	76,049
Unassigned	-	-	(2,453)	8,652
Total Fund Balances (Deficits)	<u>130,150</u>	<u>44,870</u>	<u>154,294</u>	<u>610,358</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 130,368</u>	<u>\$ 45,711</u>	<u>\$ 173,091</u>	<u>\$ 710,664</u>

See Independent Auditors' Report and Notes to the Basic Financial Statements

**City of Irvine**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2013**  
(amounts expressed in thousands)

Total Fund Balances of Governmental Funds		\$ 610,358
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in government activities are nonfinancial resources and are not reported in the funds. The following is net of the Internal Service Funds of \$6,929.		
Governmental capital assets	2,397,270	
Less: accumulated depreciation	<u>(828,368)</u>	1,568,902
Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		20,131
Intergovernmental revenues are not collected within current period and are deferred in the funds. However, on an accrual basis revenues are included in the government-wide statements. These revenues include:		
Orange County Great Park Fund	39,969	
Capital Improvement Projects Funds	3,073	
General Fund	1,398	
Irvine Business Complex Fund	848	
Park Development Fund	172	
Grant Fund	<u>114</u>	45,574
Other revenues are not available to pay for current period expenditures and are not reported in the funds.		
		147
The net pension asset is not an available financial resources and is excluded from the funds.		
		1,428
The net other post employment benefit pension obligation is not due and payable in the current period and are not reported in the funds.		
		(995)
A portion of sales tax receivable is not reported in the fund financial statements.		
		5,016
Internal service funds are used by management to charge the cost of activities involved in rendering services to departments within the City. The assets and liabilities of the internal services funds are included in the Statement of Net Position.		
		18,286
Compensated absences long-term liabilities not due and payable in the current period and are not reported in the funds.		
		(10,343)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		
		(2)
Net Position of Governmental Activities		<u><u>\$2,258,502</u></u>

See Independent Auditors' Report and Notes to the Basic Financial Statements



**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)  
Page 1 of 2

	<u>General</u>	<u>Capital Improvement Projects</u>	<u>Orange County Great Park</u>
<b>REVENUES</b>			
Taxes	\$ 118,171	\$ -	\$ -
Licenses and permits	6,865	-	-
Fines and forfeitures	1,780	-	-
Investment income	321	(53)	(92)
Intergovernmental	982	3,834	138
Charges for services	21,189	-	4,204
Assessment districts contributions	-	-	-
Revenue from developers	32	-	11,925
Revenue from property owners	-	-	-
Donations	25	-	6
Other revenue	4,111	20	-
Total Revenues	<u>153,476</u>	<u>3,801</u>	<u>16,181</u>
<b>EXPENDITURES</b>			
Current:			
General Government	22,020	48	103
Public Safety	57,440	884	-
Public Works	25,871	-	90
Community Development	18,404	-	-
Community Services	31,296	-	-
Great Park	-	-	14,666
Capital outlay	-	12,883	-
Total Expenditures	<u>155,031</u>	<u>13,815</u>	<u>14,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,555)</u>	<u>(10,014)</u>	<u>1,322</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of property	40	-	-
Transfers in	5,975	8,369	-
Transfers out	(4,397)	(7,142)	(160)
Total Other Financing Sources (Uses)	<u>1,618</u>	<u>1,227</u>	<u>(160)</u>
Net Change in Fund Balances	63	(8,787)	1,162
Fund Balances, Beginning, as restated	<u>111,932</u>	<u>14,444</u>	<u>162,230</u>
Fund Balances, Ending	<u>\$ 111,995</u>	<u>\$ 5,657</u>	<u>\$ 163,392</u>

- continued -

See Independent Auditors' Report and Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)  
Page 2 of 2

	Assessment Districts	North Irvine Transportation Mitigation	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 20,596	\$ 138,767
Licenses and permits	-	-	-	6,865
Fines and forfeitures	-	-	-	1,780
Investment income	127	(117)	(469)	(283)
Intergovernmental	-	-	13,740	18,694
Charges for services	-	-	2,309	27,702
Assessment districts contributions	31,520	-	-	31,520
Revenue from developers	-	28,967	12,545	53,469
Revenue from property owners	-	-	6,015	6,015
Donations	-	-	624	655
Other revenue	101	-	2	4,234
Total Revenues	<u>31,748</u>	<u>28,850</u>	<u>55,362</u>	<u>289,418</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	9	4,266	26,446
Public Safety	-	-	1,887	60,211
Public Works	5,106	171	10,092	41,330
Community Development	-	3	4,914	23,321
Community Services	-	-	3,543	34,839
Great Park	-	-	569	15,235
Capital outlay	27,606	11,082	34,774	86,345
Total Expenditures	<u>32,712</u>	<u>11,265</u>	<u>60,045</u>	<u>287,727</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(964)</u>	<u>17,585</u>	<u>(4,683)</u>	<u>1,691</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	-	-	-	40
Transfers in	1,822	178	14,822	31,166
Transfers out	-	-	(21,718)	(33,417)
Total Other Financing Sources (Uses)	<u>1,822</u>	<u>178</u>	<u>(6,896)</u>	<u>(2,211)</u>
Net Change in Fund Balances	858	17,763	(11,579)	(520)
Fund Balances, Beginning, as restated	<u>129,292</u>	<u>27,107</u>	<u>165,873</u>	<u>610,878</u>
Fund Balances, Ending	<u>\$ 130,150</u>	<u>\$ 44,870</u>	<u>\$ 154,294</u>	<u>\$ 610,358</u>

See Independent Auditors' Report and Notes to the Basic Financial Statements





**City of Irvine**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

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

Net Change in Fund Balances - Total Governmental Funds	\$	(520)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital outlays		86,345
Expenditures for capital equipment purchases		647
Less disposal of capital assets		(40,515)
Less amounts not capitalized		(18,088)
Depreciation expense		<u>(57,905)</u>
		(29,516)
Governmental funds do not report the donation of capital assets not held for resale. Such transactions are included as revenue on the Statement of Activities.		
Donation of capital infrastructure assets		67,810
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Interest		7,846
Grants		1,031
Sales taxes		531
Charges for services		(328)
Other revenue		<u>(27)</u>
		9,053
Long-term receivables and related unavailable revenue are recognized as expenditures in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. However, these payments reduce the unearned revenue in the Statement of Net Position and do not result in an expense in the Statement of Activities.		
		2,164
Governmental funds do not report the changes in the net pension asset or obligation, since it does not provide or require the use of current financial resources.		
Defined Benefit Pension Plan		(81)
Other Post Employment Benefit Plan		(235)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.		
Accrued interest		(1)
Compensated absences		<u>(244)</u>
		(245)
Internal Service Funds are used by management to charge the costs of certain activities such as insurance and fleet, to individual funds. The net revenue (expense) of the Internal Service Funds is included in the Statement of Activities.		
		<u>1,129</u>
Change in Net Position of Governmental Activities	\$	<u><u>49,559</u></u>

See Independent Auditors' Report and Notes to the Basic Financial Statements



**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 115,138	\$ 115,138	\$ 118,171	\$ 3,033
Licenses and permits	7,013	7,013	6,865	(148)
Fines and forfeitures	1,842	1,842	1,780	(62)
Investment income	1,534	1,534	321	(1,213)
Intergovernmental	799	810	982	172
Charges for services	19,980	19,990	21,189	1,199
Revenue from developers	16	16	32	16
Donations	3	3	25	22
Other revenue	2,260	2,260	4,111	1,851
Total Revenues	148,585	148,606	153,476	4,870
<b>EXPENDITURES</b>				
Current:				
General Government:				
City Manager	9,511	9,734	8,031	1,703
Administrative Services	10,535	15,627	13,989	1,638
Public Safety	57,182	58,320	57,440	880
Public Works	26,371	26,684	25,871	813
Community Development	19,214	19,991	18,404	1,587
Community Services	33,324	35,370	31,296	4,074
Total Expenditures	156,137	165,726	155,031	10,695
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,552)	(17,120)	(1,555)	15,565
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	6	6	40	34
Transfers in	5,969	5,979	5,975	(4)
Transfers out	(3,966)	(7,136)	(4,397)	2,739
Total Other Financing Sources (Uses)	2,009	(1,151)	1,618	2,769
Net Change in Fund Balances	(5,543)	(18,271)	63	18,334
Fund Balances, Beginning	111,932	111,932	111,932	-
Fund Balances, Ending	\$ 106,389	\$ 93,661	\$ 111,995	\$ 18,334

See Independent Auditors' Report and Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Orange County Great Park**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 245	\$ 245	\$ (92)	\$ (337)
Intergovernmental	-	1,023	138	(885)
Charges for services	3,445	3,738	4,204	466
Revenue from developers	11,900	11,900	11,925	25
Donations	160	160	6	(154)
Total Revenues	15,750	17,066	16,181	(885)
<b>EXPENDITURES</b>				
Current:				
General Government	109	112	103	9
Public Works	-	-	90	(90)
Great Park	16,269	20,569	14,666	5,903
Total Expenditures	16,378	20,681	14,859	5,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	(628)	(3,615)	1,322	4,937
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,420	15,420	-	(15,420)
Transfers out	(950)	(1,010)	(160)	850
Total Other Financing Sources (Uses)	14,470	14,410	(160)	(14,570)
Net Change in Fund Balances	13,842	10,795	1,162	(9,633)
Fund Balances, Beginning	162,230	162,230	162,230	-
Fund Balances, Ending	\$ 176,072	\$ 173,025	\$ 163,392	\$ (9,633)

See Independent Auditors' Report and Notes to the Basic Financial Statements



**City of Irvine**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**  
(amounts expressed in thousands)

	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 25,544
Receivables, net of allowances:	
Accounts	46
Accrued interest	28
Prepaid	5
Inventories	92
Total Current Assets	<u>25,715</u>
Noncurrent Assets:	
Capital assets:	
Equipment	35,926
Less accumulated depreciation	<u>(28,997)</u>
Total Noncurrent Assets	<u>6,929</u>
Total Assets	<u>32,644</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	1,416
Accrued liabilities	74
Due to other governments	2
Lease payable	293
Compensated absences	53
Claims payable	3,449
Total Current Liabilities	<u>5,287</u>
Noncurrent Liabilities:	
Lease payable	177
Compensated absences	152
Claims payable	8,742
Total Noncurrent Liabilities	<u>9,071</u>
Total Liabilities	<u>14,358</u>
<b>NET POSITION</b>	
Net investment in capital assets	6,459
Unrestricted	11,827
Total Net Position	<u>\$ 18,286</u>

See Independent Auditors' Report and Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 19,647
Other	368
	20,015
<b>OPERATING EXPENSES</b>	
Personal services	2,598
Supplies & equipment	4,816
Contract services	5,395
Administration	1,286
Self-insured losses	2,974
Insurance premiums	2,178
Depreciation	2,091
	21,338
Total Operating Expenses	21,338
Operating Loss	(1,323)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest revenue	(70)
Interest expense	(19)
Gain on disposal of equipment	90
	1
Total Nonoperating Revenues	1
Loss Before Capital Contributions and Transfers	(1,322)
Capital contributions	200
Transfers in	2,808
Transfers out	(557)
	1,129
Change in Net Position	1,129
Total Net Position, Beginning	17,157
Total Net Position, Ending	\$ 18,286

See Independent Auditors' Report and Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers and users	\$ 248
Received from interfund services provided	19,826
Paid to suppliers and providers	(16,157)
Paid to employees	(2,600)
Net Cash Provided by Operating Activities	<u>1,317</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers in	2,808
Transfers out	(557)
Net Cash Provided by Non-Capital Financing Activities	<u>2,251</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from sale of equipment	103
Interest paid	(19)
Equipment contributions	(1,874)
Net Cash Used by Capital and Related Financing Activities	<u>(1,790)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received on investments	(74)
Net Cash Provided by Investing Activities	<u>(74)</u>
Net Increase in Cash and Cash Equivalents	1,704
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>23,840</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 25,544</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating loss	<u>\$ (1,323)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	2,091
Changes in assets and liabilities:	
(Increase) decrease in receivables, net of allowances	57
(Increase) decrease in prepaid costs	(3)
(Increase) decrease in due from other governments	1
(Increase) decrease in inventories	(1)
Increase (decrease) in accounts payable	154
Increase (decrease) in accrued liabilities	(6)
Increase (decrease) in due to other governments	(2)
Increase (decrease) in deposits	(15)
Increase (decrease) in lease payable	84
Increase (decrease) in compensated absences	2
Increase (decrease) in claims payable	278
Total Adjustments	<u>2,640</u>
Net Cash Provided by Operating Activities	<u>\$ 1,317</u>
<b>Schedule of Non-Cash and Related Financing Activities</b>	
Contribution of Capital Assets	<u>\$ 200</u>

See Independent Auditors' Report and Notes to the Basic Financial Statements





**City of Irvine**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2012 and June 30, 2013**  
(amounts expressed in thousands)

	<u>December 31, 2012</u>		
	<u>Pension and Employee Benefit Trust Funds</u>	<u>Successor Agency Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 961	\$ 186,583
Investments:			
Collective trust funds	18,957	-	-
Short-term investments	214	-	-
Participant-directed investments	10,293	-	-
Receivables, net of allowances:			
Taxes	-	-	833
Accrued interest	-	-	17
Loans	49	-	-
Due from developers	-	-	1,405
	<u>29,513</u>	<u>961</u>	<u>188,838</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	102	75	1,103
Accrued liabilities	22	-	139
Advances from the City of Irvine	-	181,626	-
Due to bondholders	-	-	187,500
Due to other governments	-	1,633	96
	<u>124</u>	<u>183,334</u>	<u>188,838</u>
Total Liabilities			
<b>NET POSITION</b>			
Held in trust for pension benefits	29,389	-	-
Held in trust for Successor Agency	-	(182,373)	-
	<u>\$ 29,389</u>	<u>\$ (182,373)</u>	<u>\$ -</u>
Total Net Position			

See Independent Auditors' Report and Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2012 and June 30, 2013**  
(amounts expressed in thousands)

	<u>December 31, 2012</u>	
	<b>Pension and Employee Benefit Trust Funds</b>	<b>Successor Agency Private- Purpose</b>
	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$      659	\$      -
Plan members	75	-
Interest from participants' loan	2	-
	<u>          736</u>	<u>          -</u>
Total Contributions		
Investment income (loss):		
Interest and dividends	95	-
Net appreciation (depreciation) in fair value of investments	2,433	-
	<u>         2,528</u>	<u>          -</u>
Total Investment Income		
Less investment expenses	<u>         (147)</u>	<u>          -</u>
Net Investment Income	2,381	-
Taxes	<u>          -</u>	<u>         593</u>
Total Additions	<u>         3,117</u>	<u>         593</u>
<b>DEDUCTIONS</b>		
Benefit payments	2,287	-
Administration	3	200
Distribution to the County	-	1,197
Grant obligations	-	665
Forfeitures to the City of Irvine	2	-
Interest and fiscal charges	<u>          -</u>	<u>         7,712</u>
Total Deductions	<u>         2,292</u>	<u>         9,774</u>
<b>TRANSFERS</b>		
Transfers in	-	368
Transfers out	<u>          -</u>	<u>         (368)</u>
Total Transfers	<u>          -</u>	<u>          -</u>
Change in Net Position	825	(9,181)
Total Net Position, Beginning	<u>         28,564</u>	<u>         (173,192)</u>
Total Net Position, Ending	<u><u>         \$  29,389</u></u>	<u><u>         \$ (182,373)</u></u>

See Independent Auditor's Report and Notes to the Basic Financial Statements



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

**I. Summary of Significant Accounting Policies**

The basic financial statements of the City of Irvine, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City was incorporated December 28, 1971, under the general laws of the State of California. The City adopted its Charter in 1975. An elected mayor and four-member council govern the City. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The City's blended component units, although legally separate entities, are, in substance, part of the City's operations and the financial data is combined with data of the City.

**Blended Component Units**

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Certain organizations warrant inclusion as part of the financial reporting entry because of the nature and significance of its relationship with the City. A legally separate, tax-exempt organization should be reported as a component unit of the City if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the City, its component units, or its constituents.
2. The City, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the City, or its component units, is entitled to, or has the ability to otherwise access, are significant to the City.

Based upon the application of the criteria listed above, the follow components units have been included.

The Irvine Public Facilities Corporation (Corporation) and the Irvine Public Facilities and Infrastructure Authority (Authority) were used to finance the acquisition and construction of the City's civic center, operations support facility, animal services facilities, and other infrastructure improvements in the City. The Corporation and Authority are governed by boards comprised of appointed Finance Commissioners and the elected City Councilmembers, respectively. The transactions of the Corporation and the Authority are reported in the governmental fund financial statements as debt service funds. The Corporation's debt was retired in fiscal year 2001-02 and the Authority's debt was retired in fiscal year 2010-11; no additional activity has occurred in these funds. Separate financial statements are not available for the Corporation and the Authority.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

The Orange County Great Park Corporation (OCGPC) was established by the Irvine City Council on July 7, 2003, as a support agency to the City, for the specific purpose of managing and effecting the development, operation, and maintenance of the Orange County Great Park on the site of the former Marine Corps Air Station (MCAS) El Toro. The board of directors is comprised of the elected City Councilmembers. The transactions of the OCGPC are reported in the governmental fund financial statements as a part of the major special revenue fund, Orange County Great Park fund. Copies of separate financial statements for the OCGPC may be obtained from the City of Irvine City Hall, One Civic Center Plaza, Irvine, California, 92606.

The Irvine Community Land Trust (ICLT) was established by the Irvine City Council on February 14, 2006, as a support agency to the City, for the specific purpose of assisting the City to ensure that its residents are able to secure affordable housing by, among other things, developing, constructing, financing, managing, selling, renting, subsidizing, and monitoring single and multi-family housing. A board of directors comprised of two individuals appointed by the City and five "At-Large-Directors" appointed from a pool of candidates and ratified by the City Council governs the ICLT. The transactions of the ICLT are reported in the governmental fund financial statements as an other governmental special revenue fund. Copies of separate financial statements for the ICLT may be obtained from the City of Irvine City Hall, One Civic Center Plaza, Irvine, California, 92606

**B. Government-wide and Fund Financial Statements – Basis of Presentation**

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All City activities are governmental; no business-type activities are reported in the statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given functions or segments are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City 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 that are properly not included among program revenues are reported instead as general revenues. As a general rule, the effects of interfund activity has been eliminated from the government-wide financial statements.

Net Position, which is equity, is reported in the following categories: net investment in capital assets represents the City's equity interest in capital assets; restricted assets, are net positions whose use is not subject to the City's own discretion; and unrestricted net positions, are available for use. It is the City's policy to use restricted resources first when possible, and then use unrestricted resources as needed.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

Fund Financial Statements: The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The Capital Improvement Projects Fund, a capital projects fund, accounts for acquisition or construction of the City's general circulation related infrastructure including traffic signals, street, medians, and bridges.

The Orange County Great Park (OCGP) Fund, a special revenue fund, accounts for the receipt and disbursement of funds used for the specific purpose of managing, developing, operating, and maintaining the Orange County Great Park.

The Assessment Districts Fund accounts for the capital project activity in the assessment districts.

The North Irvine Transportation Mitigation Fund, a capital projects fund, accounts for the financial transactions and capital project activity related to the planning and implementation of circulation improvements necessary to accommodate the build out of the City's Northern Sphere of Influence.

Additionally, the City reports the following fund types:

**Governmental Funds**

Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities and circulation infrastructure.

Permanent Fund accounts for resources that are legally restricted, to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. Adult day health services and senior citizen programs are funded from these interest earnings and donations.

**Proprietary Funds**

Internal Service Funds account for operations that provide services to other departments of the City on a cost reimbursement basis. These services include self-insurance, acquisition,

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

replacement and maintenance of the City's vehicle fleet, other major equipment, Civic Center maintenance, telephone, mail and duplicating services, and central stores supplies.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Fiduciary Funds**

Pension and Employee Benefit Trust Funds account for the activities of the City's Defined Benefit Pension Plan for sworn employees and the Defined Contribution Pension Plan for non-sworn employees.

Private-Purpose Trust Funds are the Successor Agency Trust funds, which hold assets and receive resources to pay enforceable obligations and administrative costs of the dissolved Irvine Redevelopment Agency.

Agency Funds are used to account for debt service activities related to the Assessment District and Community Facilities District conduit debt issues, in which the City acts as an agent, not as a principal. Inter-Agency Custodial Fund is used to account for cash seized by Public Safety and held until final disposition of the cases.

The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, as are the proprietary fund and fiduciary fund financial statements; however, the measurement focus is not applicable to agency funds. Under the *economic resources measurement focus*, all assets and liabilities (current and long-term) are reported. Under 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 providers have been met.

In general, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Direct expenses have not been eliminated from the functional categories; however, indirect expenses and internal payments have been eliminated.

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, including special assessments.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the *current financial resources measurement focus*, generally only current assets and liabilities are reported in the governmental funds.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the *modified accrual basis of accounting*, revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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, under accrual accounting. However, expenditures for debt service and compensated absences are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the City.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

The proprietary, pension, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**D. Accounting Change**

The accompanying financial statements reflect the implementation of GASB Statements Nos. 63 and 65. Significant impacts of GASB Statement No. 63 include changing the title of the Statement of Net Assets to the Statement of Net Position and reformatting the statement of net position to add separate sections for deferred inflow of resources and deferred outflow of resources. Significant impacts of GASB Statement No. 65 include reclassifying certain balances that were previously reported as assets and liabilities, as deferred outflows and deferred inflows, respectively.

**E. Use of Restricted and Unrestricted Resources**

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

**F. Assets, Liabilities, Deferred Outflow/Inflow of Resources, and Net Position or Fund Balance**

**Cash and Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City maintains a cash and investment pool that is available for use by all funds except the Pension Trust Funds, Private-Purpose Trust Funds, and the Inter-Agency Custodial Fund, which hold cash and investments separately from those of other City funds. Each fund's portion of the City's pool is displayed in the financial statements as "Cash and investments." Investment income is allocated to all participating funds based on each fund's average daily cash balance.

**Inventories and Prepaid**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

Capital assets include property, plant, equipment and infrastructure. Property, plant and equipment are reported as assets with an initial individual cost of at least \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Infrastructure components, which include street, bridge, traffic signal, landscape and trail networks, are reported as assets with an initial individual cost of at least \$50,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The estimated historical cost of infrastructure asset networks, as of July 1, 2001, was derived by calculating the current construction or purchase cost from recent historical data, and deflating that cost back in time to estimated prior in-service dates for network classes, using a generally used cost index deflator. Infrastructure asset networks are included in the City's capital assets reporting at estimated historical cost. Additions to the networks after June 30, 2001 are reported at actual cost consistent with the capitalization policy described above. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as construction in progress as projects are constructed.

Property, plant, equipment, and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Lives</u>
Buildings & systems	30 - 40
Improvements other than buildings	15
Machinery and equipment	3 - 10
Infrastructure	17 - 62

**Deferred Inflow/Outflow of Resources**

In addition to assets, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then.

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflow of resources. The separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in the category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, deferred revenue for loans receivable and revenues not collected during the availability

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

period. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Net Position Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Property Taxes**

Property taxes are attached as enforceable liens on the related property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of Orange (County) bills and collects the property taxes and remits the amounts to the City in installments during the year. California State legislation (known as the "Teeter Plan") allowed the City and County to adopt an alternative property tax allocation plan whereby the City receives 100% of the tax levied. The City is not responsible to reimburse the County for unpaid property taxes; in return, the County receives all penalty charges or delinquent property taxes and is also responsible for any foreclosure proceedings.

**Compensated Absences**

It is the City's policy to allow employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. The vesting method is used to calculate the liability. Depending on the bargaining group and years of service, an employee will be paid between 0% and 90% of earned sick pay benefits, and 100% of earned vacation and compensatory time upon separation. All vacation pay, compensatory time, and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements; the current portion of the liability is estimated from prior year payments and adjusted for material expected variances. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate the compensated absences liabilities.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

**Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net positions. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Balance-Net Position**

In the fund financial statements, governmental fund balance is made up of the following components:

Nonspendable fund balance typically includes inventories, prepaid items, and other items that must be maintained intact pursuant to legal or contractual requirements, such as endowments.

Restricted fund balance category includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council ordinances. These amounts cannot be used for any other purposes unless the City removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Assigned fund balance are amounts designated by the City Council for specific purposes and do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications, and the reporting of any negative fund balance of a governmental fund.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

In the governmental-wide financial statement and proprietary fund financial statements, net positions are classified as follows:

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction or improvement of the assets.

Restricted net position is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position is all resources that do not meet the definition of “net investment in capital assets” or “restricted net position”.

When an expense is incurred for purposes for which both restricted, net position and unrestricted net positions are available, the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**G. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, the City has made certain estimates and assumptions related to the collectibility of its receivables (e.g. accounts receivable, intergovernmental receivables, loans receivable, amounts due from other funds and amounts advanced to other funds), the depreciation of its capital assets and infrastructure networks, and the ultimate outcome of claims and judgments. Actual results could differ from those estimates.

**H. Implementation of New GASB Pronouncements**

The City adopted new accounting standards in order to conform with the following Governmental Standards Accounting Board Statements:

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for deferred outflow of resources and deferred inflow of resources. The statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial – and Management’s Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflow of resources and deferred inflow of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflow of resources or deferred inflow of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflow of resources or inflow of resources, certain items that were previously reported as assets and liabilities.

This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflow of resources and deferred inflow of resources, such as changes in

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**I. Summary of Significant Accounting Policies (Continued)**

the determination of the major funds calculations and limiting the use of the term deferred in financial statement presentations.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During May and June, the City Manager submits to the City's Finance Commission and the City Council a proposed operating budget for all funds of the City for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The Finance Commission and City Council hold public meetings to consider the proposed budget. Prior to July 1, the budget is legally enacted through adoption of an appropriation resolution.
3. After adoption, the annual budget may be amended by the City Manager, if amendments are less than \$50,000 (amount not rounded) and do not expand or add to the City's programs or services, except for the General Fund that has no limit if the amendments do not expand or add to the City's programs or services. The legal level of control in the General Fund is considered to be the department level. The City departments are: City Manager, Administrative Services, Community Development, Community Services, Public Safety, Public Works, and Great Park. The first two departments are classified together for reporting purposes as General Government, but City Manager and Administrative Services operate separately as departments for budgetary control purposes. Review by the Finance Commission and approval by the City Council are required if an amendment is in excess of \$50,000 (amount not rounded). Amendments to the adopted General Fund budget for the fiscal year ended June 30, 2013, increased appropriations by \$9,589 to an amended total of \$165,726. The legal level of control for all governmental funds other than the General Fund is considered to be the fund level.
4. Budgets for the General, Special Revenue, and Permanent Funds are adopted on a basis consistent with generally accepted accounting principles. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items. Budgeted amounts contained within this report are the original and final amended amounts, as approved by the City Council. No budgetary comparisons are presented for the Capital Projects Funds since budgets are adopted on a project basis as opposed to an annual basis. Also, no budgetary comparisons are presented for the Internal Service and Fiduciary Funds.

**B. Excess of Expenditures over Appropriations**

Nonmajor Fund

For the year-ended June 30, 2013, the expenditures in the Maintenance District Fund exceeded appropriations by \$31. The expenditures were in part an increase in electricity cost for street lighting.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds**

**A. Cash and Investments**

Cash and investments, as of June 30, 2013, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 385,784
Cash and investments held by trustee	128,366
Total	514,150
Fiduciary funds:	
Cash and investments	18,706
Cash and investments held by trustee	167,780
Agency deposits	97
Cash and investments - Pension trust funds	29,464
Cash and investments - Private purpose trust funds	961
Total	217,008
Total Cash and Investments	\$ 731,158

Cash and investments, as of June 30, 2013, consist of the following:

Cash on hand	\$ 24
Deposits with financial institutions	1,293
Investments	699,416
Total	700,733
Cash and investments - Pension trust funds	29,464
Cash and investments - Private-purpose trust funds	961
Total Cash and Investments	\$ 731,158

**Investments Authorized By the California Government Code and the City of Irvine's Investment Policy**

The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250 by the Federal Deposit Insurance Corporation (FDIC). The following table identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also addresses interest rate risk, credit risk and concentration of credit risk by virtue of the limitations imposed by the California Government Code (or the City's investment policy, where more restrictive). The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of the bond indentures rather than the general provisions of the California Government Code or the City's investment policy.



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasuries	5 years	None	None
U.S. Government Sponsored Enterprise Securities	5 years	None	None
Bankers' Acceptances	180 days	25%	\$5,000
Commercial Paper	270 days	15%	1%
Repurchase Agreements	75 days	25%	None
Reverse Repurchase Agreements	75 days	15%	None
Local Agency Investment Fund (LAIF)	N/A	25%	N/A
Municipal Bonds	5 years	None	None
Corporate Medium Term Notes	5 years	15%	1%
Money Market Mutual Funds	N/A	20%	10%

**Investments Authorized By Bond Indentures**

Investments of debt proceeds held by trustees are governed by provisions of the bond indentures rather than the general provisions of the California Government Code or the City's investment policy. The City's investment policy is designed to meet the objectives of safety, liquidity and yield. The City, therefore, has consciously subjected bond proceeds to the additional constraint of the investment policy. The City has adopted the practice of investing bond proceeds exclusively in U.S. Treasury obligations, U.S. Government Sponsored Enterprise Securities, and money market mutual funds, in accordance with both the bond indentures and the City's investment policy.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is 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 operations.

Information about the sensitivity of the fair values of the City's investments (including investment held by trustees) to market interest rate fluctuations is provided in the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Government Sponsored Enterprise Securities	\$ 486,804	\$ 192,128	\$ 52,534	\$ 242,142
Local Agency Investment Fund (LAIF)	57,549	57,549	-	-
Money Market Mutual Funds	155,063	155,063	-	-
	<u>\$ 699,416</u>	<u>\$ 404,740</u>	<u>\$ 52,534</u>	<u>\$ 242,142</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The City's investments (including investments held by trustees) in callable federal agency securities are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2013 is \$231,477.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code or the City's investment policy (where more restrictive), and the actual rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Rating Not Required	Rating as of June 30, 2013	
				AAAm	AA+
U.S. Government Sponsored Enterprise Securities	\$486,804	N/A	\$ -	\$ -	\$ 486,804
Local Agency Investment Fund (LAIF)	57,549	N/A	57,549	-	-
Money Market Mutual Funds	155,063	AAA	-	155,063	-
	<u>\$699,416</u>		<u>\$ 57,549</u>	<u>\$155,063</u>	<u>\$ 486,804</u>

**Concentration of Credit Risk**

The City's investment policy generally limits the amount that can be invested in any obligations of one entity or single security except U.S. Treasuries, U.S. Government Sponsored Enterprise Securities, and LAIF, which is subject to a 25% (excluding the fiscal agent cash portfolio) limitation. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the City's investments are as follows:

Issuer	Investment Type	Fair Value
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 121,115
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 25,997
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 81,543
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 111,157

The City's fiscal agent cash portfolio is subject to the constraints of the investment policy in addition to the provisions of the bond indentures. Investments in any one issuer that represent 5% or more of the fiscal agent cash portfolio are as follows:

Issuer	Investment Type	Fair Value
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 138,494
Dreyfus Government Prime Cash Fund	Money Market Mutual Fund	\$ 122,209

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011 (Continued)**

**IV. Detailed notes on all funds (continued)**

Because the Dreyfus Fund invests solely in U.S. Treasury and/or U.S. Agency obligations, it is exempt from the 10% policy limitation.

**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. All securities owned by the City with the exception of LAIF and money market mutual funds are deposited in trust for safekeeping with a custodial bank different from the City's primary bank. Securities are not held in broker accounts. Funds held by LAIF and money market mutual funds are held in the City's name. The City's investment policy requires all demand deposits, time deposits, and repurchase agreements are to be fully collateralized with securities authorized by the California Government Code and the City.

Noninterest-bearing transaction accounts is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the FDIC-insured depository institutions does not reserve the right to require advance notice of an intended withdrawal.

Custodial credit risk for investments held by bond trustees is the risk that the City will not be able to recover the value of investment securities that are in the possession of an outside party. All securities held by bond trustees are in the name of the bond issue in trust for safekeeping with the bond trustee, which is different from the City's primary bank.

As of June 30, 2013, the City's investments in the following uninsured and uncollateralized investment types were held by the City's safekeeping agent or trustee:

Investment Type	Fair Value
U.S. Government Sponsored Enterprise Securities	\$ 339,812

The following investments in the fiscal agent cash portfolios are uninsured or uncollateralized and currently held by the bond trustee:

Investment Type	Fair Value
U.S. Government Sponsored Enterprise Securities	\$ 146,992

**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 value of the City's investment in this pool is reported in the accompanying financial

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

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). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Cash and Investments - Pension Trust Funds**

Defined Benefit Pension Plan - Investments in the Plan are administered by the City's Defined Benefit Pension Plan Trustee and are subject to the investment policies stipulated in the Plan document rather than the general provisions of the California Government Code or the City's investment policy. Cash and investments of the Defined Benefit Pension Plan are included in the basic financial statements as of December 31, 2012. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2012.

Defined Contribution Pension Plan – The City's Defined Contribution Pension Plan Committee administers investment options in this Plan, which is subject to the investment policies stipulated in the Plan document rather than the general provisions of the California Government Code or the City's investment policy. Cash and investments of the Defined Contribution Pension Plan are included in the basic financial statements as of December 31, 2012. Investments of the Plan are stated at fair value. The fair value of investments in open-end investment trusts are determined by the funds' quoted share price at December 31, 2012.

**Agency Deposits**

The agency deposits are funds which were seized during the course of local law enforcement activities and are held in trust pending a final asset forfeiture hearing by the Orange County District Attorney's Office. At the conclusion of each case, the District Attorney's Office informs the City of the required disposition of the funds, at which time, the City remits the seized amount plus interest as directed.

**Restricted Cash**

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$606 at June 30, 2013, were restricted per terms of an agreement with the Irvine Senior Foundation and the City.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 612,830	\$ 69,295	\$ 40,008	\$ 642,117
Construction in progress	36,882	26,820	2,230	61,472
Total capital assets not being depreciated	<u>649,712</u>	<u>96,115</u>	<u>42,238</u>	<u>703,589</u>
Capital assets, being depreciated:				
Buildings and systems	122,922	1,329	-	124,251
Improvements other than buildings	129,707	7,409	-	137,116
Machinery and equipment	43,000	2,441	507	44,934
Infrastructure	1,390,089	33,217	-	1,423,306
Total capital assets being depreciated	<u>1,685,718</u>	<u>44,396</u>	<u>507</u>	<u>1,729,607</u>
Less accumulated depreciation for:				
Buildings and systems	(46,129)	(3,263)	-	(49,392)
Improvements other than buildings	(38,585)	(7,435)	-	(46,020)
Machinery and equipment	(33,303)	(2,604)	(494)	(35,413)
Infrastructure	(679,846)	(46,694)	-	(726,540)
Total accumulated depreciation	<u>(797,863)</u>	<u>(59,996)</u>	<u>(494)</u>	<u>(857,365)</u>
Total capital assets, being depreciated, net	<u>887,855</u>	<u>(15,600)</u>	<u>13</u>	<u>872,242</u>
Governmental activities capital assets, net	<u>\$ 1,537,567</u>	<u>\$ 80,515</u>	<u>\$ 42,251</u>	<u>\$ 1,575,831</u>

**Museum Collections**

The Orange County Great Park (OCGP) has acquired airplane collections for the future museum at the Orange County Great Park. The requirement to capitalize these collections is waived because the OCGP collections are held for reasons other than financial gain; the collection is protected, kept unencumbered, cared for, and preserved; and the collection is subject to the City's policy requiring the proceeds from sales of collection items be used to acquire other items for collections.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

Depreciation expense was charged to City functions/programs as follows:

General Government	\$ 1,372
Public Safety	240
Public Works	3,742
Community Development	50
Community Services	1,234
Great Park	4,544
Internal Service Funds Depreciation-charged to programs based on asset usage	<u>2,091</u>
Allocated Depreciation	13,273
Unallocated Infrastructure Depreciation	<u>46,693</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 59,966</u></u>

**Construction Commitments**

The City has active construction projects as of June 30, 2013. The projects include signals, streets and drainage, bridges, parks, trails, landscape, and facilities. At fiscal year-end, the City's encumbrances with contractors were as follows:

	Spent-to-date	Remaining Commitment
Streets and drainage	\$ 39,312	\$ 9,232
Parks	21,195	5,796
Facilities	5,394	1,243
Traffic signal projects	1,395	655
Landscape and streetscape	9	-
Bridges	5	-
Trails	<u>489</u>	<u>-</u>
Total	<u><u>\$ 67,799</u></u>	<u><u>\$ 16,926</u></u>

Special assessment bonds that will be repaid by the benefiting property owners are financing the special assessment commitments. A mixture of outside federal and state grants supplemented by City funding finances the other commitments. City funding includes General Fund transfers, Gas Tax, and Measure M Turnback funding as well as various types of development fees.

**C. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2013, was as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 36

The interfund balances represent routine and temporary cash flow assistance from the General Fund until the amounts receivable from other agencies are collected to reimburse eligible expenditures.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

**Advances to/from other funds:**

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	Other Governmental Funds	\$ 1,350

The advance balances represent balances due under a financing agreement between the City Housing Successor Fund and the Fees and Exactions Fund. Agreement terms stipulate City Housing Successor Fund repayment from future housing in-lieu fees.

**Interfund Transfers:**

	Transfers in:						Total
	General Fund	Capital Improvement Projects	Assessment Districts	North Irvine Transportation Mitigation	Other Governmental Funds	Internal Service Funds	
<u>Transfers out:</u>							
General Fund	\$ -	\$ 284	\$ -	\$ -	\$ 1,408	\$ 2,705	\$ 4,397
Capital Improvement Projects	4,768	-	1,822	-	552	-	7,142
Orange County Great Park	100	-	-	-	60	-	160
Other Governmental Funds	1,107	8,085	-	178	12,245	103	21,718
Internal Service Funds	-	-	-	-	557	-	557
Total	\$ 5,975	\$ 8,369	\$ 1,822	\$ 178	\$ 14,822	\$ 2,808	\$ 33,974

Transfers provided funding for the development of capital projects, as well as capital acquisitions. Transfers are used to move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them and the use of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

**D. Leases**

**Operating Revenue Lease**

The City has various operating lease rental agreements producing annual rental revenue, which are described as follows:

**Orange County Great Park**

The Orange County Great Park (OCGP) fund receives revenue for three operating leases for sites within the former MCAS El Toro. The first lease is with All Star Services Corporation for recreational vehicle storage. The original lease was a five-month lease beginning in July 2005. In March 2010, the City entered into its seventh amendment of the lease, amending the lease term to a month-to-month lease, with a monthly rent of \$121, on December 1, 2012, the monthly rent was increased to \$147. Rental revenue for the fiscal year ended June 30, 2013, was \$1,630.

Tierra Verde Industries entered into a lease beginning in May 2006 and terminating May 2010. In May 2010, the City amended and restated the lease. The new lease term is for eight years with an option to

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

renew the lease for three successive two-year terms. The lease is for two parcels within the OCGP. The first parcel is approximately 60 acres of land for green waste recycling. Rent is paid quarterly in advance at \$95 per quarter. The rent for parcel one is adjusted at the end of each lease year and shall be increased by the percentage increase in the consumer price index during the lease year. Parcel two, is for an office and warehouse building within the OCGP, used for general office, light maintenance, and manufacturing. The lessee also pays additional rent for Green Waste Host Fees at \$0.60 per ton. Rental revenue for the fiscal year ended June 30, 2013, for parcels one and two was \$469 and Green Waste Host Fees was \$245.

The final lease in the OCGP fund is with El Toro Farms, LLC, for the use of approximately 65.8 acres of farming land for the purpose of cultivating, irrigation, raising, and harvesting of strawberry and vegetable crops. The original lease was a one-year lease beginning in July 2005. In July 2009, the City entered into its fourth amendment to the lease, extending the lease termination date to June 30, 2010, and reducing the acres usage to approximately 35.4 acres. In July 2012, the City entered into its seventh amendment, extending the lease termination date to June 30, 2013, and providing an option to renew the lease for two one-year periods. El Toro Farms, LLC has executed its option to renew the lease for a one-year period, extending the termination date to June 30, 2014. The base monthly rent is \$4,965 (amount not rounded). Rental revenue at June 30, 2013, was \$60.

The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2013, is as follows:

Fiscal Year Ending June 30	Annual Rent
2014	\$ 321
2015	209
2016	209
2017	105
2018	105
	<u>\$ 949</u>

**General Fund**

The City has ongoing operating lease agreements for farming, retail space, right of way, facilities, and cell sites which expire at various dates through 2031. Rental revenue reported by the operating lease agreements for the fiscal year ended June 30, 2013, amounted to \$607. The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2013, is as follows:



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

Fiscal Year Ending June 30	Annual Rent
2014	\$ 489
2015	353
2016	378
2017	381
2018	384
2019-2023	1,888
2024-2028	1,426
2029-2033	564
	\$ 5,863

**Operating Lease Commitments**

**Capital Leases**

Total assets acquired through capital leases at June 30, 2013 were as follows:

Governmental Activities	
Machinery and equipment	\$ 861
Less: Accumulated depreciation	(416)
Total	\$ 445

The City entered into a lease agreement with Ford Motor Credit Company in May 2011 for twenty-six patrol cars at a cost of \$566. The lease meets the capitalization policy and the vehicles have been recorded as assets of the Equipment and Services Internal Service Fund. The interest rate on the lease is 4.80%. The term of the lease is three years. Payments are due quarterly under the terms of the lease. Future minimum payments relating to the lease are as follows:

Fiscal Year Ending June 30	Internal Service Fund		
	Principal	Interest	Total
2014	198	6	204

The City entered into a lease agreement with Ford Motor Credit Company in March 2013 for ten patrol cars at a cost of \$295. The lease meets the capitalization policy and the vehicles have been recorded as assets of the Equipment and Services Internal Service Fund. The interest rate on the lease is 4.80%. The term of the lease is three years. Payments are due quarterly under the terms of the lease. Future minimum payments relating to the lease are as follows:

Fiscal Year Ending June 30	Internal Service Fund		
	Principal	Interest	Total
2014	\$ 95	\$ 11	\$ 106
2015	99	6	105
2016	78	2	80
	\$ 272	\$ 19	\$ 291

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

**E. Changes in Long-term Liabilities**

For the fiscal year ended June 30, 2013, changes in long-term liabilities are as follows:

	Balance			Balance June 30, 2013	Long- Term	Due Within One Year
	June 30, 2012	Increases	Decreases			
Compensated absences	\$ 10,302	\$ 2,781	\$ 2,535	\$ 10,548	\$ 7,797	\$ 2,751
Claims payable	11,913	3,157	2,879	12,191	8,742	3,449
Capital lease obligation	386	295	211	470	177	293
Total Long-Term Liabilities	<u>\$ 22,601</u>	<u>\$ 6,233</u>	<u>\$ 5,625</u>	<u>\$ 23,209</u>	<u>\$ 16,716</u>	<u>\$ 6,493</u>

**F. Special Assessment Debt with No City Commitment**

The City issued special tax and assessment bonds on behalf of the property owners, pursuant to the Improvement Bond Act of 1915 and the Mello-Roos Community Facilities Act of 1982, to finance the acquisition and construction of certain infrastructure improvements within the assessment districts and community facilities districts.

The City acts solely as an agent for those paying special tax and assessments and remits the amounts collected to the bondholders of these variable and fixed rate Improvement Bond Act of 1915 and Mello-Roos Community Facilities Act of 1982 issues. The City is acting as an agent and is in no way liable for the Special Assessment debt.

The bonds are not general obligations of the City but are limited obligations, payable solely from special tax and assessments. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

Non-committal debt amounts issued and outstanding at June 30, 2013, are as follows:

Variable Rate Issues:		Bonds Issued	Bonds Outstanding
07-22	Stonegate	\$ 40,000	\$ 7,905
05-21	Orchard Hills	79,265	79,265
04-20	Portola Springs	78,605	64,260
03-19	Northern Sphere	121,600	43,717
00-18	Shady Canyon/Turtle Ridge/Quail Hill	84,800	8,683
85-7	Irvine Spectrum	41,150	39,499
87-8	Spectrum 5	74,700	15,523
89-10	Westpark	43,640	5,879
93-14	Spectrum 6 & 7	72,400	54,537
94-13	Oak Creek	61,600	16,231
94-15	Westpark II	32,700	5,162
97-16	Northwest Irvine	60,000	25,168
97-17	Lower Peters Canyon East	95,000	32,554
	Total Variable Rate Issues	885,460	398,383
Fixed Rate Issues:		Bonds Issued	Bonds Outstanding
04-20	Portola Springs	7,450	7,450
04-20	Portola Springs	11,795	11,795
11-24	Cypress Village	38,655	38,655
10-23	Laguna Altura	25,855	25,855
07-22	Stonegate	20,415	19,770
07-22	Stonegate	3,095	3,005
07-22	Stonegate	5,840	5,840
07-22	Stonegate	28,350	28,350
11-1	Reassessment District	34,855	33,150
IPFIA	Revenue Bonds, 2012 Series A	33,570	31,465
12-1	Reassessment District	126,220	126,220
13-1	Reassessment District	80,755	80,755
CFD 2005-2	Columbus Grove	16,975	16,975
	Total Fixed Rate Issues	433,830	429,285
	Total All Issues	\$1,319,290	\$ 827,668

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

**G. Fund Balance Classifications**

Fund balances in the governmental funds at June 30, 2013 have been classified as follows:

	General	Capital Improve- ment Projects	Orange County Great Park	Assessment Districts	North Irvine Transportation Mitigation	Other Governmental Funds	Total Governmental Funds
<b>Non Spendable</b>							
Endowment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469	\$ 469
Prepaid expenditures	1,419	-	563	-	-	18	2,000
Advances to other funds	6,568	-	134,000	-	-	1,350	141,918
<b>Subtotal</b>	<b>7,987</b>	<b>-</b>	<b>134,563</b>	<b>-</b>	<b>-</b>	<b>1,837</b>	<b>144,387</b>
<b>Restricted for:</b>							
Capital improvement projects	-	-	-	130,150	-	39,486	169,636
Park development	-	-	-	-	-	4,243	4,243
Circulation improvement	-	-	-	-	44,870	58,933	103,803
Community services activities	92	-	-	-	-	752	844
Contingency reserve	4,042	-	-	-	-	-	4,042
Development activities	1,238	-	-	-	-	-	1,238
Lighting, landscape, and park maintenance	-	-	-	-	-	950	950
Low-income housing activities	-	-	-	-	-	12,161	12,161
Pollution remediation	-	-	-	-	-	837	837
Public safety programs	-	-	-	-	-	1,790	1,790
ADA access activities	6	-	-	-	-	-	6
Public education	-	-	-	-	-	912	912
Public transportation	-	-	-	-	-	826	826
Senior nutrition programs and activities	-	-	-	-	-	250	250
<b>Subtotal</b>	<b>5,378</b>	<b>-</b>	<b>-</b>	<b>130,150</b>	<b>44,870</b>	<b>121,140</b>	<b>301,538</b>
<b>Committed to:</b>							
Capital improvement projects	-	-	-	-	-	760	760
Park development	-	-	-	-	-	2,963	2,963
Circulation improvements	-	5,657	-	-	-	8,162	13,819
Contingency reserve	16,538	-	-	-	-	-	16,538
Great Park development and operations	-	-	28,829	-	-	6,784	35,613
Public facilities improvements	-	-	-	-	-	10,039	10,039
<b>Subtotal</b>	<b>16,538</b>	<b>5,657</b>	<b>28,829</b>	<b>-</b>	<b>-</b>	<b>28,708</b>	<b>79,732</b>
<b>Assigned to:</b>							
Park development	-	-	-	-	-	5,022	5,022
Compensated absences	2,625	-	-	-	-	-	2,625
Development activities	2,614	-	-	-	-	-	2,614
Education	1,513	-	-	-	-	-	1,513
Infrastructure and rehabilitation	64,235	-	-	-	-	-	64,235
Public safety services	-	-	-	-	-	40	40
<b>Subtotal</b>	<b>70,987</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,062</b>	<b>76,049</b>
<b>Unassigned:</b>	11,105	-	-	-	-	(2,453)	8,652
<b>Total</b>	<b>\$ 111,995</b>	<b>\$ 5,657</b>	<b>\$ 163,392</b>	<b>\$ 130,150</b>	<b>\$ 44,870</b>	<b>\$ 154,294</b>	<b>\$ 610,358</b>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

**H. Restatement**

Fund balance/net position at July 1, 2012, has been restated to reflect the following changes:

Funds	Balance at July 1, 2012 as Previously Reported	Fund Restatements	Balance at July 1, 2012 as Adjusted
Capital Improvement Projects	\$ 15,319	\$ (875)	\$ 14,444

During the fiscal year ended June 30, 2013, additional information pertaining to fund balance and net position for the previous year become available. This information necessitated certain changes to be made to those balances previously reported for the fiscal year ended June 30, 2012, to better conform with GAAP.

**I. Successor Agency Trust for Assets of Former Redevelopment Agency**

On July 18, 2011, the California Redevelopment Association (CRA) and the League of California Cities (League) filed a petition for writ of mandate with the California Supreme Court (Court), requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB X1 26 and 27 (*California Redevelopment Association v. Matosantos*). AB X1 26 dissolves redevelopment agencies effective October 1, 2011. AB X1 27 gave redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts. In 2011-12, these payments amounted to a state-wide total of \$1.7 billion. In 2012-13 and subsequent years, the payments totaled \$400 million, annually. Each city or county's share of these payments was determined based on its proportionate share of state-wide tax increment.

On August 17, 2011 the Court issued a stay of the implementation of AB X1 26 and 27 which allowed a redevelopment agency to continue if it adopted an AB X1 27 ordinance. However, because of the effect of the stay order, the authority for the Redevelopment Agency to engage in most activities was suspended.

The Court heard oral arguments on November 10, 2011, and on December 29, 2011 announced its decision in *California Redevelopment Association v. Matosantos*. The court upheld AB X1 26 which dissolves redevelopment agencies, but invalidated in its entirety AB X1 27 which allowed redevelopment agencies to continue as long as they made the required payments. AB X1 26, as modified by the Court, provided for the dissolution of all redevelopment agencies in the State of California as of February 1, 2012. Prior to that date, the activity of the redevelopment agency was reported in the governmental funds of the City. After that date, the assets and activities of the dissolved redevelopment agency have been (and continue to be) reported in a fiduciary fund (Private-Purpose Trust Fund) in the financial statements of the City, as described in greater detail below.

Upon dissolution of a redevelopment agency, the Bill provides that either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets of the dissolved redevelopment agency until they are distributed to other units of state and local government.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

On January 10, 2012, pursuant to both the Bill and City Council Resolution number 12-10, the City, through the City Council, elected to become the successor agency (Successor Agency) for the former redevelopment agency. Successor Agency activities are reported in the aforementioned Private-Purpose Trust fund.

Also on January 10, 2012, and pursuant to both the Bill and City Council Resolution number 12-11, the City, through the City Council, elected to retain the housing assets and functions of the former redevelopment agency. The City continues to report the housing assets and functions in the governmental special revenue fund designated City Housing Successor.

After enactment of the Bill, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the direction of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution.

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the former redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

City management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the Successor Agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

**Cash and Investments**

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

Cash and investments	<u>\$ 961</u>
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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

**Interfund Transfers:**

	Transfers in:	
Transfers out:	Redevelopment Obligation Retirement	Total
Successor Agency-Debt Service	\$ 368	\$ 368
Total	\$ 368	\$ 368

Transfers move receipts from the fund collecting the receipts to the debt service fund for payments of enforceable obligations due.

**Advances from the City of Irvine**

Advances payable to the City for the year ended June 30, 2013, were as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Advances from the City - Principal	\$ 140,568	\$ -	\$ -	\$ 140,568
Advances from the City - Interest	33,393	7,665	-	41,058
Total	\$ 173,961	\$ 7,665	\$ -	\$ 181,626

The advances from the City represent balances due under a series of financing agreements, including accrued interest at the interest rate allowable under Assembly Bill 1484. Two of the financing agreements dated June 14, 2005, and January 24, 2006, funded the startup operation of the Irvine Redevelopment Agency. These advances are scheduled to begin repayment in fiscal year 2015-16 and are payable over ten years thereafter. As of June 30, 2013, the balance on the advances including accrued interest of \$1,174 totaled \$7,742.

On August 14, 2007, the Board of Directors of the Irvine Redevelopment Agency approved a purchase, sale, and financing agreement with the City whereby the Irvine Redevelopment Agency borrowed \$134,000 from the City in order to purchase real property from the City that is located within the Orange County Great Park Redevelopment Area. The repayment terms call for an annual calculation of the project area cash flow. As of June 30, 2013, the balance on this advance including accrued interest of \$39,884 totaled \$173,884.

**Long-term Note**

On May 2, 2007, the former Irvine Redevelopment Agency received a \$1,350 HELP (Housing Enabled by Local Partnership) loan from the California Housing Finance Agency. The proceeds of the loan were loaned to the City for the purpose of developing an affordable housing rental project. The loan bears simple interest at a rate of 3.5% per annum. The term of the loan is 10 years. Payment of principal and interest on the loan is deferred until May 2, 2017. At June 30, 2013, principal and interest outstanding totaled \$1,633.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**III. Detailed Notes on All Funds (Continued)**

**Insurance Coverage**

Insurance coverage has been obtained by the City of Irvine for the City and all authorities under its control. Information related to the Successor Agency's insurance coverage can be obtained by contacting the City.

**Contingency**

On April 20, 2012, pursuant to Health and Safety Code Section 34167.5, the California State Controller issued an order to cities, counties, and agencies, directly or indirectly receiving assets from a redevelopment agency after January 1, 2011, to reverse the transfer and return assets to the successor agency. The California State Controller will specifically review and audit cities, counties, and public agencies to ensure that all applicable asset transfers have been reversed. In March 2011 and June 2011, the Irvine Redevelopment Agency repaid advances totaling \$5.5 million and \$61.4 million respectively, to the Orange County Great Park Fund. This transaction has not been reviewed by the California State Controller as of the date of this report and any reversals of these transactions are not reflected in these financial statements.

On June 27, 2012, the Governor of California approved Assembly Bill 1484, which requires the Successor Agency to remit to the County auditor-controller three payments as determined by the auditor-controller which consist of a payment to be made in July 2012 for taxing entities' share of December 2011 property tax distribution to the Redevelopment Agency/Successor Agency, a payment to be made in November 2012 related to Low-Moderate Income Housing Fund Due Diligence Review for unencumbered cash, and a payment to be made in April 2013 related to the other Redevelopment Funds Due Diligence Review for unencumbered cash. As of the date of the report, the payment in July 2012 was made in the amount of \$121, the Low-Moderate Income Housing Due Diligence Review resulted in no amount due which was confirmed by the Department of Finance, and the other Redevelopment Funds Due Diligence Review resulted in a payment of \$1,197 to the County of Orange in April 2013.

The Department of Finance (DOF) made a final determination denying two of the Successor Agency's enforceable obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of January through June 2013. As a result, the Successor Agency and the Irvine Community Land Trust filed legal actions concerning the denied enforceable obligations. The ROPS for July through December 2013 was submitted to the DOF on February 22, 2013. The DOF issued a determination letter on April 8, 2013, again denying the two enforceable obligations being litigated, as well as, a City Loan repayment and certain administrative costs. The Successor Agency had a Meet and Confer session with the DOF on April 22, 2013, and the DOF issued a final determination on May 17, 2013, continuing to deny the litigated obligations and the City Loan repayment, but amending its decision on the allowance of certain administrative costs. In addition to the ROPS, the Successor Agency filed and received from the DOF determinations on the Due Diligence Reviews for the Low and Moderate Income Housing Fund and the Other Funds Due Diligence Review. The DOF having completed its review of the necessary documentation verified that the Successor Agency made full payment of the amounts necessary under the Health and Safety Code and on April 26, 2013, granted a Finding of Completion to the Successor Agency. The Successor Agency submitted the ROPS for the period of January through June 2014 to the DOF on September 25, 2013, and is waiting for a response.



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information**

**A. Risk Management**

The City uses a combination of insured and self-insured programs to finance its property and casualty risk. The City is self-insured for workers' compensation, automotive and general liability risks. Excess liability coverage above \$350 per occurrence and a \$2,000 aggregate is provided through a risk-sharing pool, the California Insurance Pool Authority (CIPA). CIPA also purchases excess liability coverage up to a \$42,000 limit for the pool. Excess workers' compensation coverage above \$300 per occurrence and up to \$3,000 is provided through CIPA. Property risk is financed through insurance contracts and has various limits and deductibles.

The City is a member of CIPA in order to jointly purchase insurance coverage and to share costs for professional risk management, claim administration, and group purchasing of insurance products with twelve other cities from Orange, Los Angeles and San Bernardino Counties. Premiums paid during the fiscal year ended June 30, 2013, were \$2,043. CIPA uses independent actuaries and underwriters to determine premiums and help set insurance limits and deductible levels. The pool is managed by an independent general manager and contracted legal advisers. Three internal subcommittees are made up of City members to provide direction on underwriting and claims activities. The Governing Board of CIPA is comprised of one member from each participating City and is responsible for the selection of the independent general manager, legal counsel, and electing subcommittee members.

The government retains a risk of loss, due to the fact that actual losses may exceed estimated claims or coverage amounts. Settled claims have not exceeded any of the City's coverage amounts in any of the last three fiscal years and there were no reductions in the City's coverage during the fiscal year ended June 30, 2013. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2013, \$12,191 had been accrued for general liability and workers' compensation claims in the fund. This amount represents the estimated outstanding losses including case reserves, the development on known claims and incurred but not reported claims based upon past experience, modified for current trends and information, including all claims adjustment expenses. The liabilities included in the self-insurance fund are based on the results of an actuarial review performed during fiscal year 2012-13. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2011, resulted in the following:

	Workers' Compensation	General Liability	Total
Liability Balance, July 1, 2011	\$ 8,293	\$ 1,548	\$ 9,841
Changes in estimates	2,522	1,511	4,033
Claim payments during 2011-2012	<u>(1,279)</u>	<u>(682)</u>	<u>(1,961)</u>
Liability Balance, June 30, 2012	<u>9,536</u>	<u>2,377</u>	<u>11,913</u>
Changes in estimates	2,537	406	2,943
Claim payments during 2012-2013	<u>(1,574)</u>	<u>(1,091)</u>	<u>(2,665)</u>
Liability Balance, June 30, 2013	<u><u>\$ 10,499</u></u>	<u><u>\$ 1,692</u></u>	<u><u>\$ 12,191</u></u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

**B. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The City is defendant and plaintiff in several pending lawsuits arising out of matters incidental to the operation of the City. Although the outcome of these lawsuits cannot be determined at present, management estimates that any potential claims against the City not covered by insurance resulting from such litigation will not materially affect the City's financial condition.

**C. Other Post Employment Benefits**

**Voluntary Employees' Beneficiary Association**

Plan Description The Voluntary Employees' Beneficiary Association (VEBA) known as "Premium Reimbursement Plan of the Irvine Employees Benefit Trust" is a defined contribution welfare benefit plan. The Plan provides health insurance premium and medical expense reimbursement benefits to retirees. The Plan was established by the Irvine Police Association (IPA), and later joined by the Irvine City Employees Association (ICEA), and Association of Supervisory and Administrative Personnel (ASAP). Separate accounts are maintained under the trust agreement for the three member groups, but the amounts administered are pooled within each employee group. Eligible retirees receive a monthly reimbursement of health insurance premiums and eligible expenses under the plan in an amount to be determined by the Board of Trustees from time to time, based on years of service. Eligibility requires five years of active service and five years of mandatory contributions to the plan. The Plan is administered by Delta Health Systems under the provisions of IRS Code Section 501(c)(9).

Funding Policy Participants and the City are required to contribute to the plan at a percentage of base pay per the various employee associations' Memorandum of Understanding (MOU). The contribution requirements of plan members and the City are established and may be amended by the MOU with the various employee associations. For the year ended June 30, 2013, employer contributions were \$760 and participant contributions were \$817. Copies of the MOUs may be obtained from City Hall.

**Retirement Health Savings**

Plan Description The City provides post retirement medical benefits to management, Irvine Professional Employees Association (IPEA), and non-represented employees in the form of contributions to a defined contribution Retiree Health Savings Plan (RHS). Employer contribution rates to the Plan are determined by negotiation between the City and the employee association and detailed along with other wage and benefit issues in MOU between those entities. Copies of the MOU may be obtained from City Hall.

Funding Policy The City is required to contribute 2% or 3% of base salary depending on the employee association's MOU. For the year ended June 30, 2013, the City contributed \$252 to the RHS plan. The Plan is administered by Vantagecare Retiree Health Savings Plan.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

**Other Post Employment Benefits (OPEB)**

Plan Description The City provides retirees the ability to purchase healthcare insurance benefits through the City through a single-employer plan. This benefit coverage is determined by negotiation between the City and the employee associations and detailed along with other wage and benefit issues in MOUs between those entities. Copies of the MOUs may be obtained from City Hall. Employees who have attained age 50 and completed at least five years of service with the City, or who have attained age 60 regardless of years of service, or who medically retire and have coverage immediately prior to retirement, are eligible to retire and participate in the City's healthcare plans by paying the full cost of premiums. As of June 30, 2013, there were 151 retired employees purchasing healthcare benefits. A separate financial statement is not issued.

Funding Policy The retired plan members receiving benefits make contributions at the premium rates identical to those charged for the City's active employees. Employers are required under the GASB accounting principles to account for and report the annual cost of OPEB and accrue any outstanding obligations and commitments in essentially the same manner as they do for pensions.

The GASB principles do not require that the unfunded liabilities actually be funded, only that employers account for the unfunded accrued liability and compliance in meeting the Annual Required Contribution (ARC). The ARC is the sum of the present value of future benefits being earned by current employees plus amortization of benefits already earned by current and former employees but not yet provided for. The amortization of benefits previously earned (unfunded actuarial liabilities) is being amortized on a thirty-year level dollar, open period.

Annual OPEB Cost and Net OPEB Obligation The City's annual OPEB cost (expense) \$666, is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed a thirty-year period. The following table shows the components of the City's annual OPEB cost for the year:

	June 30, 2013
Annual required contribution (ARC)	\$ 679
Interest adjustment	30
Amortization adjustment	(43)
Annual OPEB cost	666
Employer contribution	(431)
Net change in OPEB obligation	235
Net OPEB obligation - beginning of year	760
Net OPEB obligation - end of year	\$ 995

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

The percentage of annual OPEB cost contributed to the plan (implicit subsidy), and the net OPEB obligation is as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 521	59.5%	\$ 608
6/30/2012	518	70.6%	760
6/30/2013	666	64.7%	995

Funded Status and Funding Progress As of July 1, 2012, the date of the latest actuarial valuation, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 5,407
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 5,407
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 68,415
UAAL as a percentage of covered payroll	7.9%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined to be the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Funding Progress, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year history of the actuarial accrued liability, actuarial value of assets, their relationship and the relationship of the unfunded actuarial accrued liability to payroll.

Actuarial Methods and Assumptions Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations. The ARC for the plan was determined as part of the July 1, 2012, actuarial valuation using the following methods and assumptions:

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

Actuarial cost method	projected unit credit
Amortization method	level dollar, open
Remaining amortization period	30-year
Inflation rate	3.0%
Discount rate	4.0%
Health care cost trend rate	8.0%
Asset valuation method	N/A
Investment return	N/A

**D. Employee Retirement Systems and Pension Plans**

**City of Irvine Defined Benefit Pension Plan**

Plan Description Prior to February 2, 2002, the City provided pension benefits for all of its sworn employees through the City of Irvine Defined Benefit Pension Plan. On February 2, 2002, the City contracted with the California Public Employees' Retirement system (CalPERS) to provide retirement benefits for sworn employees. The City of Irvine Defined Benefit Pension Plan is a single-employer defined benefit pension plan established by City resolution and administered in accordance with the provisions of the Plan document adopted on April 1, 1975, and subsequently restated on January 1, 1984, July 1, 1996, and January 1, 2004. As of December 31, 2012, there were 3 active plan participants and 33 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them. The Plan is closed to new participants. An actuarial valuation is performed bi-annually to determine the actuarial implication of the Plan's funding policy. The last actuarial valuation date was January 1, 2012. The City issues a publicly available financial report that includes financial statements and required supplementary information for the City of Irvine Defined Benefit Pension Plan. Copies of the annual financial report may be obtained from City Hall.

Funding Policy The City makes the contributions required of City employees on their behalf and for their accounts. As of June 30, 2013, the City contributed \$493, which exceeded the actuarial determined rate of 119.3%. The contribution requirement of the City is established and may be amended by the Defined Benefit Pension Plan Trustees.

Annual Pension Cost and Net Pension Obligation The City's actual contributions of \$493 was more than the City's annual required contribution of \$431. The method of valuation used to calculate the costs of the Plan is the Entry Age Normal. This method is a common method used, and it allows for the projected benefits of each individual to be allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The components of the annual pension cost for the fiscal year ended June 30, 2013, are as follows:

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

Annual required contribution	\$ 431
Interest on net pension obligation	(81)
Adjustment to annual required contribution	196
Annual pension cost	546
Contributions made	(493)
Increase (decrease) in net pension obligation	53
Net pension obligation (asset) - beginning of year	(1,481)
Net pension obligation (asset) - end of year	\$ (1,428)

Per the plan document, this net pension asset (negative obligation) is restricted for purposes solely related to the City's Defined Benefit Pension Plan. Contributions to date exceed the required actuarial net pension obligation, but are not available to pay current or future City expenditures.

The costs of the Plan are derived by making certain specific assumptions as to interest and mortality rates, which are assumed to hold for years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Provided below is the three-year trend information for the City's Defined Benefit Pension Plan:

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2011	\$ 434	64.2%	\$ (1,560)
6/30/2012	485	83.8%	(1,481)
6/30/2013	546	90.3%	(1,428)

Funded Status and Funding Progress As of January 1, 2012, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 19,899
Actuarial value of plan assets	17,680
Unfunded actuarial accrued liability (UAAL)	\$ 2,219
Funded ratio (actuarial value of plan assets/AAL)	88.8%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 361
UAAL as a percentage of covered payroll	614.7%

The Schedule of Funding Progress, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year history of the actuarial accrued liability, actuarial value of assets, their relationship and the relationship of the unfunded actuarial accrued liability to payroll.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

Actuarial Methods and Assumptions The ARC for the plan was determined as part of January 1, 2012 actuarial valuation using the following methods and assumptions:

Actuarial cost method	entry age normal
Amortization method	level dollar
Remaining amortization period	10-year
Inflation rate	3.0%
Asset valuation method	average of expected actuarial value of asset and market value of assets
Investment return	5.5%
Projected salary increases	5.0%
Cost of living adjustments	2.0%

**City of Irvine Defined Contribution Pension Plan**

Plan Description The City provides pension benefits through the City of Irvine Defined Contribution Pension Plan for those full time non-sworn employees who elected not to participate in CalPERS in 2003. The City is responsible for the administration of the Plan with the City Council having the authority to amend or terminate contribution provisions. Copies of the annual financial report may be obtained from City Hall. Retirement benefits depend on amounts contributed plus investment earnings. Until July 2004, non-sworn full time employees were eligible to participate from the date of employment; however, the Plan is closed to new participants. Employer and employee contribution rates to the Plan are determined by negotiation between the City and the employee associations and detailed along with other wage and benefit issues in MOUs between those entities. Copies of MOUs may be obtained from City Hall.

Funding Policy Effective July 1, 2003, eligible participants were required to contribute 4% of their base compensation into the Plan and the City's contributions were 15% of participants' basic compensation. As of August 10, 2012, pursuant to agreements with the City's employee associations, the City contributed 12.4% of the participants' basic compensation, and eligible participants contributed 6.5% of their basic compensation into the plan. Plan participants have the right to 100% of their account balance upon their death, permanent and total disability or upon attainment of normal retirement age 59.5 under the Plan. If employment terminates prior to normal retirement age for reasons other than death, or permanent and total disability, the participant retained 50% vesting upon successful completion of the six month to one year probationary period and 5% vesting for each calendar year in which the employee attains 1,000 hours of credited service until the completion of the fifth year when full vesting will occur.

At December 31, 2012, the Plan had 102 members, consisting of 13 active members, 68 terminated and 21 non-employee or other members. All 102 members are fully vested in the Plan. Total Plan assets were \$10,342. Effective April 1996, the Plan became participant-directed. Participants may direct investment of employer contributions and earnings in 1% increments among investment options with the third party administrator, Wells Fargo Bank. Employer contributions to the Plan during the fiscal year ended December 31, 2012 were \$166 and participant contributions were \$75. For additional details concerning the transition to CalPERS, see the note below related to miscellaneous (non-sworn) employees.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

**CalPERS Defined Benefit Pension Plan for Sworn Employees**

Plan Description The City's sworn employees not in the City's Defined Benefit Pension Plan participate in the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. Initial participation was determined during the employees' ratification vote during October 2001. New employees are required to join CalPERS. CalPERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

Funding Policy Participants are required to contribute 9% of their annual covered salary. During the year, the City made the contributions required of City sworn employees on their behalf and for their accounts. The City is also required to contribute the employer's share at an actuarially determined rate. The contribution requirements of plan members and the City are established and may be amended by CalPERS. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

Annual Pension Cost For the fiscal year ended June 30, 2013, the City's annual pension cost of \$6,478 for CalPERS was equal to the City's required and actual contributions. A summary of principal assumptions and methods used to determine the annual pension cost is as follows:

Valuation date	June 30, 2011
Actuarial cost method	entry age normal
Amortization method	level percent of payroll
Average remaining period	14 years as of the valuation date
Asset valuation method	15 years smooth market
Actuarial assumptions	
Discount rate	7.5% (net of administrative expenses)
Projected salary increases	3.3% to 14.2% depending on age, service, and type of employment
Inflation	2.8%
Payroll growth	3.0%
Individual salary growth	a merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.8% and an annual production growth of 0.3%

Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent Plan amendments will be amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a 30-year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. 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 period.



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

Provided below is the schedule of three-year trend information for the CalPERS Defined Benefit Pension Plan for Sworn Employees:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 6,172	100%	\$ -
6/30/2012	6,409	100%	-
6/30/2013	6,478	100%	-

Funding Status and Funding Progress As of June 30, 2011, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 152,794
Actuarial value of plan assets	<u>125,203</u>
Unfunded actuarial accrued liability (UAAL)	\$ 27,591
Funded ratio (actuarial value of plan assets/AAL)	81.9%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 19,509
UAAL as a percentage of covered payroll	141.4%

The Schedule of Funding Progress, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year history of the actuarial accrued liability, actuarial value of assets, their relationship and the relationship of the unfunded actuarial accrued liability to payroll.

In June 2013, the City Council approved a plan to reduce the City's unfunded actuarial accrued liability. An initial payment of \$1.5 million was made in June 2013, with additional payments scheduled to be made annually each June, subject to the evaluation and discretion of the City Council. The City anticipates realizing the effect of the reduction in the unfunded actuarial accrued liability with a decrease in the employer contribution rates beginning in fiscal year 2015-16.

**CalPERS Defined Benefit Pension Plan for Miscellaneous (Non-Sworn) Employees**

Plan Description The City's non-sworn employees not in the City's Defined Contribution Pension Plan are eligible to participate in the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. Initial participation was determined during the employees' ratification vote November 2002. New employees are required to join CalPERS. CalPERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

Funding Policy Participants are required to contribute up to 8% of their annual covered salary depending on the employee association's MOU. The City is also required to contribute additional amounts at an actuarially determined rate. The contribution requirements of plan members and the City are established and may be amended by CalPERS. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

Annual Pension Cost For the fiscal year ended June 30, 2013, the City's annual pension cost of \$10,080 for CalPERS was equal to the City's required and actual contributed pension costs. A summary of principal assumptions and methods used to determine the annual pension cost is as follows:

Valuation date	June 30, 2011
Actuarial cost method	entry age normal
Amortization method	level percent of payroll
Average remaining period	15 years as of the valuation date
Asset valuation method	15 years smooth market
Actuarial assumptions	
Discount rate	7.5% (net of administrative expenses)
Projected salary increases	3.3% to 14.2% depending on age, service, and type of employment
Inflation	2.8%
Payroll growth	3.0%
Individual salary growth	a merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. All changes in liability due to Plan amendments, changes in actuarial assumptions, or methodology will be amortized as a level percentage of pay over a 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a 30-year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. 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 period.

Provided below is the schedule of three-year trend information for the CalPERS Defined Benefit Pension Plan for Non-Sworn Employees:

Fiscal Year	Annual Pension Cost (APC)	Percentage	Net Pension Obligation
		of APC Contributed	
6/30/2011	\$ 9,136	100%	\$ -
6/30/2012	9,915	100%	-
6/30/2013	10,080	100%	-

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

Funding Status and Funding Progress As of June 30, 2011, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$	245,667
Actuarial value of plan assets		182,154
Unfunded actuarial accrued liability (UAAL)	\$	63,513
Funded ratio (actuarial value of plan assets/AAL)		74.1%
Covered payroll (annual payroll of active employees covered by the plan)	\$	43,515
UAAL as a percentage of covered payroll		146.1%

The Schedule of Funding Progress, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year history of the actuarial accrued liability, actuarial value of assets, their relationship and the relationship of the unfunded actuarial accrued liability to payroll

In June 2013, the City Council approved a plan to reduce the City's unfunded actuarial accrued liability. An initial payment of \$3.5 million was made in June 2013, with additional payments scheduled to be made annually each June, subject to the evaluation and discretion of the City Council. The City anticipates realizing the effect of the reduction in the unfunded actuarial accrued liability with a decrease in the employer contribution rates beginning in fiscal year 2015-16.

**Public Agency Retirement System Defined Contribution Plan**

Plan Description The City's part-time, seasonal and temporary employees that are ineligible for another retirement plan are eligible to participate in the Public Agency Retirement Systems Trust (PARS), pursuant to the requirements of 3121(6)(7)(F) of the Internal Revenue Code. The City is responsible for the administration of the Plan with the City Council having the authority to amend, modify or terminate the provisions and contributions. Retirement benefits depend on amounts contributed plus investment earnings. Copies of PARS' annual financial report may be obtained from their executive office: P.O. Box 1291, Newport Beach, California 92658.

Funding Policy Effective June 30, 2003, eligible participants are required to contribute 1.75% of their base compensation into the Plan. The City shall contribute an amount equal to 5.75% of the base salary compensation. Plan participants have the right to 100% of their account balance upon their death, termination of employment, permanent and total disability, or upon attainment of normal retirement age of 59.5 under the Plan.

Annual Pension Cost At December 31, 2012, the Plan had 534 members. Total Plan assets were \$1,809. Employer and employee contributions to the Plan during the year ended December 31, 2012, were \$286.

**E. Permanent Fund**

The City has one permanent fund, which was established during the fiscal year ended June 30, 2002. The Senior Services Fund was created with a contribution received in conjunction with the Agreement

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**IV. Other Information (Continued)**

to terminate the Irvine Senior Foundation/City of Irvine Distribution of Funds Agreement (Agreement), approved by the City Council in March 2002. This Agreement directs the City to use the interest income earned by investments of the nonexpendable endowment to fund projects at specific senior citizen and adult day health centers, and to use other contributed amounts and their investment earnings in the same manner as previously used by the Irvine Senior Foundation.

The net position of the fund include a nonexpendable amount of \$469, which is reported as part of Restricted Net Position. Expendable donations and accrued interest of \$135 are available for expenditure and are reflected as Restricted Net Position, Expendable.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

**Schedules of Employer Contributions and Funding Progress – Defined Benefit Pension Plan**

The City's retirement system for sworn employees is known as the Defined Benefit Pension Plan. It is a single-employer defined benefit pension plan established by City resolution and administered in accordance with the provisions of the Plan document adopted on April 1, 1975, and subsequently restated on January 1, 1984, July 1, 1996, and January 1, 2004. Copies of the annual financial report may be obtained from City Hall.

The Plan uses the Entry Age Normal method to determine its annual pension cost.

**Schedule of Employer Contributions**  
**For the three years ended June 30, 2013**

Fiscal Year Ended June 30,	Actuarial Valuation Date	Annual Required Contributions (ARC)	Percentage of ARC Contributed
2011	1/1/2010	303	91.8%
2012	1/1/2012	367	110.7%
2013	1/1/2012	431	114.4%

Provided below is the Schedule of Funding Progress for the City of Irvine's Defined Benefit Pension Plan:

**Schedule of Funding Progress**  
**For the three years ended December 31, 2012**

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
1/1/2008	\$ 19,071	\$ 18,841	\$ 230	98.8%	\$ 274	83.9%
1/1/2010	19,423	18,166	1,257	93.5%	313	401.6%
1/1/2012	19,899	17,680	2,219	88.8%	361	614.7%

\* The actuarial valuation is performed bi-annually.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**Schedules of Funding Progress – CalPERS Defined Benefit Pension Plans**

**CalPERS Defined Benefit Pension Plan for Sworn Employees**

Provided below is the Schedule of Funding Progress for the CalPERS Defined Benefit Pension Plan for Sworn Employees:

**Schedule of Funding Progress**  
**For the three years ended June 30, 2013**

Actuarial Valuation Date *	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
6/30/2009	132,438	104,470	27,968	78.9%	19,907	140.5%
6/30/2010	139,868	114,403	25,465	81.8%	20,232	125.9%
6/30/2011	152,794	125,203	27,590	81.9%	19,509	141.4%

\* Most recent information available.

**CalPERS Defined Benefit Pension Plan for Non-Sworn Employees**

Provided below is the Schedule of Funding Progress for the CalPERS Defined Benefit Pension Plan for Non-Sworn Employees:

**Schedule of Funding Progress**  
**For the three years ended June 30, 2013**

Actuarial Valuation Date *	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
6/30/2009	212,035	149,267	62,768	70.4%	48,127	130.4%
6/30/2010	226,607	165,709	60,898	73.1%	44,960	135.5%
6/30/2011	245,667	182,154	63,513	74.1%	43,515	146.1%

\* Most recent information available.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2013 (Continued)**  
(amounts expressed in thousands)

**Schedule of Funding Progress – Other Post Employment Benefit Plan**

Provided below is the Schedule of Funding Progress for the City of Irvine’s Other Post Employment Benefit Plans:

**Schedule of Funding Progress**  
**For the three years ended June 30, 2013**

Actuarial Valuation Date *	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (AVA) (B)	Unfunded AAL (UAAL) (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll (A-B)/C
7/1/2008	\$ 3,868	\$ -	\$ 3,868	0.00%	\$ 59,728	6.48%
7/1/2010	4,031	-	4,031	0.00%	59,615	6.76%
7/1/2012	5,407	-	5,407	0.00%	68,415	7.90%

\* Most recent information available







## **OTHER GOVERNMENTAL FUNDS**

The combining statements for Other Governmental Funds represent a consolidation of the information for specific funds contained in the Supplementary Financial Statements. These statements summarize the financial information contained in Other Special Revenue Funds, Other Capital Projects Funds and Permanent Funds.

**City of Irvine**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2013**  
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 88,480	\$ 71,166	\$ 606	\$ 160,252
Receivables, net of allowances:				
Taxes	1,341	-	-	1,341
Accounts	230	-	-	230
Accrued interest	99	76	1	176
Prepaid	18	-	-	18
Due from other governments	1,191	1,035	-	2,226
Advances to other funds	1,350	-	-	1,350
Long-term note receivable	7,498	-	-	7,498
	<u>\$ 100,207</u>	<u>\$ 72,277</u>	<u>\$ 607</u>	<u>\$ 173,091</u>
Total Assets				
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	\$ 1,401	\$ 3,144	\$ 3	\$ 4,548
Accrued liabilities	44	850	-	894
Due to General Fund	36	-	-	36
Due to other governments	3	-	-	3
Deposits	232	350	-	582
Advances from other funds	1,350	-	-	1,350
	<u>3,066</u>	<u>4,344</u>	<u>3</u>	<u>7,413</u>
Total Liabilities				
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	<u>10,246</u>	<u>1,138</u>	<u>-</u>	<u>11,384</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	1,368	-	469	1,837
Restricted	68,979	52,026	135	121,140
Committed	18,961	9,747	-	28,708
Assigned	40	5,022	-	5,062
Unassigned	(2,453)	-	-	(2,453)
	<u>86,895</u>	<u>66,795</u>	<u>604</u>	<u>154,294</u>
Total Fund Balances				
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 100,207</u>	<u>\$ 72,277</u>	<u>\$ 607</u>	<u>\$ 173,091</u>

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	<b>Other Special Revenue Funds</b>	<b>Other Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 20,596	\$ -	\$ -	\$ 20,596
Investment income	(236)	(231)	(2)	(469)
Intergovernmental	13,106	634	-	13,740
Charges for services	2,308	-	1	2,309
Revenue from developers	10,012	2,533	-	12,545
Revenue from property owners	6,015	-	-	6,015
Donations	595	-	29	624
Other revenue	-	2	-	2
Total Revenues	<u>52,396</u>	<u>2,938</u>	<u>28</u>	<u>55,362</u>
<b>EXPENDITURES</b>				
Current:				
General Government	109	4,157	-	4,266
Public Safety	1,887	-	-	1,887
Public Works	9,869	223	-	10,092
Community Development	4,898	16	-	4,914
Community Services	3,425	104	14	3,543
Great Park	-	569	-	569
Capital outlay	<u>5,357</u>	<u>29,417</u>	<u>-</u>	<u>34,774</u>
Total Expenditures	<u>25,545</u>	<u>34,486</u>	<u>14</u>	<u>60,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,851</u>	<u>(31,548)</u>	<u>14</u>	<u>(4,683)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,660	4,162	-	14,822
Transfers out	<u>(21,467)</u>	<u>(251)</u>	<u>-</u>	<u>(21,718)</u>
Total Other Financing Sources (Uses)	<u>(10,807)</u>	<u>3,911</u>	<u>-</u>	<u>(6,896)</u>
Net Change in Fund Balances	16,044	(27,637)	14	(11,579)
Fund Balances, Beginning	<u>70,851</u>	<u>94,432</u>	<u>590</u>	<u>165,873</u>
Fund Balances, Ending	<u>\$ 86,895</u>	<u>\$ 66,795</u>	<u>\$ 604</u>	<u>\$ 154,294</u>



## OTHER SPECIAL REVENUE FUNDS

Special Revenue Funds account for taxes and other revenues set aside in accordance with law or administrative regulations for expenditures restricted for specified services. Special Revenue Funds include the following:

County Sales Tax Measure M - This fund accounts for the one-half percent sales tax authorized by the Measure M tax initiative within the County of Orange. Sales tax proceeds are distributed by formula to the cities for use, which is restricted solely to transportation purposes.

State Gasoline Tax - This fund accounts for gasoline taxes received under Sections 2103, 2105, 2106, 2107 and 2107.5 of the Streets and Highways Code. These funds are utilized solely for street related purposes.

Systems Development - This fund accounts for a 1% tax imposed by City Ordinance on all new construction. Revenues are designated for circulation and public facilities improvements.

Local Park Fees - This fund accounts for fees received under the Subdivision Map Act of the California State Constitution that requires developers to either contribute land or pay fees to provide recreational facilities within the development area.

Slurry Seal Fees - This fund accounts for developer construction fees to be utilized for the slurry seal of City streets that had wear and tear due to construction traffic.

Maintenance District - This fund accounts for City-wide street lighting and landscape maintenance costs, and the collection of assessments from property owners.

Air Quality Improvement - This fund accounts for receipts and disbursements made to reduce air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 under Section 44244.1 of the California Health and Safety Code.

Fees and Exactions - This fund accounts for the collection of fees imposed on developers and property owners for future capital improvement projects from which they will receive direct benefit.

Major Special Events - This fund accounts for a participant user fee for major events. The fees collected are applied to Public Safety costs incurred as a result of these events.

City Housing Successor - This fund accounts for the former housing assets and function of the former RDA Housing fund. On January 10, 2012, the City elected to retain the housing assets and function, it is given the right to enforce affordability covenants and take other actions consistent with the former RDA's authority with respect to affordable housing.

Shuttle - This fund accounts for operation of the shuttle program in the Irvine Business Center and Irvine Spectrum area.

Irvine Community Land Trust - This fund accounts for the activities of the 501(C)(3) created for the purpose of assisting the City in securing low income housing for its residents.

Grants - This fund accounts for a variety of state and federal grants. Twelve different funds are combined for this classification.

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2013**  
(amounts expressed in thousands)  
**Page 1 of 4**

	County Sales Tax Measure M	State Gasoline Tax	Systems Development	Local Park Fees
<b>ASSETS</b>				
Cash and investments	\$ 4,165	\$ 7,354	\$ 18,180	\$ 36,632
Receivables, net of allowances:				
Taxes	645	423	-	-
Accounts	-	-	-	-
Accrued interest	5	8	21	41
Prepaid	-	-	-	-
Due from other governments	40	-	-	-
Advances to other funds	-	-	-	-
Long-term note receivable	-	-	-	-
Total Assets	<u>\$ 4,855</u>	<u>\$ 7,785</u>	<u>\$ 18,201</u>	<u>\$ 36,673</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 65	\$ 258	\$ -	\$ -
Accrued liabilities	2	-	-	-
Due to General Fund	-	-	-	-
Due to other governments	-	-	-	-
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>67</u>	<u>258</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	4,788	7,527	-	36,673
Committed	-	-	18,201	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>4,788</u>	<u>7,527</u>	<u>18,201</u>	<u>36,673</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 4,855</u>	<u>\$ 7,785</u>	<u>\$ 18,201</u>	<u>\$ 36,673</u>

- continued -

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2013**  
(amounts expressed in thousands)  
**Page 2 of 4**

	Slurry Seal Fees	Maintenance District	Air Quality Improvement	Fees and Exactions
<b>ASSETS</b>				
Cash and investments	\$ 677	\$ 1,363	\$ 768	\$ 7,551
Receivables, net of allowances:				
Taxes	-	120	-	153
Accounts	-	4	-	-
Accrued interest	1	2	-	14
Prepaid	-	-	-	-
Due from other governments	-	5	69	-
Advances to other funds	-	-	-	-
Long-term note receivable	-	-	-	-
Total Assets	<u>\$ 678</u>	<u>\$ 1,494</u>	<u>\$ 837</u>	<u>\$ 7,718</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 34	\$ 529	\$ -	\$ -
Accrued liabilities	1	15	-	-
Due to General Fund	-	-	-	-
Due to other governments	-	-	-	-
Deposits	-	-	-	81
Advances from other funds	-	-	-	1,350
Total Liabilities	<u>35</u>	<u>544</u>	<u>-</u>	<u>1,431</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	-	-	-	2,613
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	643	950	837	5,367
Committed	-	-	-	760
Assigned	-	-	-	-
Unassigned	-	-	-	(2,453)
Total Fund Balances	<u>643</u>	<u>950</u>	<u>837</u>	<u>3,674</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 678</u>	<u>\$ 1,494</u>	<u>\$ 837</u>	<u>\$ 7,718</u>

- continued -



**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2013**  
(amounts expressed in thousands)  
**Page 3 of 4**

	<b>Major Special Events</b>	<b>City Housing Successor</b>	<b>iShuttle</b>
<b>ASSETS</b>			
Cash and investments	\$ -	\$ -	\$ 275
Receivables, net of allowances:			
Taxes	-	-	-
Accounts	105	-	53
Accrued interest	-	-	-
Prepaid	-	-	-
Due from other governments	-	-	821
Advances to other funds	-	1,350	-
Long-term note receivable	-	-	-
Total Assets	<u>\$ 105</u>	<u>\$ 1,350</u>	<u>\$ 1,149</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 318
Accrued liabilities	8	-	5
Due to General Fund	36	-	-
Due to other governments	-	-	-
Deposits	-	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>44</u>	<u>-</u>	<u>323</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue	<u>21</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	1,350	-
Restricted	-	-	826
Committed	-	-	-
Assigned	40	-	-
Unassigned	-	-	-
Total Fund Balances	<u>40</u>	<u>1,350</u>	<u>826</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 105</u>	<u>\$ 1,350</u>	<u>\$ 1,149</u>

- continued -

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2013**  
(amounts expressed in thousands)  
**Page 4 of 4**

	Irvine Community Land Trust	Grants	Total Other Special Revenue Funds
<b>ASSETS</b>			
Cash and investments	\$ 8,724	\$ 2,791	\$ 88,480
Receivables, net of allowances:			
Taxes	-	-	1,341
Accounts	-	68	230
Accrued interest	5	2	99
Prepaid	18	-	18
Due from other governments	-	256	1,191
Advances to other funds	-	-	1,350
Long-term note receivable	3,264	4,234	7,498
Total Assets	<u>\$ 12,011</u>	<u>\$ 7,351</u>	<u>\$ 100,207</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 8	\$ 189	\$ 1,401
Accrued liabilities	2	11	44
Due to General Fund	-	-	36
Due to other governments	-	3	3
Deposits	8	143	232
Advances from other funds	-	-	1,350
Total Liabilities	<u>18</u>	<u>346</u>	<u>3,066</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue	<u>3,264</u>	<u>4,348</u>	<u>10,246</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	18	-	1,368
Restricted	8,711	2,657	68,979
Committed	-	-	18,961
Assigned	-	-	40
Unassigned	-	-	(2,453)
Total Fund Balances	<u>8,729</u>	<u>2,657</u>	<u>86,895</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 12,011</u>	<u>\$ 7,351</u>	<u>\$ 100,207</u>

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Special Revenue Funds**

**For the Fiscal Year Ended June 30, 2013**

(amounts expressed in thousands)

Page 1 of 4

	County Sales Tax Measure M	State Gasoline Tax	Systems Development	Local Park Fees
<b>REVENUES</b>				
Taxes	\$ 3,598	\$ 5,047	\$ 9,039	\$ -
Investment income	(17)	(29)	(40)	(95)
Intergovernmental	181	-	-	-
Charges for services	-	-	-	-
Revenue from developers	-	-	-	4,772
Revenue from property owners	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<b>3,762</b>	<b>5,018</b>	<b>8,999</b>	<b>4,677</b>
<b>EXPENDITURES</b>				
Current:				
General Government	15	13	-	-
Public Safety	-	-	-	-
Public Works	357	1,054	-	-
Community Development	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>372</b>	<b>1,067</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,390	3,951	8,999	4,677
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	553	-
Transfers out	(5,229)	(6,494)	(2,977)	(1,019)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,229)</b>	<b>(6,494)</b>	<b>(2,424)</b>	<b>(1,019)</b>
<b>Net Change in Fund Balances</b>	<b>(1,839)</b>	<b>(2,543)</b>	<b>6,575</b>	<b>3,658</b>
Fund Balances, Beginning	6,627	10,070	11,626	33,015
Fund Balances, Ending	\$ 4,788	\$ 7,527	\$ 18,201	\$ 36,673

- continued -

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Special Revenue Funds**

**For the Fiscal Year Ended June 30, 2013**

(amounts expressed in thousands)

**Page 2 of 4**

	<b>Slurry Seal Fees</b>	<b>Maintenance District</b>	<b>Air Quality Improvement</b>	<b>Fees and Exactions</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 2,321	\$ -	\$ 591
Investment income	(3)	(1)	(3)	(35)
Intergovernmental	-	-	268	45
Charges for services	536	18	-	50
Revenue from developers	-	-	-	5,240
Revenue from property owners	-	6,015	-	-
Donations	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	533	8,353	265	5,891
<b>EXPENDITURES</b>				
Current:				
General Government	4	55	7	-
Public Safety	-	-	-	-
Public Works	381	5,848	8	-
Community Development	-	-	-	284
Community Services	-	2,355	-	-
Capital outlay	5,357	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	5,742	8,258	15	284
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(5,209)	95	250	5,607
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,285	-	-	-
Transfers out	-	-	(199)	(5,516)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	5,285	-	(199)	(5,516)
Net Change in Fund Balances	76	95	51	91
Fund Balances, Beginning	<hr/>	<hr/>	<hr/>	<hr/>
	567	855	786	3,583
Fund Balances, Ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 643	\$ 950	\$ 837	\$ 3,674

- continued -

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)  
**Page 3 of 4**

	Major Special Events	City Housing Successor	<i>i</i> Shuttle
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment income	-	-	1
Intergovernmental	-	-	2,393
Charges for services	970	-	375
Revenue from developers	-	-	-
Revenue from property owners	-	-	-
Donations	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	970	-	2,769
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Public Safety	880	-	-
Public Works	-	-	2,221
Community Development	-	-	-
Community Services	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	880	-	2,221
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>
	90	-	548
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	278
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	278
Net Change in Fund Balances	90	-	826
Fund Balances, Beginning	<hr/>	<hr/>	<hr/>
	(50)	1,350	-
Fund Balances, Ending	<hr/>	<hr/>	<hr/>
	\$ 40	\$ 1,350	\$ 826

- continued -

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)  
**Page 4 of 4**

	<b>Irvine Community Land Trust</b>	<b>Grants</b>	<b>Total Other Special Revenue Funds</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 20,596
Investment income	(11)	(3)	(236)
Intergovernmental	6,093	4,126	13,106
Charges for services	90	269	2,308
Revenue from developers	-	-	10,012
Revenue from property owners	-	-	6,015
Donations	-	595	595
	<hr/>	<hr/>	<hr/>
Total Revenues	6,172	4,987	52,396
<b>EXPENDITURES</b>			
Current:			
General Government	9	6	109
Public Safety	-	1,007	1,887
Public Works	-	-	9,869
Community Development	2,017	2,597	4,898
Community Services	-	1,070	3,425
Capital outlay	-	-	5,357
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,026	4,680	25,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>
	4,146	307	26,851
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	4,544	-	10,660
Transfers out	-	(33)	(21,467)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	4,544	(33)	(10,807)
Net Change in Fund Balances	8,690	274	16,044
Fund Balances, Beginning	<hr/>	<hr/>	<hr/>
	39	2,383	70,851
Fund Balances, Ending	<hr/>	<hr/>	<hr/>
	\$ 8,729	\$ 2,657	\$ 86,895

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**County Sales Tax Measure M**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,450	\$ 3,450	\$ 3,598	\$ 148
Investment income	22	22	(17)	(39)
Intergovernmental	167	1,265	181	(1,084)
Other revenue	1	1	-	(1)
Total Revenues	3,640	4,738	3,762	(976)
<b>EXPENDITURES</b>				
Current:				
General Government	30	30	15	15
Public Works	497	500	357	143
Capital outlay	169	169	-	169
Total Expenditures	696	699	372	327
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,944	4,039	3,390	(649)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(7,645)	(10,744)	(5,229)	5,515
Total Other Financing Sources (Uses)	(7,645)	(10,744)	(5,229)	5,515
Net Change in Fund Balances	(4,701)	(6,705)	(1,839)	4,866
Fund Balances, Beginning	6,627	6,627	6,627	-
Fund Balances, Ending	<u>\$ 1,926</u>	<u>\$ (78)</u>	<u>\$ 4,788</u>	<u>\$ 4,866</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**State Gasoline Tax**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 5,644	\$ 5,644	\$ 5,047	\$ (597)
Investment income	61	61	(29)	(90)
Total Revenues	5,705	5,705	5,018	(687)
<b>EXPENDITURES</b>				
Current:				
General Government	26	26	13	13
Public Works	1,705	1,705	1,054	651
Total Expenditures	1,731	1,731	1,067	664
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,974	3,974	3,951	(23)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(13,713)	(13,610)	(6,494)	7,116
Total Other Financing Sources (Uses)	(13,713)	(13,610)	(6,494)	7,116
Net Change in Fund Balances	(9,739)	(9,636)	(2,543)	7,093
Fund Balances, Beginning	10,070	10,070	10,070	-
Fund Balances, Ending	\$ 331	\$ 434	\$ 7,527	\$ 7,093



**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Systems Development**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,517	\$ 1,517	\$ 9,039	\$ 7,522
Investment income	88	88	(40)	(128)
Total Revenues	1,605	1,605	8,999	7,394
<b>EXPENDITURES</b>				
Current:				
Public Works	100	100	-	100
Total Expenditures	100	100	-	100
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,505	1,505	8,999	7,494
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	553	553	553	-
Transfers out	(2,629)	(2,977)	(2,977)	-
Total Other Financing Sources (Uses)	(2,076)	(2,424)	(2,424)	-
Net Change in Fund Balances	(571)	(919)	6,575	7,494
Fund Balances, Beginning	11,626	11,626	11,626	-
Fund Balances, Ending	\$ 11,055	\$ 10,707	\$ 18,201	\$ 7,494

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Local Park Fees**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 298	\$ 298	\$ (95)	\$ (393)
Revenue from developers	3,814	3,814	4,772	958
Total Revenues	4,112	4,112	4,677	565
<b>EXPENDITURES</b>				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,112	4,112	4,677	565
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,019)	(1,019)	(1,019)	-
Total Other Financing Sources (Uses)	(1,019)	(1,019)	(1,019)	-
Net Change in Fund Balances	3,093	3,093	3,658	565
Fund Balances, Beginning	33,015	33,015	33,015	-
Fund Balances, Ending	\$ 36,108	\$ 36,108	\$ 36,673	\$ 565

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Slurry Seal Fees**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 27	\$ 27	\$ (3)	\$ (30)
Intergovernmental	60	60	-	(60)
Charges for services	427	427	536	109
Total Revenues	514	514	533	19
<b>EXPENDITURES</b>				
Current:				
General Government	1	1	4	(3)
Public Works	294	295	381	(86)
Capital outlay	7,077	6,512	5,357	1,155
Total Expenditures	7,372	6,808	5,742	1,066
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,858)	(6,294)	(5,209)	1,085
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,499	12,685	5,285	(7,400)
Total Other Financing Sources (Uses)	12,499	12,685	5,285	(7,400)
Net Change in Fund Balances	5,641	6,391	76	(6,315)
Fund Balances, Beginning	567	567	567	-
Fund Balances, Ending	\$ 6,208	\$ 6,958	\$ 643	\$ (6,315)

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Maintenance District**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,306	\$ 2,306	\$ 2,321	\$ 15
Investment income	(2)	(2)	(1)	1
Charges for services	-	-	18	18
Revenue from property owners	5,836	5,836	6,015	179
	<u>8,140</u>	<u>8,140</u>	<u>8,353</u>	<u>213</u>
<b>EXPENDITURES</b>				
Current:				
General Government	61	61	55	6
Public Works	5,817	5,817	5,848	(31)
Community Services	2,341	2,349	2,355	(6)
	<u>8,219</u>	<u>8,227</u>	<u>8,258</u>	<u>(31)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(79)</u>	<u>(87)</u>	<u>95</u>	<u>182</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(79)	(87)	95	182
Fund Balances, Beginning	855	855	855	-
Fund Balances, Ending	<u>\$ 776</u>	<u>\$ 768</u>	<u>\$ 950</u>	<u>\$ 182</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Air Quality Improvement**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 7	\$ 7	\$ (3)	\$ (10)
Intergovernmental	235	235	268	33
Total Revenues	242	242	265	23
<b>EXPENDITURES</b>				
Current:				
General Government	6	7	7	-
Public Works	10	10	8	2
Total Expenditures	16	17	15	2
Excess (Deficiency) of Revenues Over (Under) Expenditures	226	225	250	25
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(230)	(270)	(199)	71
Total Other Financing Sources (Uses)	(230)	(270)	(199)	71
Net Change in Fund Balances	(4)	(45)	51	96
Fund Balances, Beginning	786	786	786	-
Fund Balances, Ending	\$ 782	\$ 741	\$ 837	\$ 96

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Fees and Exactions**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 591	\$ 591
Investment income	60	60	(35)	(95)
Intergovernmental	-	-	45	45
Charges for services	-	-	50	50
Revenue from developers	-	-	5,240	5,240
	<hr/>		<hr/>	
Total Revenues	60	60	5,891	5,831
<b>EXPENDITURES</b>				
Current:				
Community Development	-	285	284	1
	<hr/>		<hr/>	
Total Expenditures	-	285	284	1
	<hr/>		<hr/>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	60	(225)	5,607	5,832
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(969)	(5,640)	(5,516)	124
	<hr/>		<hr/>	
Total Other Financing Sources (Uses)	(969)	(5,640)	(5,516)	124
	<hr/>		<hr/>	
Net Change in Fund Balances	(909)	(5,865)	91	5,956
Fund Balances, Beginning	3,583	3,583	3,583	-
	<hr/>		<hr/>	
Fund Balances, Ending	\$ 2,674	\$ (2,282)	\$ 3,674	\$ 5,956
	<hr/> <hr/>		<hr/> <hr/>	

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Major Special Events**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,118	\$ 1,118	\$ 970	\$ (148)
Total Revenues	1,118	1,118	970	(148)
<b>EXPENDITURES</b>				
Current:				
Public Safety	1,101	1,102	880	222
Total Expenditures	1,101	1,102	880	222
Excess (Deficiency) of Revenues Over (Under) Expenditures	17	16	90	74
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	17	16	90	74
Fund Balances, Beginning	(50)	(50)	(50)	-
Fund Balances, Ending	\$ (33)	\$ (34)	\$ 40	\$ 74

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**City Housing Successor**  
**For the Fiscal Year Ended June 30, 2013**  
 (amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Total Expenditures	-	-	-	-
<b>EXTRAORDINARY GAIN (LOSS)</b>				
Dissolution of redevelopment agency	-	-	-	-
Total Extraordinary Gain (Loss)	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning	1,350	1,350	1,350	-
Fund Balances, Ending	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ -</u>



**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and**  
**iShuttle**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 3	\$ 3	\$ 1	\$ (2)
Intergovernmental	2,536	2,536	2,393	(143)
Charges for services	348	348	375	27
Total Revenues	2,887	2,887	2,769	(118)
<b>EXPENDITURES</b>				
Current:				
Public Works	2,448	2,455	2,221	234
Total Expenditures	2,448	2,455	2,221	234
Excess (Deficiency) of Revenues over (under) Expenditures	439	432	548	116
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	110	278	278	-
Total Other Financing Sources (Uses)	110	278	278	-
Net Change in Fund Balances	549	710	826	116
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ 549	\$ 710	\$ 826	\$ 116

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Irvine Community Land Trust**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 19	\$ 19	\$ (11)	\$ (30)
Intergovernmental	4,360	4,360	6,093	1,733
Charges for services	68	68	90	22
Total Revenues	4,447	4,447	6,172	1,725
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	9	(9)
Community Development	3,318	3,323	2,017	1,306
Total Expenditures	3,318	3,323	2,026	1,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,129	1,124	4,146	3,022
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	4,506	4,544	38
Total Other Financing Sources (Uses)	-	4,506	4,544	38
Net Change in Fund Balances	1,129	5,630	8,690	3,060
Fund Balances, Beginning	39	39	39	-
Fund Balances, Ending	<u>\$ 1,168</u>	<u>\$ 5,669</u>	<u>\$ 8,729</u>	<u>\$ 3,060</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Grants**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 15	\$ 15	\$ (3)	\$ (18)
Intergovernmental	3,308	4,461	4,126	(335)
Charges for services	162	164	269	105
Donations	386	471	595	124
Total Revenues	3,871	5,111	4,987	(124)
<b>EXPENDITURES</b>				
Current:				
General Government	33	35	6	29
Public Safety	2,440	3,343	1,007	2,336
Public Works	54	54	-	54
Community Development	1,642	1,931	2,597	(666)
Community Services	1,466	1,540	1,070	470
Total Expenditures	5,635	6,903	4,680	2,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,764)	(1,792)	307	2,099
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(33)	(33)
Total Other Financing Sources (Uses)	-	-	(33)	(33)
Net Change in Fund Balances	(1,764)	(1,792)	274	2,066
Fund Balances, Beginning	2,383	2,383	2,383	-
Fund Balances, Ending	<u>\$ 619</u>	<u>\$ 591</u>	<u>\$ 2,657</u>	<u>\$ 2,066</u>





## OTHER CAPITAL PROJECTS FUNDS

Other Capital Projects Funds are used for the construction of infrastructure and public facility improvements within the City and which, because of their complexity, typically require more than one budgetary cycle to complete. Other Capital Projects Funds include the following:

Community Facilities Districts - This fund accounts for infrastructure improvements associated with Columbus Grove, Central Park and Great Park.

Park Development - This fund accounts for receipts and disbursement of monies used for development and construction of non-circulation projects such as parks and public facilities within the City.

Irvine Business Complex – This fund accounts for related capital project activities and fee revenue generated by development within the Irvine Business Complex.

Orange County Great Park Infrastructure - This fund accounts for expenditures related to the planning, design, and construction of the Great Park Communities Backbone Infrastructure for the Orange County Great Park.

Great Park Development - This fund is used to account for expenditures related to the planning, design, demolition, and construction of the Orange County Great Park.

**City of Irvine**  
**Combining Balance Sheet**  
**Other Capital Projects Funds**  
**June 30, 2013**  
 (amounts expressed in thousands)  
 Page 1 of 2

	Community Facilities Districts	Park Development	Irvine Business Complex
<b>ASSETS</b>			
Cash and investments	\$ 2,192	\$ 13,241	\$ 46,116
Receivables, net of allowances:			
Accrued interest	-	13	51
Due from other governments	-	187	848
Total Assets	\$ 2,192	\$ 13,441	\$ 47,015
<b>LIABILITIES</b>			
Accounts payable	\$ 32	\$ 498	\$ 20
Accrued liabilities	2	424	173
Deposits	350	-	-
Total Liabilities	384	922	193
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue	-	291	847
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	1,808	4,243	45,975
Committed	-	2,963	-
Assigned	-	5,022	-
Total Fund Balances	1,808	12,228	45,975
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ 2,192	\$ 13,441	\$ 47,015

- continued -

**City of Irvine**  
**Combining Balance Sheet**  
**Other Capital Projects Funds**  
**June 30, 2013**  
 (amounts expressed in thousands)  
**Page 2 of 2**

	Orange County Great Park Infrastructure	Great Park Development	Total Other Capital Projects Funds
<b>ASSETS</b>			
Cash and investments	\$ 822	\$ 8,795	\$ 71,166
Receivables, net of allowances:			
Accrued interest	1	11	76
Due from other governments	-	-	1,035
Total Assets	\$ 823	\$ 8,806	\$ 72,277
<b>LIABILITIES</b>			
Accounts payable	\$ 2	\$ 2,592	\$ 3,144
Accrued liabilities	-	251	850
Deposits	-	-	350
Total Liabilities	2	2,843	4,344
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue	-	-	1,138
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	-	-	52,026
Committed	821	5,963	9,747
Assigned	-	-	5,022
Total Fund Balances	821	5,963	66,795
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ 823	\$ 8,806	\$ 72,277

- - -



**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

Page 1 of 2

	Community Facilities Districts	Park Development	Irvine Business Complex
<b>REVENUES</b>			
Investment income	\$ 2	\$ (37)	(136)
Intergovernmental	-	549	85
Revenue from developers	-	-	2,533
Other revenue	1	1	-
	<u>3</u>	<u>513</u>	<u>2,482</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current:			
General Government	4,074	47	13
Public Works	44	71	108
Community Development	-	3	13
Community Services	-	104	-
Great Park	-	-	-
Capital outlay	665	7,818	468
	<u>4,783</u>	<u>8,043</u>	<u>602</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,780)</u>	<u>(7,530)</u>	<u>1,880</u>
Transfers in	-	4,102	-
Transfers out	(131)	(10)	(110)
Total Other Financing Sources (Uses)	<u>(131)</u>	<u>4,092</u>	<u>(110)</u>
Net Change in Fund Balances	(4,911)	(3,438)	1,770
Fund Balances, Beginning	<u>6,719</u>	<u>15,666</u>	<u>44,205</u>
Fund Balances, Ending	<u>\$ 1,808</u>	<u>\$ 12,228</u>	<u>\$ 45,975</u>

- continued -

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

Page 2 of 2

	<b>Orange County</b>		<b>Total</b>
	<b>Great Park</b>	<b>Great Park</b>	<b>Other Capital</b>
	<b>Infrastructure</b>	<b>Development</b>	<b>Projects Funds</b>
<b>REVENUES</b>			
Investment income	\$ (2)	\$ (58)	\$ (231)
Intergovernmental	-	-	634
Revenue from developers	-	-	2,533
Other revenue	-	-	2
	<hr/>	<hr/>	<hr/>
Total Revenues	(2)	(58)	2,938
<b>EXPENDITURES</b>			
Current:			
General Government	-	23	4,157
Public Works	-	-	223
Community Development	-	-	16
Community Services	-	-	104
Great Park	3	566	569
Capital outlay	50	20,416	29,417
	<hr/>	<hr/>	<hr/>
Total Expenditures	53	21,005	34,486
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	<hr/>	<hr/>	<hr/>
	(55)	(21,063)	(31,548)
Transfers in	-	60	4,162
Transfers out	-	-	(251)
Total Other Financing Sources (Uses)	<hr/>	<hr/>	<hr/>
	-	60	3,911
Net Change in Fund Balances	(55)	(21,003)	(27,637)
Fund Balances, Beginning	<hr/>	<hr/>	<hr/>
	876	26,966	94,432
Fund Balances, Ending	<hr/>	<hr/>	<hr/>
	\$ 821	\$ 5,963	\$ 66,795



## PERMANENT FUND

Permanent fund account for resources that are legally restricted, to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Senior Services - This fund accounts for adult day health services and senior citizen programs which are funded from interest earnings and additional donations.

**City of Irvine  
Balance Sheet  
Permanent Fund  
June 30, 2013**  
(amounts expressed in thousands)

	<b>Senior Services Fund</b>
<b>ASSETS</b>	
Cash and investments	\$ 606
Receivables, net of allowances:	
Accrued interest	1
Total Assets	\$ 607
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 3
Total Liabilities	3
Fund Balances:	
Nonspendable	469
Restricted	135
Total Fund Balances	604
Total Liabilities and Fund Balances	\$ 607

**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Permanent Fund**  
**For the Fiscal Year Ended June 30, 2013**  
 (amounts expressed in thousands)

	Senior Services Fund
<b>REVENUES</b>	
Investment income	\$ (2)
Charges for services	1
Donations	29
Total Revenues	28
<b>EXPENDITURES</b>	
Current:	
Community Services	14
Total Expenditures	14
Excess (Deficiency) of Revenues Over (Under) Expenditures	14
<b>OTHER FINANCING SOURCES (USES)</b>	
Total Other Financing Sources (Uses)	-
Net Change in Fund Balances	14
Fund Balances, Beginning	590
Fund Balances, Ending	\$ 604

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Permanent Fund - Senior Services**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 1	\$ 1	\$ (2)	\$ (3)
Charges for services	-	-	1	1
Donations	16	16	29	13
Total Revenues	17	17	28	11
<b>EXPENDITURES</b>				
Current:				
Community Services	76	76	14	62
Total Expenditures	76	76	14	62
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59)	(59)	14	73
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(59)	(59)	14	73
Fund Balances, Beginning	590	590	590	-
Fund Balances, Ending	<u>\$ 531</u>	<u>\$ 531</u>	<u>\$ 604</u>	<u>\$ 73</u>







# INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for operations that provide services to other departments of the City on a cost reimbursement basis. Internal Service Funds include the following:

Self-Insurance - This fund accounts for payments made for insurance services relative to workers' compensation, general liability, automotive coverage, and to maintain a sinking fund for future claims.

Equipment and Services - This fund accounts for fleet and central services, as well as equipment replacement.

Inventory - This fund accounts for the warehousing of the City's central supplies and their distribution to operating departments.

**City of Irvine**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2013**  
(amounts expressed in thousands)

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 15,094	\$ 10,371	\$ 79	\$ 25,544
Receivables, net of allowances:				
Accounts	5	41	-	46
Accrued interest	15	13	-	28
Prepaid	5	-	-	5
Inventories	-	-	92	92
	<u>15,119</u>	<u>10,425</u>	<u>171</u>	<u>25,715</u>
Total Current Assets				
	<u>15,119</u>	<u>10,425</u>	<u>171</u>	<u>25,715</u>
Noncurrent Assets:				
Capital assets:				
Equipment	20	35,906	-	35,926
Less accumulated depreciation	(20)	(28,977)	-	(28,997)
	<u>-</u>	<u>6,929</u>	<u>-</u>	<u>6,929</u>
Total Noncurrent Assets				
	<u>-</u>	<u>6,929</u>	<u>-</u>	<u>6,929</u>
Total Assets				
	<u>15,119</u>	<u>17,354</u>	<u>171</u>	<u>32,644</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	285	1,094	37	1,416
Accrued liabilities	33	37	4	74
Due to other governments	-	2	-	2
Lease payable	-	293	-	293
Compensated absences	14	39	-	53
Claims payable	3,449	-	-	3,449
	<u>3,781</u>	<u>1,465</u>	<u>41</u>	<u>5,287</u>
Total Current Liabilities				
	<u>3,781</u>	<u>1,465</u>	<u>41</u>	<u>5,287</u>
Noncurrent Liabilities:				
Lease payable	-	177	-	177
Compensated absences	39	113	-	152
Claims payable	8,742	-	-	8,742
	<u>8,781</u>	<u>290</u>	<u>-</u>	<u>9,071</u>
Total Noncurrent Liabilities				
	<u>8,781</u>	<u>290</u>	<u>-</u>	<u>9,071</u>
Total Liabilities				
	<u>12,562</u>	<u>1,755</u>	<u>41</u>	<u>14,358</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	6,459	-	6,459
Unrestricted	2,557	9,140	130	11,827
	<u>2,557</u>	<u>15,599</u>	<u>130</u>	<u>18,286</u>
Total Net Position				
	<u>\$ 2,557</u>	<u>\$ 15,599</u>	<u>\$ 130</u>	<u>\$ 18,286</u>

**City of Irvine**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 6,342	\$ 13,305	\$ -	\$ 19,647
Other	-	95	273	368
Total Operating Revenues	<u>6,342</u>	<u>13,400</u>	<u>273</u>	<u>20,015</u>
<b>OPERATING EXPENSES</b>				
Personal services	638	1,956	4	2,598
Supplies & equipment	46	4,502	268	4,816
Contract services	430	4,965	-	5,395
Administration	8	1,278	-	1,286
Self-insured losses	2,942	32	-	2,974
Insurance premiums	2,126	52	-	2,178
Depreciation	-	2,091	-	2,091
Total Operating Expenses	<u>6,190</u>	<u>14,876</u>	<u>272</u>	<u>21,338</u>
Operating Income	<u>152</u>	<u>(1,476)</u>	<u>1</u>	<u>(1,323)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	(37)	(33)	-	(70)
Interest expense	-	(19)	-	(19)
Gain on disposal of equipment	-	90	-	90
Total Nonoperating Revenues	<u>(37)</u>	<u>38</u>	<u>-</u>	<u>1</u>
Income/(Loss) Before Capital Contribution and Transfers	115	(1,438)	1	(1,322)
Capital contributions	-	200	-	200
Transfers in	2,355	453	-	2,808
Transfers out	-	(557)	-	(557)
Change in Net Position	2,470	(1,342)	1	1,129
Total Net Position, Beginning	<u>87</u>	<u>16,941</u>	<u>129</u>	<u>17,157</u>
Total Net Position, Ending	<u>\$ 2,557</u>	<u>\$ 15,599</u>	<u>\$ 130</u>	<u>\$ 18,286</u>

**City of Irvine**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	Self- Insur- ance	Equip- ment and Services	Inven- tory	Total Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
Received from customers and users	\$ 90	158	\$ -	\$ 248
Received from interfund services provided	6,248	13,305	273	19,826
Paid to suppliers and providers	(5,121)	(10,771)	(265)	(16,157)
Paid to employees	(629)	(1,967)	(4)	(2,600)
Net Cash Provided by Operating Activities	<u>588</u>	<u>725</u>	<u>4</u>	<u>1,317</u>
<b>Cash Flows From Non-Capital Financing Activities</b>				
Transfers in	2,355	453	-	2,808
Transfers out	-	(557)	-	(557)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>2,355</u>	<u>(104)</u>	<u>-</u>	<u>2,251</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from sale of equipment	-	103	-	103
Interest paid	-	(19)	-	(19)
Equipment contributions	-	(1,874)	-	(1,874)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(1,790)</u>	<u>-</u>	<u>(1,790)</u>
<b>Cash Flows from Investing Activities</b>				
Interest received on investments	(40)	(34)	-	(74)
Net Cash Used by Investing Activities	<u>(40)</u>	<u>(34)</u>	<u>-</u>	<u>(74)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,903	(1,203)	4	1,704
Cash and Cash Equivalents, Beginning of Fiscal Year	12,191	11,574	75	23,840
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 15,094</u>	<u>\$ 10,371</u>	<u>\$ 79</u>	<u>\$ 25,544</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
<b>Cash Flows from Operating Activities</b>				
Operating income (loss)	\$ 152	\$ (1,476)	\$ 1	\$ (1,323)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	-	2,091	-	2,091
Changes in assets and liabilities:				
(Increase) decrease in receivables, net of allowances	(5)	62	-	57
(Increase) decrease in prepaid costs	(5)	2	-	(3)
(Increase) decrease in due from other governments	-	1	-	1
(Increase) decrease in inventories	-	-	(1)	(1)
Increase (decrease) in accounts payable	165	(11)	-	154
Increase (decrease) in accrued liabilities	(6)	(4)	4	(6)
Increase (decrease) in due to other governments	-	(2)	-	(2)
Increase (decrease) in deposits	-	(15)	-	(15)
Increase (decrease) in lease payable	-	84	-	84
Increase (decrease) in compensated absences	9	(7)	-	2
Increase (decrease) in claims payable	278	-	-	278
Total Adjustments	<u>436</u>	<u>2,201</u>	<u>3</u>	<u>2,640</u>
Net Cash Provided by Operating Activities	<u>\$ 588</u>	<u>\$ 725</u>	<u>\$ 4</u>	<u>\$ 1,317</u>
<b>Schedule of Non-Cash and Related Financing Activities</b>				
Contribution of Capital Assets	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 200</u>





# FIDUCIARY FUNDS

Fiduciary Funds account for assets held by a governmental entity for other parties, as trustee or as an agent, which cannot be used to finance a governmental entities own operating programs. Fiduciary Funds include the following:

Pension and Employee Benefit Trust Funds - These funds account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, and defined contribution agreements.

Private-Purpose Trust Funds - These funds serve as custodian for the assets and liabilities of the Successor Agency Trust pending distribution to the appropriate taxing entities and the payment of enforceable obligations.

Agency Funds - These funds account for assets that are held in a custodial relationship. As assets are received, they may be temporarily invested, and then remitted to individuals, private organizations, or other governments. One of these funds, the Interagency Custodial Fund is used to account for cash seized by Public Safety and held until final disposition of the cases. The other agency funds primarily reflect amounts collected and remitted under the terms of the various assessment districts.



**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Pension and Employee Benefit Trust Funds**  
**June 30, 2013**  
 (amounts expressed in thousands)

	<b>PENSION TRUST</b>		<b>Total Pension and Employee Benefit Trust Funds</b>
	<b>(December 31, 2012)</b>		
	<b>Defined Benefit Pension Plan</b>	<b>Defined Contribution Pension Plan</b>	
<b>ASSETS</b>			
Investments:			
Collective trust funds	\$ 18,957	\$ -	\$ 18,957
Short-term investments	214	-	214
Participant-directed investments	-	10,293	10,293
Receivables, net of allowances:			
Loans	-	49	49
Total Assets	<u>19,171</u>	<u>10,342</u>	<u>29,513</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	-	102	102
Accrued liabilities	<u>22</u>	<u>-</u>	<u>22</u>
Total Liabilities	<u>22</u>	<u>102</u>	<u>124</u>
<b>NET POSITION</b>			
Held in trust for pension benefits	<u>19,149</u>	<u>10,240</u>	<u>29,389</u>
Total Net Position	<u>\$ 19,149</u>	<u>\$ 10,240</u>	<u>\$ 29,389</u>

**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension and Employee Benefit Trust Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)

	<b>PENSION TRUST</b>		
	<b>(December 31, 2012)</b>		
	<b>Defined Benefit Pension Plan</b>	<b>Defined Contribution Pension Plan</b>	<b>Total Pension and Employee Benefit Trust Funds</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 493	\$ 166	\$ 659
Plan members	-	75	75
Interest from participants' loan	-	2	2
Total Contributions	<u>493</u>	<u>243</u>	<u>736</u>
Investment income (loss):			
Interest and dividends	6	89	95
Net appreciation (depreciation) in fair value of investments	<u>1,799</u>	<u>634</u>	<u>2,433</u>
Total Investment Income	1,805	723	2,528
Less investment expenses	<u>(105)</u>	<u>(42)</u>	<u>(147)</u>
Net Investment Income	<u>1,700</u>	<u>681</u>	<u>2,381</u>
Total Additions	<u>2,193</u>	<u>924</u>	<u>3,117</u>
<b>DEDUCTIONS</b>			
Benefit payments	1,096	1,191	2,287
Administrative expenses	3	-	3
Forfeitures to the City of Irvine	<u>-</u>	<u>2</u>	<u>2</u>
Total Deductions	<u>1,099</u>	<u>1,193</u>	<u>2,292</u>
Change in Net Position	1,094	(269)	825
Total Net Position, Beginning	<u>18,055</u>	<u>10,509</u>	<u>28,564</u>
Total Net Position, Ending	<u>\$ 19,149</u>	<u>\$ 10,240</u>	<u>\$ 29,389</u>

**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Private-Purpose Trust Funds**  
**June 30, 2013**  
(amounts expressed in thousands)

	<b>Successor Agency Housing</b>	<b>Successor Agency Debt Service</b>	<b>Redevelopment Obligation Retirement</b>	<b>Total Successor Agency Private-Purpose Trust Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 961	\$ 961
Total Assets	-	-	961	961
<b>LIABILITIES</b>				
Accounts payable	-	75	-	75
Advances from the City of Irvine	-	181,626	-	181,626
Due to other governments	1,633	-	-	1,633
Total Liabilities	1,633	181,701	-	183,334
<b>NET POSITION</b>				
Held in trust for enforceable obligations	(1,633)	(181,701)	961	(182,373)
Total Net Position	<u>\$ (1,633)</u>	<u>\$ (181,701)</u>	<u>\$ 961</u>	<u>\$ (182,373)</u>

**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private-Purpose Trust Funds**  
**June 30, 2013**  
(amounts expressed in thousands)

	<b>Successor Agency Housing</b>	<b>Successor Agency Debt Service</b>	<b>Redevelopment Obligation Retirement</b>	<b>Total Successor Agency Private-Purpose Trust Funds</b>
<b>ADDITIONS</b>				
Taxes	\$ -	\$ -	\$ 593	\$ 593
Total Additions	-	-	593	593
<b>DEDUCTIONS</b>				
Administration	-	200	-	200
Distribution to the County	-	1,197	-	1,197
Grant obligations	-	665	-	665
Debt service:				
Interest and fiscal charges	47	7,665	-	7,712
Total Deductions	47	9,727	-	9,774
<b>TRANSFERS</b>				
Transfers in	-	-	368	368
Transfers out	-	(368)	-	(368)
Total Transfers	-	(368)	368	-
Change in Net Position	(47)	(10,095)	961	(9,181)
Total Net Position, Beginning	(1,586)	(171,606)	-	(173,192)
Total Net Position, Ending	<u>\$ (1,633)</u>	<u>\$ (181,701)</u>	<u>\$ 961</u>	<u>\$ (182,373)</u>

**City of Irvine**  
**Combining Statement of Net Position**  
**Agency Funds**  
**June 30, 2013**  
 (amounts expressed in thousands)  
**Page 1 of 8**

	Cypress Village Assessment District 11-24	Laguna Altura Assessment District 10-23	Stonegate Assessment District 07-22	Orchard Hills Assessment District 05-21
<b>ASSETS</b>				
Cash and investments	\$ 6,662	\$ 3,350	\$ 11,490	\$ 7
Receivables, net of allowances:				
Taxes	-	7	164	-
Accrued interest	1	1	1	-
Due from developers	-	-	-	255
Total Assets	<u>6,663</u>	<u>3,358</u>	<u>11,655</u>	<u>262</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	255
Accrued liabilities	1	1	4	1
Due to bondholders	6,662	3,357	11,651	6
Due to other governments	-	-	-	-
Total Liabilities	<u>6,663</u>	<u>3,358</u>	<u>11,655</u>	<u>262</u>
<b>NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**City of Irvine**  
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(amounts expressed in thousands)

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	Portola Springs Assessment District 04-20	Northern Sphere Assessment District 03-19	Shady Canyon/ Turtle Ridge Assessment District 00-18	Irvine Spectrum Reassessment District 85-7
<b>ASSETS</b>				
Cash and investments	\$ 2,468	\$ 35	\$ 126	\$ 13
Receivables, net of allowances:				
Taxes	97	48	26	-
Accrued interest	1	1	-	-
Due from developers	92	194	29	128
	<u>2,658</u>	<u>278</u>	<u>181</u>	<u>141</u>
Total Assets				
	<u>2,658</u>	<u>278</u>	<u>181</u>	<u>141</u>
<b>LIABILITIES</b>				
Accounts payable	-	175	29	128
Accrued liabilities	94	27	1	1
Due to bondholders	2,564	76	151	12
Due to other governments	-	-	-	-
	<u>2,658</u>	<u>278</u>	<u>181</u>	<u>141</u>
Total Liabilities				
	<u>2,658</u>	<u>278</u>	<u>181</u>	<u>141</u>
<b>NET POSITION</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**City of Irvine**  
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(amounts expressed in thousands)

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	Irvine Spectrum Assessment District 87-8	Westpark Assessment District 89-10	Irvine Spectrum Assessment District 93-14	Oak Creek Assessment District 94-13
<b>ASSETS</b>				
Cash and investments	\$ 251	\$ 547	\$ 6,759	\$ 261
Receivables, net of allowances:				
Taxes	41	-	21	-
Accrued interest	-	-	1	-
Due from developers	52	23	137	54
	<u>344</u>	<u>570</u>	<u>6,918</u>	<u>315</u>
Total Assets				
	<u>344</u>	<u>570</u>	<u>6,918</u>	<u>315</u>
<b>LIABILITIES</b>				
Accounts payable	52	23	138	55
Accrued liabilities	1	1	1	1
Due to bondholders	291	546	6,779	259
Due to other governments	-	-	-	-
	<u>344</u>	<u>570</u>	<u>6,918</u>	<u>315</u>
Total Liabilities				
	<u>344</u>	<u>570</u>	<u>6,918</u>	<u>315</u>
<b>NET POSITION</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**City of Irvine**  
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(amounts expressed in thousands)

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	Westpark II Assessment District 94-15	Northwest Assessment District 97-16	Lower Peters Canyon Assessment District 97-17	Irvine Public Facilities and Infrastructure Authority Series B
<b>ASSETS</b>				
Cash and investments	\$ 1,467	\$ 483	\$ 480	\$ -
Receivables, net of allowances:				
Taxes	-	-	2	-
Accrued interest	-	-	-	-
Due from developers	17	84	113	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	1,484	567	595	-
<b>LIABILITIES</b>				
Accounts payable	18	84	114	-
Accrued liabilities	1	1	-	-
Due to bondholders	1,438	482	481	-
Due to other governments	27	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	1,484	567	595	-
<b>NET POSITION</b>				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ -	\$ -	\$ -

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**City of Irvine**  
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	<u>Irvine Public Facilities and Infrastructure Authority Series C</u>	<u>Irvine Public Facilities and Infrastructure Authority 2012 Series A</u>	<u>Reassessment District 01-1</u>	<u>Reassessment District 01-2</u>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 11	\$ -	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	-	11	-	-
<b>LIABILITIES</b>				
Accounts payable	-	1	-	-
Accrued liabilities	-	1	-	-
Due to bondholders	-	9	-	-
Due to other governments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	-	11	-	-
<b>NET POSITION</b>				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ -	\$ -	\$ -

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**City of Irvine**  
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	Reassessment District <u>03-1</u>	Reassessment District <u>03-2</u>	Reassessment District <u>11-1</u>	Reassessment District <u>11-2</u>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 4,969	\$ 5,311
Receivables, net of allowances:				
Taxes	-	-	58	83
Accrued interest	-	-	2	1
Due from developers	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,029</u>	<u>5,395</u>
Total Assets	<u>-</u>	<u>-</u>	<u>5,029</u>	<u>5,395</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	1	-
Due to bondholders	-	-	5,028	5,395
Due to other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,029</u>	<u>5,395</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>5,029</u>	<u>5,395</u>
<b>NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**City of Irvine**  
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	Reassessment District 12-1	Reassessment District 13-1	CFD - Central Park 2004-1	CFD - Columbus Grove 2005-2
<b>ASSETS</b>				
Cash and investments	\$ 19,315	\$ 98,212	\$ 854	\$ 23,642
Receivables, net of allowances:				
Taxes	258	-	-	28
Accrued interest	8	-	-	-
Due from developers	-	-	-	-
	<u>19,581</u>	<u>98,212</u>	<u>854</u>	<u>23,670</u>
Total Assets				
	<u>19,581</u>	<u>98,212</u>	<u>854</u>	<u>23,670</u>
<b>LIABILITIES</b>				
Accounts payable	3	-	-	-
Accrued liabilities	1	-	-	-
Due to bondholders	19,577	98,212	854	23,670
Due to other governments	-	-	-	-
	<u>19,581</u>	<u>98,212</u>	<u>854</u>	<u>23,670</u>
Total Liabilities				
	<u>19,581</u>	<u>98,212</u>	<u>854</u>	<u>23,670</u>
<b>NET POSITION</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**City of Irvine**  
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	<b>CFD - Great Park 2013-3</b>	<b>Inter-Agency Custodial Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ (227)	\$ 97	\$ 186,583
Receivables, net of allowances:			
Taxes	-	-	833
Accrued interest	-	-	17
Due from developers	227	-	1,405
	<hr/>	<hr/>	<hr/>
Total Assets	-	97	188,838
<b>LIABILITIES</b>			
Accounts payable	-	28	1,103
Accrued liabilities	-	-	139
Due to bondholders	-	-	187,500
Due to other governments	-	69	96
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	97	188,838
<b>NET POSITION</b>			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ -	\$ -

**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
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	June 30, 2012			June 30, 2013	
	Balance	Additions	Deductions	Balance	
<b>Cypress Village Assessment District 11-24</b>					
<b>ASSETS</b>					
Cash and investments	\$ 18	\$ 7,131	\$ 487	\$ 6,662	
Receivables, net of allowances:					
Taxes	-	-	-	-	
Accrued interest	-	1	-	1	
Due from other funds	-	-	-	-	
Due from developers	-	-	-	-	
Total Assets	<u>\$ 18</u>	<u>\$ 7,132</u>	<u>\$ 487</u>	<u>\$ 6,663</u>	
<b>LIABILITIES</b>					
Accounts payable	-	29	29	-	
Accrued liabilities	-	1	-	1	
Due to bondholders	18	6,663	19	6,662	
Due to other funds	-	-	-	-	
Due to other governments	-	-	-	-	
Total Liabilities	<u>\$ 18</u>	<u>\$ 6,693</u>	<u>\$ 48</u>	<u>\$ 6,663</u>	
<b>Laguna Alta Assessment District 10-23</b>					
<b>ASSETS</b>					
Cash and investments	\$ 3,821	\$ 1,250	\$ 1,721	\$ 3,350	
Receivables, net of allowances:					
Taxes	-	7	-	7	
Accrued interest	-	1	-	1	
Due from other funds	-	-	-	-	
Due from developers	-	-	-	-	
Total Assets	<u>\$ 3,821</u>	<u>\$ 1,258</u>	<u>\$ 1,721</u>	<u>\$ 3,358</u>	
<b>LIABILITIES</b>					
Accounts payable	-	13	13	-	
Accrued liabilities	1	1	1	1	
Due to bondholders	3,820	-	463	3,357	
Due to other funds	-	-	-	-	
Due to other governments	-	-	-	-	
Total Liabilities	<u>\$ 3,821</u>	<u>\$ 14</u>	<u>\$ 477</u>	<u>\$ 3,358</u>	
<b>Stonegate Assessment District 07-22</b>					
<b>ASSETS</b>					
Cash and investments	\$ 4,685	\$ 12,846	\$ 6,041	\$ 11,490	
Receivables, net of allowances:					
Taxes	832	164	832	164	
Accrued interest	1	1	1	1	
Due from other funds	-	-	-	-	
Due from developers	-	-	-	-	
Total Assets	<u>\$ 5,518</u>	<u>\$ 13,011</u>	<u>\$ 6,874</u>	<u>\$ 11,655</u>	
<b>LIABILITIES</b>					
Accounts payable	\$ 6	\$ 2,602	\$ 2,608	-	
Accrued liabilities	2	4	2	4	
Due to bondholders	5,510	6,301	160	11,651	
Due to other funds	-	-	-	-	
Due to other governments	-	-	-	-	
Total Liabilities	<u>\$ 5,518</u>	<u>\$ 8,907</u>	<u>\$ 2,770</u>	<u>\$ 11,655</u>	

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	June 30, 2012			June 30, 2013		
	Balance	Additions	Deductions	Balance	Additions	Deductions
<b>Orchard Hills Assessment District 05-21</b>						
<b>ASSETS</b>						
Cash and investments	\$ -	\$ 887	\$ 880	\$ 7		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accrued interest	-	-	-	-		
Due from other funds	-	-	-	-		
Due from developers	255	1,124	1,124	255		
Total Assets	<u>\$ 255</u>	<u>\$ 2,011</u>	<u>\$ 2,004</u>	<u>\$ 262</u>		
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 1,114	\$ 859	\$ 255		
Accrued liabilities	-	2	1	1		
Due to bondholders	23	-	17	6		
Due to other funds	232	-	232	-		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 255</u>	<u>\$ 1,116</u>	<u>\$ 1,109</u>	<u>\$ 262</u>		
<b>Portola Springs Assessment District 04-20</b>						
<b>ASSETS</b>						
Cash and investments	\$ 5,385	\$ 10,764	\$ 13,681	\$ 2,468		
Receivables, net of allowances:						
Taxes	69	97	69	97		
Accrued interest	2	1	2	1		
Due from other funds	-	-	-	-		
Due from developers	91	964	963	92		
Total Assets	<u>\$ 5,547</u>	<u>\$ 11,826</u>	<u>\$ 14,715</u>	<u>\$ 2,658</u>		
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 5,776	\$ 5,776	\$ -		
Accrued liabilities	92	95	93	94		
Due to bondholders	5,455	1,799	4,690	2,564		
Due to other funds	-	-	-	-		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 5,547</u>	<u>\$ 7,670</u>	<u>\$ 10,559</u>	<u>\$ 2,658</u>		
<b>Northern Sphere Assessment District 03-19</b>						
<b>ASSETS</b>						
Cash and investments	\$ 10,054	\$ 11,936	\$ 21,955	\$ 35		
Receivables, net of allowances:						
Taxes	172	48	172	48		
Accrued interest	3	1	3	1		
Due from other funds	336	-	336	-		
Due from developers	166	722	694	194		
Total Assets	<u>\$ 10,731</u>	<u>\$ 12,707</u>	<u>\$ 23,160</u>	<u>\$ 278</u>		
<b>LIABILITIES</b>						
Accounts payable	\$ 9	\$ 8,529	\$ 8,363	\$ 175		
Accrued liabilities	4	27	4	27		
Due to bondholders	10,718	-	10,642	76		
Due to other funds	-	-	-	-		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 10,731</u>	<u>\$ 8,556</u>	<u>\$ 19,009</u>	<u>\$ 278</u>		

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**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
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	June 30, 2012				June 30, 2013
	Balance	Additions	Deductions		Balance
<b>Shady Canyon/Turtle Ridge Assessment District 00-18</b>					
<b>ASSETS</b>					
Cash and investments	\$ 3,306	\$ 2,615	\$ 5,795		\$ 126
Receivables, net of allowances:					
Taxes	91	26	91		26
Accrued interest	1	-	1		-
Due from other funds	-	-	-		-
Due from developers	30	133	134		29
Total Assets	<u>\$ 3,428</u>	<u>\$ 2,774</u>	<u>\$ 6,021</u>		<u>\$ 181</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 2	\$ 2,039	\$ 2,012		\$ 29
Accrued liabilities	2	1	2		1
Due to bondholders	3,424	-	3,273		151
Due to other funds	-	-	-		-
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 3,428</u>	<u>\$ 2,040</u>	<u>\$ 5,287</u>		<u>\$ 181</u>
<b>Irvine Spectrum Reassessment District 85-7</b>					
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 838	\$ 825		\$ 13
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from other funds	-	-	-		-
Due from developers	133	577	582		128
Total Assets	<u>\$ 133</u>	<u>\$ 1,415</u>	<u>\$ 1,407</u>		<u>\$ 141</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 579	\$ 451		\$ 128
Accrued liabilities	1	1	1		1
Due to bondholders	28	-	16		12
Due to other funds	-	-	-		-
Due to other governments	104	-	104		-
Total Liabilities	<u>\$ 133</u>	<u>\$ 580</u>	<u>\$ 572</u>		<u>\$ 141</u>
<b>Irvine Spectrum Assessment District 87-8</b>					
<b>ASSETS</b>					
Cash and investments	\$ 3,464	\$ 4,263	\$ 7,476		\$ 251
Receivables, net of allowances:					
Taxes	73	41	73		41
Accrued interest	1	-	1		-
Due from other funds	-	-	-		-
Due from developers	51	229	228		52
Total Assets	<u>\$ 3,589</u>	<u>\$ 4,533</u>	<u>\$ 7,778</u>		<u>\$ 344</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 3	\$ 2,828	\$ 2,779		\$ 52
Accrued liabilities	3	1	3		1
Due to bondholders	3,583	1	3,293		291
Due to other funds	-	-	-		-
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 3,589</u>	<u>\$ 2,830</u>	<u>\$ 6,075</u>		<u>\$ 344</u>

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**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2013**  
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	June 30, 2012			June 30, 2013
	Balance	Additions	Deductions	Balance
<b>Westpark Assessment District 89-10</b>				
<b>ASSETS</b>				
Cash and investments	\$ 530	\$ 98	\$ 81	\$ 547
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	26	95	98	23
Total Assets	<u>\$ 556</u>	<u>\$ 193</u>	<u>\$ 179</u>	<u>\$ 570</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2	\$ 97	\$ 76	\$ 23
Accrued liabilities	1	1	1	1
Due to bondholders	553	-	7	546
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 556</u>	<u>\$ 98</u>	<u>\$ 84</u>	<u>\$ 570</u>
<b>Irvine Spectrum Assessment District 93-14</b>				
<b>ASSETS</b>				
Cash and investments	\$ 7,950	\$ 2,741	\$ 3,932	\$ 6,759
Receivables, net of allowances:				
Taxes	17	21	17	21
Accrued interest	-	2	1	1
Due from other funds	-	-	-	-
Due from developers	192	844	899	137
Total Assets	<u>\$ 8,159</u>	<u>\$ 3,608</u>	<u>\$ 4,849</u>	<u>\$ 6,918</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 192	\$ 2,038	\$ 2,092	\$ 138
Accrued liabilities	4	1	4	1
Due to bondholders	7,963	5	1,189	6,779
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 8,159</u>	<u>\$ 2,044</u>	<u>\$ 3,285</u>	<u>\$ 6,918</u>
<b>Oak Creek Assessment District 94-13</b>				
<b>ASSETS</b>				
Cash and investments	\$ 217	\$ 226	\$ 182	\$ 261
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	46	233	225	54
Total Assets	<u>\$ 263</u>	<u>\$ 459</u>	<u>\$ 407</u>	<u>\$ 315</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3	\$ 228	\$ 176	\$ 55
Accrued liabilities	-	1	-	1
Due to bondholders	260	-	1	259
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 263</u>	<u>\$ 229</u>	<u>\$ 177</u>	<u>\$ 315</u>

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City of Irvine  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2013  
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	June 30, 2012				June 30, 2013
	Balance	Additions	Deductions		Balance
<b>Westpark II Assessment District 94-15</b>					
<b>ASSETS</b>					
Cash and investments	\$ 1,373	\$ 271	\$ 177		\$ 1,467
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from other funds	-	-	-		-
Due from developers	19	88	90		17
Total Assets	<u>\$ 1,392</u>	<u>\$ 359</u>	<u>\$ 267</u>		<u>\$ 1,484</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1	\$ 85	\$ 68		\$ 18
Accrued liabilities	1	1	1		1
Due to bondholders	1,390	48	-		1,438
Due to other funds	-	-	-		-
Due to other governments	-	76	49		27
Total Liabilities	<u>\$ 1,392</u>	<u>\$ 210</u>	<u>\$ 118</u>		<u>\$ 1,484</u>
<b>Northwest Assessment District 97-16</b>					
<b>ASSETS</b>					
Cash and investments	\$ 691	\$ 434	\$ 642		\$ 483
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from other funds	-	-	-		-
Due from developers	72	354	342		84
Total Assets	<u>\$ 763</u>	<u>\$ 788</u>	<u>\$ 984</u>		<u>\$ 567</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 72	\$ 441	\$ 429		\$ 84
Accrued liabilities	-	1	-		1
Due to bondholders	691	-	209		482
Due to other funds	-	-	-		-
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 763</u>	<u>\$ 442</u>	<u>\$ 638</u>		<u>\$ 567</u>
<b>Lower Peters Canyon Assessment District 97-17</b>					
<b>ASSETS</b>					
Cash and investments	\$ 1,071	\$ 1,295	\$ 1,886		\$ 480
Receivables, net of allowances:					
Taxes	14	2	14		2
Accrued interest	-	-	-		-
Due from other funds	-	-	-		-
Due from developers	111	460	458		113
Total Assets	<u>\$ 1,196</u>	<u>\$ 1,757</u>	<u>\$ 2,358</u>		<u>\$ 595</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 7	\$ 1,044	\$ 937		\$ 114
Accrued liabilities	2	-	2		-
Due to bondholders	1,187	1	707		481
Due to other funds	-	-	-		-
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 1,196</u>	<u>\$ 1,045</u>	<u>\$ 1,646</u>		<u>\$ 595</u>

-continued-

City of Irvine  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2013  
(amounts expressed in thousands)  
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	June 30, 2012			June 30, 2013
	Balance	Additions	Deductions	Balance
<b>Irvine Public Facilities and Infrastructure Authority Series B</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,508	\$ 7	\$ 2,515	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 2,508</u>	<u>\$ 7</u>	<u>\$ 2,515</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2	\$ 2	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	2,508	-	2,508	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 2,508</u>	<u>\$ 2</u>	<u>\$ 2,510</u>	<u>\$ -</u>
<b>Irvine Public Facilities and Infrastructure Authority Series C</b>				
<b>ASSETS</b>				
Cash and investments	\$ 5,964	\$ 12	\$ 5,976	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 5,964</u>	<u>\$ 12</u>	<u>\$ 5,976</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2	\$ 2	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	5,964	-	5,964	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,964</u>	<u>\$ 2</u>	<u>\$ 5,966</u>	<u>\$ -</u>
<b>Irvine Public Facilities and Infrastructure Authority 2012 Series A</b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 27	\$ 16	\$ 11
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 16</u>	<u>\$ 11</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 17	\$ 16	\$ 1
Accrued liabilities	-	1	-	1
Due to bondholders	-	9	-	9
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 16</u>	<u>\$ 11</u>

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City of Irvine  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2013  
(amounts expressed in thousands)  
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	June 30, 2012			June 30, 2013
	Balance	Additions	Deductions	Balance
<b>Reassessment District 01-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 493	\$ 295	\$ 788	\$ -
Receivables, net of allowances:				
Taxes	42	-	42	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 535</u>	<u>\$ 295</u>	<u>\$ 830</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 253	\$ 253	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	535	-	535	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 535</u>	<u>\$ 253</u>	<u>\$ 788</u>	<u>\$ -</u>
<b>Reassessment District 01-2</b>				
<b>ASSETS</b>				
Cash and investments	\$ 3,662	\$ 2,171	\$ 5,833	\$ -
Receivables, net of allowances:				
Taxes	118	-	118	-
Accrued interest	1	-	1	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 3,781</u>	<u>\$ 2,171</u>	<u>\$ 5,952</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2,052	\$ 2,052	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	3,781	-	3,781	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 3,781</u>	<u>\$ 2,052</u>	<u>\$ 5,833</u>	<u>\$ -</u>
<b>Reassessment District 03-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 687	\$ 418	\$ 1,105	\$ -
Receivables, net of allowances:				
Taxes	25	-	25	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 712</u>	<u>\$ 418</u>	<u>\$ 1,130</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 393	\$ 393	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	712	-	712	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 712</u>	<u>\$ 393</u>	<u>\$ 1,105</u>	<u>\$ -</u>

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City of Irvine  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2013  
(amounts expressed in thousands)  
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	June 30, 2012			June 30, 2013
	Balance	Additions	Deductions	Balance
<b>Reassessment District 03-2</b>				
<b>ASSETS</b>				
Cash and investments	\$ 5,970	\$ 3,979	\$ 9,949	\$ -
Receivables, net of allowances:				
Taxes	123	-	123	-
Accrued interest	2	-	2	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 6,095</u>	<u>\$ 3,979</u>	<u>\$ 10,074</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	-	\$ 3,854	\$ 3,854	-
Accrued liabilities	-	-	-	-
Due to bondholders	6,095	-	6,095	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 6,095</u>	<u>\$ 3,854</u>	<u>\$ 9,949</u>	<u>\$ -</u>
<b>Reassessment District 11-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 4,779	\$ 6,364	\$ 6,174	\$ 4,969
Receivables, net of allowances:				
Taxes	90	58	90	58
Accrued interest	2	2	2	2
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 4,871</u>	<u>\$ 6,424</u>	<u>\$ 6,266</u>	<u>\$ 5,029</u>
<b>LIABILITIES</b>				
Accounts payable	-	\$ 3,076	\$ 3,076	-
Accrued liabilities	1	1	1	1
Due to bondholders	4,870	158	-	5,028
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,871</u>	<u>\$ 3,235</u>	<u>\$ 3,077</u>	<u>\$ 5,029</u>
<b>Reassessment District 11-2</b>				
<b>ASSETS</b>				
Cash and investments	\$ 4,968	\$ 7,076	\$ 6,733	\$ 5,311
Receivables, net of allowances:				
Taxes	134	83	134	83
Accrued interest	1	1	1	1
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 5,103</u>	<u>\$ 7,160</u>	<u>\$ 6,868</u>	<u>\$ 5,395</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2	\$ 3,368	\$ 3,370	-
Accrued liabilities	-	-	-	-
Due to bondholders	5,101	294	-	5,395
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,103</u>	<u>\$ 3,662</u>	<u>\$ 3,370</u>	<u>\$ 5,395</u>

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City of Irvine  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2013  
(amounts expressed in thousands)  
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	June 30, 2012			June 30, 2013
	Balance	Additions	Deductions	Balance
<b>Reassessment District 12-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 176,557	\$ 157,242	\$ 19,315
Receivables, net of allowances:				
Taxes	-	258	-	258
Accrued interest	-	8	-	8
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 176,823</u>	<u>\$ 157,242</u>	<u>\$ 19,581</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2,772	\$ 2,769	\$ 3
Accrued liabilities	-	1	-	1
Due to bondholders	-	19,577	-	19,577
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 22,350</u>	<u>\$ 2,769</u>	<u>\$ 19,581</u>
<b>Reassessment District 13-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 98,240	\$ 28	\$ 98,212
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 98,240</u>	<u>\$ 28</u>	<u>\$ 98,212</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1	\$ 1	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	-	98,212	-	98,212
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 98,213</u>	<u>\$ 1</u>	<u>\$ 98,212</u>
<b>CFD-Central Park 2004-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 851	\$ 5	\$ 2	\$ 854
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 851</u>	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 854</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	851	3	-	854
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 851</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 854</u>

-continued-

**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2013**  
(amounts expressed in thousands)  
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	June 30, 2012			June 30, 2013
	Balance	Additions	Deductions	Balance
<b>CFD-Columbus Grove 2005-2</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,971	\$ 28,240	\$ 7,569	\$ 23,642
Receivables, net of allowances:				
Taxes	43	28	43	28
Accrued interest	1	-	1	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 3,015</u>	<u>\$ 28,268</u>	<u>\$ 7,613</u>	<u>\$ 23,670</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2,965	\$ 2,965	\$ -
Accrued liabilities	1	-	1	-
Due to bondholders	3,014	23,621	2,965	23,670
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 3,015</u>	<u>\$ 26,586</u>	<u>\$ 5,931</u>	<u>\$ 23,670</u>
<b>CFD-Great Park 2013-3</b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ (70)	\$ 157	\$ (227)
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	227	-	227
Total Assets	<u>\$ -</u>	<u>\$ 157</u>	<u>\$ 157</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 93	\$ 93	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	-	100	100	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ 193</u>	<u>\$ -</u>
<b>Inter-Agency Custodial Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 462	\$ 525	\$ 890	\$ 97
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 462</u>	<u>\$ 525</u>	<u>\$ 890</u>	<u>\$ 97</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 55	\$ 421	\$ 448	\$ 28
Accrued liabilities	-	-	-	-
Due to bondholders	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	407	88	426	69
Total Liabilities	<u>\$ 462</u>	<u>\$ 509</u>	<u>\$ 874</u>	<u>\$ 97</u>

-continued-

**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2013**  
 (amounts expressed in thousands)  
**Page 11 of 11**

	June 30, 2012			June 30, 2013
	Balance	Additions	Deductions	Balance
<b>Total Agency Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 75,880	\$ 381,441	\$ 270,738	\$ 186,583
Receivables, net of allowances:				
Taxes	1,843	833	1,843	833
Accrued interest	15	18	16	17
Due from other funds	336	-	336	-
Due from developers	1,192	6,050	5,837	1,405
Total Assets	<u>\$ 79,266</u>	<u>\$ 388,342</u>	<u>\$ 278,770</u>	<u>\$ 188,838</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 354	\$ 46,711	\$ 45,962	\$ 1,103
Accrued liabilities	115	141	117	139
Due to bondholders	78,054	156,792	47,346	187,500
Due to other funds	232	-	232	-
Due to other governments	511	164	579	96
Total Liabilities	<u>\$ 79,266</u>	<u>\$ 203,808</u>	<u>\$ 94,236</u>	<u>\$ 188,838</u>





# STATISTICAL SECTION

This section of the City of Irvine's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends Schedules - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- Taxable Sales by Category
- Tax Revenue by Source - Governmental Funds

Revenue Capacity Schedules - These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

- Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Tax Payers
- Property Tax Levies and Collections

Debt Capacity Schedules - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Ratio of Outstanding Debt by Type
- Ratio of General Bonded Debt Outstanding
- Schedule of Direct and Overlapping Bonded Debt
- Legal Debt Margin

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers
- Budgeted Full-Time, Part-Time, and Non-Hourly Positions by Function

Operating Information - These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

- Capital Asset Statistics
- Operating Indicators by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**City of Irvine**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 1,575,361	\$ 1,537,181	\$ 1,523,430	\$ 1,488,021
Restricted	320,962	287,906	294,596	349,681
Unrestricted	<u>362,179</u>	<u>384,731</u>	<u>287,840</u>	<u>244,927</u>
Total Governmental Activities Net Position	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>	<u>\$ 2,105,866</u>	<u>\$ 2,082,629</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 1,575,361	\$ 1,537,181	\$ 1,523,430	\$ 1,488,021
Restricted	320,962	287,906	294,596	349,681
Unrestricted	<u>362,179</u>	<u>384,731</u>	<u>287,840</u>	<u>244,927</u>
Total Primary Government Net Position	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>	<u>\$ 2,105,866</u>	<u>\$ 2,082,629</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 1,459,815	\$ 1,425,432	\$ 1,275,007	\$ 1,180,580	\$ 883,853	\$ 810,255
375,082	364,556	430,022	410,792	351,994	343,352
294,354	371,340	313,186	213,578	144,889	124,419
<u>\$ 2,129,251</u>	<u>\$ 2,161,328</u>	<u>\$ 2,018,215</u>	<u>\$ 1,804,950</u>	<u>\$ 1,380,736</u>	<u>\$ 1,278,026</u>

\$ 1,459,815	\$ 1,425,432	\$ 1,275,007	\$ 1,180,580	\$ 883,853	\$ 810,255
375,082	364,556	430,022	410,792	351,994	343,352
294,354	371,340	313,186	213,578	144,889	124,419
<u>\$ 2,129,251</u>	<u>\$ 2,161,328</u>	<u>\$ 2,018,215</u>	<u>\$ 1,804,950</u>	<u>\$ 1,380,736</u>	<u>\$ 1,278,026</u>

**City of Irvine**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>EXPENSES</b>				
<b>Governmental Activities</b>				
General Government	\$ 28,141	\$ 54,380	\$ 20,267	\$ 23,199
Public Safety	59,284	57,563	57,091	57,891
Public Works	70,423	59,037	58,702	59,666
Community Services	29,944	35,806	33,006	26,715
Community Development <sup>(1)</sup>	20,575	20,694	21,747	25,447
Redevelopment <sup>(1)</sup>	-	-	-	-
Great Park <sup>(2)</sup>	59,621	16,398	14,747	17,593
Interest on long-term debt	20	26	68	14,803
Unallocated infrastructure depreciation	46,693	44,770	42,778	41,026
Total Governmental Activities Expenses	<u>\$ 314,701</u>	<u>\$ 288,674</u>	<u>\$ 248,406</u>	<u>\$ 266,340</u>
<b>PROGRAM REVENUES</b>				
<b>Governmental Activities</b>				
Charges for services:				
General Government	\$ 560	\$ 1,741	\$ 462	\$ 7,354
Public Safety	4,471	3,172	3,460	4,163
Public Works	13,847	7,210	10,465	12,057
Community Services	14,326	9,070	9,069	9,219
Community Development <sup>(1)</sup>	14,410	15,788	17,579	6,896
Redevelopment <sup>(1)</sup>	-	-	-	-
Great Park <sup>(2)</sup>	4,233	3,212	2,946	3,521
Operating grants and contributions	32,664	23,693	16,570	9,644
Capital grants and contributions	145,897	36,104	71,731	31,707
Total Governmental Activities Program Revenues	<u>230,408</u>	<u>99,990</u>	<u>132,282</u>	<u>84,561</u>
<b>Total Net Revenues (Expenses)</b>	<u>\$ (84,293)</u>	<u>\$ (188,684)</u>	<u>\$ (116,124)</u>	<u>\$ (181,779)</u>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
<b>Governmental Activities</b>				
Taxes:				
Property tax <sup>(3)</sup>	\$ 46,659	\$ 47,862	\$ 48,370	\$ 50,791
Sales taxes	51,596	48,972	48,694	42,209
Franchise taxes	12,505	12,163	12,099	11,223
Transient occupancy taxes	11,256	8,489	8,294	7,306
Document transfer taxes	2,404	1,426	1,536	1,626
Business license taxes	-	905	911	-
Motor vehicle in-lieu	115	108	981	628
Sale of assets	129	563	64	62
Unrestricted capital grants & contributions	-	-	-	-
Investment revenue	7,740	7,982	4,786	20,492
Other revenue	1,448	250	27	179
Total General Revenues	<u>133,852</u>	<u>128,720</u>	<u>125,762</u>	<u>134,516</u>
Extraordinary Gain (Loss)	-	163,916	-	-
<b>Changes in Net Position</b>	<u>\$ 49,559</u>	<u>\$ 103,952</u>	<u>\$ 9,638</u>	<u>\$ (47,263)</u>

<sup>(1)</sup> Redevelopment department established in fiscal year 2005-06 and combined with Community Development in fiscal year 2008-09.

<sup>(2)</sup> Great Park department established in fiscal year 2006-07.

<sup>(3)</sup> City amounts included the Redevelopment Agency's incremental valuation.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	20,495	\$ 47,848	\$ 18,211	\$ 22,587	\$ 18,732	\$ 20,967
	57,693	52,292	45,356	43,907	38,418	36,238
	55,070	27,663	90,318	60,461	61,121	51,849
	32,284	37,177	34,389	29,868	26,978	22,988
	32,453	18,488	21,485	24,822	18,038	15,180
	-	10,468	16,628	1,400	-	-
	13,235	34,248	18,628	-	-	-
	14,111	-	1,239	1,250	979	746
	38,928	33,172	27,777	24,502	22,089	19,396
\$	<u>264,269</u>	<u>\$ 261,356</u>	<u>\$ 274,031</u>	<u>\$ 208,797</u>	<u>\$ 186,355</u>	<u>\$ 167,364</u>
\$	681	\$ 10,738	\$ -	\$ 2,861	\$ 134	\$ 222
	4,273	3,950	3,429	3,610	3,365	3,329
	10,856	24,566	18,098	27,231	37,855	13,895
	10,896	7,723	7,285	6,793	6,059	5,574
	4,828	13,479	12,983	16,355	13,164	11,683
	-	319	768	-	-	-
	3,384	3,450	2,785	-	-	-
	15,702	11,286	16,029	9,949	10,465	9,036
	52,238	155,840	245,498	434,218	110,554	165,605
	102,858	231,351	306,875	501,017	181,596	209,344
\$	<u>(161,411)</u>	<u>\$ (30,005)</u>	<u>\$ 32,844</u>	<u>\$ 292,220</u>	<u>\$ (4,759)</u>	<u>\$ 41,980</u>
\$	54,168	\$ 52,155	\$ 54,566	\$ 33,094	\$ 27,530	\$ 17,372
	49,732	58,949	58,041	53,688	49,335	48,547
	11,704	11,553	11,344	10,040	9,015	8,729
	7,768	9,108	9,396	8,708	7,295	6,688
	996	1,328	2,525	3,831	3,622	2,617
	-	-	-	-	-	-
	715	820	1,069	1,284	1,429	10,712
	165	14	21	78	74	-
	-	-	1	1	-	-
	7,325	36,304	43,458	21,270	9,169	3,541
	20	2,276	-	-	-	-
	132,593	172,507	180,421	131,994	107,469	98,206
	-	-	-	-	-	-
\$	<u>(28,818)</u>	<u>\$ 142,502</u>	<u>\$ 213,265</u>	<u>\$ 424,214</u>	<u>\$ 102,710</u>	<u>\$ 140,186</u>

**City of Irvine**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

	<u>2013<sup>(1)</sup></u>	<u>2012<sup>(1)</sup></u>	<u>2011<sup>(1)</sup></u>	<u>2010<sup>(2)</sup></u>
<b>GENERAL FUND</b>				
Non Spendable	\$ 7,987	\$ 7,736	\$ 7,816	\$ 7,054
Restricted	5,378	5,435	4,927	5,234
Committed	16,538	16,033	7,863	15,938
Assigned	70,987	74,850	74,674	75,411
Unassigned	<u>11,105</u>	<u>7,878</u>	<u>13,474</u>	<u>312</u>
Total General Fund	<u>\$ 111,995</u>	<u>\$ 111,932</u>	<u>\$ 108,754</u>	<u>\$ 103,949</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Non Spendable	\$ 136,400	\$ 136,178	\$ 175,116	\$ 136,584
Restricted	296,160	269,852	281,699	273,138
Committed	63,194	82,706	148,216	185,655
Assigned	5,062	12,621	10,712	15,022
Unassigned	<u>(2,453)</u>	<u>(1,536)</u>	<u>(224,542)</u>	<u>(180,521)</u>
Total All Other Governmental Funds	<u>\$ 498,363</u>	<u>\$ 499,821</u>	<u>\$ 391,201</u>	<u>\$ 429,878</u>
<b>ALL GOVERNMENTAL FUNDS</b>	<u>\$ 610,358</u>	<u>\$ 611,753</u>	<u>\$ 499,955</u>	<u>\$ 533,827</u>

**GENERAL FUND**

Reserved  
Unreserved  
Total General Fund

**ALL OTHER GOVERNMENTAL FUNDS**

Reserved  
Unreserved, reported in:  
Special Revenue Funds  
Capital Project Funds  
Permanent Funds  
Total All Other Governmental Funds

**ALL GOVERNMENTAL FUNDS**

<sup>(1)</sup> The City implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54) beginning fiscal year ended June 30, 2010.

<sup>(2)</sup> Information prior to the implementation of GASB 54 is unavailable.

<u>2009</u> <sup>(2)</sup>	<u>2008</u> <sup>(2)</sup>	<u>2007</u> <sup>(2)</sup>	<u>2006</u> <sup>(2)</sup>	<u>2005</u> <sup>(2)</sup>	<u>2004</u> <sup>(2)</sup>
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<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 9,427	\$ 9,443	\$ 9,261	\$ 9,142	\$ 2,745	\$ 2,200
100,769	114,344	117,811	120,750	111,696	102,262
<u>\$ 110,196</u>	<u>\$ 123,787</u>	<u>\$ 127,072</u>	<u>\$ 129,892</u>	<u>\$ 114,441</u>	<u>\$ 104,462</u>
\$ 293,817	\$ 289,456	\$ 243,202	\$ 258,365	\$ 215,323	\$ 242,823
127,296	185,171	262,416	185,171	115,520	81,008
52,429	(9)	26,928	(9)	(67)	(13)
170	146	114	72	56	97
<u>\$ 473,712</u>	<u>\$ 474,764</u>	<u>\$ 583,441</u>	<u>\$ 474,991</u>	<u>\$ 365,227</u>	<u>\$ 346,399</u>
<u>\$ 583,908</u>	<u>\$ 598,551</u>	<u>\$ 710,513</u>	<u>\$ 604,883</u>	<u>\$ 479,668</u>	<u>\$ 450,861</u>

**City of Irvine**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 46,659	\$ 47,861	\$ 50,608	\$ 51,106
Sales and use taxes	54,663	52,566	48,487	42,209
All other taxes	37,445	30,732	33,371	25,393
Licenses & permits	6,865	6,091	6,122	4,395
Fines & forfeitures	1,780	2,065	1,916	1,948
Investment income	(283)	4,146	10,488	10,845
Intergovernmental	18,694	14,072	35,419	35,367
Charges for services	27,702	24,057	33,496	34,405
Assessment districts contributions	31,520	2,489	38,318	-
Revenue from developers	53,469	16,539	7,641	336
Revenue from property owners	6,015	5,673	5,372	4,904
Donations	655	572	574	791
Other revenue	4,234	3,400	4,392	4,065
Total Revenues	<u>289,418</u>	<u>210,263</u>	<u>276,204</u>	<u>215,764</u>
<b>EXPENDITURES</b>				
Current:				
General Government	26,446	52,183	28,346	29,457
Public Safety	60,211	56,264	55,586	56,165
Public Works	41,330	34,663	27,188	35,709
Community Development	23,321	22,873	27,234	25,888
Community Services	34,839	33,965	32,054	33,667
Redevelopment <sup>(2)</sup>	-	-	-	-
Great Park	15,235	16,079	14,779	17,743
Street lighting	-	6,403	6,892	5,658
Capital Outlay	86,345	60,461	95,986	76,164
Debt Services:				
Principal retirement	-	-	8,260	7,525
Interest & fiscal charges	-	4,866	16,336	14,690
Administration	-	-	11	43
Total Expenditures	<u>287,727</u>	<u>287,757</u>	<u>312,672</u>	<u>302,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,691</u>	<u>(77,494)</u>	<u>(36,468)</u>	<u>(86,945)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term note	-	-	-	62
Proceeds from sale of capital assets	40	1,125	322	-
Transfers in	31,166	16,304	215,415	124,556
Transfers out	(33,417)	(16,309)	(213,141)	(113,586)
Total Other Financing Sources (Uses)	<u>(2,211)</u>	<u>1,120</u>	<u>2,596</u>	<u>11,032</u>
<b>EXTRAORDINARY GAIN (LOSS)</b>				
Forgiveness of debts	-	25,823	-	-
Dissolution of redevelopment agency	-	162,349	-	-
Total Extraordinary Gain (Loss)	<u>-</u>	<u>188,172</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (520)</u>	<u>\$ 111,798</u>	<u>\$ (33,872)</u>	<u>\$ (75,913)</u>
<b>DEBT SERVICE AS A PERCENTAGE</b>				
<b>OF NONCAPITAL EXPENDITURES</b>	0.0%	2.1%	11.4%	9.8%

<sup>(1)</sup> Excludes infrastructure, prior to the implementation of Governmental Accounting Standards Board Statement No. 34.

<sup>(2)</sup> Redevelopment department established in fiscal year 2005-06 and combined into Community Development in fiscal year 2008-09.



	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	54,168	\$ 52,155	\$ 54,566	\$ 33,094	\$ 27,530	\$ 17,372
	49,732	58,949	58,041	53,688	49,335	48,547
	25,402	31,353	33,261	42,340	32,566	28,814
	4,592	7,528	7,166	8,996	6,943	6,646
	1,936	2,192	1,985	2,151	2,059	1,829
	23,089	35,973	39,141	20,201	8,774	3,510
	43,610	35,885	20,647	13,315	10,801	15,883
	34,202	43,572	35,241	34,178	28,450	25,152
	498	-	108,131	101,067	47,421	104,061
	1,103	83,975	89,669	76,410	36,051	15,985
	5,203	4,863	7,782	6,372	5,859	8,529
	537	1,003	-	-	-	-
	2,936	2,563	4,253	6,326	2,582	1,909
	<u>247,008</u>	<u>360,011</u>	<u>459,883</u>	<u>398,138</u>	<u>258,371</u>	<u>278,237</u>
	30,572	31,331	28,662	34,308	28,780	30,118
	56,404	52,481	47,830	44,100	39,130	36,640
	33,833	35,803	39,613	29,946	32,409	30,673
	33,985	18,576	17,818	24,947	18,078	15,002
	34,240	35,264	34,524	29,613	26,621	22,436
	-	9,737	15,537	1,270	-	-
	13,073	12,128	18,636	-	-	-
	6,226	5,069	4,589	4,137	4,190	3,771
	84,770	169,594	137,511	93,798	73,914	68,271
	6,990	8,170	6,225	5,770	5,330	4,885
	14,038	11,853	1,240	1,202	911	706
	75	106	108	179	156	166
	<u>314,206</u>	<u>390,112</u>	<u>352,293</u>	<u>269,270</u>	<u>229,519</u>	<u>212,668</u>
	<u>(67,198)</u>	<u>(30,101)</u>	<u>107,590</u>	<u>128,868</u>	<u>28,852</u>	<u>65,569</u>
	48	47	1,350	-	-	-
	-	14	-	-	-	-
	65,542	476,218	97,956	83,297	22,244	22,393
	<u>(64,308)</u>	<u>(477,803)</u>	<u>(101,266)</u>	<u>(86,950)</u>	<u>(22,919)</u>	<u>(22,352)</u>
	<u>1,282</u>	<u>(1,524)</u>	<u>(1,960)</u>	<u>(3,653)</u>	<u>(675)</u>	<u>41</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>(65,916)</u>	<u>(31,625)</u>	<u>105,630</u>	<u>125,215</u>	<u>28,177</u>	<u>65,610</u>
	9.2%	9.1%	3.5%	4.1%	4.1%	(1) 4.0%

**City of Irvine**  
**Taxable Sales by Category**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Apparel stores	\$ *	\$ 147,173	\$ 137,511	\$ 172,603
General merchandise	*	220,639	226,867	278,703
Food stores	*	107,635	104,389	125,234
Eating & drinking places	*	397,217	355,376	445,344
Home furnishings & appliances	*	253,368	230,224	283,000
Building material & farm tools	*	66,566	62,052	73,915
Auto dealers & supplies	*	430,327	404,128	474,807
Service stations	*	202,401	179,117	197,404
Other retail stores	*	312,495	217,823	285,369
All other outlets	*	1,209,205	1,209,268	1,472,038
<b>Total</b>	<u>\$ -</u>	<u>\$ 3,347,026</u>	<u>\$ 3,126,755</u>	<u>\$ 3,808,417</u>
<b>City Direct Sales Tax Rate</b>	0.75%	0.75%	0.75%	0.75%

<sup>(1)</sup> The State reduced the actual sales tax allocation by 0.25%, and used this 0.25% as security for the State's "Economic Recovery Bonds." The State has replaced the 0.25% reduction of sales tax with a dollar-for-dollar allocation of local property tax from the County ERAF funds.

\* Statistics for fiscal year 2012-13 is unavailable at the present time.

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$ 165,975	\$ 151,277	\$ 160,900	\$ 134,828	\$ 107,968	\$ 93,733
313,425	382,044	426,465	381,271	334,891	316,770
118,234	135,395	125,231	121,971	112,236	89,630
437,188	455,804	455,127	429,805	395,191	374,066
238,432	172,600	214,469	212,144	213,146	204,504
70,540	94,565	103,877	85,475	91,439	88,095
467,329	660,418	726,047	722,744	782,031	829,419
182,025	212,969	183,978	160,051	134,092	117,033
372,985	748,933	925,451	838,667	754,319	759,285
<u>1,574,474</u>	<u>1,635,329</u>	<u>1,610,630</u>	<u>1,647,566</u>	<u>1,558,964</u>	<u>1,461,650</u>
<u>\$ 3,940,607</u>	<u>\$ 4,649,334</u>	<u>\$ 4,932,175</u>	<u>\$ 4,734,522</u>	<u>\$ 4,484,277</u>	<u>\$ 4,334,185</u>
0.75%	0.75%	0.75%	0.75% <sup>(1)</sup>	1.00%	1.00%

**City of Irvine**  
**Tax Revenues by Source - Governmental Funds**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year	Property Tax		Sales Tax	Transient Occupancy Tax	Franchise Tax	Document Transfer		Other	Total
	City	Redevelopment Agency <sup>(1) (2)</sup>				Tax	Tax		
2013	\$ 46,564	\$ 95	\$ 54,663	\$ 9,005	\$ 11,950	\$ 2,404	\$ 14,086	\$ 138,767	
2012	44,549	3,312	52,566	8,489	11,591	1,426	9,226	131,159	
2011	44,122	6,486	48,487	8,294	11,548	1,536	11,993	132,466	
2010	45,065	6,041	42,209	7,268	11,223	1,626	5,276	118,708	
2009	45,395	8,773	49,732	7,768	11,704	996	4,934	129,302	
2008	45,309	6,846	58,949	9,108	11,553	1,328	9,364	142,457	
2007	42,013	12,553	58,041	9,396	11,344	2,525	9,996	145,868	
2006	33,094	-	53,688	8,708	10,040	3,831	19,761	129,122	
2005	27,530	-	49,335	7,295	9,015	3,622	12,634	109,431	
2004	17,372	-	48,547	6,688	8,729	2,617	10,780	94,733	

<sup>(1)</sup> Redevelopment Agency tax increment began in fiscal year 2006-07.

<sup>(2)</sup> Redevelopment Agency was dissolved on January 31, 2012.

**City of Irvine**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year	City				Redevelopment Agency <sup>(2) (3)</sup>					Direct Tax Rate
	Secured	Public Utility	Unsecured	Taxable Assessed Value <sup>(1)</sup>	Secured	Public Utility	Unsecured	Incremental Valuation		
2013	\$ 45,031,475	\$ 1,718	\$ 3,612,900	\$ 48,646,093	\$ 601,600	\$ 335	\$ 3,758	\$ 605,693	0.02992%	
2012	43,704,446	1,811	3,429,975	47,136,232	634,278	335	6,549	641,162	0.02992%	
2011	43,012,659	1,811	3,524,106	46,538,576	615,136	335	6,958	622,429	0.02992%	
2010	43,654,448	2,009	3,555,544	47,212,001	597,735	335	4,229	602,299	0.02992%	
2009	43,636,021	2,060	3,619,528	47,257,609	864,151	335	7,657	872,143	0.02992%	
2008	41,322,909	2,479	3,057,595	44,382,983	847,207	335	2,559	850,101	0.02992%	
2007	36,335,844	5,682	2,938,730	39,280,256	830,738	616	2,904	834,258	0.02992%	
2006	31,225,237	5,893	2,532,912	33,764,042	-	-	-	-	0.02992%	
2005	27,069,659	7,034	2,558,015	29,634,708	-	-	-	-	0.02992%	
2004	24,268,011	5,685	2,526,044	26,799,740	-	-	-	-	0.02992%	

**Note:** Estimated value of taxable property not readily available in the State of California. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations of Proposition 13 passed in 1978.

<sup>(1)</sup> City amounts include the Redevelopment Agency's incremental valuation.

<sup>(2)</sup> Redevelopment Agency tax values began in fiscal year 2006-07.

<sup>(3)</sup> Redevelopment Agency was dissolved on January 31, 2012.

**City of Irvine**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
(expressed as a rate per \$100 of assessed value)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>City Direct Rates</b>	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992
<b>Overlapping Rates:</b>										
Orange County Street Lighting Maintenance District #10	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972
Orange County Fire Authority-General Fund	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559
Orange County Water District	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533
Orange County Water District-Water Reserve	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008
Orange County Transit Authority	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289
Orange County Sanitation #7 General Fund	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082
Orange County Sanitation (OC 7TH SMD)	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159
Tustin Unified General Fund	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154
South Orange County Community College District	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104
Orange County Department of Education	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649
Orange County General Fund	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339
Orange County Public Library	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715
Orange County Flood Control District	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034
Orange County Harbors Beaches & Parks CSA	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572
Educational Revenue Augmentation Fund	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673
Orange County Cemetery Fund	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051
Orange County Vector Control District	<u>0.00115</u>	<u>0.00115</u>	<u>0.00115</u>	<u>0.00115</u>	<u>0.00115</u>	<u>0.00115</u>	<u>0.00115</u>	<u>0.00115</u>	<u>0.00115</u>	<u>0.00115</u>
Total Proposition 13 Rates (see note below)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Metropolitan Water District	0.00350	0.00370	0.00370	0.00430	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610
Tustin Unified SFID 2002 Bond SR 2003A	0.00304	0.00310	0.00311	0.00300	0.00292	0.00001	-	-	0.05541	0.03036
Tustin Unified SFID 2002-1 Series C	0.01367	0.01292	0.01301	0.01241	0.00735	-	-	-	-	-
Tustin Unified SFID 2002-2 Series D & Sub Series D-1	0.00398	0.00005	0.00568	-	-	-	-	-	-	-
Tustin Unified SFID 2002 Bond SR 2006B	0.02223	0.02144	0.02221	0.02256	0.02075	0.03172	0.00232	0.03105	-	-
Tustin Unified SFID 2008-1 Series A & Sub Series A-1	0.01234	0.01834	0.01561	-	-	-	-	-	-	-
Tustin Unified SFID 2008-1 2008 Series B	0.01003	0.00001	-	-	-	-	-	-	-	-
Tustin Unified SFID 2008-1 2008 EL, Series C	0.00200	0.00000	-	-	-	-	-	-	-	-
Total Direct and Overlapping Rates	<u>1.07079</u>	<u>1.05956</u>	<u>1.06332</u>	<u>1.04227</u>	<u>1.03532</u>	<u>1.03623</u>	<u>1.00702</u>	<u>1.03625</u>	<u>1.06121</u>	<u>1.03646</u>

This schedule shows information for tax rate area 26-000.

**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 in which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various voter-approved school and water district bonds.

**City of Irvine  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>2013</u>			<u>2004</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Irvine Company	\$ 5,993,824,698	1	12.32%	\$ 2,632,113,577	1	9.82%
Irvine Apartment Communities	866,292,939	2	1.78%	1,302,364,555	2	4.86%
Heritage Fields El Toro	607,439,224	3	1.25%	-		-
B Braun Medical Inc	361,167,927	4	0.74%	188,027,962	3	0.70%
LBA IV-PPI LLC	352,117,356	5	0.72%	-		-
Allergan	300,899,487	6	0.62%	86,670,349	10	0.32%
John Hancock Life	280,438,817	7	0.58%	-		-
Lennar Corporation	261,479,544	8	0.54%	-		-
Lakeshore Properties LLC	188,071,289	9	0.39%	160,222,790	5	0.60%
Park Spectrum	180,377,381	10	0.37%	-		-
Koll Center Irvine	-		-	167,469,947	4	0.62%
BRE/Park Place LLC	-		-	149,877,990	6	0.56%
Maruchan Inc	-		-	93,447,740	7	0.35%
Ford Motor Land	-		-	92,074,788	8	0.34%
WMICC Delaware Holdings	-		-	88,880,817	9	0.33%
Totals	<u>\$ 9,392,108,662</u>		<u>19.31%</u>	<u>\$ 4,961,150,515</u>		<u>18.51%</u>

Presented in the order of highest to lowest estimated property tax revenue paid to the City and Redevelopment Agency.

**City of Irvine  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy for Fiscal Year <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount <sup>(2)</sup>	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 70,528,865	\$ 69,549,205	98.61%	\$ 739,919	\$ 70,289,124	98.61%
2012	79,604,976	77,405,056	97.24%	1,066,687	78,471,743	105.29%
2011	77,520,820	75,332,973	97.18%	1,137,627	76,470,600	98.65%
2010	77,549,644	63,080,086	81.34%	1,670,155	64,750,241	83.50%
2009	79,872,700	76,262,107	95.48%	769,454	77,031,561	96.44%
2008	79,843,121	76,838,078	96.24%	2,242,922	79,080,999	99.05%
2007	77,743,318	76,384,058	98.25%	1,451,665	77,835,723	100.12%
2006	57,438,195	55,937,610	97.39%	768,707	56,706,318	98.73%
2005	49,012,241	50,247,731	102.52%	629,321	50,877,052	103.80%
2004	47,447,593	46,459,312	97.92%	425,152	46,884,464	98.81%

<sup>(1)</sup> Includes General City property tax revenue inclusive of secured, unsecured, and supplemental rolls as well as 1915 Act Assessment District and Proposition 218, "The Right to Vote on Tax Initiative," special assessments. Amount excludes property tax-in lieu VLF, sales and use tax compensation, ERAF, Triple flip or VLF swap. The amounts presented include City property taxes and Redevelopment Agency tax increment beginning in fiscal year 2006-07.

<sup>(2)</sup> Net collections reflect deductions for refunds, delinquencies and impoundments.



**City of Irvine**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Lease Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Total Governmental Activities</u>	<u>Percentage of Personal Income <sup>(1)</sup></u>	<u>% of Actual Assessed Value of Property <sup>(2)</sup></u>	<u>Per Capita <sup>(1)</sup></u>
2013	\$ -	\$ -	\$ -	\$ 470	470	0.01%	0.001%	2
2012	-	-	-	386	386	0.00%	0.001%	2
2011	-	-	-	689	689	0.01%	0.001%	3
2010	-	8,260	-	381	8,641	0.11%	0.018%	40
2009	-	15,785	-	673	16,458	0.19%	0.035%	77
2008	-	22,775	-	631	23,406	0.27%	0.053%	113
2007	-	29,135	1,810	425	31,370	0.41%	0.080%	157
2006	-	34,965	2,205	648	37,818	0.51%	0.112%	197
2005	-	40,365	2,575	801	43,741	0.60%	0.148%	239
2004	-	45,340	2,930	939	49,209	-	0.184%	287

<sup>(1)</sup> See Demographic and Economic Statistics schedule for personal income and population. Personal income data not available prior to fiscal year 2004-05.

<sup>(2)</sup> Assessed value used because actual value of taxable property not readily available in the State of California.

**City of Irvine**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita)

<u>Fiscal Year</u>	<u>Population <sup>(1)</sup></u>	<u>Total General Obligation Bonds</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Percent of Debt to Assessed Value</u>	<u>Debt per Capita</u>
2013	231	-	-	-	0.00%	-
2012	224	-	-	-	0.00%	-
2011	219	-	-	-	0.00%	-
2010	218	-	-	-	0.00%	-
2009	213	-	-	-	0.00%	-
2008	208	-	-	-	0.00%	-
2007	199	-	-	-	0.00%	-
2006	192	-	-	-	0.00%	-
2005	183	-	-	-	0.00%	-
2004	172	-	-	-	0.00%	-

<sup>(1)</sup> California Department of Finance at January 1, est.

**City of Irvine**  
**Schedule of Direct and Overlapping Bonded Debt**  
**June 30, 2013**

2012-13 Assessed valuation: \$ 48,646,093,255

	Total	City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Debt 6/30/13</u>	<u>Debt 6/30/13</u>
	%	%
Metropolitan Water District	\$ 165,085,000	2.317 % \$ 3,825,019
Rancho Santiago Community College District	293,246,944	11.128 32,632,520
Irvine Unified School District Community Facilities Districts	391,373,130	99.725-100. 391,101,746
Laguna Unified School District	29,510,000	0.00002 6
Saddleback Valley Unified School District	121,645,000	4.277 5,202,757
Santa Ana Unified School District	296,779,272	26.199 77,753,201
Santa Ana Unified School District Community Facilities District No. 2004-1	11,355,000	100 11,355,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	55,441,785	8.708 4,827,871
Tustin Unified School District School Facilities Improvement District No. 2008-1	72,725,000	8.916 6,484,161
Tustin Unified School District School Facilities Improvement District No. 2012-1	35,000,000	23.846 8,346,100
Tustin Unified School District Community Facilities District No. 97-1	96,552,675	100 96,552,675
Tustin Unified School District Community Facilities District No. 2007-1	90,500,000	100 90,500,000
Irvine Ranch Water District Improvement Districts	468,707,510	77.807-100. 351,933,225
City of Irvine Community Facilities District No. 2005-2	16,975,000	100 16,975,000
City of Irvine 1915 Act Bonds	810,693,000	100 <u>810,693,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		1,908,182,281
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Orange County General Fund Obligations	\$ 190,546,000	11.370 % \$ 21,665,080
Orange County Pension Obligations	306,287,244	11.370 34,824,860
Orange County Board of Education Certificates of Participation	15,770,000	11.370 1,793,049
Municipal Water District of Orange County Water Facilities Corporation	10,035,000	13.651 1,369,878
Orange Unified School District Certificates of Participation and Benefit Obligation	123,838,644	0.0001 124
Santa Ana Unified School District Certificates of Participation	48,885,880	26.199 <u>12,807,612</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 72,460,603
Less: MWDOC Water Facilities Corporation (paid from water charges)		<u>1,369,878</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 71,090,725
TOTAL DIRECT DEBT		\$ 470,049
GROSS OVERLAPPING DEBT		\$ 1,980,642,884
NET OVERLAPPING DEBT		\$ 1,979,273,006
GROSS COMBINED TOTAL DEBT		\$ 1,981,112,933 <sup>(2)</sup>
NET COMBINED TOTAL DEBT		\$ 1,979,273,006

<sup>(1)</sup>Percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

<sup>(2)</sup>Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2012-13 Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 3.92%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt ..... 0.00%  
Gross Combined Total Debt..... 4.07%  
Net Combined Total Debt..... 4.07%

**City of Irvine  
Legal Debt Margin  
Last Ten Fiscal Years**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed valuation	\$ 48,646,093,255	\$ 47,136,231,043	\$ 46,538,576,173	\$ 47,212,001,153
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$12,161,523,314	\$11,784,057,761	\$11,634,644,043	\$11,803,000,288
Debit limit percentage	15%	15%	15%	15%
Debt limit	1,824,228,497	1,767,608,664	1,745,196,606	1,770,450,043
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 1,824,228,497</u>	<u>\$ 1,767,608,664</u>	<u>\$ 1,745,196,606</u>	<u>\$ 1,770,450,043</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

**Note:** The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 47,257,608,206	\$ 44,382,983,056	\$ 39,280,255,615	\$ 33,764,042,231	\$ 29,634,708,495	\$ 26,799,740,692
25%	25%	25%	25%	25%	25%
\$11,814,402,052	\$11,095,745,764	\$ 9,820,063,904	\$ 8,441,010,558	\$ 7,408,677,124	\$ 6,699,935,173
15%	15%	15%	15%	15%	15%
1,772,160,308	1,664,361,865	1,473,009,586	1,266,151,584	1,111,301,569	1,004,990,276
-	-	-	-	-	-
<u>\$ 1,772,160,308</u>	<u>\$ 1,664,361,865</u>	<u>\$ 1,473,009,586</u>	<u>\$ 1,266,151,584</u>	<u>\$ 1,111,301,569</u>	<u>\$ 1,004,990,276</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**City of Irvine**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income <sup>(3)</sup></b>	<b>Income per Median Household <sup>(3)</sup></b>	<b>Median Age <sup>(3)</sup></b>	<b>School Enrollment <sup>(5)</sup></b>	<b>Unemployment Rate <sup>(6)</sup></b>
2013	231,117	\$ 8,174,011 <sup>(3)</sup>	\$ 43,102	\$ 92,599	34.0	29,000	4.6%
2012	223,729	8,886,628 <sup>(3)</sup>	41,898	90,939	33.1	27,411	6.0%
2011	219,156	8,481,794 <sup>(3)</sup>	41,759	93,258	33.2	27,202	6.9%
2010	217,686	8,090,372 <sup>(3)</sup>	57,165	94,903	33.3	26,812	7.4%
2009	212,541	8,723,320 <sup>(2)</sup>	41,043	91,101	33.3	26,323	7.0%
2008	207,646	8,601,736 <sup>(2)</sup>	41,425	98,923	32.9	26,097	4.0%
2007	199,400	7,667,079 <sup>(2)</sup>	37,941	85,624	33.4	25,781	2.6%
2006	192,167	7,352,397 <sup>(2)</sup>	37,941	84,270	32.1	25,459	3.8%
2005	183,218	7,267,978 <sup>(4)</sup>	42,211 <sup>(4)</sup>	82,827	36.0	25,163	3.9%
2004	171,708	*	*	71,200	34.5	24,833	2.4%

\* Statistics prior to fiscal year 2004-05 are unavailable.

<sup>(1)</sup> California Department of Finance at January 1.

<sup>(2)</sup> Used prior fiscal year per capita income and estimated population number from City Budget Office to calculate fiscal year total personal income.

<sup>(3)</sup> U.S. Censes Bureau, American Community Survey

<sup>(4)</sup> U.S. Census Bureau, 2005 American Community Survey. Data is limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters.

<sup>(5)</sup> Irvine Unified School District

<sup>(6)</sup> Employment Development Department

**City of Irvine  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2013			2004		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	21,800	1	10.80%	16,254	1	9.97%
Irvine Unified School District	2,839	2	1.41%	3,707	2	2.27%
Blizzard Entertainment Inc	2,804	3	1.39%	-	-	-
Broadcom	2,604	4	1.29%	-	-	-
Edwards Lifesciences	2,575	5	1.28%	-	-	-
Verizon Wireless	2,335	6	1.16%	1,695	8	1.04%
Kaiser Permanente Hospital	2,316	7	1.15%	-	-	-
Parker Hannifin	1,950	8	0.97%	1,985	5	1.22%
Allergan	1,922	9	0.95%	1,922	4	1.18%
Western Digital Technologies	1,758	10	0.87%	-	-	-
St John Knits	938		0.46%	2,616	3	1.60%
New Century Mortgage	-		-	1,840	6	1.13%
Option One	-		-	1,801	7	1.10%
Albertson's Sav-On/Lucky	-		-	1,508	9	0.92%
The Irvine Company	-		-	1,340	10	0.82%

Source: City Public Safety Department

**City of Irvine**  
**Budgeted Full-Time, Part-Time, and Non-Hourly Positions by Function**  
**Last Ten Fiscal Years**

FUNCTION	Fiscal Years as of June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Full-time	82.00	80.00	80.00	89.00	91.00	94.00	87.20	82.10	73.00	80.00
Part-time	9.28	8.60	9.06	10.40	25.65	24.40	22.80	35.34	40.22	33.40
Non-hourly	10.00	10.00	10.00	10.00	10.00	10.00	-	-	-	-
Public Safety										
Full-time	290.00	290.00	291.00	295.00	295.00	283.00	263.00	242.00	236.00	233.00
Part-time	30.95	31.05	31.33	33.80	29.31	29.30	43.10	54.43	49.07	40.40
Non-hourly	32.40	32.40	30.40	30.40	30.40	30.40	-	-	-	-
Public Works										
Full-time	122.00	121.00	123.00	134.00	152.00	154.00	148.00	135.00	129.00	120.00
Part-time	1.75	1.75	3.50	4.00	5.88	5.00	7.00	11.68	11.99	10.60
Community Development										
Full-time	99.00	101.00	101.00	104.00	109.00	96.30	90.00	84.90	84.00	77.50
Part-time	1.80	2.60	2.60	2.60	7.14	-	12.40	17.45	15.15	16.07
Non-hourly	6.00	11.00	11.00	11.00	11.00	10.60	-	-	-	-
Community Services										
Full-time	113.00	114.00	114.50	118.00	113.00	114.00	92.00	83.00	83.00	83.00
Part-time	196.63	185.11	177.54	178.20	194.63	197.90	217.50	209.79	208.96	188.32
Non-hourly	12.00	12.00	12.00	12.00	12.00	12.00	-	-	-	-
Redevelopment										
Full-time	-	-	-	-	-	15.70	14.90	9.00	-	-
Part-time	-	-	-	-	-	6.90	5.80	5.00	-	-
Great Park										
Full-time	30.00	33.00	29.50	23.00	23.00	21.00	15.00	15.00	10.00	-
Part-time	7.13	4.88	4.68	4.70	2.20	0.60	9.20	9.00	-	-
Non-hourly	5.00	9.00	9.00	39.00	39.00	9.00	-	-	-	-
<b>Total</b>	<b>1,048.94</b>	<b>1,047.39</b>	<b>1,040.11</b>	<b>1,099.10</b>	<b>1,150.21</b>	<b>1,114.10</b>	<b>1,027.90</b>	<b>993.69</b>	<b>940.39</b>	<b>882.29</b>

**Note:**

Part-time employees are expressed as full-time equivalents.

The Redevelopment Department was established in fiscal year 2005-06 and combined with Community Development in fiscal year 2008-09.

The Great Park began operations at the former Marine Corps Air Station at El Toro in fiscal year 2004-05.



**City of Irvine  
Capital Asset Statistics  
Last Ten Fiscal Years**

FUNCTION	Fiscal Years as of June 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	46	46	44	44	44	44	43	39	37	37
Fire stations <sup>(1)</sup>	11	11	11	11	9	9	9	9	8	7
Public Works										
Streets (miles)	1,855	1,851	1,827	1,757	1,742	1,742	1,704	1,645	1,612	1,612
Traffic signals	337	330	330	327	317	295	295	295	282	274
Streetscape (acres)	834	808	781	773	749	716	702	670	670	599
Open space/greenbelts (acres)	5,250	5,250	5,250	5,250	4,100	3,500	2,340	2,144	2,136	2,136
Bicycle trails (miles)	151	151	151	147	147	147	148	141	132	132
Off-street bicycle trails (miles)	54	54	45	44	43	43	43	43	42	42
Culture and Recreation										
Community athletic parks	19	18	18	18	13	13	11	11	9	7
Multi use centers	14	13	12	12	11	11	11	9	9	9
Dog parks	1	1	1	1	1	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Soccer fields	40	38	38	36	36	35	35	31	31	27
Swimming pools	4	4	4	4	4	4	4	4	3	3
Batting cages	14	14	14	14	14	14	14	14	14	14
Basketball courts	29	29	29	29	29	25	25	19	19	15
Racquetball/handball courts	14	14	14	10	10	10	10	9	9	9
Tennis courts	64	64	61	59	59	57	57	55	53	53
Volleyball courts	16	16	16	15	15	14	14	14	14	12

<sup>(1)</sup> Joint powers authority with the Orange County Fire Authority.

**City of Irvine**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

<b>FUNCTION</b>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>General Government</b>				
Checks/wire transfers	45,105	44,672	44,422	47,252
Number of purchase orders placed	1,953	2,316	2,211	2,172
<b>Police</b>				
Animal control service calls	10,664	10,309	8,639	8,510
Physical arrests	2,824	2,802	2,579	2,819
Parking citations	6,934	4,702	4,793	6,639
Traffic citations	23,221	26,395	19,426	29,707
<b>Highways and Streets</b>				
Arterial street resurfacing (centerline miles)	47	44	17	41
Arterial street sweeping (curb miles)	38,401	38,300	38,204	38,204
<b>Community Development</b>				
Building inspections completed	151,835	127,964	87,563	63,363
Building permits issued	12,029	10,201	10,582	8,030
<b>Culture and Recreation</b>				
Recreational & instructional classes offered	8,151	8,203	7,671	7,546
Recreational & instructional enrollees	90,027	81,271	71,853	70,998
Recreational & internet registrants for classes	52	54	56	56
Youth services participation units	NA	NA	87,517	75,240
<b>Redevelopment <sup>(1) (2)</sup></b>				
Number of discretionary applications processed	-	-	231	10
Number of demolition permits issued	-	-	9	8
Number of grading/building permits issued	-	-	47	44

<sup>(1)</sup> The Redevelopment Agency project area was established in fiscal year 2004-05.

<sup>(2)</sup> Redevelopment Agency was dissolved on January 31, 2012.

<sup>(3)</sup> Only arterial rehabilitation

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
47,918	47,837	46,004	55,056	47,000	41,641
2,065	1,898	2,290	2,100	2,098	2,121
8,669	7,247	7,068	9,750	9,718	9,718
2,846	2,855	3,377	3,512	2,288	2,314
6,830	9,465	9,135	8,076	8,117	8,042
26,325	26,452	27,281	25,179	20,441	18,167
30	27	10	1 <sup>(3)</sup>	1 <sup>(3)</sup>	6 <sup>(3)</sup>
37,940	37,939	37,939	36,834	35,762	34,059
98,538	117,000	155,000	130,100	124,591	156,835
8,132	11,500	12,800	14,930	13,424	14,137
6,845	6,763	7,000	7,000	6,687	5,819
65,153	61,804	56,848	54,982	44,851	32,409
58	56	54	48	41	35
68,251	74,152	74,000	73,869	72,978	72,978
17	7	3	-	-	-
11	15	8	-	-	-
7	16	15	-	-	-

**City of Irvine**  
**Miscellaneous Statistical Information**  
**June 30, 2013**

<u>Date of Incorporation</u>	-	December 28, 1971
<u>Form of Government</u>	-	Charter, Council-Manager
<u>Incorporated Area</u>	-	66 square miles
<u>City Tree</u>	-	Camphor
<u>City Flower</u>	-	Lily of the Nile
<u>Registered Voters as of January 2013</u>	-	121,839
<u>Fire Protection</u>	-	Orange County Fire Authority (Joint Powers Authority)
<u>Water Supply</u>	-	Irvine Ranch Water District
<u>City Park and Landscape Areas</u>		<u>Acres</u>
Streetscape	-	834
Community Parks	-	332
Neighborhood Parks	-	163
Sports Field	-	135
<u>Facilities and Services Excluded in the Reporting Entity</u>		<u>Number</u>
Education:		
Elementary Schools	-	22
Middle Schools	-	5
High Schools	-	4
Continuation/Independent Study High School	-	2

**City of Irvine**  
**Miscellaneous Statistical Information**  
**June 30, 2013**  
**(continued)**

**Total Valuation of Construction Activity**  
**(commercial, industrial and other)**

<u>Year</u>	<u>Commercial</u>	<u>Residential</u>
2013	\$276,788,164	\$742,296,834
2012	255,540,173	332,668,311
2011	305,411,655	643,421,544
2010	79,329,191	168,054,166
2009	64,419,150	79,699,317
2008	251,269,260	363,333,294
2007	445,600,704	392,766,606
2006	818,840,474	539,959,491
2005	139,306,324	511,012,501
2004	140,099,477	457,438,697

**Building Permits**  
**(number of units authorized)**

<u>Year</u>	<u>Authorized</u>
2013	3,937
2012	1,231
2011	1,829
2010	1,520
2009	1,643
2008	3,283
2007	3,884
2006	1,206
2005	1,062
2004	1,564

**Housing Units**  
**(number of units in the City)**

<u>Year</u>	<u>Unit</u>
2013	86,782
2012	83,710
2011	81,560
2010	79,414
2009	77,729
2008	75,159
2007	73,815
2006	70,389
2005	68,564
2004	65,892



### ***About the Cover***

Since its incorporation in 1971, Irvine has become a nationally recognized city, with a population of 231,117, spans 66 square miles and is recognized as one of America's safest and most successful master-planned urban communities. Top-rated educational institutions, an enterprising business atmosphere, sound environmental stewardship, and respect for diversity all contribute to Irvine's enviable quality of life. This family-friendly city features more than 16,000 acres of parks, sports fields and dedicated open space, and is the home of the Orange County Great Park – the first great metropolitan park of the 21st century.

Counterclockwise from right, cover photos feature Irvine City Hall, the Giant Wheel at the Irvine Spectrum Shopping Center, fresh pickings from Tanaka Farms, the iconic Great Park Balloon and Carousel, and a serene view of the Woodbridge Village Gazebo at night.

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