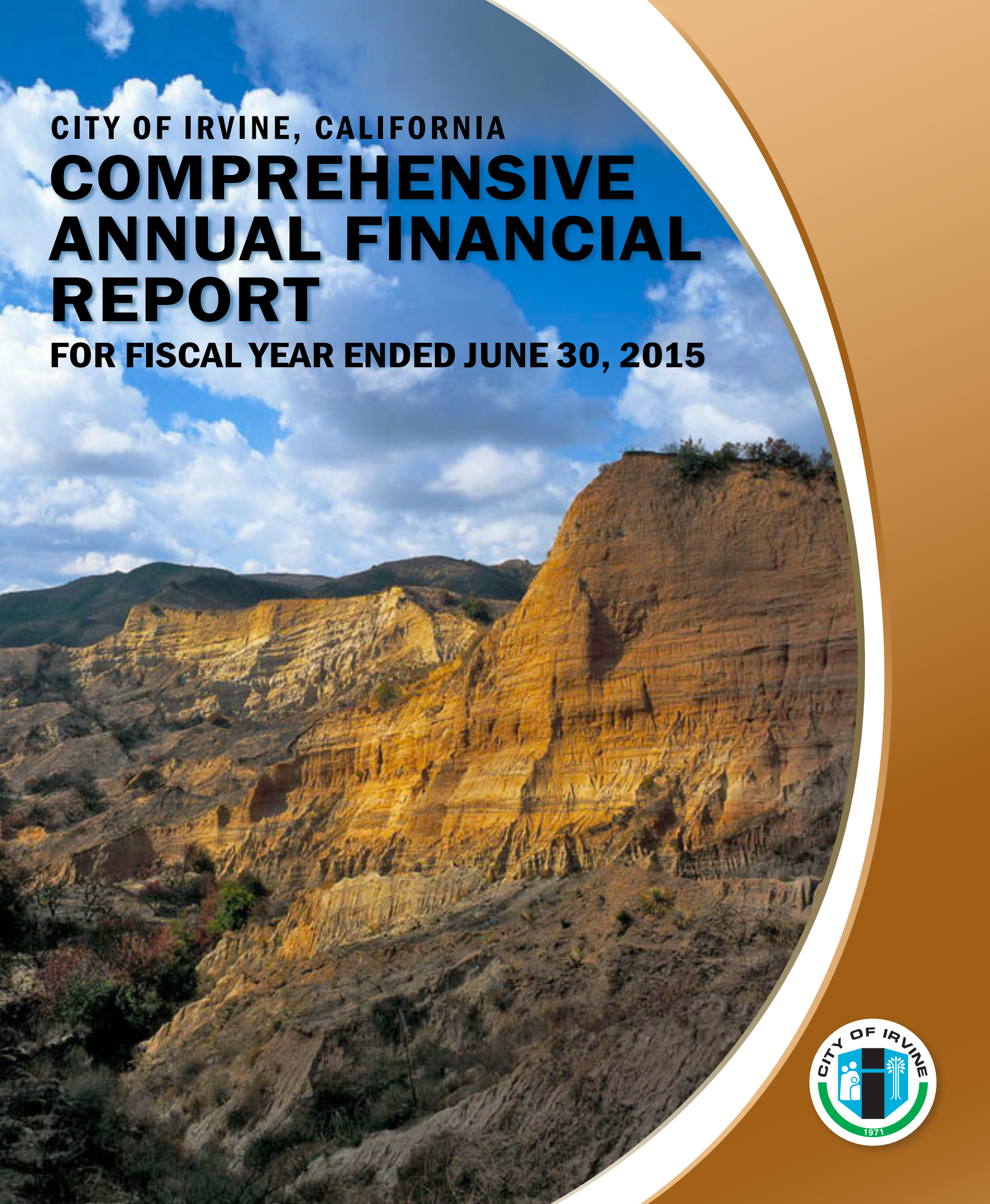


CITY OF IRVINE, CALIFORNIA
**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**
FOR FISCAL YEAR ENDED JUNE 30, 2015





City of Irvine

Incorporation: December 28, 1971
 Population: 250,384 (January 1, 2015)
 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, 2015



Prepared by Fiscal Services



City of Irvine

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Government Finance Officers Association	
Certificate of Achievement for Excellence in Financial Reporting	8
Irvine City Officials	9
Organizational Chart	10
 FINANCIAL SECTION	
Independent Auditors' Report	11
Management's Discussion and Analysis	14
 <i>Basic Financial Statements</i>	
Government-wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Orange County Great Park	40
Statement of Net Position – Proprietary Funds	42
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	43
Statement of Cash Flows – Proprietary Funds	44
Statement of Fiduciary Net Position – Fiduciary Funds	46
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	47
 Notes to the Basic Financial Statements	 49
 <i>Required Supplementary Information</i>	
Schedule of Changes in Net Pension Liability and Related Ratios during the Measurement Period - Defined Benefit Pension Plan for Sworn Employees	99

City of Irvine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS (CONTINUED)	PAGE
FINANCIAL SECTION (CONTINUED)	
<i>Required Supplementary Information (continued)</i>	
Schedule of Plan Contributions – Defined Benefit Pension Plan for Sworn Employees	100
Schedule of Changes in Net Pension Liability and Related Ratios during the Measurement Period - CalPERS Defined Benefit Pension Plan for Sworn Employees	101
Schedule of Plan Contributions – CalPERS Defined Benefit Pension Plan for Sworn Employees	102
Schedule of Changes in Net Pension Liability and Related Ratios during the Measurement Period - CalPERS Defined Benefit Pension Plan for Miscellaneous (Non-Sworn) Employees	103
Schedule of Plan Contributions – CalPERS Defined Benefit Pension Plan for Miscellaneous (Non-Sworn) Employees	104
Schedules of Funding Progress – Other Post Employment Benefit Plan	105
SUPPLEMENTAL STATEMENTS AND SCHEDULES	
<i>Combining and Individual Fund Financial Statements and Schedules</i>	
Other Governmental Funds:	107
Combining Balance Sheet	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	109
Other Special Revenue Funds:	111
Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	116
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County Sales Tax Measure M	120
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – State Gasoline Tax	121
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Systems Development	122
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Local Park Fees	123
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Slurry Seal Fees	124
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Maintenance District	125
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Air Quality Improvement	126
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Fees and Exactions	127

City of Irvine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS (CONTINUED)	PAGE
SUPPLEMENTAL STATEMENTS AND SCHEDULES (CONTINUED)	
<i>Combining and Individual Fund Financial Statements and Schedules (continued)</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Special Events	128
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Shuttle	129
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Irvine Community Land Trust	130
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Grants	131
Other Capital Projects Funds:	133
Combining Balance Sheet	134
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	136
Permanent Fund:	139
Balance Sheet	140
Statement of Revenues, Expenditures, and Changes in Fund Balances	141
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Senior Services	142
Internal Service Funds:	145
Combining Statement of Net Position	146
Combining Statement of Revenues, Expenses, and Changes in Net Position	147
Combining Statement of Cash Flows	148
Fiduciary Funds:	151
Combining Statement of Fiduciary Net Position – Pension and Employee Benefit Trust Funds	152
Combining Statement of Changes in Fiduciary Net Position – Pension and Employee Benefit Trust Funds	153
Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds	154
Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds	155
Combining Statement of Net Position – Agency Funds	156
Combining Statement of Changes in Assets and Liabilities – Agency Funds	162

City of Irvine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS (CONTINUED)	PAGE
STATISTICAL SECTION	171
Net Position by Component – Last Ten Fiscal Years	172
Changes in Net Position – Last Ten Fiscal Years	174
Fund Balances of Governmental Funds – Last Ten Fiscal Years	176
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	178
Taxable Sales by Category – Last Ten Fiscal Years	180
Tax Revenues by Source – Governmental Funds – Last Ten Fiscal Years	181
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	182
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	184
Principal Property Taxpayers – Current Year and Nine Years Ago	185
Property Tax Levies and Collections – Last Ten Fiscal Years	186
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	187
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	188
Schedule of Direct and Overlapping Bonded Debt	189
Legal Debt Margin – Last Ten Fiscal Years	190
Demographic and Economic Statistics – Last Ten Fiscal Years	192
Principal Employers – Current Year and Nine Years Ago	193
Budgeted Full-Time, Part-Time, and Non-Hourly Positions by Function – Last Ten Fiscal Years	194
Capital Assets Statistics – Last Ten Fiscal Years	195
Operating Indicators by Function – Last Ten Fiscal Years	196
Miscellaneous Statistical Information	198





City of Irvine, One Civic Center Plaza, P.O. Box 19575, Irvine, California 92623-9575

November 16, 2015

To the Honorable Mayor, Councilmembers and Residents of the City 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, 2015. 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.

This report contains management's representations concerning the City's finances. Management assumes full responsibility for the completeness and reliability of all of the information presented and that it is reported in a manner that fairly presents the financial position and operations of the various funds and component units of the City. To provide a reasonable basis for making these representations, and assurance that the financial statements will be free from material misstatement, City management has established a comprehensive internal control framework designed both to protect its assets and to compile sufficient reliable information to prepare the City's financial statements in conformity with GAAP.

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 City's financial statements for the fiscal year ended June 30, 2015 are free of material misstatement. The independent auditor concluded it was reasonable to render an unqualified opinion and that the City's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. Their 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 auditors' report and provides a narrative 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 and six miles from the ocean. 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 and 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 250,384 in 2015 and recorded the highest population growth in the County between 2010 and 2015 at 17.9 percent.

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 department directors. 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 municipal services with core services consisting of public safety, City infrastructure maintenance, financial support of our K-12 public schools, and preservation of the City's aesthetics and beauty. The City is proud of the life-affirming programs and services it provides to the City's youngest, oldest and most vulnerable populations. The City contracts with the Orange County Fire Authority for fire protection and emergency medical aid services. The Orange County Transportation Authority provides transit services in the City alongside the City's TRIPS and the Shuttle transportation programs. Other independent special districts provide educational, library, and water and sewer services to Irvine residents.

The City is financially accountable for a number of legally separate entities that are included as 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 corporate public body 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 budgetary 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 Services). 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 for all funds except the Great Park fund 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.

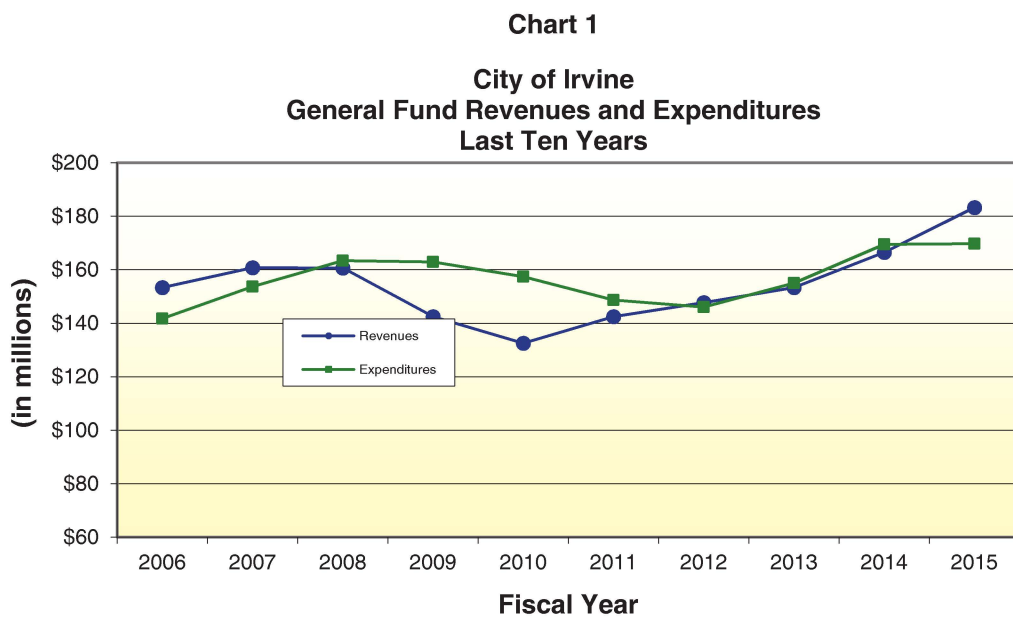
ECONOMIC CONDITION

Irvine is renowned as the nation's most successful master-planned community. The City was recognized for its outstanding quality of life by the U.S. Conference of Mayors with a 2015 outstanding achievement award as one of the “Most Livable” cities in America. CNN’s Money Magazine named Irvine the top California city in its “50 Best Places to Live” list. *24/7 Wall Street*, the online financial news portal, ranked Irvine as one of America's Best Run Cities in 2013 and 2014 based on economy, job market, crime level, and welfare of the population. The Federal Bureau of Investigation recently published its 2014 crime data and named Irvine again the city with the lowest per capita violent crime rate in the nation with populations of more than 100,000 residents. The City also recorded its lowest per capita overall violent crime rate in Irvine history.

The economy continues to grow and Orange County has outperformed much of California. The California Economic Development Department reports the County gained 47,100 jobs during the fiscal year and unemployment rates dropped from 5.5 percent in the prior year to 4.3 percent with rates even lower for Irvine at 3.2 percent. The Los Angeles Economic Development Corporation forecasts that by 2016 Orange County will have 1.54 million non-farm jobs, a new record high. Residential building permits in the County are forecasted to have a gain of 19.4 percent in 2015, while commercial real estate vacancy rates continue to decline from 14.8 percent a year ago to 12.2 percent. The Irvine Spectrum has the overall lowest office vacancy rate in the County at 5 percent.

Much of the credit for the City's success is attributable to the diverse local economy, talented workforce, mild climate and outstanding quality of life that make Irvine an ideal location for business. The City continues to attract well-known technology and bioscience companies that choose Irvine as their corporate headquarters. Over 10,000 acres in the City are available for business uses and it is home to more than 25,000 businesses. Major commercial/industrial centers include: Irvine Business Complex, University Research Park, and Irvine Spectrum.

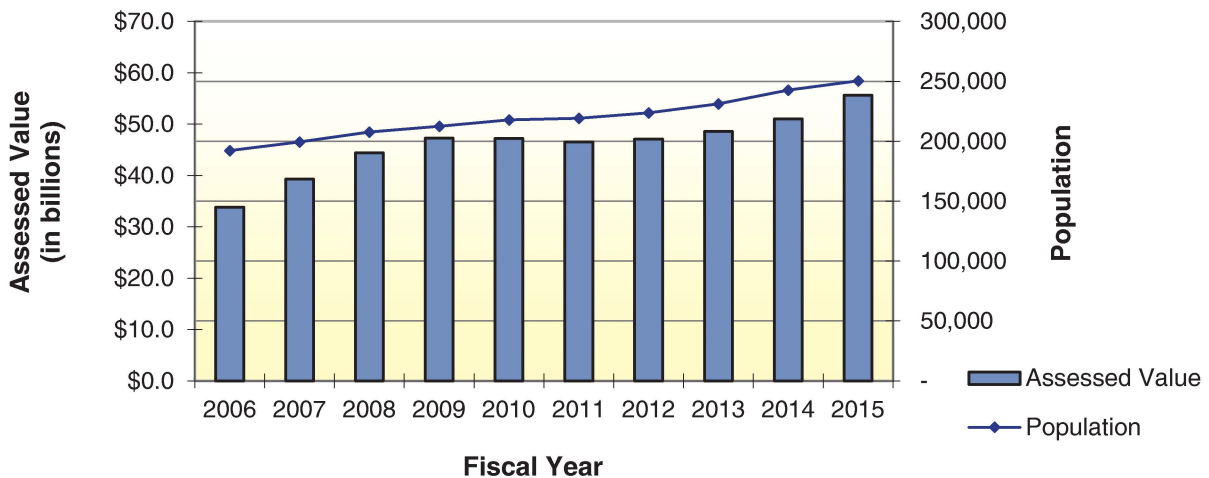
Overall, the City's general fund revenue for fiscal year 2014-15 increased 10 percent from the prior fiscal year. Expenditures increased by one tenth of 1 percent, despite service demand increases due to population growth. Chart 1 displays revenue and expenditure trends for the last 10 years.



The City has prospered the last few years, realizing gains in all areas that impact economic growth with sales and property taxes particularly strong. Sales tax is the City's largest general fund revenue source with revenues of \$58.8 million, an increase of 6 percent over the prior fiscal year, followed closely by property tax revenues of \$50.7 million. The healthy local economy also had a positive impact on tourism and business travel, driving hotel taxes up 15 percent over the prior year. General fund revenues are forecasted to increase at a moderate pace, aided by increases in population, real estate and other economic activity.

Since 2004, when the State swapped cities' motor vehicle license fee (VLF) allocations for additional property tax revenue, property taxes have become a more significant revenue source. Property tax growth reflects both new development and increasing property values in Irvine. In fiscal year 2014-15, the City's assessed property value grew 9.2 percent to \$55.7 billion, the highest total assessed value in the county. In June, the Orange County Assessor reported Irvine's assessed property valuation will increase another 9.6 percent for fiscal year 2015-16, leading the county with an assessed value of \$60.9 billion. Chart 2 compares the total assessed valuation of property located in Irvine against the annual population for the past 10 fiscal years. The City's population has climbed steadily over the last 10 years, surpassing 250,000 in 2015.

Chart 2
City of Irvine
Assessed Valuation and Population Trends
Last Ten Fiscal Years



Major initiatives. The City effectively utilizes its resources to provide quality services to the community, grow its contingency reserve, and provide financial support to Irvine public schools through the “Support Our Schools Initiative”. The following strategic goals set priorities for City operations.

- Maintain essential services, including public safety, school support, community aesthetics, infrastructure, and human service programs;

- Increase the City’s contingency reserve balance to 20 percent of the General Fund adopted budget operating appropriations, thereby protecting and stabilizing the City financially during economic downturns;
- Fund infrastructure rehabilitation;
- Hire additional police officers to maintain the City’s high quality police services as the City grows;
- Park development, including a Parks and Facilities Master Plan and constructing additional community and neighborhood parks;
- Recruit and retain high quality employees as experienced staff are essential to respond to the needs of the community and maintain the high standards the City has come to expect;
- Replace the existing countywide 800 MHz radio system in cooperation with the County of Orange to upgrade the radio system used by public safety personnel countywide;
- Develop new operational facilities to accommodate population, program and infrastructure growth;
- Enhance citywide mobility through a comprehensive traffic management study to ensure optimal traffic flow patterns within the City;
- Retire the City’s unfunded pension liability through an accelerated pension pay-down plan.

Long-term financial planning. The strategic business plan (SBP) is updated and adopted by the City Council annually as a component of the budget. It 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 SBP 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 identify challenges and opportunities before they arise.

It is important to note, the SBP projects five years into the future to provide 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 possible imbalances so the budget can be proactively addressed. The SBP also presents the five-year Capital Improvement Project program, the City's investment plan for infrastructure, which guides staff in pursuing funding for future projects.

In June 2013, the Irvine City Council adopted a 10-year plan to reduce its unfunded pension liability. The goal to attain a level of 98 percent pension funding within 10-years utilizes funds from the City’s Asset Management Plan (AMP) to make accelerated payments. This plan leverages the City’s AMP funding, earning less than 1 percent per year, to reduce its unfunded pension

liability. The City is currently projects reaching the 98 percent funding goal within 8 years, 2 years faster than originally planned.

Financial policies. City Council policy sets the Contingency Reserve at 20 percent of general fund adopted budget operating appropriations, with a minimum reserve of 3 percent. The contingency reserve may be used at the discretion of the City Council to provide resources during 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, 2015, the fund balance is \$30.4 million, of which, \$4.4 million has been set aside as the 3 percent minimum reserve.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 36th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published a CAFR that goes beyond the minimum requirement of GAAP and demonstrates the spirit of transparency and full disclosure that ensures users of the financial statements have the information they need to assess the City's financial health. A Certificate of Achievement is valid for 1 year only and management believes that the current CAFR continues to meet the program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City's Budget Office also received the GFOA Distinguished Budget Presentation Award for its fiscal year 2013-14 budget document. The Distinguished Budget Presentation Award judges a government's budget document for compliance with the guidelines established by the National Advisory Council on State and Local Budgeting and best practices of the GFOA.

The CAFR reflects the hard work, talent and commitment of the Fiscal Services Division staff. This document could not have been accomplished without their efforts and we express our appreciation to all members of the division who assisted and contributed to the preparation of the CAFR. Appreciation is also expressed to the Finance Commission, Investment Advisory Committee, Budget Office and City departments for their support of the financial operations of the City during this fiscal year and to the Mayor and Councilmembers for their steadfastness in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Teri Washle
Finance Officer



Charles W. Adams
Interim 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, 2014

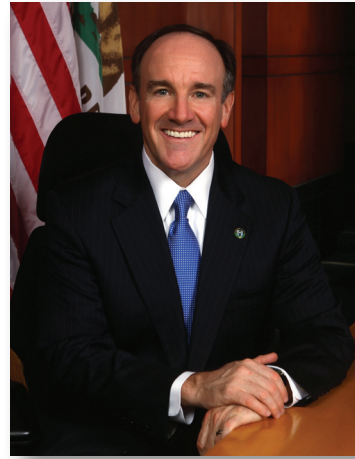
Executive Director/CEO

IRVINE CITY OFFICIALS

June 30, 2015



STEVEN S. CHOI, PH.D.
Mayor



JEFFREY LALLOWAY
Mayor Pro Tem



BETH KROM
Councilmember



LYNN SCHOTT
Councilwoman

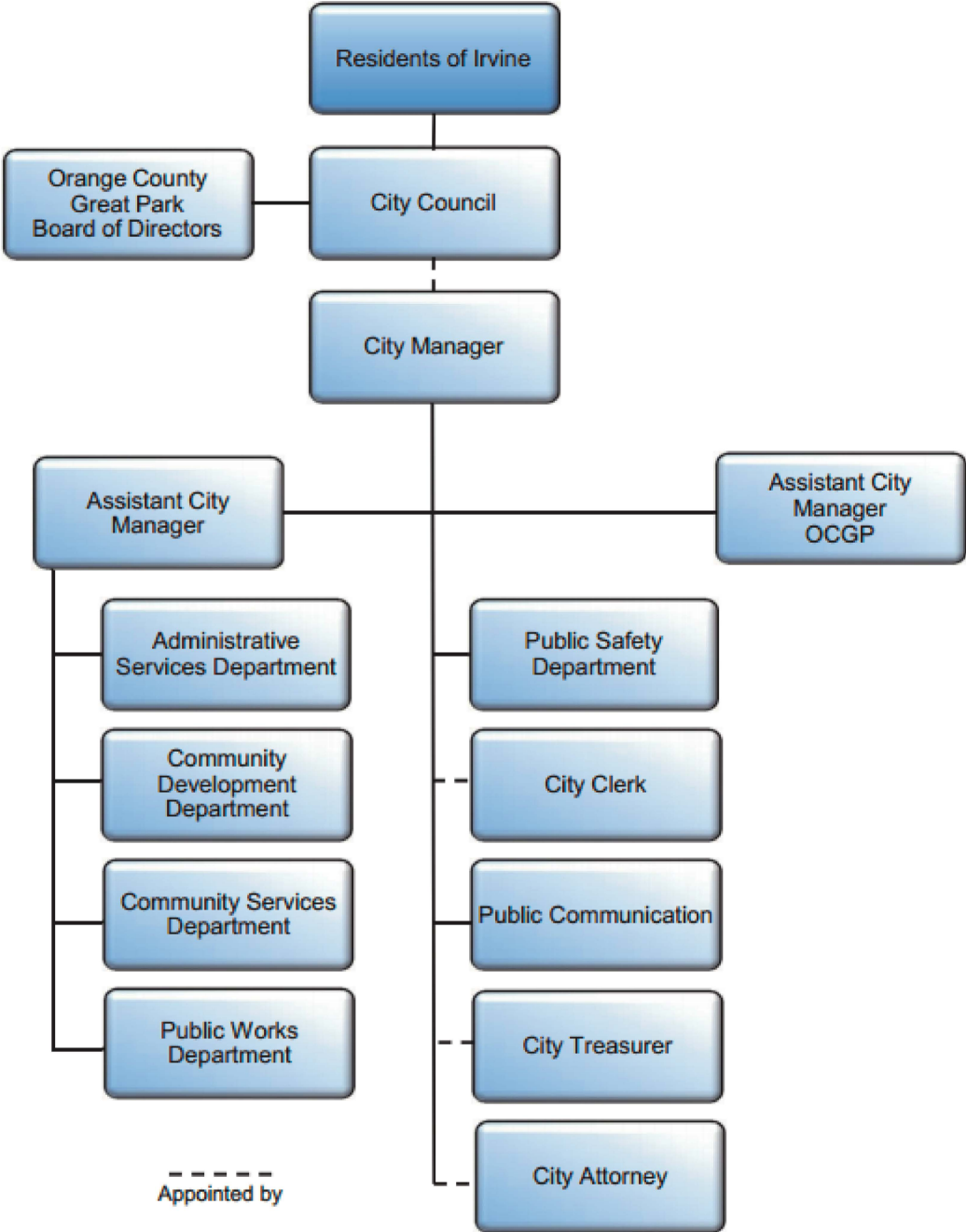


CHRISTINA SHEA
Councilwoman

City Manager • Sean Joyce

Assistant City Manager.....	Sharon Landers
Assistant City Manager, Orange County Great Park	Eric Tolles
City Attorney.....	Todd Litfin
City Clerk	Molly McLaughlin
Director of Administrative Services.....	Ken Brown
Acting Director of Community Development	Tim Gehrich
Director of Community Services	Brian Fisk
Director of Public Affairs & Communications.....	Craig Reem
Director of Public Safety.....	David L. 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 the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Irvine, California, (the City) as of and for the year ended June 30, 2015, 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 did not audit the financial statements of Irvine Community Land Trust, which represent 2.6%, 2.4%, and 0.05%, respectively, of the assets, fund balance, and revenues of the City of Irvine. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Irvine Community Land Trust, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.



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

Opinions

In our opinion, based on our audit and the report of other auditors, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the General fund and Orange County Great Park for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*.

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 as listed in the 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 and other auditors 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, 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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

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 November 4, 2015 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 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 the City's internal control over financial reporting and compliance.

Brea California
November 4, 2015

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, 2015. 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, and community development.

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

See Independent Auditors' Report

Infrastructure Authority, is also included with the activities of the primary government, although no governmental activity has occurred in these funds. 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, Orange County Great Park Fund, Orange County Great Park Development Fund, Assessment Districts Fund, Capital Improvement Projects Fund, and the Community Facilities Districts 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 services, and information technology systems. Because these services benefit governmental

See Independent Auditors' Report

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, 2015, by \$2.41 billion (*net position*). Of this amount, \$416.52 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 and \$478.20 million is restricted or nonexpendable. Two of the most significant restrictions are \$201.34 million for new development infrastructure financed through the assessment districts and community facilities districts, and \$156.44 million for streets and roads.
- At the fiscal year ended June 30, 2015, the government's total net position increased by \$235.50 million. The increase in net position is attributable to revenues exceeding expenses by \$127.66 million, and an extraordinary gain of \$107.83 million due to a settlement agreement with the State of California, the Successor Agency to the Dissolved Irvine Redevelopment Agency, and the City.
- As of June 30, 2015, the City's governmental funds reported combined ending fund balances of \$960.92 million, an increase of \$294.04 million in comparison with the prior year. Approximately 20 percent of this total amount, \$196.26 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, 2015, committed, assigned, and unassigned fund balance for the general fund was \$113.60 million or 67 percent of total general fund expenditures. This represents an increase of \$19.45 million or 21 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 \$103.64 million, during the current fiscal year. The increases are related to additional actuarial valuation accruals for general liability and workers' compensation claims and computed compensated absences, and the addition of net pension liability.

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, 63 percent, 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 one capital lease 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.

See Independent Auditors' Report

City of Irvine
Summary of Net Position
June 30, 2015 and 2014
(amounts expressed in thousands)

	Governmental	
	Activities	
	<u>2015</u>	<u>2014</u>
Assets		
Current and other assets	\$ 1,067,811	\$ 828,921
Capital assets	<u>1,517,350</u>	<u>1,541,984</u>
Total Assets	<u>2,585,161</u>	<u>2,370,905</u>
Deferred Outflow of Resources		
Pension related items	<u>24,308</u>	<u>-</u>
Liabilities		
Other liabilities	45,077	53,121
Long-term liabilities	<u>124,067</u>	<u>20,424</u>
Total Liabilities	<u>169,144</u>	<u>73,545</u>
Deferred Inflows of Resources		
Pension related items	<u>28,327</u>	<u>-</u>
Net Positions		
Net investment in capital assets	1,517,272	1,541,807
Restricted	478,204	404,305
Unrestricted	<u>416,521</u>	<u>351,248</u>
Total Net Positions	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>

During the fiscal year ended June 30, 2015, net position of the City increased to \$2.41 billion, of which \$1.52 billion was the net invested in capital assets such as equipment, buildings and infrastructure. Of the remaining total, \$478.20 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties. The remaining, \$416.52 million, is unrestricted but subject to designation for specific purposes as approved by the City Council. Two of the most significant restrictions are \$201.34 million for new development infrastructure financed through the assessment districts and community facilities districts and \$156.44 million for streets and roads. Also, this year's financial statements include the financial impacts of the City's defined benefit pension debt.

See Independent Auditors' Report

City of Irvine
Summary of Changes in Net Position
For the Years Ended June 30, 2015 and 2014
(amounts expressed in thousands)

	Governmental Activities	
	2015	2014
Revenues		
Program revenues:		
Charges for services	\$ 94,124	\$ 73,649
Operating grants and contributions	30,404	31,661
Capital grants and contributions	111,989	76,751
General revenues:		
Property taxes	53,300	49,524
Sales taxes	58,725	56,499
Investment revenue	5,243	15,632
Other taxes	31,218	28,363
Other revenues	10,230	237
Total Revenues	395,233	332,316
Expenses		
General Government	24,558	32,863
Public Safety	59,266	62,745
Public Works	70,697	63,897
Community Services	39,119	22,980
Community Development	24,278	39,689
Great Park	-	16,812
Interest on long-term debt	6	16
Unallocated infrastructure depreciation	49,647	48,367
Total Expenses	267,571	287,369
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Extraordinary Items	127,662	44,947
Extraordinary Gain (Loss)	107,833	(5,500)
Change in Net Positions	235,495	39,447
Beginning Net Positions, as restated	2,176,502	2,257,913
Ending Net Positions	\$ 2,411,997	\$ 2,297,360

See Independent Auditors' Report

Overall, Citywide revenues for the fiscal year ended June 30, 2015, increased by \$62.92 million, a 19 percent increase from the prior year. The increase is primarily due to a \$33.98 million increase in grants and contributions, a \$20.48 million increase in fees for service, \$8.87 million increase in taxes partially offset by additions and reductions in other revenue classifications.

- Program revenues of \$236.52 million were 60 percent of total revenues. Within this category, charges for services and capital grants and contributions related to infrastructure and capital improvements accounted for 24 percent and 28 percent of total revenues, respectively.
- General revenues of \$158.72 million were 40 percent of total revenues. The largest general revenue, sales tax, accounted for 15 percent of total revenues.

Total expenses decreased by \$19.80 million, a 7 percent decrease from the prior year. During fiscal year 2013-14, the Great Park Department was dissolved but not before \$16.81 million was spent. Great Park staff and programs were reassigned to other departments which accounts for part of the increase in Community Services and reduces savings in other departments. Overall, General Government expenses, Public Safety expenses and Community Development expenses decreased 25 percent, 6 percent, and 39 percent, respectively. These decreases are partially offset by a \$6.8 million increase in Public Works expenses, and a \$16.14 million increase in Community Services 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, 2015, the City's governmental funds reported total combined ending fund balances of \$960.92 million, an increase of \$294.04 million from the prior year. Approximately 20 percent of the City's governmental funds ending fund balances, or \$196.26 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, \$764.66 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 \$8.11 million consists of \$6.57 million in long-term advances to other funds, \$1.05 million of prepaid expenditures, and a senior citizens services program endowment of \$0.49 million. The remaining restricted funds totaling \$756.55 million are comprised of \$442.63 million for capital improvement projects, circulation improvements and maintenance, \$273.68 million in advances to Successor Agency, \$28.04 million for low-income housing, \$4.42 million as a contingency reserve, \$2.21 million for public education, \$1.82 million for development activities, \$1.66 million for law enforcement purposes, \$0.98 million for pollution remediation, \$0.65 million for animal care, and \$0.46 million for senior, public and community service activities.

See Independent Auditors' Report

General Fund Financial Highlights

The general fund is the chief operating fund of the City. At June 30, 2015, committed, assigned, and unassigned fund balance of the general fund was \$113.60 million, while total fund balance was \$126.90 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 67 percent of the total general fund expenditures. The City Council has designated all of the committed and assigned for specified purposes.

For the fiscal year ended June 30, 2015, the cash and investments balance in the general fund was \$128.81 million, an increase of \$17.87 million from the prior fiscal year. General Fund long-term notes receivable of \$10.67 million in the general fund are for various housing loans and remain unchanged from the prior year.

City of Irvine
Summary of Changes in Fund Balances - General Fund
For the Years Ended June 30, 2015 and 2014
(amounts expressed in thousands)

	2015	2014
Revenues		
Taxes:		
Property	\$ 50,720	\$ 47,081
Sales	58,767	55,580
Other	27,159	24,729
Total Taxes	136,646	127,390
Charges for services	27,697	24,077
Intergovernmental	1,625	1,033
Investment revenue	1,496	1,829
Other	15,801	12,121
Total Revenues	183,265	166,450
Expenditures		
General Government	24,816	26,391
Public Safety	63,272	60,049
Public Works	26,882	28,057
Community Development	23,454	20,860
Community Services	31,227	34,113
Total Expenditures	169,651	169,470
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,614	(3,020)
Other Financing Sources (Uses)		
Proceeds from sale of capital assets	14,224	46
Net transfers	(8,850)	(1,107)
Net Change in Fund Balance	\$ 18,988	\$ (4,081)

See Independent Auditors' Report

Overall, General Fund revenues for the fiscal year ended June 30, 2015, increased by \$16.82 million, or 10 percent, 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 \$0.18 million or less than 1 percent, from the prior year. Changes in expenditures, by function, occurred as follows during the fiscal year ended June 30, 2015:

- General Government expenditures decreased by \$1.58 million to \$24.82 million. This decrease is a combination of a \$3.00 million reduction in prepayments toward the CalPERS pension liability (from \$8.00 million in 2013-14 to \$5.00 million in 2014-15) partially offset by an increase in financial support to the Irvine schools and increased operational costs.
- Public Safety expenditures increased by \$3.22 million to \$63.27 million. This increase is primarily due to the addition of traffic officers, operational costs and support personnel.
- Public Works expenditures decreased by \$1.18 million to \$26.88 million. This decrease is a combination of budgeting for certain maintenance costs in other city-held funds partially offset by the addition of the facilities maintenance function from the Community Services Department.
- Community Development expenditures increased by \$2.59 million to \$23.45 million. This increase is primarily due to services requested for permits, plan checks, and inspections which are fee driven as well as development services that are partially funded by fees, and increased housing services expenditures.
- Community Services expenditures decreased by \$2.89 million to \$31.23 million. This decrease is primarily due to the transfer of the facility maintenance service function to the Public Works Department with increases in programs offered to the public and services at the animal care center.

General Fund Budgetary Highlights

Differences between the general fund original budget expenditures and the final amended budget were \$1.39 million and can be briefly summarized as follows:

Increases / decreases for activities:

- \$0.77 million for public works.
- \$0.44 million for general government.
- \$0.22 million for community services.
- \$0.13 million for public safety.
- \$0.17 million reduction for community development.

In each of the functional expenditure categories, actual expenditures were less than final budgeted amounts, totaling \$169.65 million, and \$177.35 million, respectively. Additionally, for the fiscal year ended June 30, 2015, revenues received exceeded budgetary estimates, at \$183.27 million and \$178.25 million, respectively. Revenues received exceeded operating expenditures by \$13.61 million. In addition, there was a \$14.22 million sale of city property, which includes a one-time sale of land for 14.15 million and transfers to/from other funds of a negative \$8.85 million. Overall, \$18.99 million was added to ending fund balance bring the fund balance at year end to \$126.90 million.

See Independent Auditors' Report

Financial Analysis of the Other Major Funds

The Orange County Great Park Fund accounts for transactions relating to the development and operations 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 revenues received totaled \$20.36 million of which \$15.12 million was received from developers. Current year expenditures were \$9.99 million. The ending fund balance of \$312.53 million is a combination of \$273.68 million that is restricted for advances from the Successor Agency and \$38.85 million committed for the future development of the Orange County Great Park.

Orange County Great Park Development Fund accounts for expenditures related to the planning, design, demolition, and construction of the Orange County Great Park. Current year expenditures were \$1.62 million. Funding for these efforts is transferred from the Orange County Great Park Fund. The ending fund balance of \$1.80 million is committed to the purposes of this fund.

The Assessment Districts Fund accounts for the 1915 Improvement Bond Act bond proceeds to fund major road and drainage improvements throughout the City. Capital outlay was \$9.35 million for improvements related to new development in the City. The ending fund balance of \$126.94 million is restricted for future construction of these projects.

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. Fund balance increased by \$2.44 million as a result a combination of external and internal sources of funding exceeding the \$10.69 million of capital expenditures. The ending fund balance of \$5.41 million is committed to future circulation construction improvements.

Community Facilities Districts Fund accounts for infrastructure improvements associated with Columbus Grove, Central Park and Great Park. Revenues are primarily from Assessment districts contributions and expenditures are primarily for capital outlay. During the year, \$95.95 million in revenues were received and \$22.59 million was spent. The ending fund balance of \$74.40 million is restricted for purposes of this fund.

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$1.52 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, park facilities, roads, highways, trails, and bridges. The total decrease over prior fiscal year in the City's investment in capital assets was \$24.63 million, or a 1.60 percent decrease.

City of Irvine
Summary of Changes in Capital Assets
For the Year Ended June 30, 2015
(amounts expressed in thousands)

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 636,313	\$ 323	\$ 4,027	\$ 632,609
Construction in progress	60,342	3,212	-	63,554
Total capital assets not being depreciated	<u>696,655</u>	<u>3,535</u>	<u>4,027</u>	<u>696,163</u>
Capital assets, being depreciated:				
Buildings	130,468	-	-	130,468
Improvements other than buildings	137,497	261	-	137,758
Machinery and equipment	42,750	3,926	126	46,550
Infrastructure	1,449,114	35,720	-	1,484,834
Total capital assets being depreciated	<u>1,759,829</u>	<u>39,907</u>	<u>126</u>	<u>1,799,610</u>
Less accumulated depreciation for:				
Buildings	(52,688)	(3,452)	-	(56,140)
Improvements other than buildings	(53,954)	(7,960)	-	(61,914)
Machinery and equipment	(32,951)	(2,972)	(108)	(35,815)
Infrastructure	(774,907)	(49,647)	-	(824,554)
Total accumulated depreciation	<u>(914,500)</u>	<u>(64,031)</u>	<u>(108)</u>	<u>(978,423)</u>
Total capital assets, being depreciated, net	<u>845,329</u>	<u>(24,124)</u>	<u>18</u>	<u>821,187</u>
Governmental activities capital assets, net	<u>\$ 1,541,984</u>	<u>\$ (20,589)</u>	<u>\$ 4,045</u>	<u>\$ 1,517,350</u>

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

- Infrastructure additions were \$35.72 million. Street additions accounted for \$29.12 million, traffic signal additions totaled \$2.16 million, bridge additions totaled \$0.59 million, trail additions totaled \$1.22 million, and landscaping additions were \$2.63 million.
- Machinery and equipment acquisitions of \$3.93 million included vehicles, computer hardware, computer software, and other types of machinery and equipment.

See Independent Auditors' Report

- 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

Total outstanding long-term debt at June 30, 2015, is \$26.98 million, an increase of \$1.16 million from the prior year.

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

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015	Long- Term	Due Within One Year
Compensated absences	\$ 10,693	\$ 3,498	\$ 2,751	\$ 11,440	\$ 8,456	\$ 2,984
Claims payable	14,944	3,747	3,230	15,461	11,120	4,340
Capital lease obligation	177	-	99	78	-	78
Total Long-Term Liabilities	\$ 25,814	\$ 7,245	\$ 6,080	\$ 26,979	\$ 19,576	\$ 7,402

Long-term debt-related events during the fiscal year ended June 30, 2015, included:

- Compensated absences liabilities increased by \$3.50 million and payouts to employees upon termination amounted to \$2.75 million or a net increase of \$0.75 million.
- A net increase to claims payable of \$0.52 million to adjust for possible future general liability and workers' compensation claims.
- Capital lease obligations decreased \$0.99 million as a result of the City making quarterly payments on lease obligations.

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

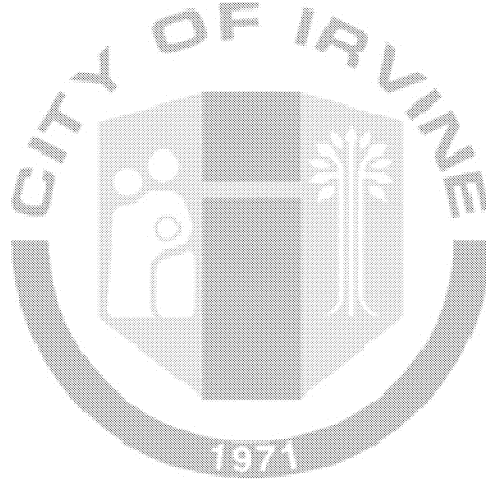
The City's economy is linked to the national and state economy. However, because the City is still developing, its local economy can experience departures from other local, state or national trends; with resultant recurring revenue fluctuations. Additionally, because the City's revenues are obtained 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 the annual budget preparation, can be obtained from the City's fiscal year 2015-16 citywide budget, available through the Administrative Services Department.

See Independent Auditors' Report

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, 2015
(amounts expressed in thousands)

	Governmental Activities
ASSETS	
Cash and investments	\$ 700,008
Receivables, net of allowances:	
Taxes	17,574
Accounts	4,159
Accrued interest	1,031
Prepaid	1,072
Inventories	93
Due from the Successor Agency	295,865
Due from other governments	8,294
Due from developers	16,824
Long-term note receivable	22,891
Capital assets, net of accumulated depreciation:	
Land	632,609
Buildings and systems	74,328
Improvements other than buildings	75,844
Machinery and equipment	10,735
Infrastructure	660,280
Construction in progress	63,554
Total Assets	2,585,161
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	24,308
Total Deferred Outflows of Resources	24,308
LIABILITIES	
Accounts payable	15,546
Accrued liabilities	4,688
Due to other governments	97
Grant advances	300
Deposits	8,895
Unearned revenue	8,149
Noncurrent liabilities:	
Due within one year	7,402
Due in more than one year	19,576
Net OPEB	1,482
Net pension	103,009
Total Liabilities	169,144
DEFERRED INFLOWS OF RESOURCES	
Pension related items	28,327
Total Deferred Inflows of Resources	28,327
NET POSITION	
Net investment in capital assets	1,517,272
Restricted	
Expendable:	
Assessment infrastructure and capital improvements	442,626
Housing programs	28,042
Public safety programs	1,656
Other programs and activities	5,384
Nonexpendable:	
Senior Services Fund program	496
Unrestricted	416,521
Total Net Position	\$ 2,411,997

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

City of Irvine
Statement of Activities
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities:					
General Government	\$ 24,558	\$ 4,566	\$ 15,423	\$ -	\$ (4,569)
Public Safety	59,266	4,395	1,546	128	(53,197)
Public Works	70,697	46,387	11,092	78,521	65,303
Community Services	39,119	19,362	1,392	16,345	(2,020)
Community Development	24,278	19,414	951	16,995	13,082
Interest on Long-Term Debt	6	-	-	-	(6)
Unallocated infrastructure depreciation	49,647	-	-	-	(49,647)
Total Governmental Activities	\$ 267,571	\$ 94,124	\$ 30,404	\$ 111,989	(31,054)

General Revenues

Taxes:	
Property taxes	53,300
Sales taxes	58,725
Franchise taxes	14,100
Transient occupancy taxes	13,465
Document transfer taxes	3,554
Unrestricted motor vehicle in-lieu	99
Gain on sales of assets	10,112
Investment revenue	5,243
Other revenue	118
Total General Revenues	158,716
Extraordinary Gain (Loss)	107,833
Change in Net Position	235,495
Total Net Position, Beginning, as restated	2,176,502
Total Net Position, Ending	\$ 2,411,997

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

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2015
(amounts expressed in thousands)
Page 1 of 2

	<u>General</u>	<u>Orange County Great Park</u>	<u>Orange County Great Park Development</u>	<u>Assessment Districts</u>
ASSETS				
Cash and investments	\$ 128,808	\$ 39,792	\$ 2,288	\$ 127,460
Receivables, net of allowances:				
Taxes	10,617	-	-	-
Accounts	2,561	217	-	-
Accrued interest	155	42	2	4
Prepaid	1,049	-	-	-
Due from other funds	-	-	-	-
Due from other governments	19	-	-	-
Due from developers	-	-	-	-
Due from the Successor Agency	7,781	288,084	-	-
Long-term note receivable	10,673	-	-	-
	<u>161,663</u>	<u>328,135</u>	<u>2,290</u>	<u>127,464</u>
Total Assets	<u>\$ 161,663</u>	<u>\$ 328,135</u>	<u>\$ 2,290</u>	<u>\$ 127,464</u>
LIABILITIES				
Accounts payable	\$ 3,721	\$ 866	\$ 329	\$ 165
Accrued liabilities	3,564	168	159	11
Due to other funds	-	14,404	-	-
Due to other governments	16	3	-	73
Deposits	7,789	23	-	280
Unearned revenue	7,692	60	-	-
Grant advances	-	-	-	-
	<u>22,782</u>	<u>15,524</u>	<u>488</u>	<u>529</u>
Total Liabilities	<u>22,782</u>	<u>15,524</u>	<u>488</u>	<u>529</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	93	84	-	-
Unavailable resources:				
Due from the Successor Agency	1,213	-	-	-
Long term notes receivable	10,673	-	-	-
	<u>11,979</u>	<u>84</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>11,979</u>	<u>84</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	7,617	-	-	-
Restricted	5,682	273,679	-	126,935
Committed	25,946	38,848	1,802	-
Assigned	63,790	-	-	-
Unassigned	23,867	-	-	-
	<u>126,902</u>	<u>312,527</u>	<u>1,802</u>	<u>126,935</u>
Total Fund Balances (Deficits)	<u>126,902</u>	<u>312,527</u>	<u>1,802</u>	<u>126,935</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 161,663</u>	<u>\$ 328,135</u>	<u>\$ 2,290</u>	<u>\$ 127,464</u>

- continued -

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2015
(amounts expressed in thousands)
Page 2 of 2

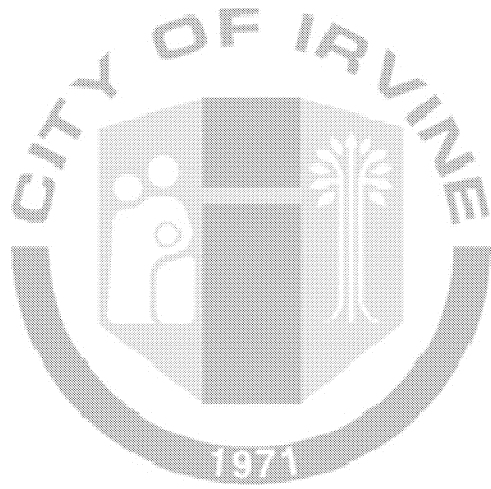
	Capital Improvement Projects	Community Facilities Districts	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 10,857	\$ 74,793	\$ 286,085	\$ 670,083
Receivables, net of allowances:				
Taxes	-	-	992	11,609
Accounts	-	-	268	3,046
Accrued interest	9	1	293	506
Prepaid	-	-	18	1,067
Due from other funds	-	-	14,404	14,404
Due from other governments	6,635	-	1,639	8,293
Due from developers	-	-	16,824	16,824
Due from the Successor Agency	-	-	-	295,865
Long-term note receivable	-	-	9,433	20,106
	<u>17,501</u>	<u>74,794</u>	<u>329,956</u>	<u>1,041,803</u>
Total Assets	<u>\$ 17,501</u>	<u>\$ 74,794</u>	<u>\$ 329,956</u>	<u>\$ 1,041,803</u>
LIABILITIES				
Accounts payable	\$ 5,510	\$ 136	\$ 3,193	\$ 13,920
Accrued liabilities	78	7	586	4,573
Due to other funds	-	-	-	14,404
Due to other governments	-	-	3	95
Deposits	427	250	106	8,875
Unearned revenue	278	-	119	8,149
Grant advances	300	-	-	300
	<u>6,593</u>	<u>393</u>	<u>4,007</u>	<u>50,316</u>
Total Liabilities	<u>6,593</u>	<u>393</u>	<u>4,007</u>	<u>50,316</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	5,502	-	3,567	9,246
Unavailable resources:				
Due from the Successor Agency	-	-	-	1,213
Long term notes receivable	-	-	9,433	20,106
	<u>5,502</u>	<u>-</u>	<u>13,000</u>	<u>30,565</u>
Total Deferred Inflows of Resources	<u>5,502</u>	<u>-</u>	<u>13,000</u>	<u>30,565</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	496	8,113
Restricted	-	74,401	275,856	756,553
Committed	5,406	-	33,824	105,826
Assigned	-	-	5,256	69,046
Unassigned	-	-	(2,483)	21,384
	<u>5,406</u>	<u>74,401</u>	<u>312,949</u>	<u>960,922</u>
Total Fund Balances (Deficits)	<u>5,406</u>	<u>74,401</u>	<u>312,949</u>	<u>960,922</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 17,501</u>	<u>\$ 74,794</u>	<u>\$ 329,956</u>	<u>\$ 1,041,803</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, 2015
(amounts expressed in thousands)

Total Fund Balances of Governmental Funds		\$ 960,922
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 \$6,642.		
Governmental capital assets	2,460,847	
Less: accumulated depreciation	<u>(950,139)</u>	1,510,708
Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.		22,889
Deferred outflow related to pension items contribution made subsequent to the measurement date, net of the Internal Service Funds of \$470.		23,838
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	84	
Capital Improvement Projects Funds	5,502	
Fees and Exactions	2,614	
General Fund	1,294	
Irvine Business Complex Fund	6	
Park Development Fund	16	
Grant Fund	889	
Light and Landscape	<u>56</u>	10,461
Other revenues are not available to pay for current period expenditures and are not reported in the funds.		1,303
The net other post employment benefit pension obligation is not due and payable in the current period and are not reported in the funds.		(1,482)
A portion of sales tax receivable is not available to pay for current period expenditures and is not reported in the fund financial statements.		5,965
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.		17,349
Compensated absences long-term liabilities not due and payable in the current period and are not reported in the funds.		(11,256)
The net pension obligation is not due and payable in the current period and is not reported in the funds.		(100,876)
Deferred inflow related to pension items differences between expected and actual experience and net investment income, net of the Internal Service Funds of \$503.		(27,824)
Net Position of Governmental Activities		<u><u>\$2,411,997</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, 2015
(amounts expressed in thousands)
Page 1 of 2

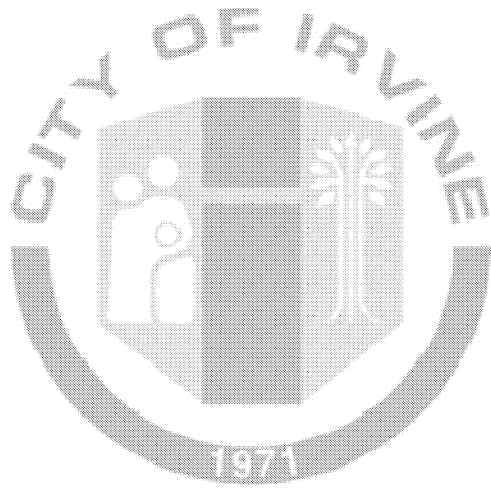
	<u>General</u>	<u>Orange County Great Park</u>	<u>Orange County Great Park Development</u>	<u>Assessment Districts</u>
REVENUES				
Taxes	\$ 136,646	\$ -	\$ -	\$ -
Licenses and permits	10,750	-	-	-
Fines and forfeitures	1,531	-	-	-
Investment income	1,496	312	14	50
Intergovernmental	1,625	-	-	-
Charges for services	27,697	3,897	-	-
Assessment districts contributions	-	-	-	-
Revenue from developers	-	15,123	-	-
Revenue from property owners	-	-	-	-
Donations	28	-	-	-
Other revenue	3,492	1,028	-	7
Total Revenues	<u>183,265</u>	<u>20,360</u>	<u>14</u>	<u>57</u>
EXPENDITURES				
Current:				
General Government	24,816	3,089	2	3
Public Safety	63,272	199	-	-
Public Works	26,882	2,733	135	268
Community Development	23,454	218	-	-
Community Services	31,227	3,747	-	-
Capital outlay	-	-	1,486	9,348
Total Expenditures	<u>169,651</u>	<u>9,986</u>	<u>1,623</u>	<u>9,619</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,614</u>	<u>10,374</u>	<u>(1,609)</u>	<u>(9,562)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	14,224	-	-	-
Transfers in	100	830	3,345	-
Transfers out	(8,950)	(3,445)	-	-
Total Other Financing Sources (Uses)	<u>5,374</u>	<u>(2,615)</u>	<u>3,345</u>	<u>-</u>
EXTRAORDINARY GAIN (LOSS)				
Settlement agreement	-	143,400	-	-
Total Extraordinary Gain (Loss)	<u>-</u>	<u>143,400</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	18,988	151,159	1,736	(9,562)
Fund Balances, Beginning	<u>107,914</u>	<u>161,368</u>	<u>66</u>	<u>136,497</u>
Fund Balances, Ending	<u>\$ 126,902</u>	<u>\$ 312,527</u>	<u>\$ 1,802</u>	<u>\$ 126,935</u>

- continued -

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)
Page 2 of 2

	Capital Improvement Projects	Community Facilities Districts	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 27,952	\$ 164,598
Licenses and permits	-	-	-	10,750
Fines and forfeitures	-	-	-	1,531
Investment income	77	46	2,221	4,216
Intergovernmental	5,131	-	4,907	11,663
Charges for services	-	-	2,079	33,673
Assessment districts contributions	-	69,650	-	69,650
Revenue from developers	-	-	33,987	49,110
Revenue from property owners	-	26,214	6,401	32,615
Donations	-	-	636	664
Other revenue	298	36	153	5,014
Total Revenues	<u>5,506</u>	<u>95,946</u>	<u>78,336</u>	<u>383,484</u>
EXPENDITURES				
Current:				
General Government	28	1,320	188	29,446
Public Safety	-	-	2,153	65,624
Public Works	363	283	20,177	50,841
Community Development	-	-	2,718	26,390
Community Services	-	-	946	35,920
Capital outlay	10,301	20,983	11,020	53,138
Total Expenditures	<u>10,692</u>	<u>22,586</u>	<u>37,202</u>	<u>261,359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,186)</u>	<u>73,360</u>	<u>41,134</u>	<u>122,125</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	-	-	-	14,224
Transfers in	7,628	-	35,523	47,426
Transfers out	-	(36)	(35,304)	(47,735)
Total Other Financing Sources (Uses)	<u>7,628</u>	<u>(36)</u>	<u>219</u>	<u>13,915</u>
EXTRAORDINARY GAIN (LOSS)				
Settlement agreement	-	-	14,600	158,000
Total Extraordinary Gain (Loss)	<u>-</u>	<u>-</u>	<u>14,600</u>	<u>158,000</u>
Net Change in Fund Balances	2,442	73,324	55,953	294,040
Fund Balances, Beginning	<u>2,964</u>	<u>1,077</u>	<u>256,996</u>	<u>666,882</u>
Fund Balances, Ending	<u>\$ 5,406</u>	<u>\$ 74,401</u>	<u>\$ 312,949</u>	<u>\$ 960,922</u>

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

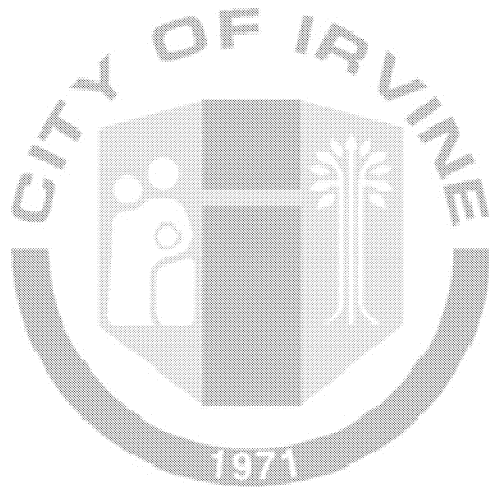


City of Irvine
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

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

Net Change in Fund Balances - Total Governmental Funds		\$ 294,040
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	53,138	
Expenditures for capital equipment purchases	1,673	
Less amounts not capitalized	(18,440)	
Depreciation expense	<u>(61,841)</u>	(25,470)
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		578
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Interest	751	
Charges for services	609	
Grants	1,018	
Sales taxes	(41)	
Other revenue	<u>(53)</u>	2,284
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 use. 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.		
		227
Governmental funds do not report the changes in the net pensions, since it does not provide or require the use of current financial resources.		
Defined Benefit Pension Plans		12,187
Other Post Employment Benefit Plan		(278)
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>(763)</u>	(762)
Extraordinary gain and losses relating to long term liabilities reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.		
		(50,167)
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>2,856</u>
Change in Net Position of Governmental Activities		<u>\$ 235,495</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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 131,810	\$ 131,810	\$ 136,646	\$ 4,836
Licenses and permits	11,168	11,168	10,750	(418)
Fines and forfeitures	1,826	1,826	1,531	(295)
Investment income	1,411	1,411	1,496	85
Intergovernmental	981	981	1,625	644
Charges for services	28,349	28,349	27,697	(652)
Revenue from developers	25	25	-	(25)
Donations	3	3	28	25
Other revenue	2,676	2,676	3,492	816
Total Revenues	178,249	178,249	183,265	5,016
EXPENDITURES				
Current:				
General Government:				
City Manager	10,565	10,746	8,985	1,761
Administrative Services	16,534	16,788	15,831	957
Public Safety	64,405	64,537	63,272	1,265
Public Works	26,473	27,239	26,882	357
Community Development	26,266	26,098	23,454	2,644
Community Services	31,723	31,944	31,227	717
Total Expenditures	175,966	177,352	169,651	7,701
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,283	897	13,614	12,717
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	29	29	14,224	14,195
Transfers in	100	100	100	-
Transfers out	(12,633)	(12,774)	(8,950)	3,824
Total Other Financing Sources (Uses)	(12,504)	(12,645)	5,374	18,019
Net Change in Fund Balances	(10,221)	(11,748)	18,988	30,736
Fund Balances, Beginning	107,914	107,914	107,914	-
Fund Balances, Ending	\$ 97,693	\$ 96,166	\$ 126,902	\$ 30,736

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, 2015
(amounts expressed in thousands)
Page 1 of 2

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 234	\$ 234	\$ 312	\$ 78
Intergovernmental	200	200	-	(200)
Charges for services	3,322	3,322	3,897	575
Revenue from developers	15,550	15,550	15,123	(427)
Other revenue	-	-	1,028	1,028
Total Revenues	<u>19,306</u>	<u>19,306</u>	<u>20,360</u>	<u>1,054</u>
EXPENDITURES				
Current:				
City Manager				
Personnel	1,127	1,127	935	192
Supplies	144	144	9	135
Contract services	2,287	2,907	1,751	1,156
Training and business expenses	40	40	5	35
Capital equipment	77	77	-	77
Miscellaneous	60	60	56	4
Total City Manager	<u>3,735</u>	<u>4,355</u>	<u>2,756</u>	<u>1,599</u>
Administrative Services				
Personnel	342	341	330	11
Contract services	3	8	3	5
Total Administrative Services	<u>345</u>	<u>349</u>	<u>333</u>	<u>16</u>
Public Safety				
Personnel	376	376	199	177
Total Public Safety	<u>376</u>	<u>376</u>	<u>199</u>	<u>177</u>
Public Works				
Personnel	491	752	514	238
Supplies	133	133	78	55
Internal service allocations	27	27	27	-
Contract services	2,873	3,080	1,775	1,305
Utilities	475	475	339	136
Total Public Works	<u>3,999</u>	<u>4,467</u>	<u>2,733</u>	<u>1,734</u>

- continued -

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, 2015
(amounts expressed in thousands)

Page 2 of 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current:				
Community Development				
Personnel	-	218	37	181
Supplies	-	3	1	2
Contract services	272	445	180	265
Total Community Development	272	666	218	448
Community Services				
Personnel	1,829	1,991	1,670	321
Supplies	242	259	146	113
Internal service allocations	339	339	339	-
Contract services	2,297	2,297	1,490	807
Training and business expenses	5	9	2	7
Capital equipment	-	40	11	29
Miscellaneous	89	89	89	-
Total Community Services	4,801	5,024	3,747	1,277
Total Expenditures	13,528	15,237	9,986	5,251
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,778	4,069	10,374	6,305
OTHER FINANCING SOURCES (USES)				
Transfers in	826	826	830	4
Transfers out	(2,400)	(3,445)	(3,445)	-
Total Other Financing Sources (Uses)	(1,574)	(2,619)	(2,615)	4
EXTRAORDINARY GAIN (LOSS)				
Settlement agreement	-	-	143,400	143,400
Total Extraordinary Gain	-	-	143,400	143,400
Net Change in Fund Balances	4,204	1,450	151,159	149,709
Fund Balances, Beginning	161,368	161,368	161,368	-
Fund Balances, Ending	\$ 165,572	\$ 162,818	\$ 312,527	\$ 149,709

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

City of Irvine
Statement of Net Position
Proprietary Funds
June 30, 2015
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and investments	\$ 29,925
Receivables, net of allowances:	
Accounts	303
Accrued interest	31
Prepaid	5
Inventories	93
Due from other governments	1
Total Current Assets	30,358
Noncurrent Assets:	
Capital assets:	
Equipment	34,926
Less accumulated depreciation	(28,284)
Total Noncurrent Assets	6,642
Total Assets	37,000
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	470
Total Deferred Outflows of Resources	470
LIABILITIES	
Current Liabilities:	
Accounts payable	1,626
Accrued liabilities	115
Due to other governments	2
Deposits	20
Lease payable	78
Compensated absences	48
Claims payable	4,340
Total Current Liabilities	6,229
Noncurrent Liabilities:	
Compensated absences	136
Claims payable	11,120
Net pension	2,133
Total Noncurrent Liabilities	13,389
Total Liabilities	19,618
DEFERRED INFLOWS OF RESOURCES	
Pension related items	503
Total Deferred Inflows of Resources	503
NET POSITION	
Net investment in capital assets	6,564
Unrestricted	10,785
Total Net Position	\$ 17,349

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, 2015
(amounts expressed in thousands)

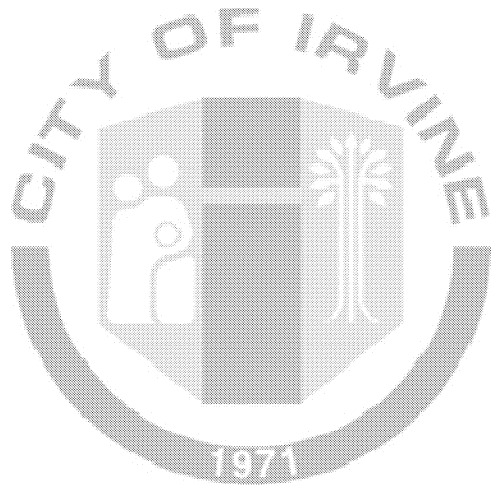
	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 23,057
Other	469
	23,526
Total Operating Revenues	23,526
OPERATING EXPENSES	
Salaries and benefits	2,388
Supplies and equipment	3,912
Contract services	5,995
Administration	1,474
Self-insured losses	3,297
Insurance premiums	2,184
Depreciation	2,190
	21,440
Total Operating Expenses	21,440
Operating Income	2,086
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	247
Interest expense	(7)
Loss on disposal of equipment	(11)
	229
Total Nonoperating Revenues	229
Income Before Capital Contributions and Transfers	2,315
Capital contributions	232
Transfers in	321
Transfers out	(12)
	2,856
Change in Net Position	2,856
Total Net Position, Beginning, as restated	14,493
Total Net Position, Ending	\$ 17,349

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, 2015
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers and users	\$ 791
Received from interfund services provided	22,660
Paid to suppliers and providers	(17,045)
Paid for salaries and benefits	(2,650)
Net Cash Provided by Operating Activities	<u>3,756</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from other funds	321
Transfers to other funds	(12)
Net Cash Provided by Non-Capital Financing Activities	<u>309</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of equipment	8
Equipment purchases	(2,234)
Interest paid	(7)
Net Cash Used by Capital and Related Financing Activities	<u>(2,233)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	<u>236</u>
Net Cash Provided by Investing Activities	<u>236</u>
Net Increase in Cash and Cash Equivalents	2,068
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>27,857</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 29,925</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	<u>\$ 2,086</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	2,190
Pension contributions made after the measurement date	(250)
Changes in assets and liabilities:	
(Increase) decrease in receivables, net of allowances	(74)
(Increase) decrease in prepaid costs	3
(Increase) decrease in due from other governments	(1)
(Increase) decrease in inventories	(1)
Increase (decrease) in accounts payable	(643)
Increase (decrease) in accrued liabilities	31
Increase (decrease) in deposits	14
Increase (decrease) in lease payable	(99)
Increase (decrease) in compensated absences	(16)
Increase (decrease) in claims payable	516
Total Adjustments	<u>1,670</u>
Net Cash Provided by Operating Activities	<u>\$ 3,756</u>
Schedule of Non-Cash and Related Financing Activities	
Contribution of Capital Assets	<u>\$ 137</u>

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



City of Irvine
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014 and June 30, 2015
(amounts expressed in thousands)

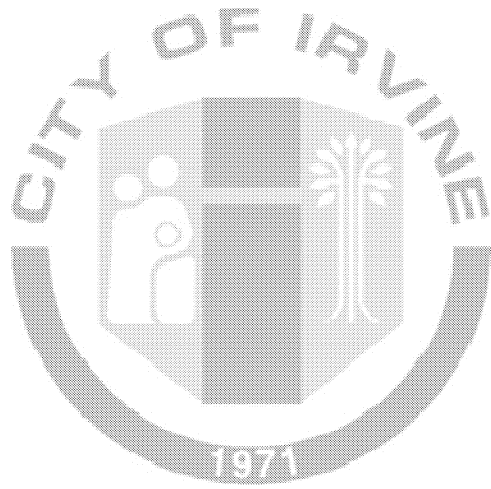
	<u>December 31, 2014</u>		
	<u>Pension and Employee Benefit Trust Funds</u>	<u>Successor Agency Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash	\$ -	\$ 313	\$ 94,163
Investments:			
Short-term investments	336	-	-
Receivables, net of allowances:			
Taxes	-	-	1,036
Accounts	3	-	787
Accrued interest	-	-	33
Loans	81	-	-
Due from other governments	-	288,084	-
Due from developers	-	-	53
Investments:			
Pooled Funds	24,572	-	-
Mutual Funds - Closed End Funds Equity	212	-	-
Mutual Funds - Equity	3,675	-	-
Mutual Funds - Corporate Bonds	864	-	-
Mutual Funds - Balanced	447	-	-
Wells Fargo Funds Balanced	631	-	-
Total Assets	<u>30,821</u>	<u>288,397</u>	<u>96,072</u>
LIABILITIES			
Accounts payable	39	52	804
Accrued liabilities	49	-	54
Advances from the City of Irvine	-	295,865	-
Due to bondholders	-	-	95,078
Due to other governments	-	-	136
Total Liabilities	<u>88</u>	<u>295,917</u>	<u>96,072</u>
NET POSITION			
Held in trust for pension benefits	30,733	-	-
Held in trust for enforceable obligations	-	(7,520)	-
Total Net Position	<u>\$ 30,733</u>	<u>\$ (7,520)</u>	<u>\$ -</u>

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, 2014 and June 30, 2015
(amounts expressed in thousands)

	<u>December 31, 2014</u>	
	Pension and Employee Benefit Trust Funds	Successor Agency Private- Purpose
ADDITIONS		
Contributions:		
Employer	\$ 407	\$ -
Plan members	107	-
Interest from participants' loan	<u>4</u>	<u>-</u>
Total Contributions	<u>518</u>	<u>-</u>
Investment income (loss):		
Interest and dividends	111	-
Net appreciation (depreciation) in fair value of investments	<u>1,731</u>	<u>-</u>
Total Investment Income	1,842	-
Less investment expenses	<u>(123)</u>	<u>-</u>
Net Investment Income	1,719	-
Taxes	<u>-</u>	<u>125</u>
Total Additions	<u>2,237</u>	<u>125</u>
DEDUCTIONS		
Benefit payments	2,620	-
Administration	40	264
Interest and fiscal charges	<u>-</u>	<u>2,443</u>
Total Deductions	<u>2,660</u>	<u>2,707</u>
EXTRAORDINARY GAIN (LOSS)		
Settlement agreement	<u>-</u>	<u>186,586</u>
Total Extraordinary Gain	<u>-</u>	<u>186,586</u>
Change in Net Position	(423)	184,004
Total Net Position, Beginning	<u>31,156</u>	<u>(191,524)</u>
Total Net Position, Ending	<u>\$ 30,733</u>	<u>\$ (7,520)</u>

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



City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

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 following component 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. Since the governing bodies of the City Council, the Corporation and the Authority are substantially the same, these entities are reported as component units and their transactions 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, 2015
(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 OCGPC board of directors is comprised of the five elected City Councilmembers. Since the governing bodies of the City Council and OCGPC are substantially the same, and there is a financial burden relationship between the City and the OCGPC, the OCGPC is reported as a blended component unit. 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. No financial activity occurred during the current fiscal year, therefore, no financial statements are available.

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 governs the ICLT. Since the ICLT obtains the majority of its funding from the City, City staff holds management positions, and ICLT provides almost exclusively, benefits to the City even though it does not provide services directly to the City, the ICLT is reported as a blended component unit. Transactions 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 not properly included among program revenues are reported instead as general revenues. As a general rule, the effects of interfund activity have 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. When both

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

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

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 Orange County Great Park 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 Orange County Great Park Development, a capital projects fund, accounts for expenditures related to the planning, design, demolition, and constructing the Orange County Great Park.

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

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 Community Facilities District Fund, a capital projects fund, accounts for the capital infrastructure improvements associated with Columbus Grove, Central Park, and Great Park.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

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, 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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

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.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

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.

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. 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.

E. 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. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates or fair market value when market quotations are readily available. Real estate assets (purchased for investment purposes) are reported at fair value utilizing an income approach to valuation method. If real estate investment assets are owned, an independent appraisal is obtained at least annually to determine the fair market value of the investment.

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, Irvine Community Land Trust, 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, 2015
(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 Outflow/Inflow 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. The City has only one type of item in the statement of net position, \$24,308 for pension related items.

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 City reported the following in this category:

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

1. Unavailable revenues (which include revenues, notes, and long-term receivables) measured under the modified accrual basis of accounting reported in governmental funds. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.
2. Changes in the net pension liability not included in pension expense.

Deferred inflows of resources that are included in the governmental fund financial statements and government-wide statements at June 30, 2015 are as follows:

	General Fund	Orange County Great Park	Capital Improvement Projects	Other Governmental Funds
<u>Governmental Funds:</u>				
Grants	\$ -	\$ -	\$ 5,502	\$ 910
Development credit	-	-	-	2,614
Other revenue	93	84	-	43
Notes and long-term receivable	11,886	-	-	9,433
Total	<u>\$ 11,979</u>	<u>\$ 84</u>	<u>\$ 5,502</u>	<u>\$ 13,000</u>
<u>Government-wide:</u>				
Pension related items	\$ 28,327			

Net Position Flow Assumptions

Sometimes the City 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 City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the City 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 City'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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

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 percent 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 percent and 90 percent of earned sick pay benefits, and 100 percent 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.

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 with the exception of prepaid insurance costs, are recognized as an outflow of resources in the period when the debt is issued. 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS' Financial Office and the City's Defined Benefit Pension Plan for sworn employees. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

	Defined Benefit Pension Plans	CalPERS Pension Plans
Valuation date (VD)	December 31, 2013	June 30, 2013
Measurement date (MD)	December 31, 2014	June 30, 2014
Measurement period (MP)	January 1, 2014 to December 31, 2014	July 1, 2013 to June 30, 2014

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 through the annual adopted budget and as amended per the approved budget policy, for specific purposes but do not meet the criteria to be classified as restricted or committed in governmental funds. Other than the General Fund, assigned fund balance represents the remaining fund balance that is not restricted or committed.

Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications. In other governmental funds, the unassigned classification reports a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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, 2015
(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 restricted net position and unrestricted net positions are available, the City's policy is to consider restricted net position to have been depleted before unrestricted net position is applied.

F. 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.

G. Implementation of New GASB Pronouncements

In fiscal year ended June 30, 2015, the City adopted the following accounting standards.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27 becomes effective for the fiscal years beginning after June 15, 2014. The Statements objectives are to continue to improve accounting and financial reporting by governments for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity thus creating additional pension transparency.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* becomes effective for fiscal year beginning after June 15, 2014. The Statement provides guidance to governments on determining whether a specific government combination is a merger, acquisition or transfer of operations and the appropriate accounting to be used.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68 is to be implemented concurrently with Statement 68 for fiscal years beginning after June 15, 2014.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

H. Pending GASB Accounting Pronouncements

The following accounting statement which may impact the City's financial reporting requirements in the near future is listed below.

GASB Statement No. 72, *Fair Value Measurement and Applications* becomes effective for fiscal year beginning after June 15, 2015. The Statement's goal is to enhance comparability of governmental financial statements by requiring consistent fair value measurements for certain assets and liabilities.

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 except for the Orange County Great Park Funds 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, and Public Works. 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, 2015, increased appropriations by \$1,386 to an amended total of \$177,352.

The legal level of control in the Orange County Great Park Funds is budget category by department. Adjustments to the budget must be approved by the Orange County Great Park Board of Directors and majority vote of the City Council. Amendments to the adopted Orange County Great Park budget increased appropriation by \$1,709 to an amended total of \$15,237.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

II. Stewardship, Compliance, and Accountability (Continued)

The legal level of control for all governmental funds other than the General Fund and Orange County Great Park Funds 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, 2015, expenditures for the Major Special Events Fund exceeded appropriations by \$163. Additional events were added to the schedule, increasing the need for personnel. These additional personnel costs were mostly offset by revenue billed to and received from the event sponsors.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds

A. Cash and Investments

Cash and investments, as of June 30, 2015, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 501,665
Cash and investments held by trustee	198,343
Total	700,008
Fiduciary funds:	
Cash and investments	5,068
Cash and investments held by trustee	88,957
Agency deposits	138
Cash and investments - Pension trust funds	30,737
Cash and investments - Private purpose trust funds	313
Total	125,213
Total Cash and Investments	\$ 825,221

Cash and investments, as of June 30, 2015, consist of the following:

Cash on hand	\$ 21
Deposits with financial institutions	11,053
Investments	783,097
Total	794,171
Cash and investments - Pension trust funds	30,737
Cash and investments - Private-purpose trust funds	313
Total Cash and Investments	\$ 825,221

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, 2015
(amounts expressed in thousands)

III. Detailed Notes to 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%	3%
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, Local Agency Investment Fund, and money market mutual funds, in accordance with both the bond indentures and the City's investment policy.

Investments Authorized By Irvine Community Land Trust Board

Investments held by the Irvine Community Land Trust (ICLT) are governed by the ICLT's Investment Policy Statement rather than the general provisions of the California Government Code or 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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

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	\$ 592,581	\$ 159,226	\$ 146,205	\$ 287,150
Money Market Mutual Funds	145,340	145,340	-	-
Local Agency Investment Fund (LAIF)	45,176	45,176	-	-
	<u>\$ 783,097</u>	<u>\$ 349,742</u>	<u>\$ 146,205</u>	<u>\$ 287,150</u>

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, 2015, is \$242,596.

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, 2015	
				AAA _m	AA+
U.S. Government Sponsored Enterprise Securities	\$ 592,581	N/A	\$ -	\$ -	\$ 592,581
Money Market Mutual Funds	145,340	AAA	-	145,340	-
Local Agency Investment Fund (LAIF)	45,176	N/A	45,176	-	-
	<u>\$ 783,097</u>		<u>\$ 45,176</u>	<u>\$ 145,340</u>	<u>\$ 592,581</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 percent (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 percent or more of the City's investments are as follows:

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Issuer	Investment Type	Fair Value
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 123,655
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 117,613
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 95,177
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 89,665

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 percent or more of the fiscal agent cash portfolio are as follows:

Issuer	Investment Type	Fair Value
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 122,986
Dreyfus Government Prime Cash Fund	Money Market Mutual Fund	\$ 91,030
Federated Government Obligation Fund	Money Market Mutual Fund	\$ 26,223
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 22,000
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 17,735

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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

As of June 30, 2015, 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	\$ 426,111

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	\$ 166,470

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 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, 2014. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2014.

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, 2014. 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, 2014.

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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Restricted Cash

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$649 at June 30, 2015, were restricted per terms of an agreement with the Irvine Senior Foundation and the City.

B. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Capital assets, not being depreciated:				
Land, restated	\$ 636,313	\$ 323	\$ 4,027	\$ 632,609
Construction in progress	60,342	3,212	-	63,554
Total capital assets not being depreciated	<u>696,655</u>	<u>3,535</u>	<u>4,027</u>	<u>696,163</u>
Capital assets, being depreciated:				
Buildings and systems	130,468	-	-	130,468
Improvements other than buildings	137,497	261	-	137,758
Machinery and equipment	42,750	3,926	126	46,550
Infrastructure	1,449,114	35,720	-	1,484,834
Total capital assets being depreciated	<u>1,759,829</u>	<u>39,907</u>	<u>126</u>	<u>1,799,610</u>
Less accumulated depreciation for:				
Buildings and systems	(52,688)	(3,452)	-	(56,140)
Improvements other than buildings	(53,954)	(7,960)	-	(61,914)
Machinery and equipment	(32,951)	(2,972)	(108)	(35,815)
Infrastructure	(774,907)	(49,647)	-	(824,554)
Total accumulated depreciation	<u>(914,500)</u>	<u>(64,031)</u>	<u>(108)</u>	<u>(978,423)</u>
Total capital assets, being depreciated, net	<u>845,329</u>	<u>(24,124)</u>	<u>18</u>	<u>821,187</u>
Governmental activities capital assets, net	<u>\$ 1,541,984</u>	<u>\$ (20,589)</u>	<u>\$ 4,045</u>	<u>\$ 1,517,350</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, 2015
(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	257
Public Works	9,252
Community Development	80
Community Services	1,233
Internal Service Funds Depreciation-charged to programs based on asset usage	2,190
Allocated Depreciation	14,384
Unallocated Infrastructure Depreciation	49,647
Total Depreciation Expense - Governmental Activities	\$ 64,031

Construction Commitments

The City has active construction projects as of June 30, 2015. 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	\$ 29,121	\$ 800
Landscape and streetscape	2,628	-
Parks	2,605	1,845
Traffic signal projects	2,165	267
Trails	1,217	218
Bridges	595	656
Facilities	296	9,224
Total	\$ 38,627	\$ 13,010

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, 2015, was as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Non-Major Governmental Funds	Orange County Great Park	\$ 14,404

The interfund balance represents a settlement agreement entered into that resolves lawsuits filed by the City, Successor Agency, and Irvine Community Land Trust against the State of California related to debts owed by the former Redevelopment Agency to the City and Irvine Community Land Trust.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Interfund Transfers:

	Transfers in:						Total
	General Fund	Orange County Great Park	Orange County Great Park Development	Capital Improvement Projects	Other Governmental Funds	Internal Service Funds	
Transfers out:							
General Fund	\$ -	\$ -	\$ -	\$ 97	\$ 8,653	\$ 200	\$ 8,950
Orange County Great Park	100	-	3,345	-	-	-	3,445
Community Facilities Districts	-	-	-	36	-	-	36
Other Governmental Funds	-	830	-	7,495	26,858	121	35,304
Internal Service Funds	-	-	-	-	12	-	12
Total	<u>\$ 100</u>	<u>\$ 830</u>	<u>\$ 3,345</u>	<u>\$ 7,628</u>	<u>\$ 35,523</u>	<u>\$ 321</u>	<u>\$ 47,747</u>

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 to the Orange County Great Park and the General Fund.

Orange County Great Park

The Orange County Great Park (OCGP) fund receives revenue for several operating leases for sites within the former MCAS El Toro. The OCGP is currently under development and thus lease rentals are only projected as far out as to the fiscal year ended June 30, 2018, with some leases expiring or planned to be terminated sooner. The leases are for recreational vehicle storage, green waste recycling, office/manufacturing buildings, farming and other uses of the property.

A lease with Flying Bull RV Storage for the storage of recreational vehicles which had been in effect since July 2005 was terminated on July 15, 2014, due to future construction of that lease site. The current lease is a month to month, while the City proceeds with a plan to move the storage operation from its current location to a new location. This identification and relocation process was still pending at year end. During the fiscal year ended June 30, 2015, rental income of \$1,719 was collected on this lease.

A lease with Tierra Verde Industries began in May 2006 has been amended and restated over the years and is for two parcels located in the OCGP. The first parcel is approximately 60 acres and is used as a green waste recycling center. The quarterly rental for this property is \$100 for an annual rental of \$400.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

An additional \$0.64 per ton is charged as a Green Waste Host Fees and the amount collected June 30, 2015, was \$425. The second parcel under this lease are buildings used for office space, light maintenance and manufacturing. The rents received for this parcel for the fiscal year ended June 30, 2015, were \$88.

A farming lease with El Toro Farms, LLC to grow strawberries and vegetable crop. The lease began in July 2005, has been renewed over the years and currently terminates June 30, 2017. Rental revenue at June 30, 2015, was \$38.

A lease with Orange County Produce to grow strawberries and/or other crops. The lease began in July 2010 and terminates June 30, 2016. Rental revenue at June 30, 2015, was \$122.

A lease with AMCI/Omnicom for the use of other sites within OCGP. The lease is month to month with \$360 received in the fiscal year June 30, 2015.

The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2015, is as follows:

Fiscal Year Ending June 30	Annual Rent
2016	\$ 532
2017	354
2018	322
	\$ 1,208

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, 2015, amounted to \$638. The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2015, is as follows:

Fiscal Year Ending June 30	Annual Rent
2016	\$ 620
2017	630
2018	640
2019	650
2020	422
2021-2025	1,721
2026-2030	1,263
2031-2035	87
	\$ 6,033

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Capital Leases

Total assets acquired through capital leases at June 30, 2015 were as follows:

Governmental Activities	
Machinery and equipment	\$ 861
Less: Accumulated depreciation	(765)
Total	\$ 96

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 percent. 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
2016	\$ 78	\$ 2	\$ 80

E. Changes in Long-term Liabilities

For the fiscal year ended June 30, 2015, changes in long-term liabilities are as follows:

	Balance			Balance June 30, 2015	Long- Term	Due Within One Year
	June 30, 2014	Increases	Decreases			
Compensated absences	\$ 10,693	\$ 3,498	\$ 2,751	\$ 11,440	\$ 8,456	\$ 2,984
Claims payable	14,944	3,746	3,230	15,460	11,120	4,340
Capital lease obligation	177	-	99	78	-	78
Total Long-Term Liabilities	\$ 25,814	\$ 7,244	\$ 6,080	\$ 26,978	\$ 19,576	\$ 7,402

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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

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.

Non-committal debt amounts issued and outstanding at June 30, 2015, are as follows:

Variable Rate Issues:		Bonds Issued	Bonds Outstanding
07-22	Stonegate	\$ 40,000	\$ 7,905
05-21	Orchard Hills	79,265	31,644
04-20	Portola Springs	78,605	52,071
03-19	Northern Sphere	121,600	42,517
00-18	Shady Canyon/Turtle Ridge/Quail Hill	84,800	8,683
85-7	Irvine Spectrum	41,150	36,822
87-8	Spectrum 5	74,700	15,523
89-10	Westpark	43,640	-
93-14	Spectrum 6 & 7	72,400	54,537
94-13	Oak Creek	61,600	16,231
94-15	Westpark II	32,700	4,151
97-16	Northwest Irvine	60,000	25,168
97-17	Lower Peters Canyon East	95,000	32,354
Total Variable Rate Issues		885,460	327,606
Fixed Rate Issues:		Bonds Issued	Bonds Outstanding
04-20	Portola Springs	7,450	7,185
04-20	Portola Springs	11,795	11,795
04-20	Portola Springs	14,460	14,460
05-21	Orchard Hills	74,860	74,860
07-22	Stonegate	20,415	18,445
07-22	Stonegate	3,095	2,820
07-22	Stonegate	5,840	5,840
07-22	Stonegate	28,350	28,350
10-23	Laguna Altura	25,855	22,116
10-23	Laguna Altura	12,695	12,695
11-24	Cypress Village	38,655	38,377
11-1	Reassessment District	34,855	29,345
IPFIA	Revenue Bonds, 2012 Series A	33,570	26,580
12-1	Reassessment District	126,220	108,710
13-1	Reassessment District	80,755	77,025
CFD 2005-2	Columbus Grove	16,975	16,620
CFD 2013-3	Great Park	72,700	72,700
Total Fixed Rate Issues		608,545	567,923
Total All Issues		\$ 1,494,005	\$ 895,529

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

G. Fund Balance Classifications

Fund balances in the governmental funds at June 30, 2015 have been classified as follows:

	General	Orange County Great Park	Orange County Development	Assessment Districts	Capital Improve- ment Projects	Community Facilities Districts	Other Governmental Funds	Total Governmental Funds
Non Spendable								
Endowment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496	\$ 496
Prepaid expenditures	1,049	-	-	-	-	-	-	1,049
Advances to other funds	6,568	-	-	-	-	-	-	6,568
Subtotal	7,617	-	-	-	-	-	496	8,113
Restricted for:								
Capital improvement projects	-	-	-	126,935	-	74,401	1,048	202,384
Advances to other funds	-	273,679	-	-	-	-	-	273,679
Park development	-	-	-	-	-	-	81,866	81,866
Circulation improvement	-	-	-	-	-	-	156,437	156,437
Community services activities	-	-	-	-	-	-	68	68
Animal care activities	-	-	-	-	-	-	651	651
Public service activities	-	-	-	-	-	-	97	97
Contingency reserve	4,417	-	-	-	-	-	-	4,417
Development activities	1,182	-	-	-	-	-	-	1,182
Lighting, landscape, and park maintenance	-	-	-	-	-	-	674	674
Low-income housing activities	-	-	-	-	-	-	28,043	28,043
Pollution remediation	-	-	-	-	-	-	980	980
Public safety programs	-	-	-	-	-	-	1,656	1,656
Public education	-	-	-	-	-	-	2,213	2,213
Public transportation	-	-	-	-	-	-	1,818	1,818
Senior nutrition programs and activities	-	-	-	-	-	-	305	305
Open space maintenance	83	-	-	-	-	-	-	83
Subtotal	5,682	273,679	-	126,935	-	74,401	275,856	756,553
Committed to:								
Capital improvement projects	-	-	-	-	-	-	776	776
Park development	-	-	-	-	-	-	14,069	14,069
Circulation improvements	-	-	-	-	5,406	-	11,361	16,767
Contingency reserve	25,946	-	-	-	-	-	-	25,946
Great Park development and operations	-	38,848	1,802	-	-	-	-	40,650
Public facilities improvements	-	-	-	-	-	-	7,618	7,618
Subtotal	25,946	38,848	1,802	-	5,406	-	33,824	105,826
Assigned to:								
Park development	-	-	-	-	-	-	5,218	5,218
Compensated absences	4,112	-	-	-	-	-	-	4,112
Development activities	4,697	-	-	-	-	-	-	4,697
Public education	2,018	-	-	-	-	-	-	2,018
Infrastructure and rehabilitation	52,963	-	-	-	-	-	-	52,963
Public safety services	-	-	-	-	-	-	38	38
Subtotal	63,790	-	-	-	-	-	5,256	69,046
Unassigned:	23,867	-	-	-	-	-	(2,483)	21,384
Total	\$126,902	\$312,527	\$ 1,802	\$ 126,935	\$ 5,406	\$ 74,401	\$ 312,949	\$ 960,922

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

H. Restatement

Fund balance/net position at July 1, 2014, has been restated to reflect the following changes:

Funds	Balance at July 1, 2014 as Previously Reported	Fund Restatements	Balance at July 1, 2014 as Adjusted
Self Insurance	\$ 1,692	\$ (725)	\$ 967
Equipment and services	15,081	(1,691)	13,390
Funds	Net Position at July 1, 2014 as Previously Reported	Fund Restatements	Net Position at July 1, 2014 as Adjusted
Governmental Activities	\$ 2,297,360	\$ (120,858)	\$ 2,176,502

Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pension, an amendment of GASB Statement No. 27*, beginning net position was reduced by various components of the Net Pension liability at June 30, 2014.

I. Successor Agency Trust for Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court (Court) upheld Assembly Bill 1 X 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Irvine that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government would agree to serve as the successor agency (Successor Agency) to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Council Resolution number 12-11.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

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. No activity has occurred in this fund, therefore, no financial schedules are present in the Supplemental Schedules.

Cash and Investments

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

Cash and investments	<u>\$</u>	<u>313</u>
----------------------	-----------	------------

Advances from the City of Irvine

Advances payable to the City for the year ended June 30, 2015, were as follows:

	<u>Balance</u>		<u>Balance</u>
	<u>June 30, 2014</u>	<u>Additions</u>	<u>June 30, 2015</u>
Advances from the City - Principal	\$ 140,568	\$ -	\$ 134,000
Advances from the City - Interest	\$ 51,356	\$ 24	\$ 50,167
Advances from the City - Settlement agreement	-	292,000	3,916
Total	<u>\$ 191,924</u>	<u>\$ 292,024</u>	<u>\$ 188,083</u>
			<u>\$ 295,865</u>

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, 2015, the balance on the advances including accrued interest of \$1,213 totaled \$7,781.

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. On October 24, 2014, a settlement agreement was entered into that resolves lawsuits filed by the City, Successor Agency and Irvine Community Land Trust against the State of California relating to debts owed by the former Redevelopment Agency to the City and Irvine Community Land Trust that the State Department of Finance deemed unenforceable

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

obligations for purposes of providing property tax funding to satisfy debt. The settlement agreement calls for the State to remit to the Successor Agency a total of \$292,000 in property tax receipts over an unspecified period, which when received by the Successor Agency will be remitted to the City and the City disbursing 5 percent of the settlement received to the Irvine Community Land Trust.

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.

J. Extraordinary Item

The City incurred the following gains related to the winding down of the affairs of the former redevelopment agency during the year.

As discussed in the Advance from the City of Irvine footnote above, the City loaned the former redevelopment agency \$134,000 to fund the purchase of property located in the Orange County Great Park redevelopment area. Upon dissolution of the redevelopment agency on February 1, 2012, this loan became a debt of the Successor Agency and was reported on the Recognized Obligation Payment Schedule as an enforceable obligation, thus eligible for property tax funding. The State Department of Finance denied this obligation. Ultimately, the City and Successor Agency filed lawsuits to compel the State of California Department of Finance to recognize the loan as an enforceable obligation. At a later date, the Irvine Community Land Trust also filed suit to protect its interests.

On October 24, 2014, all parties to the lawsuits the City, Successor Agency, and Irvine Community Land Trust entered into a settlement agreement. This agreement calls for the City returning \$5,500 in interest payments received from the former redevelopment agency back to the Successor Agency for remittance to the County Auditor-Controller as well as a guaranteed future revenue stream of \$292,000 from the Redevelopment Property Tax Fund to the Successor Agency. These funds are to be paid to the City in satisfaction of the principal and interest earnings on the \$134,000 loan. In addition, the City agreed to pay the Irvine Community Land Trust 5 percent of the settlement agreement for a total of \$14,600. The extraordinary gain in the Orange County Great Park fund and the Irvine Community Land Trust fund is a result of the settlement agreement.

K. Subsequent Events

Community Facilities District No. 2004-1 (Central Park) of the City of Irvine, 2015 Special Tax Bonds

On July 1, 2015, the City issued Community Facilities District (CFD) No. 2004-1 Central Park, 2015 Special Tax Bonds consisting of \$10,455 aggregate principal amount, Series A (Tax Exempt) and \$8,055 aggregate principal amount, Series B (Taxable) to provide funds to (a) pay the cost and expense of acquisition and construction of certain public facilities necessary for the development of the CFD, (b) fund the reserve for the Series A and Series B Bond and (c) pay the costs of issuing the Series A and Series B Bonds.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Reassessment District No. 15-2 Limited Obligation Improvement Bonds On August 12, 2015, the City issued Reassessment District No. 15-2 Limited Obligation Improvement Bonds in the principal amount of \$50,625. The proceeds from the sale of the bonds, together with certain other amounts, will be used to (a) pay upon maturity or refund certain outstanding limited obligation improvement bonds of certain previously-formed assessment and reassessment districts, (b) fund the reserve for the Bonds, and (c) pay costs associated with the sale and delivery of the Bonds.

Reassessment District No. 15-1 Limited Obligation Improvement Bonds On August 19, 2015, the City issued Reassessment District No. 15-1 Limited Obligation Improvement Bonds in the principal amount of \$47,360. The proceeds from the sale of the bonds, together with certain other amounts, will be used to (a) pay upon maturity or refund certain outstanding limited obligation improvement bonds of certain of the City's previously-formed reassessment districts, (b) fund the reserve fund for the Bonds, and (c) pay costs associated with the sale and delivery of the Bonds.

Settlement Agreement The City, the Successor Agency to the Dissolved Irvine Redevelopment Agency, the California Department of Finance and California State Controller's Office have entered into a Settlement Agreement that resolves the following two disputed issues relating to the dissolution of redevelopment in California: (1) the enforceability of two loans made by the Irvine Redevelopment Agency to the City in 2005 and 2006, with a combined original principal amount of \$6.5 million, and (2) the ownership of 35 acres of land spread over three parcels (8 acres, 7 acres, and 20 acres) near the Orange County Great Park. The settlement agreement resolves those two issues by allowing the City to retain the 35 acres in exchange for the City's agreement that it will not seek enforcement of the two loans.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

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, 2015, 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, 2015. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2015, \$15,460 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 2014-15. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2013, resulted in the following:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
Liability Balance, July 1, 2013	\$ 10,499	\$ 1,692	\$ 12,191
Changes in estimates	4,225	575	4,800
Claim payments during 2013-2014	<u>(1,649)</u>	<u>(398)</u>	<u>(2,047)</u>
Liability Balance, June 30, 2014	<u>13,075</u>	<u>1,869</u>	<u>14,944</u>
Changes in estimates	2,174	1,041	3,215
Claim payments during 2014-2015	<u>(1,985)</u>	<u>(714)</u>	<u>(2,699)</u>
Liability Balance, June 30, 2015	<u>\$ 13,264</u>	<u>\$ 2,196</u>	<u>\$ 15,460</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(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, 2015, employer contributions were \$791 and participant contributions were \$892. 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 percent or 3 percent of base salary depending on the employee association's MOU. For the year ended June 30, 2015, the City contributed \$258 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, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

Other Post Employment Benefits (OPEB)

Plan Description The City administers a single employer health care plan. The Plan provides retirees the ability to purchase healthcare insurance benefits through the City's group health insurance plans, which cover both active and retired employees. 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, 2015, there were 134 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. While the City does not directly contribute towards the cost of premiums, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the retirees, called an "implicit subsidy". The implicit subsidy is considered to be an other post-employment benefit (OPEB) of the City. For the year ended June 30, 2015, the City's contribution (implicit subsidy) is \$338.

Annual OPEB Cost and Net OPEB Obligation The City's annual OPEB cost (expense) of \$616, 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 amortization of benefits previously earned (unfunded actuarial liabilities) is being amortized on a thirty-year level dollar, open period. The following table shows the components of the City's annual OPEB cost for the year:

	June 30, 2015
Annual required contribution (ARC)	\$ 638
Interest adjustment	48
Amortization adjustment	(70)
Annual OPEB cost	616
Employer contribution	(338)
Net change in OPEB obligation	278
Net OPEB obligation - beginning of year	1,204
Net OPEB obligation - end of year	\$ 1,482

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(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
6/30/2013	666	64.7%	995
6/30/2014	662	68.3%	1,204
6/30/2015	616	54.9%	1,482

Funded Status and Funding Progress As of July 1, 2014, the date of the latest actuarial valuation, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 5,266
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 5,266
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 71,384
UAAL as a percentage of covered payroll	7.4%

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, 2014, actuarial valuation using the following methods and assumptions:

Actuarial cost method	projected unit credit with service pro-rate
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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

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, January 1, 2004, and January 1, 2012. The Plan is closed to new participants. An actuarial valuation is performed annually to determine the actuarial implication of the Plan's funding policy. The last new actuarial valuation date was January 1, 2015. 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.

Benefit Provided The City Defined Benefit Pension Plan provides retirement, death and disability benefits to certain sworn employees. Benefits are based on years of credited service, equal to one year of full time employment. The Plan's provisions and benefits in effect at:

<u>Hire Date</u>	<u>Prior to February 2, 2002</u>
Benefit formula	2.5% at 50
Benefit vesting schedule	10 years of service
Benefit payments	Monthly for life
Retirement age	50 - 55
Monthly benefits, as a percentage of eligible compensation	2.5% to 3.0%
Required employee contribution rates	9%
Required employer contribution rates	86.27%

Employees Covered At December 31, 2015 (valuation date), the following employees were covered by the benefit terms for the Plan

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>3</u>
Total	<u><u>37</u></u>

Contribution Description The City of Irvine Sworn Police Defined Benefit Pension Plan restated January 1, 2012, Section 9 states the employer shall regularly make contribution under the Plan which, together with the assets held in the Trust Fund, will be adequate to finance the Plan's benefits on an actuarial basis consistent with the funding policy adopted for the Plan by the Administrator. The total plan contributions are determined through an annual actuarial process. The actuarially determined rate is the estimated amount necessary to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

employee. For the measurement period ended December 31, 2014, (the measurement date), the average active employee contribution rate is 9 percent of annual pay, and the employer's contribution rate is 86.27 percent of annual pay.

Net Pension Liability The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of December 31, 2014, using an annual actuarial valuation as of December 31, 2013, rolled forward to December 31, 2014, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions The total pension liabilities in the December 31, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	December 31, 2013
Measurement date	December 31, 2014
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	5.50%
Inflation	3.00%
Salary increases	5.00%
Mortality	1983 Group Annuity Mortality Table-Male ⁽¹⁾
Post retirement benefit increase	2.00%

⁽¹⁾ 1983 Group Annuity Mortality Table-Male use for post-retirement mortality rates is experience based. Most members of this plan are disabled. As such, mortality projections have been considered and deemed inappropriate for the group as a whole.

Changes in the Net Pension Liability The following table shows the changes in net pension liability recognized over the measurement period:

	Increase (Decrease)		
	Total	Plan Net	Net Pension
	Pension Liability (a)	Position (b)	Liability/ (Assets) (c)=(a)-(b)
Balance at: 12/31/2013	\$ 20,289	\$ 19,904	\$ 385
Changes recognized for the measurement period:			
Service cost	128	-	128
Interest expense	1,088	-	1,088
Changes of benefits terms	-	-	-
Experience losses (gains)	(5)	-	(5)
Changes in assumptions	-	-	-
Contributions-employer	-	243	(243)
Contributions-member	-	20	(20)
Net investment income	-	1,391	(1,391)
Refunds of contributions	-	-	-
Benefit paid	(1,145)	(1,145)	-
Plan administrative expenses	-	(129)	129
Net Change during 2014	66	380	(314)
Balance at: 12/31/2014	\$ 20,355	\$ 20,284	\$ 71

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 5.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.50 percent) or 1 percentage-point higher (6.50 percent) than the current rate:

	Discount Rate - 1% (4.50%)	Current Discount Rate (5.50%)	Discount Rate + 1% (6.50%)
Plan's Net Pension Liability/(Assets)	\$ 2,443	\$ 71	\$ (1,912)

Subsequent Events There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Amortization over the average remaining service period of actives and inactive (one year of future service is assumed for inactive for this calculation).

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (January 1, 2014), the net pension liability/(asset) is \$385. For the measurement period ending December 31, 2014 (the measurement date), the City incurred a pension expense/(income) of \$57 for the Plan.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

As of December 31, 2014, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual		
Experience	\$ -	\$ 1
Change in assumptions	-	-
Contributions made after the measurement date	266	-
Net difference between projected and actual earnings on pension plan	-	257
Total	\$ 266	\$ 258

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources
2016	\$ 200
2017	(64)
2018	(64)
2019	(64)
2020	-
Thereafter	-

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. 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 the annual financial report and MOUs may be obtained from City Hall.

Funding Policy Effective July 1, 2003, eligible participants were required to contribute 4 percent of their base compensation into the Plan and the City's contributions were 15 percent of participants' basic compensation. As of August 10, 2012, pursuant to agreements with the City's employee associations, the City contributed 12.4 percent of the participants' basic compensation, and eligible participants contributed 6.5 percent of their basic compensation into the plan. Plan participants have the right to 100 percent 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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

normal retirement age for reasons other than death, or permanent and total disability, the participant retained 50 percent vesting upon successful completion of the six month to one year probationary period and 5 percent 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, 2014, the Plan had 70 members, consisting of 12 active members, and 58 terminated members. All 70 members are fully vested in the Plan. Total Plan assets were \$10,536. Effective April 1996, the Plan became participant-directed. Participants may direct investment of employer contributions and earnings in 1 percent increments among investment options with the third party administrator, Wells Fargo Bank. Employer contributions to the Plan during the fiscal year ended December 31, 2014 were \$164 and participant contributions were \$86. For additional details concerning the transition to CalPERS, see the note below related to miscellaneous (non-sworn) employees.

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. CalPERS acts as a common investment and administrative agent for its participating member employers. Initial participation was determined during the employees' ratification vote during October 2001. New employees are required to join CalPERS. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report and the City of Irvine's annual actuarial valuation report are publicly available and can be obtained at CalPERS' website under Forms and Publications.

Benefits Provided CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	3% at 50	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a percentage of eligible compensation	3%	2.0% to 2.7%
Required employee contribution rates	9%	12.75%
Required employer contribution rates	35.545%	35.545%

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

Employees Covered At June 30, 2013 (valuation date), the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	65
Active employees	191
Total	335

Contribution Description Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014, (the measurement date), the average active employee contribution rate is 9 percent of annual pay, and the employer's contribution rate is 34.309 percent of annual payroll.

Payments for Unfunded Actuarial Accrued Liability 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 of \$1.0 million, \$1.5 million, and \$1.0 million made in February 2014, June 2014 and June 2015, respectively. The City anticipates realizing the effect of these payments on the unfunded actuarial accrued liability and a decrease in the employer contribution rate beginning in fiscal year 2015-16. Additional prepayments may be made in future years subject to evaluation and discretion of the City Council.

Net Pension Liability The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is provided on the next page.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

Actuarial Assumptions The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Investment rate of return	7.50% net administrative expenses
Mortality rate table ⁽¹⁾	Derived using CalPERS membership data for all funds
Post retirement benefit increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB Statement No. 68 section.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statements No. 67

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as methodology has changed.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ⁽¹⁾	Real Return Year 11 + ⁽²⁾
Global equity	47.00 %	5.25 %	5.71 %
Global fixed income	19.00	0.99	2.43
Inflation sensitive	6.00	0.45	3.36
Private equity	12.00	6.83	6.95
Real estate	11.00	4.50	5.13
Infrastructure and forestland	3.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

⁽¹⁾ An expected inflation of 2.5% used for this period

⁽²⁾ An expected inflation of 3.0% used for this period

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

Changes in the Net Pension Liability The following table shows the changes in net pension liability recognized over the measurement period:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2013 (Valuation date) ⁽¹⁾	\$ 182,668	\$ 132,157	\$ 50,511
Changes recognized for the measurement period:			
Service cost	6,341	-	6,341
Interest	13,661	-	13,661
Changes of benefits terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contribution from the employer	-	11,701	(11,701)
Contribution from employee	-	2,694	(2,694)
Net investment income ⁽²⁾	-	24,267	(24,267)
Benefit payments, including refunds of employee contributions	(7,391)	(7,391)	-
Net Change during 2013-14	12,611	31,271	(18,660)
Balance at: 6/30/2014 (Measurement date) ⁽¹⁾	\$ 195,279	\$ 163,428	\$ 31,851

⁽¹⁾ The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

⁽²⁾ Net of administrative expenses.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Plan's Net Pension Liability/(Assets)	\$ 60,608	\$ 31,851	\$ 8,380

Subsequent Events There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan for the 2013-14 measurement period is 7 years, which was obtained by dividing the total service years of 2,357 (the sum of remaining service lifetimes of the active employees) by 335 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (July 1, 2013), the net pension liability/(asset) is \$50,511. For the measurement period ending June 30, 2014 (the measurement date), the City incurred a pension expense/(income) of \$4,344 for the Plan.

As of June 30, 2014, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual		
Experience	\$ -	\$ -
Change in assumptions	-	-
Contributions made after the measurement date	8,369	-
Net difference between projected and actual earnings on pension plan	-	-
Investments	-	11,304
Total	\$ 8,369	\$ 11,304

The amounts above are net of outflows and inflows recognized in the 2013-14 measurement period expense.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended <u>June 30,</u>	Deferred Outflows/(Inflows) of Resources
2015	\$ 5,543
2016	(2,826)
2017	(2,826)
2018	(2,826)
2019	-
Thereafter	-

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 participate in the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for its participating member employers. Initial participation was determined during the employees' ratification vote in November 2002. New employees are required to join CalPERS. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report and the City's annual actuarial valuation report are publicly available and can be obtained at CalPERS' website under Forms and Publications.

Benefits Provided CalPERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire Date	Prior to <u>August 14, 2012</u>	On or After August 14, 2012 and Prior to <u>January 1, 2013</u>	On or After January 1, 2013
Benefit formula	2.7% at 55	2.0% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 - 55	50 - 63	52 - 62
Monthly benefits, as a percentage of eligible compensation	2.0% to 2.7%	1.426% to 2.418%	1.0% to 2.0%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	24.80%	24.80%	24.80%

Employees Covered At June 30, 2013 (valuation date), the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	234
Inactive employees entitled to but not yet receiving benefits	514
Active employees	653
Total	1,401

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

Contribution Description Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014 (the measurement date), the average active employee contribution rate is 7.916 percent of annual pay, and the employer's contribution rate is 24.138 percent of annual payroll.

Payments for Unfunded Actuarial Accrued Liability 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 of \$2.0 million, \$3.5 million, and \$4.0 million made in February 2014, June 2014, and June 2015, respectively. The City anticipates realizing the effect of these payments on the unfunded actuarial accrued liability and a decrease in the employer contribution rate beginning in fiscal year 2015-16. Additional prepayments may be made in future years subject to evaluation and discretion of the City Council.

Net Pension Liability The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Investment rate of return	7.50% net of administrative expenses
Mortality rate table ⁽¹⁾	Derived using CalPERS membership data for all funds
Post retirement benefit increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase,

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB Statement No. 68 section.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the agent multiple-employer plan.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statements No. 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as methodology has changed.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ⁽¹⁾	Real Return Year 11 + ⁽²⁾
Global equity	47.00 %	5.25 %	5.71 %
Global fixed income	19.00	0.99	2.43
Inflation sensitive	6.00	0.45	3.36
Private equity	12.00	6.83	6.95
Real estate	11.00	4.50	5.13
Infrastructure and forestland	3.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

⁽¹⁾ An expected inflation of 2.5% used for this period

⁽²⁾ An expected inflation of 3.0% used for this period

Changes in the Net Pension Liability The following table shows the changes in net pension liability recognized over the measurement period:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2013 (Valuation date) ⁽¹⁾	\$ 295,232	\$ 195,117	\$ 100,115
Changes recognized for the measurement period:			
Service cost	8,705	-	8,705
Interest	-	-	-
Changes of benefits terms	22,042	-	22,042
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contribution from the employer	-	19,604	(19,604)
Contribution from employee	-	4,186	(4,186)
Net investment income ⁽²⁾	-	35,985	(35,985)
Benefit payments, including refunds of employee contributions	(11,398)	(11,398)	-
Net Change during 2013-14	19,349	48,377	(29,028)
Balance at: 6/30/2014 (Measurement date) ⁽¹⁾	\$ 314,581	\$ 243,494	\$ 71,087

⁽¹⁾ The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

⁽²⁾ Net of administrative expenses.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Plan's Net Pension Liability/(Assets)	\$ 113,601	\$ 71,087	\$ 35,854

Subsequent Events There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan for the 2013-14 measurement period is 4.5 years, which was obtained by dividing the total service years of 6,324 (the sum of remaining service lifetimes of the active employees) by 1,401 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (July 1, 2013), the net pension liability/(asset) is \$100,115. For the measurement period ending June 30, 2014 (the measurement date), the City incurred a pension expense/(income) of \$7,341 for the Plan.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

As of June 30, 2014, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual		
Experience	\$ -	\$ -
Change in assumptions	-	-
Contributions made after the measurement date	15,673	
Net difference between projected and actual earnings on pension plan	-	-
Investments	-	16,765
Total	\$ 15,673	\$ 16,765

The amounts above are net of outflows and inflows recognized in the 2013-14 measurement period expense.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources
2015	\$ 11,482
2016	(4,191)
2017	(4,191)
2018	(4,192)
2019	-
Thereafter	-

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 September 1, 2013, eligible participants are required to contribute 4.3 percent of their base compensation into the Plan. The City shall contribute an amount equal to 3.2 percent of the base salary compensation. Plan participants have the right to 100 percent 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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

IV. Other Information (Continued)

Annual Pension Cost At December 31, 2014, the Plan had 617 members. Total Plan assets were \$1,893. Employer and employee contributions to the Plan during the year ended December 31, 2014, were \$346.

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 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 its 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 \$496, which is reported as part of Restricted Net Position, Nonexpandable. Expendable donations and accrued interest of \$153 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, 2015
(amounts expressed in thousands)

Defined Benefit Pension Plan for Sworn Employees

Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period
Last Ten Fiscal Years ⁽¹⁾
(amounts expressed in thousands)

	2014
Total Pension Liability	
Service cost	\$ 128
Interest	1,088
Changes of benefits terms	-
Difference between expected and actual experience	(5)
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(1,145)
Net Change in Total Pension Liability	\$ 66
Total Pension Liability - Beginning	20,289
Total Pension Liability - Ending (a)	\$ 20,355
Plan Fiduciary Net Position	
Contribution - employer	\$ 243
Contribution - employee	20
Net investment income	1,391
Benefit payments, including refunds of employee contributions	(1,145)
Administrative expenses	(129)
Other changes in fiduciary net position	-
Net Change in Fiduciary Net Position	\$ 380
Plan Fiduciary Net Position - Beginning	19,904
Plan Fiduciary Net Position - Ending (b)	\$ 20,284
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 71
Plan fiduciary net position as a percentage of the total pension liability	99.65%
Covered-employee payroll	\$ 326
Plan net pension liability/(asset) as a percentage of covered-employee payroll	21.78%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Defined Benefit Pension Plan for Sworn Employees (Continued)

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾
(amounts expressed in thousands)

	2014
Actuarially determined contribution	\$ 243
Contribution in relation to the actuarially determined contribution	(243)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 326
Contributions as a percentage of covered-employee payroll	74.54%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

Notes to Schedule

Additional information used for funding purposes and for the determination of the ARC is as follows:

Valuation date:	December 31, 2013
Actuarial cost method	Entry age normal
Amortization method	10 year, level percentage of projected payroll, open period
Assets valuation method	Average of expected actuarial value of assets and market value of assets
Actuarial assumptions:	
Discount rate	5.50%
Inflation	3.00%
Salary increases	5.00%
Mortality	1983 Group annuity Mortality Table-Male (1)

⁽¹⁾ 1983 Group Annuity Mortality Table-Male use for post-retirement mortality rates is experience based. Most members of this plan are disabled. As such, mortality projections have been considered and deemed inappropriate for the group as a whole.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees

Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period
Last Ten Fiscal Years ⁽¹⁾
(amounts expressed in thousands)

	2015
Total Pension Liability	
Service cost	\$ 6,341
Interest	13,661
Changes of benefits terms	-
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(7,391)
Net Change in Total Pension Liability	\$ 12,611
Total Pension Liability - Beginning	182,668
Total Pension Liability - Ending (a)	\$ 195,279
Plan Fiduciary Net Position	
Contribution - employer	\$ 11,701
Contribution - employee	2,694
Net investment income	24,267
Benefit payments, including refunds of employee contributions	(7,391)
Other changes in fiduciary net position	-
Net Change in Fiduciary Net Position	\$ 31,271
Plan Fiduciary Net Position - Beginning	132,157
Plan Fiduciary Net Position - Ending (b)	\$ 163,428
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 31,851
Plan fiduciary net position as a percentage of the total pension liability	83.69%
Covered-employee payroll	\$ 20,695
Plan net pension liability/(asset) as a percentage of covered-employee payroll	153.91%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

Notes to Schedule:

Benefit Changes: There were no changes to benefits.

Changes in Assumptions: There were no changes in assumptions

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾
(amounts expressed in thousands)

	2014-15
Actuarially determined contribution	\$ 7,369
Contribution in relation to the actuarially determined contribution	(8,369)
Contribution deficiency (excess)	\$ (1,000)
Covered-employee payroll	\$ 22,901
Contributions as a percentage of covered-employee payroll	36.54%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

Notes to Schedule

Valuation date: June 30, 2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market value
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Discount rate	7.50% net of administrative expenses
Mortality	The mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

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

Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period
Last Ten Fiscal Years ⁽¹⁾
(amounts expressed in thousands)

	2015
Total Pension Liability	
Service cost	\$ 8,705
Interest	22,042
Changes of benefits terms	-
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(11,398)
Net Change in Total Pension Liability	\$ 19,349
Total Pension Liability - Beginning	295,232
Total Pension Liability - Ending (a)	\$ 314,581
 Plan Fiduciary Net Position	
Contribution - employer	\$ 19,604
Contribution - employee	4,186
Net investment income	35,985
Benefit payments, including refunds of employee contributions	(11,398)
Other changes in fiduciary net position	-
Net Change in Fiduciary Net Position	\$ 48,377
Plan Fiduciary Net Position - Beginning	195,117
Plan Fiduciary Net Position - Ending (b)	\$ 243,494
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 71,087
 Plan fiduciary net position as a percentage of the total pension liability	77.40%
Covered-employee payroll	\$ 45,916
Plan net pension liability/(asset) as a percentage of covered-employee payroll	154.82%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

Notes to Schedule

Benefit Changes: There were no changes to benefits.

Changes in Assumptions: There were no changes in assumptions

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

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

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾
(amounts expressed in thousands)

	2014-15
Actuarially determined contribution	\$ 11,673
Contribution in relation to the actuarially determined contribution	(15,673)
Contribution deficiency (excess)	\$ (4,000)
Covered-employee payroll	\$ 46,887
Contributions as a percentage of covered-employee payroll	33.43%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

Notes to Schedule

Valuation date: June 30, 2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market value
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Investment rate of return	7.50% (net of administrative expenses)
Mortality	The mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2015
(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, 2015

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
7/1/2010	\$ 4,031	-	\$ 4,031	0.00%	\$ 59,615	6.76%
7/1/2012	5,407	-	5,407	0.00%	68,415	7.90%
7/1/2014	5,266	-	5,266	0.00%	71,384	7.38%

* Most recent information available





OTHER GOVERNMENTAL FUNDS

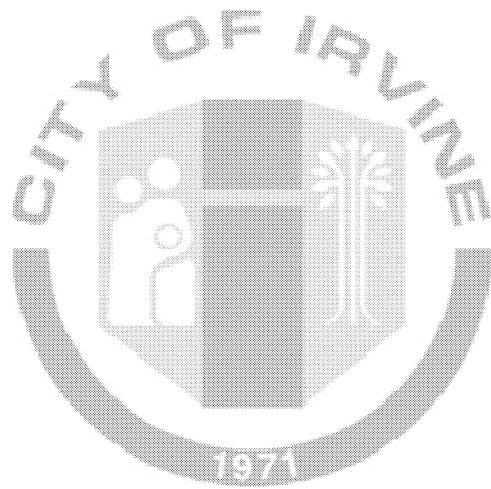
The combining statements for Other Governmental Funds represent a consolidation of the information for specific funds contained in the Supplementary Financial Statements. These statements summarize the financial information contained in Other Special Revenue Funds, Other Capital Projects Funds and Permanent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

City of Irvine
Combining Balance Sheet
Other Governmental Funds
June 30, 2015
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and investments	\$ 121,450	\$ 163,986	\$ 649	\$ 286,085
Receivables, net of allowances:				
Taxes	992	-	-	992
Accounts	268	-	-	268
Accrued interest	123	169	1	293
Prepaid	18	-	-	18
Due from other funds	14,404	-	-	14,404
Due from other governments	1,617	22	-	1,639
Due from developers	-	16,824	-	16,824
Long-term note receivable	9,433	-	-	9,433
Total Assets	<u>\$ 148,305</u>	<u>\$ 181,001</u>	<u>\$ 650</u>	<u>\$ 329,956</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 1,541	\$ 1,651	\$ 1	\$ 3,193
Accrued liabilities	204	382	-	586
Due to other governments	3	-	-	3
Deposits	106	-	-	106
Unearned revenue	-	119	-	119
Total Liabilities	<u>1,854</u>	<u>2,152</u>	<u>1</u>	<u>4,007</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	3,545	22	-	3,567
Long term notes receivable	9,433	-	-	9,433
Total Deferred Inflows of Resources	<u>12,978</u>	<u>22</u>	<u>-</u>	<u>13,000</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	496	496
Restricted	116,163	159,540	153	275,856
Committed	19,755	14,069	-	33,824
Assigned	38	5,218	-	5,256
Unassigned	(2,483)	-	-	(2,483)
Total Fund Balances	<u>133,473</u>	<u>178,827</u>	<u>649</u>	<u>312,949</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 148,305</u>	<u>\$ 181,001</u>	<u>\$ 650</u>	<u>\$ 329,956</u>

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
REVENUES				
Taxes	\$ 27,952	\$ -	\$ -	\$ 27,952
Investment income	954	1,262	5	2,221
Intergovernmental	4,712	195	-	4,907
Charges for services	2,078	-	1	2,079
Revenue from developers	16,306	17,681	-	33,987
Revenue from property owners	6,401	-	-	6,401
Donations	583	-	53	636
Other revenue	152	1	-	153
Total Revenues	<u>59,138</u>	<u>19,139</u>	<u>59</u>	<u>78,336</u>
EXPENDITURES				
Current:				
General Government	148	40	-	188
Public Safety	2,153	-	-	2,153
Public Works	19,661	516	-	20,177
Community Development	2,627	91	-	2,718
Community Services	921	-	25	946
Capital outlay	4,641	6,379	-	11,020
Total Expenditures	<u>30,151</u>	<u>7,026</u>	<u>25</u>	<u>37,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,987</u>	<u>12,113</u>	<u>34</u>	<u>41,134</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,650	23,873	-	35,523
Transfers out	<u>(34,249)</u>	<u>(1,055)</u>	<u>-</u>	<u>(35,304)</u>
Total Other Financing Sources (Uses)	<u>(22,599)</u>	<u>22,818</u>	<u>-</u>	<u>219</u>
EXTRAORDINARY GAIN (LOSS)				
Settlement agreement	<u>14,600</u>	<u>-</u>	<u>-</u>	<u>14,600</u>
Total Extraordinary Gain	<u>14,600</u>	<u>-</u>	<u>-</u>	<u>14,600</u>
Net Change in Fund Balances	20,988	34,931	34	55,953
Fund Balances, Beginning	<u>112,485</u>	<u>143,896</u>	<u>615</u>	<u>256,996</u>
Fund Balances, Ending	<u>\$ 133,473</u>	<u>\$ 178,827</u>	<u>\$ 649</u>	<u>\$ 312,949</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.

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. Eleven different funds are combined for this classification.

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)
Page 1 of 4

	<u>County Sales Tax Measure M</u>	<u>State Gasoline Tax</u>	<u>Systems Development</u>
ASSETS			
Cash and investments	\$ 4,451	\$ 8,894	\$ 18,956
Receivables, net of allowances:			
Taxes	724	-	-
Accounts	-	-	-
Accrued interest	5	10	23
Prepaid	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Long-term note receivable	-	-	-
Total Assets	<u>\$ 5,180</u>	<u>\$ 8,904</u>	<u>\$ 18,979</u>
LIABILITIES			
Accounts payable	\$ 1	\$ 38	\$ -
Accrued liabilities	4	1	-
Due to other governments	-	-	-
Deposits	-	-	-
Total Liabilities	<u>5</u>	<u>39</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
Unavailable resources:			
Long term notes receivable	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted	5,175	8,865	-
Committed	-	-	18,979
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>5,175</u>	<u>8,865</u>	<u>18,979</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 5,180</u>	<u>\$ 8,904</u>	<u>\$ 18,979</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2015
 (amounts expressed in thousands)
Page 2 of 4

	Local Park Fees	Slurry Seal Fees	Maintenance District
ASSETS			
Cash and investments	\$ 62,921	\$ 981	\$ 1,604
Receivables, net of allowances:			
Taxes	-	-	108
Accounts	-	-	51
Accrued interest	66	1	2
Prepaid	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Long-term note receivable	-	-	-
Total Assets	<u>\$ 62,987</u>	<u>\$ 982</u>	<u>\$ 1,765</u>
LIABILITIES			
Accounts payable	\$ -	\$ 3	\$ 936
Accrued liabilities	-	-	112
Due to other governments	-	-	-
Deposits	-	-	-
Total Liabilities	<u>-</u>	<u>3</u>	<u>1,048</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	43
Unavailable resources:			
Long term notes receivable	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>43</u>
FUND BALANCES (DEFICITS)			
Restricted	62,987	979	674
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	<u>62,987</u>	<u>979</u>	<u>674</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 62,987</u>	<u>\$ 982</u>	<u>\$ 1,765</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)
Page 3 of 4

	<u>Air Quality Improvement</u>	<u>Fees and Exactions</u>	<u>Major Special Events</u>
ASSETS			
Cash and investments	\$ 914	\$ 9,771	\$ 33
Receivables, net of allowances:			
Taxes	-	160	-
Accounts	-	36	55
Accrued interest	1	11	-
Prepaid	-	-	-
Due from other funds	-	-	-
Due from other governments	79	-	-
Long-term note receivable	-	-	-
Total Assets	<u>\$ 994</u>	<u>\$ 9,978</u>	<u>\$ 88</u>
LIABILITIES			
Accounts payable	\$ 14	\$ -	\$ -
Accrued liabilities	-	-	50
Due to other governments	-	-	-
Deposits	-	81	-
Total Liabilities	<u>14</u>	<u>81</u>	<u>50</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	2,614	-
Unavailable resources:			
Long term notes receivable	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>2,614</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted	980	8,990	-
Committed	-	776	-
Assigned	-	-	38
Unassigned	-	(2,483)	-
Total Fund Balances	<u>980</u>	<u>7,283</u>	<u>38</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 994</u>	<u>\$ 9,978</u>	<u>\$ 88</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)
Page 4 of 4

	<u><i>i</i>Shuttle</u>	<u>Irvine Community Land Trust</u>	<u>Grants</u>	<u>Total Other Special Revenue Funds</u>
ASSETS				
Cash and investments	\$ 1,640	\$ 8,683	\$ 2,602	\$ 121,450
Receivables, net of allowances:				
Taxes	-	-	-	992
Accounts	44	-	82	268
Accrued interest	2	-	2	123
Prepaid	-	18	-	18
Due from other funds	-	14,404	-	14,404
Due from other governments	1,240	-	298	1,617
Long-term note receivable	-	4,458	4,975	9,433
Total Assets	<u>\$ 2,926</u>	<u>\$ 27,563</u>	<u>\$ 7,959</u>	<u>\$ 148,305</u>
LIABILITIES				
Accounts payable	\$ 308	\$ 15	\$ 226	\$ 1,541
Accrued liabilities	9	19	9	204
Due to other governments	-	-	3	3
Deposits	-	-	25	106
Total Liabilities	<u>317</u>	<u>34</u>	<u>263</u>	<u>1,854</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	791	-	97	3,545
Unavailable resources:				
Long term notes receivable	-	4,458	4,975	9,433
Total Deferred Inflows of Resources	<u>791</u>	<u>4,458</u>	<u>5,072</u>	<u>12,978</u>
FUND BALANCES (DEFICITS)				
Restricted	1,818	23,071	2,624	116,163
Committed	-	-	-	19,755
Assigned	-	-	-	38
Unassigned	-	-	-	(2,483)
Total Fund Balances	<u>1,818</u>	<u>23,071</u>	<u>2,624</u>	<u>133,473</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 2,926</u>	<u>\$ 27,563</u>	<u>\$ 7,959</u>	<u>\$ 148,305</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, 2015
(amounts expressed in thousands)
Page 1 of 4

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
REVENUES			
Taxes	\$ 4,159	\$ 6,100	\$ 14,467
Investment income	32	67	174
Intergovernmental	-	-	-
Charges for services	-	-	-
Revenue from developers	-	-	-
Revenue from property owners	-	-	-
Donations	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	4,191	6,167	14,641
EXPENDITURES			
Current:			
General Government	26	24	-
Public Safety	-	-	-
Public Works	215	939	49
Community Development	1	-	1,534
Community Services	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	242	963	1,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>
	3,949	5,204	13,058
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(3,356)	(2,975)	(12,363)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(3,356)	(2,975)	(12,363)
EXTRAORDINARY GAIN (LOSS)			
Settlement agreement	-	-	-
	<hr/>	<hr/>	<hr/>
Total Extraordinary Gain (Loss)	-	-	-
Net Change in Fund Balances	593	2,229	695
Fund Balances, Beginning	<hr/>	<hr/>	<hr/>
	4,582	6,636	18,284
Fund Balances, Ending	<hr/>	<hr/>	<hr/>
	\$ 5,175	\$ 8,865	\$ 18,979

- 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, 2015
(amounts expressed in thousands)
Page 2 of 4

	Local Park Fees	Slurry Seal Fees	Maintenance District
REVENUES			
Taxes	\$ -	\$ -	\$ 2,580
Investment income	492	4	8
Intergovernmental	-	-	-
Charges for services	-	455	9
Revenue from developers	16,241	-	-
Revenue from property owners	-	-	6,401
Donations	-	-	-
Other revenue	-	-	147
	<u>-</u>	<u>-</u>	<u>147</u>
Total Revenues	<u>16,733</u>	<u>459</u>	<u>9,145</u>
EXPENDITURES			
Current:			
General Government	-	3	72
Public Safety	-	-	-
Public Works	-	43	15,978
Community Development	-	-	-
Community Services	-	-	-
Capital outlay	-	4,641	-
	<u>-</u>	<u>4,641</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>4,687</u>	<u>16,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,733</u>	<u>(4,228)</u>	<u>(6,905)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4,682	6,838
Transfers out	(15,420)	-	-
	<u>(15,420)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(15,420)</u>	<u>4,682</u>	<u>6,838</u>
EXTRAORDINARY GAIN (LOSS)			
Settlement agreement	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Extraordinary Gain (Loss)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,313	454	(67)
Fund Balances, Beginning	<u>61,674</u>	<u>525</u>	<u>741</u>
Fund Balances, Ending	<u>\$ 62,987</u>	<u>\$ 979</u>	<u>\$ 674</u>

- 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, 2015
(amounts expressed in thousands)
Page 3 of 4

	Air Quality Improvement	Fees and Exactions	Major Special Events
REVENUES			
Taxes	\$ -	\$ 646	\$ -
Investment income	8	68	-
Intergovernmental	301	-	-
Charges for services	-	216	974
Revenue from developers	-	65	-
Revenue from property owners	-	-	-
Donations	-	-	-
Other revenue	-	-	5
	<hr/>	<hr/>	<hr/>
Total Revenues	309	995	979
EXPENDITURES			
Current:			
General Government	8	-	-
Public Safety	-	-	993
Public Works	178	-	-
Community Development	-	-	-
Community Services	-	-	5
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	186	-	998
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>
	123	995	(19)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	22	-
Transfers out	(94)	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(94)	22	-
EXTRAORDINARY GAIN (LOSS)			
Settlement agreement	-	-	-
	<hr/>	<hr/>	<hr/>
Total Extraordinary Gain (Loss)	-	-	-
Net Change in Fund Balances	29	1,017	(19)
Fund Balances, Beginning	<hr/>	<hr/>	<hr/>
	951	6,266	57
Fund Balances, Ending	<hr/>	<hr/>	<hr/>
	\$ 980	\$ 7,283	\$ 38

- 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, 2015
(amounts expressed in thousands)
Page 4 of 4

	<u><i>i</i>Shuttle</u>	<u>Irvine Community Land Trust</u>	<u>Grants</u>	<u>Total Other Special Revenue Funds</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 27,952
Investment income	13	69	19	954
Intergovernmental	1,875	13	2,523	4,712
Charges for services	132	91	201	2,078
Revenue from developers	-	-	-	16,306
Revenue from property owners	-	-	-	6,401
Donations	210	-	373	583
Other revenue	-	-	-	152
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,230	173	3,116	59,138
EXPENDITURES				
Current:				
General Government	-	-	15	148
Public Safety	-	-	1,160	2,153
Public Works	2,259	-	-	19,661
Community Development	-	246	846	2,627
Community Services	-	-	916	921
Capital outlay	-	-	-	4,641
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	2,259	246	2,937	30,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(29)	(73)	179	28,987
OTHER FINANCING SOURCES (USES)				
Transfers in	108	-	-	11,650
Transfers out	-	-	(41)	(34,249)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	108	-	(41)	(22,599)
EXTRAORDINARY GAIN (LOSS)				
Settlement agreement	-	14,600	-	14,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total Extraordinary Gain (Loss)	-	14,600	-	14,600
Net Change in Fund Balances	79	14,527	138	20,988
Fund Balances, Beginning	<hr/>	<hr/>	<hr/>	<hr/>
	1,739	8,544	2,486	112,485
Fund Balances, Ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,818	\$ 23,071	\$ 2,624	\$ 133,473

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,897	\$ 3,897	\$ 4,159	\$ 262
Investment income	12	12	32	20
Charges for services	-	30	-	(30)
Total Revenues	3,909	3,939	4,191	252
EXPENDITURES				
Current:				
General Government	33	33	26	7
Public Works	273	303	215	88
Community Development	-	-	1	(1)
Total Expenditures	306	336	242	94
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,603	3,603	3,949	346
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,713)	(7,581)	(3,356)	4,225
Total Other Financing Sources (Uses)	(7,713)	(7,581)	(3,356)	4,225
Net Change in Fund Balances	(4,110)	(3,978)	593	4,571
Fund Balances, Beginning	4,582	4,582	4,582	-
Fund Balances, Ending	\$ 472	\$ 604	\$ 5,175	\$ 4,571

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,586	\$ 5,586	\$ 6,100	\$ 514
Investment income	39	39	67	28
Total Revenues	5,625	5,625	6,167	542
EXPENDITURES				
Current:				
General Government	31	31	24	7
Public Works	1,225	1,225	939	286
Total Expenditures	1,256	1,256	963	293
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,369	4,369	5,204	835
OTHER FINANCING SOURCES (USES)				
Transfers out	(8,991)	(9,056)	(2,975)	6,081
Total Other Financing Sources (Uses)	(8,991)	(9,056)	(2,975)	6,081
Net Change in Fund Balances	(4,622)	(4,687)	2,229	6,916
Fund Balances, Beginning	6,636	6,636	6,636	-
Fund Balances, Ending	\$ 2,014	\$ 1,949	\$ 8,865	\$ 6,916

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Systems Development
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,560	\$ 10,560	\$ 14,467	\$ 3,907
Investment income	93	93	174	81
Total Revenues	10,653	10,653	14,641	3,988
EXPENDITURES				
Current:				
Public Works	320	320	49	271
Community Development	440	1,534	1,534	-
Total Expenditures	760	1,854	1,583	271
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,893	8,799	13,058	4,259
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,511)	(12,363)	(12,363)	-
Total Other Financing Sources (Uses)	(12,511)	(12,363)	(12,363)	-
Net Change in Fund Balances	(2,618)	(3,564)	695	4,259
Fund Balances, Beginning	18,284	18,284	18,284	-
Fund Balances, Ending	\$ 15,666	\$ 14,720	\$ 18,979	\$ 4,259

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 308	\$ 308	\$ 492	\$ 184
Revenue from developers	12,800	12,800	16,241	3,441
Total Revenues	13,108	13,108	16,733	3,625
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,108	13,108	16,733	3,625
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,670)	(15,670)	(15,420)	250
Total Other Financing Sources (Uses)	(15,670)	(15,670)	(15,420)	250
Net Change in Fund Balances	(2,562)	(2,562)	1,313	3,875
Fund Balances, Beginning	61,674	61,674	61,674	-
Fund Balances, Ending	\$ 59,112	\$ 59,112	\$ 62,987	\$ 3,875

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, 2015
(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>		
REVENUES				
Investment income	\$ 25	\$ 25	\$ 4	\$ (21)
Charges for services	217	217	455	238
Total Revenues	<u>242</u>	<u>242</u>	<u>459</u>	<u>217</u>
EXPENDITURES				
Current:				
General Government	1	1	3	(2)
Public Works	85	85	43	42
Capital outlay	<u>5,155</u>	<u>5,155</u>	<u>4,641</u>	<u>514</u>
Total Expenditures	<u>5,241</u>	<u>5,241</u>	<u>4,687</u>	<u>554</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,999)</u>	<u>(4,999)</u>	<u>(4,228)</u>	<u>771</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>9,871</u>	<u>10,766</u>	<u>4,682</u>	<u>(6,084)</u>
Total Other Financing Sources (Uses)	<u>9,871</u>	<u>10,766</u>	<u>4,682</u>	<u>(6,084)</u>
Net Change in Fund Balances	4,872	5,767	454	(5,313)
Fund Balances, Beginning	<u>525</u>	<u>525</u>	<u>525</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 5,397</u>	<u>\$ 6,292</u>	<u>\$ 979</u>	<u>\$ (5,313)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Maintenance District
For the Fiscal Year Ended June 30, 2015
(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>		
REVENUES				
Taxes	\$ 2,487	\$ 2,487	\$ 2,580	\$ 93
Investment income	-	-	8	8
Charges for services	-	-	9	9
Revenue from property owners	6,423	6,423	6,401	(22)
Other revenue	-	-	147	147
	<u>8,910</u>	<u>8,910</u>	<u>9,145</u>	<u>235</u>
EXPENDITURES				
Current:				
General Government	96	96	72	24
Public Works	16,222	16,222	15,978	244
	<u>16,318</u>	<u>16,318</u>	<u>16,050</u>	<u>268</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,408)</u>	<u>(7,408)</u>	<u>(6,905)</u>	<u>503</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,838	6,838	6,838	-
	<u>6,838</u>	<u>6,838</u>	<u>6,838</u>	<u>-</u>
Net Change in Fund Balances	(570)	(570)	(67)	503
Fund Balances, Beginning	741	741	741	-
Fund Balances, Ending	<u>\$ 171</u>	<u>\$ 171</u>	<u>\$ 674</u>	<u>\$ 503</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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 5	\$ 5	\$ 8	\$ 3
Intergovernmental	300	300	301	1
Total Revenues	305	305	309	4
EXPENDITURES				
Current:				
General Government	8	8	8	-
Public Works	270	270	178	92
Total Expenditures	278	278	186	92
Excess (Deficiency) of Revenues Over (Under) Expenditures	27	27	123	96
OTHER FINANCING SOURCES (USES)				
Transfers out	(631)	(631)	(94)	537
Total Other Financing Sources (Uses)	(631)	(631)	(94)	537
Net Change in Fund Balances	(604)	(604)	29	633
Fund Balances, Beginning	951	951	951	-
Fund Balances, Ending	\$ 347	\$ 347	\$ 980	\$ 633

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 640	\$ 640	\$ 646	\$ 6
Investment income	69	69	68	(1)
Charges for services	-	-	216	216
Revenue from developers	-	-	65	65
Total Revenues	709	709	995	286
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	709	709	995	286
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	22	22
Transfers out	(86)	(162)	-	162
Total Other Financing Sources (Uses)	(86)	(162)	22	184
Net Change in Fund Balances	623	547	1,017	470
Fund Balances, Beginning	6,266	6,266	6,266	-
Fund Balances, Ending	<u>\$ 6,889</u>	<u>\$ 6,813</u>	<u>\$ 7,283</u>	<u>\$ 470</u>

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 840	\$ 840	\$ 974	\$ 134
Other revenue	-	-	5	5
Total Revenues	840	840	979	139
EXPENDITURES				
Current:				
Public Safety	835	835	993	(158)
Community Services	-	-	5	(5)
Total Expenditures	835	835	998	(163)
Excess (Deficiency) of Revenues Over (Under) Expenditures	5	5	(19)	(24)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	5	5	(19)	(24)
Fund Balances, Beginning	57	57	57	-
Fund Balances, Ending	\$ 62	\$ 62	\$ 38	\$ (24)

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
iShuttle
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

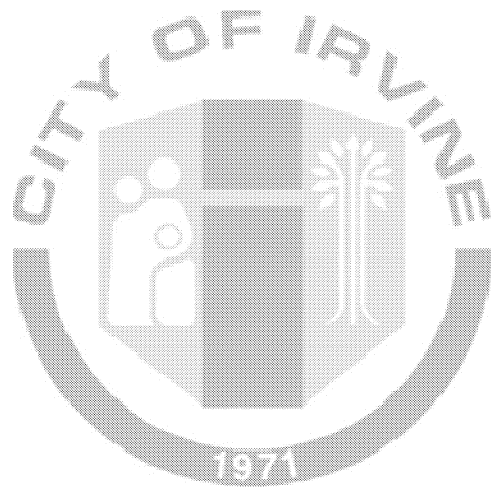
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 11	\$ 11	\$ 13	\$ 2
Intergovernmental	2,648	2,648	1,875	(773)
Charges for services	122	122	132	10
Donations	259	259	210	(49)
Total Revenues	3,040	3,040	2,230	(810)
EXPENDITURES				
Current:				
Public Works	2,311	2,311	2,259	52
Total Expenditures	2,311	2,311	2,259	52
Excess (Deficiency) of Revenues over (under) Expenditures	729	729	(29)	(758)
OTHER FINANCING SOURCES (USES)				
Transfers in	118	118	108	(10)
Total Other Financing Sources (Uses)	118	118	108	(10)
Net Change in Fund Balances	847	847	79	(768)
Fund Balances, Beginning	1,739	1,739	1,739	-
Fund Balances, Ending	<u>\$ 2,586</u>	<u>\$ 2,586</u>	<u>\$ 1,818</u>	<u>\$ (768)</u>

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 20	\$ 20	\$ 69	\$ 49
Intergovernmental	13	13	13	-
Charges for services	92	92	91	(1)
Total Revenues	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 173</u>	<u>\$ 48</u>
EXPENDITURES				
Current:				
Community Development	495	495	246	249
Total Expenditures	<u>495</u>	<u>495</u>	<u>246</u>	<u>249</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(370)</u>	<u>(370)</u>	<u>(73)</u>	<u>297</u>
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXTRAORDINARY GAIN (LOSS)				
Settlement agreement	-	-	14,600	14,600
Total Extraordinary Items (Uses)	<u>-</u>	<u>-</u>	<u>14,600</u>	<u>14,600</u>
Net Change in Fund Balances	(370)	(370)	14,527	14,897
Fund Balances, Beginning	<u>8,544</u>	<u>8,544</u>	<u>8,544</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 8,174</u></u>	<u><u>\$ 8,174</u></u>	<u><u>\$ 23,071</u></u>	<u><u>\$ 14,897</u></u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Grants
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 13	\$ 13	\$ 19	\$ 6
Intergovernmental	3,486	4,033	2,523	(1,510)
Charges for services	243	243	201	(42)
Donations	331	470	373	(97)
Total Revenues	4,073	4,759	3,116	(1,643)
EXPENDITURES				
Current:				
General Government	99	99	15	84
Public Safety	2,720	3,340	1,160	2,180
Community Development	1,654	1,654	846	808
Community Services	1,338	1,435	916	519
Total Expenditures	5,811	6,528	2,937	3,591
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,738)	(1,769)	179	1,948
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(41)	(41)
Total Other Financing Sources (Uses)	-	-	(41)	(41)
Net Change in Fund Balances	(1,738)	(1,769)	138	1,907
Fund Balances, Beginning	2,486	2,486	2,486	-
Fund Balances, Ending	\$ 748	\$ 717	\$ 2,624	\$ 1,907



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:

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.

North Irvine Transportation Mitigation Program - This fund accounts for the financial transaction related to traffic and transportation improvements identified in the Comprehensive NITM Traffic Study in connection with land use entitlements for City's northern sphere planning areas Planning Areas.

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.

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2015
(amounts expressed in thousands)
Page 1 of 2

	Park Development	Irvine Business Complex
ASSETS		
Cash and investments	\$ 39,818	\$ 63,593
Receivables, net of allowances:		
Accrued interest	39	67
Due from other governments	16	6
Due from developers	-	-
Total Assets	\$ 39,873	\$ 63,666
LIABILITIES		
Accounts payable	\$ 1,501	\$ 74
Accrued liabilities	71	7
Unearned revenue	119	-
Total Liabilities	1,691	81
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	16	6
Total Deferred Inflows of Resources	16	6
FUND BALANCES (DEFICITS)		
Restricted	18,879	63,579
Committed	14,069	-
Assigned	5,218	-
Total Fund Balances	38,166	63,579
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ 39,873	\$ 63,666

- continued -

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2015
(amounts expressed in thousands)
Page 2 of 2

	North Irvine Transportation Mitigation	Orange County Great Park Infrastructure	Total Other Capital Projects Funds
ASSETS			
Cash and investments	\$ 60,575	\$ -	\$ 163,986
Receivables, net of allowances:			
Accrued interest	63	-	169
Due from other governments	-	-	22
Due from developers	16,824	-	16,824
	<u>\$ 77,462</u>	<u>\$ -</u>	<u>\$ 181,001</u>
Total Assets			
LIABILITIES			
Accounts payable	\$ 76	\$ -	\$ 1,651
Accrued liabilities	304	-	382
Unearned revenue	-	-	119
	<u>380</u>	<u>-</u>	<u>2,152</u>
Total Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	22
	<u>-</u>	<u>-</u>	<u>22</u>
Total Deferred Inflows of Resources			
FUND BALANCES (DEFICITS)			
Restricted	77,082	-	159,540
Committed	-	-	14,069
Assigned	-	-	5,218
	<u>77,082</u>	<u>-</u>	<u>178,827</u>
Total Fund Balances			
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 77,462</u>	<u>\$ -</u>	<u>\$ 181,001</u>

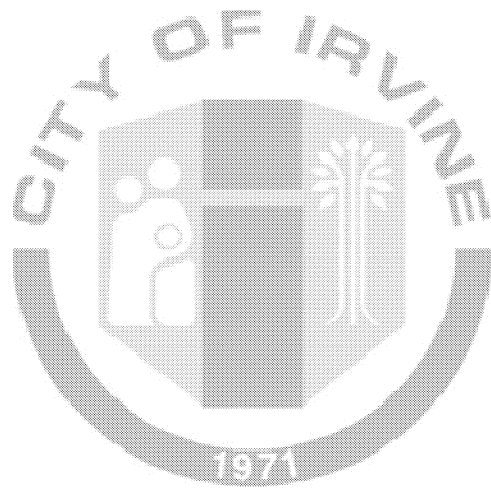
City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Capital Projects Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)
Page 1 of 2

	<u>Park Development</u>	<u>Irvine Business Complex</u>
REVENUES		
Investment income	\$ 279	\$ 533
Intergovernmental	178	17
Revenue from developers	-	674
Other revenue	-	1
	<hr/>	<hr/>
Total Revenues	457	1,225
	<hr/>	<hr/>
EXPENDITURES		
Current:		
General Government	22	8
Public Works	145	110
Community Development	3	85
Capital outlay	4,132	271
	<hr/>	<hr/>
Total Expenditures	4,302	474
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,845)	751
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers in	23,873	-
Transfers out	(22)	(203)
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	23,851	(203)
	<hr/>	<hr/>
Net Change in Fund Balances	20,006	548
	<hr/>	<hr/>
Fund Balances, Beginning	18,160	63,031
	<hr/>	<hr/>
Fund Balances, Ending	\$ 38,166	\$ 63,579
	<hr/> <hr/>	<hr/> <hr/>

- 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, 2015
(amounts expressed in thousands)
Page 2 of 2

	<u>North Irvine Transportation Mitigation</u>	<u>Orange County Great Park Infrastructure</u>	<u>Total Other Capital Projects Funds</u>
REVENUES			
Investment income	\$ 450	\$ -	\$ 1,262
Intergovernmental	-	-	195
Revenue from developers	17,007	-	17,681
Other revenue	-	-	1
	<u>17,457</u>	<u>-</u>	<u>19,139</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government	10	-	40
Public Works	261	-	516
Community Development	3	-	91
Capital outlay	1,976	-	6,379
	<u>2,250</u>	<u>-</u>	<u>7,026</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,207</u>	<u>-</u>	<u>12,113</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	23,873
Transfers out	-	(830)	(1,055)
	<u>-</u>	<u>(830)</u>	<u>22,818</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	15,207	(830)	34,931
Fund Balances, Beginning	<u>61,875</u>	<u>830</u>	<u>143,896</u>
Fund Balances, Ending	<u>\$ 77,082</u>	<u>\$ -</u>	<u>\$ 178,827</u>



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, 2015
 (amounts expressed in thousands)

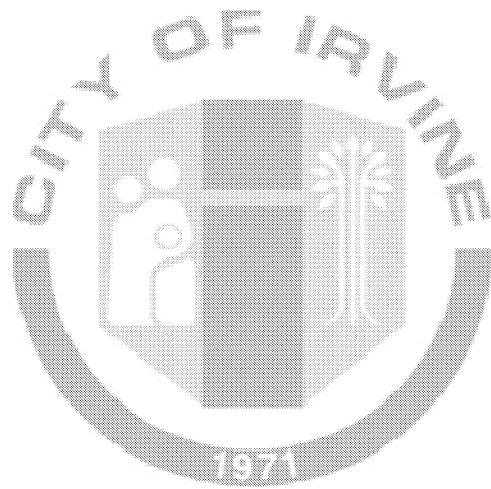
	<u>Senior Services Fund</u>
ASSETS	
Cash and investments	\$ 649
Receivables, net of allowances:	
Accrued interest	1
Total Assets	<u>\$ 650</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 1
Total Liabilities	<u>1</u>
Fund Balances:	
Nonspendable	496
Restricted	153
Total Fund Balances	<u>649</u>
Total Liabilities and Fund Balances	<u>\$ 650</u>

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Permanent Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Senior Services Fund</u>
REVENUES	
Investment income	\$ 5
Charges for services	1
Donations	<u>53</u>
Total Revenues	<u>59</u>
EXPENDITURES	
Current:	
Community Services	<u>25</u>
Total Expenditures	<u>25</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34</u>
OTHER FINANCING SOURCES (USES)	
Total Other Financing Sources (Uses)	<u>-</u>
Net Change in Fund Balances	34
Fund Balances, Beginning	<u>615</u>
Fund Balances, Ending	<u>\$ 649</u>

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 1	\$ 1	\$ 5	\$ 4
Charges for services	-	-	1	1
Donations	20	20	53	33
Total Revenues	21	21	59	38
EXPENDITURES				
Current:				
Community Services	61	61	25	36
Total Expenditures	61	61	25	36
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40)	(40)	34	74
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(40)	(40)	34	74
Fund Balances, Beginning	615	615	615	-
Fund Balances, Ending	\$ 575	\$ 575	\$ 649	\$ 74





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, 2015
(amounts expressed in thousands)

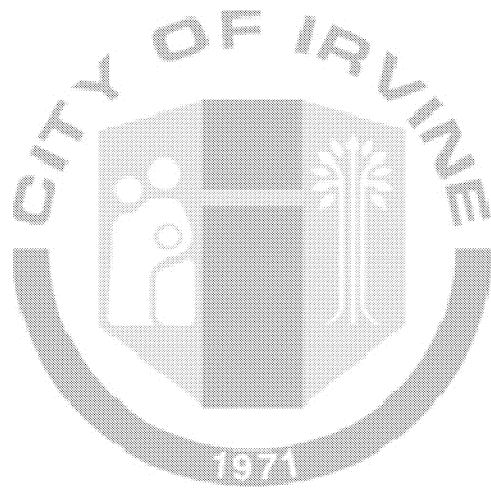
	Self- Insurance	Equipment and Services	Inventory	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and investments	\$ 18,396	\$ 11,431	\$ 98	\$ 29,925
Receivables, net of allowances:				
Accounts	277	26	-	303
Accrued interest	19	12	-	31
Prepaid	5	-	-	5
Inventories	-	-	93	93
Due from other governments	-	1	-	1
Total Current Assets	<u>18,697</u>	<u>11,470</u>	<u>191</u>	<u>30,358</u>
Noncurrent Assets:				
Capital assets:				
Equipment	20	34,906	-	34,926
Less accumulated depreciation	(20)	(28,264)	-	(28,284)
Total Noncurrent Assets	<u>-</u>	<u>6,642</u>	<u>-</u>	<u>6,642</u>
Total Assets	<u>18,697</u>	<u>18,112</u>	<u>191</u>	<u>37,000</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	141	329	-	470
Total Deferred Outflows of Resources	<u>141</u>	<u>329</u>	<u>-</u>	<u>470</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	144	1,430	52	1,626
Accrued liabilities	67	48	-	115
Due to other governments	-	2	-	2
Deposits	-	20	-	20
Lease payable	-	78	-	78
Compensated absences	18	30	-	48
Claims payable	4,340	-	-	4,340
Total Current Liabilities	<u>4,569</u>	<u>1,608</u>	<u>52</u>	<u>6,229</u>
Noncurrent Liabilities:				
Compensated absences	53	83	-	136
Claims payable	11,120	-	-	11,120
Net pension	640	1,493	-	2,133
Total Noncurrent Liabilities	<u>11,813</u>	<u>1,576</u>	<u>-</u>	<u>13,389</u>
Total Liabilities	<u>16,382</u>	<u>3,184</u>	<u>52</u>	<u>19,618</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	151	352	-	503
Total Deferred Inflows of Resources	<u>151</u>	<u>352</u>	<u>-</u>	<u>503</u>
NET POSITION				
Net investment in capital assets	-	6,564	-	6,564
Unrestricted	2,305	8,341	139	10,785
Total Net Position	<u>\$ 2,305</u>	<u>\$ 14,905</u>	<u>\$ 139</u>	<u>\$ 17,349</u>

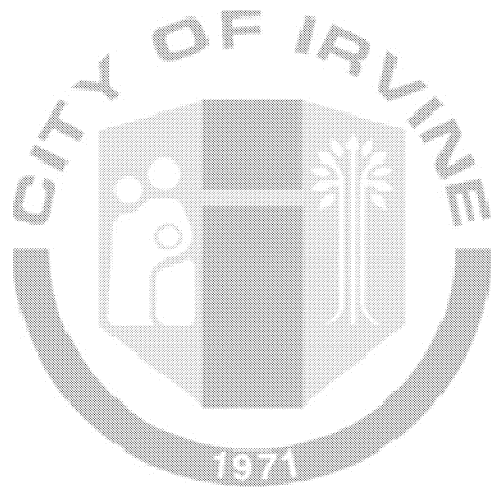
City of Irvine
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 7,791	\$ 15,266	\$ -	\$ 23,057
Other	-	168	301	469
Total Operating Revenues	<u>7,791</u>	<u>15,434</u>	<u>301</u>	<u>23,526</u>
OPERATING EXPENSES				
Salaries and benefits	703	1,681	4	2,388
Supplies and equipment	57	3,560	295	3,912
Contract services	482	5,513	-	5,995
Administration	1	1,473	-	1,474
Self-insured losses	3,230	67	-	3,297
Insurance premiums	2,125	59	-	2,184
Depreciation	-	2,190	-	2,190
Total Operating Expenses	<u>6,598</u>	<u>14,543</u>	<u>299</u>	<u>21,440</u>
Operating Income	<u>1,193</u>	<u>891</u>	<u>2</u>	<u>2,086</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	145	101	1	247
Interest expense	-	(7)	-	(7)
Loss on disposal of equipment	-	(11)	-	(11)
Total Nonoperating Revenues	<u>145</u>	<u>83</u>	<u>1</u>	<u>229</u>
Income/(Loss) Before Capital Contributions and Transfers	1,338	974	3	2,315
Capital contributions	-	232	-	232
Transfers in	-	321	-	321
Transfers out	-	(12)	-	(12)
Change in Net Position	<u>1,338</u>	<u>1,515</u>	<u>3</u>	<u>2,856</u>
Total Net Position, Beginning, as restated	<u>967</u>	<u>13,390</u>	<u>136</u>	<u>14,493</u>
Total Net Position, Ending	<u>\$ 2,305</u>	<u>\$ 14,905</u>	<u>\$ 139</u>	<u>\$ 17,349</u>

City of Irvine
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Self- Insur- ance	Equip- ment and Services	Inven- tory	Total Internal Service Funds
Cash Flows From Operating Activities				
Received from customers and users	\$ 579	212	\$ -	\$ 791
Received from interfund services provided	7,093	15,266	301	22,660
Paid to suppliers and providers	(5,247)	(11,502)	(296)	(17,045)
Paid for salaries and benefits	(769)	(1,877)	(4)	(2,650)
Net Cash Provided by Operating Activities	<u>1,656</u>	<u>2,099</u>	<u>1</u>	<u>3,756</u>
Cash Flows From Non-Capital Financing Activities				
Transfers from other funds	-	321	-	321
Transfers to other funds	-	(12)	-	(12)
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>309</u>	<u>-</u>	<u>309</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of equipment	-	8	-	8
Equipment purchases	-	(2,234)	-	(2,234)
Interest paid	-	(7)	-	(7)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(2,233)</u>	<u>-</u>	<u>(2,233)</u>
Cash Flows from Investing Activities				
Interest received on investments	138	97	1	236
Net Cash Provided by Investing Activities	<u>138</u>	<u>97</u>	<u>1</u>	<u>236</u>
Net Increase in Cash and Cash Equivalents	1,794	272	2	2,068
Cash and Cash Equivalents, Beginning of Fiscal Year	16,602	11,159	96	27,857
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 18,396</u>	<u>\$ 11,431</u>	<u>\$ 98</u>	<u>\$ 29,925</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Cash Flows from Operating Activities				
Operating income	\$ 1,193	\$ 891	\$ 2	\$ 2,086
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	-	2,190	-	2,190
Pension contributions made after the measurement date	(75)	(175)	-	(250)
Changes in assets and liabilities:				
(Increase) decrease in receivables, net of allowances	(119)	45	-	(74)
(Increase) decrease in prepaid costs	3	-	-	3
(Increase) decrease in due from other governments	-	(1)	-	(1)
(Increase) decrease in inventories	-	-	(1)	(1)
Increase (decrease) in accounts payable	102	(745)	-	(643)
Increase (decrease) in accrued liabilities	27	4	-	31
Increase (decrease) in deposits	-	14	-	14
Increase (decrease) in lease payable	-	(99)	-	(99)
Increase (decrease) in compensated absences	9	(25)	-	(16)
Increase (decrease) in claims payable	516	-	-	516
Total Adjustments	<u>463</u>	<u>1,208</u>	<u>(1)</u>	<u>1,670</u>
Net Cash Provided by Operating Activities	<u>\$ 1,656</u>	<u>\$ 2,099</u>	<u>\$ 1</u>	<u>\$ 3,756</u>
Schedule of Non-Cash and Related Financing Activities				
Contribution of Capital Assets	<u>\$ -</u>	<u>\$ 137</u>	<u>\$ -</u>	<u>\$ 137</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 and community facility districts.

City of Irvine
Combining Statement of Fiduciary Net Position
Pension and Employee Benefit Trust Funds
June 30, 2015
 (amounts expressed in thousands)

	PENSION TRUST		Total Pension and Employee Benefit Trust Funds
	(December 31, 2014)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	
ASSETS			
Short-term investments	\$ 336	\$ -	\$ 336
Receivables, net of allowances:			
Accounts	-	3	3
Loans	-	81	81
Investments:			
Pooled Funds	19,737	4,835	24,572
Mutual Funds - Closed End Funds Equity	212	-	212
Mutual Funds - Equity	-	3,675	3,675
Mutual Funds - Corporate Bonds	-	864	864
Mutual Funds - Balanced	-	447	447
Wells Fargo Funds Balanced	-	631	631
Total Assets	<u>20,285</u>	<u>10,536</u>	<u>30,821</u>
LIABILITIES			
Accounts payable and other accrued liabilities	-	39	39
Accrued liabilities	<u>49</u>	<u>-</u>	<u>49</u>
Total Liabilities	<u>49</u>	<u>39</u>	<u>88</u>
NET POSITION			
Held in trust for pension benefits	<u>20,236</u>	<u>10,497</u>	<u>30,733</u>
Total Net Position	<u>\$ 20,236</u>	<u>\$ 10,497</u>	<u>\$ 30,733</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, 2015
(amounts expressed in thousands)

	PENSION TRUST		
	(December 31, 2014)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total Pension and Employee Benefit Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 243	\$ 164	\$ 407
Plan members	21	86	107
Interest from participants' loan	-	4	4
Total Contributions	<u>264</u>	<u>254</u>	<u>518</u>
Investment income (loss):			
Interest and dividends	6	105	111
Net appreciation (depreciation) in fair value of investments	<u>1,385</u>	<u>346</u>	<u>1,731</u>
Total Investment Income	1,391	451	1,842
Less investment expenses	<u>(90)</u>	<u>(33)</u>	<u>(123)</u>
Net Investment Income	<u>1,301</u>	<u>418</u>	<u>1,719</u>
Total Additions	<u>1,565</u>	<u>672</u>	<u>2,237</u>
DEDUCTIONS			
Benefit payments	1,145	1,475	2,620
Administrative expenses	<u>40</u>	<u>-</u>	<u>40</u>
Total Deductions	<u>1,185</u>	<u>1,475</u>	<u>2,660</u>
Change in Net Position	380	(803)	(423)
Total Net Position, Beginning	<u>19,856</u>	<u>11,300</u>	<u>31,156</u>
Total Net Position, Ending	<u>\$ 20,236</u>	<u>\$ 10,497</u>	<u>\$ 30,733</u>

City of Irvine
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2015
(amounts expressed in thousands)

	Successor Agency Debt Service	Redevelopment Obligation Retirement	Total Successor Agency Private-Purpose Trust Funds
ASSETS			
Cash and investments	\$ -	\$ 313	\$ 313
Due from other governments	288,084	-	288,084
Total Assets	<u>288,084</u>	<u>313</u>	<u>288,397</u>
LIABILITIES			
Accounts payable	-	52	52
Advances from the City of Irvine	295,865	-	295,865
Total Liabilities	<u>295,865</u>	<u>52</u>	<u>295,917</u>
NET POSITION			
Held in trust for enforceable obligations	<u>(7,781)</u>	<u>261</u>	<u>(7,520)</u>
Total Net Position	<u>\$ (7,781)</u>	<u>\$ 261</u>	<u>\$ (7,520)</u>

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2015
 (amounts expressed in thousands)

	Successor Agency Debt Service	Redevelopment Obligation Retirement	Total Successor Agency Private-Purpose Trust Funds
ADDITIONS			
Taxes	\$ -	\$ 125	\$ 125
Total Additions	-	125	125
DEDUCTIONS			
Administration	-	264	264
Debt service:			
Interest and fiscal charges	2,443	-	2,443
Total Deductions	2,443	264	2,707
EXTRAORDINARY GAIN (LOSS)			
Settlement agreement	186,586	-	186,586
Change in Net Position	184,143	(139)	184,004
Total Net Position, Beginning	(191,924)	400	(191,524)
Total Net Position, Ending	\$ (7,781)	\$ 261	\$ (7,520)

City of Irvine
Combining Statement of Net Position
Agency Funds
June 30, 2015
 (amounts expressed in thousands)
Page 1 of 6

	Eastwood Assessment District 13-25	Cypress Village Assessment District 11-24	Laguna Altura Assessment District 10-23	Stonegate Assessment District 07-22	Orchard Hills Assessment District 05-21
ASSETS					
Cash and investments	\$ 17	\$ 3,330	\$ 4,470	\$ 8,882	\$ 8,664
Receivables, net of allowances:					
Taxes	-	-	38	29	-
Accounts	-	-	-	-	76
Accrued interest	-	-	4	5	-
Due from developers	-	-	-	-	4
Total Assets	<u>17</u>	<u>3,330</u>	<u>4,512</u>	<u>8,916</u>	<u>8,744</u>
LIABILITIES					
Accounts payable	2	-	-	1	76
Accrued liabilities	-	1	1	2	2
Due to bondholders	15	3,329	4,511	8,913	8,666
Due to other governments	-	-	-	-	-
Total Liabilities	<u>17</u>	<u>3,330</u>	<u>4,512</u>	<u>8,916</u>	<u>8,744</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Position
Agency Funds
June 30, 2015
(amounts expressed in thousands)
Page 2 of 6

	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	Irvine Spectrum Assessment District 87-8
ASSETS					
Cash and investments	\$ 3,763	\$ 16	\$ 133	\$ 11	\$ 259
Receivables, net of allowances:					
Taxes	47	-	-	-	-
Accounts	121	111	22	87	40
Accrued interest	-	-	-	-	-
Due from developers	4	13	4	4	4
Total Assets	<u>3,935</u>	<u>140</u>	<u>159</u>	<u>102</u>	<u>303</u>
LIABILITIES					
Accounts payable	122	111	23	88	41
Accrued liabilities	3	2	1	1	1
Due to bondholders	3,810	27	135	13	261
Due to other governments	-	-	-	-	-
Total Liabilities	<u>3,935</u>	<u>140</u>	<u>159</u>	<u>102</u>	<u>303</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Position
Agency Funds
June 30, 2015
 (amounts expressed in thousands)
 Page 3 of 6

	Westpark Assessment District 89-10	Irvine Spectrum Assessment District 93-14	Oak Creek Assessment District 94-13	Westpark II Assessment District 94-15
ASSETS				
Cash and investments	\$ 6	\$ 6,783	\$ 258	\$ 1,461
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	130	42	10
Accrued interest	-	-	-	-
Due from developers	-	4	4	4
	<u>6</u>	<u>6,917</u>	<u>304</u>	<u>1,475</u>
Total Assets				
	<u>6</u>	<u>6,917</u>	<u>304</u>	<u>1,475</u>
LIABILITIES				
Accounts payable	-	130	43	11
Accrued liabilities	-	-	1	1
Due to bondholders	6	6,787	260	1,463
Due to other governments	-	-	-	-
	<u>6</u>	<u>6,917</u>	<u>304</u>	<u>1,475</u>
Total Liabilities				
	<u>6</u>	<u>6,917</u>	<u>304</u>	<u>1,475</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Position
Agency Funds
June 30, 2015
 (amounts expressed in thousands)
Page 4 of 6

	Northwest Assessment District 97-16	Lower Peters Canyon Assessment District 97-17	Irvine Public Facilities and Infrastructure Authority 2012 Series A	Reassessment District 11-1
ASSETS				
Cash and investments	\$ 480	\$ 475	\$ 39	\$ 5,029
Receivables, net of allowances:				
Taxes	-	-	-	78
Accounts	65	83	-	-
Accrued interest	-	-	-	7
Due from developers	4	4	-	-
	<u>549</u>	<u>562</u>	<u>39</u>	<u>5,114</u>
Total Assets				
LIABILITIES				
Accounts payable	65	84	-	-
Accrued liabilities	1	1	-	-
Due to bondholders	483	477	39	5,114
Due to other governments	-	-	-	-
	<u>549</u>	<u>562</u>	<u>39</u>	<u>5,114</u>
Total Liabilities				
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Position
Agency Funds
June 30, 2015
 (amounts expressed in thousands)
 Page 5 of 6

	Reassessment District 11-2	Reassessment District 12-1	Reassessment District 13-1	CFD - Central Park 2004-1
ASSETS				
Cash and investments	\$ 5,499	\$ 20,119	\$ 11,649	\$ 2,356
Receivables, net of allowances:				
Taxes	74	216	173	39
Accounts	-	-	-	-
Accrued interest	2	8	4	2
Due from developers	-	-	-	-
Total Assets	<u>5,575</u>	<u>20,343</u>	<u>11,826</u>	<u>2,397</u>
LIABILITIES				
Accounts payable	-	-	-	3
Accrued liabilities	-	1	1	-
Due to bondholders	5,575	20,342	11,825	2,394
Due to other governments	-	-	-	-
Total Liabilities	<u>5,575</u>	<u>20,343</u>	<u>11,826</u>	<u>2,397</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Position
Agency Funds
June 30, 2015
(amounts expressed in thousands)
Page 6 of 6

	CFD - Columbus Grove 2005-2	CFD - Great Park 2013-3	Inter-Agency Custodial Fund	Total Agency Funds
ASSETS				
Cash and investments	\$ 1,736	\$ 8,590	\$ 138	\$ 94,163
Receivables, net of allowances:				
Taxes	21	321	-	1,036
Accounts	-	-	-	787
Accrued interest	1	-	-	33
Due from developers	-	-	-	53
Total Assets	<u>1,758</u>	<u>8,911</u>	<u>138</u>	<u>96,072</u>
LIABILITIES				
Accounts payable	-	2	2	804
Accrued liabilities	1	33	-	54
Due to bondholders	1,757	8,876	-	95,078
Due to other governments	-	-	136	136
Total Liabilities	<u>1,758</u>	<u>8,911</u>	<u>138</u>	<u>96,072</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Page 1 of 9

	June 30, 2014			June 30, 2015
	Balance	Additions	Deductions	Balance
Eastwood Assessment District 13-25				
ASSETS				
Cash and investments	\$ 14	\$ 21	\$ 18	\$ 17
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 14</u>	<u>\$ 21</u>	<u>\$ 18</u>	<u>\$ 17</u>
LIABILITIES				
Accounts payable	\$ -	\$ 10	\$ 8	\$ 2
Accrued liabilities	-	-	-	-
Due to bondholders	14	1	-	15
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 14</u>	<u>\$ 11</u>	<u>\$ 8</u>	<u>\$ 17</u>
Cypress Village Assessment District 11-24				
ASSETS				
Cash and investments	\$ 5,006	\$ 54	\$ 1,730	\$ 3,330
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	3	-	3	-
Prepaid costs	-	-	-	-
Due from developers	-	62	62	-
Total Assets	<u>\$ 5,009</u>	<u>\$ 116</u>	<u>\$ 1,795</u>	<u>\$ 3,330</u>
LIABILITIES				
Accounts payable	\$ -	\$ 40	\$ 40	\$ -
Accrued liabilities	1	1	1	1
Due to bondholders	5,008	-	1,679	3,329
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,009</u>	<u>\$ 41</u>	<u>\$ 1,720</u>	<u>\$ 3,330</u>
Laguna Altura Assessment District 10-23				
ASSETS				
Cash and investments	\$ 5,085	\$ 5,090	\$ 5,705	\$ 4,470
Receivables, net of allowances:				
Taxes	68	38	68	38
Accounts	-	-	-	-
Accrued interest	3	4	3	4
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 5,156</u>	<u>\$ 5,132</u>	<u>\$ 5,776</u>	<u>\$ 4,512</u>
LIABILITIES				
Accounts payable	\$ -	\$ 3,209	\$ 3,209	\$ -
Accrued liabilities	2	1	2	1
Due to bondholders	5,154	18	661	4,511
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,156</u>	<u>\$ 3,228</u>	<u>\$ 3,872</u>	<u>\$ 4,512</u>

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Page 2 of 9

	June 30, 2014			June 30, 2015
	Balance	Additions	Deductions	Balance
Stonegate Assessment District 07-22				
ASSETS				
Cash and investments	\$ 9,940	\$ 6,364	\$ 7,422	\$ 8,882
Receivables, net of allowances:				
Taxes	85	29	85	29
Accounts	-	-	-	-
Accrued interest	3	5	3	5
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 10,028</u>	<u>\$ 6,398</u>	<u>\$ 7,510</u>	<u>\$ 8,916</u>
LIABILITIES				
Accounts payable	\$ 20	\$ 3,825	\$ 3,844	\$ 1
Accrued liabilities	5	2	5	2
Due to bondholders	10,003	257	1,347	8,913
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 10,028</u>	<u>\$ 4,084</u>	<u>\$ 5,196</u>	<u>\$ 8,916</u>
Orchard Hills Assessment District 05-21				
ASSETS				
Cash and investments	\$ 12,125	\$ 519	\$ 3,980	\$ 8,664
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	82	6	76
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	76	355	427	4
Total Assets	<u>\$ 12,201</u>	<u>\$ 956</u>	<u>\$ 4,413</u>	<u>\$ 8,744</u>
LIABILITIES				
Accounts payable	\$ 106	\$ 400	\$ 430	\$ 76
Accrued liabilities	-	2	-	2
Due to bondholders	12,095	14	3,443	8,666
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 12,201</u>	<u>\$ 416</u>	<u>\$ 3,873</u>	<u>\$ 8,744</u>
Portola Springs Assessment District 04-20				
ASSETS				
Cash and investments	\$ 4,126	\$ 3,452	\$ 3,815	\$ 3,763
Receivables, net of allowances:				
Taxes	19	52	24	47
Accounts	-	131	10	121
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	130	547	673	4
Total Assets	<u>\$ 4,275</u>	<u>\$ 4,182</u>	<u>\$ 4,522</u>	<u>\$ 3,935</u>
LIABILITIES				
Accounts payable	\$ 122	\$ 2,115	\$ 2,115	\$ 122
Accrued liabilities	2	4	3	3
Due to bondholders	4,151	251	592	3,810
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,275</u>	<u>\$ 2,370</u>	<u>\$ 2,710</u>	<u>\$ 3,935</u>

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)
Page 3 of 9

	June 30, 2014			June 30, 2015		
	Balance	Additions	Deductions	Balance	Additions	Deductions
Northern Sphere Assessment District 03-19						
ASSETS						
Cash and investments	\$ 18	\$ 2,927	\$ 2,929	\$ 16		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accounts	-	111	-	111		
Accrued interest	-	-	-	-		
Prepaid costs	-	-	-	-		
Due from developers	126	464	577	13		
Total Assets	<u>\$ 144</u>	<u>\$ 3,502</u>	<u>\$ 3,506</u>	<u>\$ 140</u>		
LIABILITIES						
Accounts payable	\$ 143	\$ 1,689	\$ 1,721	\$ 111		
Accrued liabilities	1	2	1	2		
Due to bondholders	-	27	-	27		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 144</u>	<u>\$ 1,718</u>	<u>\$ 1,722</u>	<u>\$ 140</u>		
Shady Canyon/Turtle Ridge Assessment District 00-18						
ASSETS						
Cash and investments	\$ 136	\$ 143	\$ 146	\$ 133		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accounts	-	22	-	22		
Accrued interest	-	-	-	-		
Prepaid costs	-	-	-	-		
Due from developers	40	129	165	4		
Total Assets	<u>\$ 176</u>	<u>\$ 294</u>	<u>\$ 311</u>	<u>\$ 159</u>		
LIABILITIES						
Accounts payable	\$ 41	\$ 119	\$ 137	\$ 23		
Accrued liabilities	-	1	-	1		
Due to bondholders	135	-	-	135		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 176</u>	<u>\$ 120</u>	<u>\$ 137</u>	<u>\$ 159</u>		
Irvine Spectrum Reassessment District 85-7						
ASSETS						
Cash and investments	\$ 13	\$ 511	\$ 513	\$ 11		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accounts	-	95	8	87		
Accrued interest	-	-	-	-		
Prepaid costs	-	-	-	-		
Due from developers	136	379	511	4		
Total Assets	<u>\$ 149</u>	<u>\$ 985</u>	<u>\$ 1,032</u>	<u>\$ 102</u>		
LIABILITIES						
Accounts payable	\$ 135	\$ 430	\$ 477	\$ 88		
Accrued liabilities	1	1	1	1		
Due to bondholders	13	-	-	13		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 149</u>	<u>\$ 431</u>	<u>\$ 478</u>	<u>\$ 102</u>		

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)
Page 4 of 9

	June 30, 2014			June 30, 2015
	Balance	Additions	Deductions	Balance
Irvine Spectrum Assessment District 87-8				
ASSETS				
Cash and investments	\$ 250	\$ 239	\$ 230	\$ 259
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	40	-	40
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	69	249	314	4
Total Assets	<u>\$ 319</u>	<u>\$ 528</u>	<u>\$ 544</u>	<u>\$ 303</u>
LIABILITIES				
Accounts payable	\$ 63	\$ 192	\$ 214	\$ 41
Accrued liabilities	-	1	-	1
Due to bondholders	256	5	-	261
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 319</u>	<u>\$ 198</u>	<u>\$ 214</u>	<u>\$ 303</u>
Westpark Assessment District 89-10				
ASSETS				
Cash and investments	\$ 4,157	\$ 71	\$ 4,222	\$ 6
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	15	334	349	-
Total Assets	<u>\$ 4,172</u>	<u>\$ 405</u>	<u>\$ 4,571</u>	<u>\$ 6</u>
LIABILITIES				
Accounts payable	\$ 13	\$ 55	\$ 68	\$ -
Accrued liabilities	1	-	1	-
Due to bondholders	4,158	-	4,152	6
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,172</u>	<u>\$ 55</u>	<u>\$ 4,221</u>	<u>\$ 6</u>
Irvine Spectrum Assessment District 93-14				
ASSETS				
Cash and investments	\$ 6,770	\$ 653	\$ 640	\$ 6,783
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	141	11	130
Accrued interest	7	-	7	-
Prepaid costs	-	-	-	-
Due from developers	150	526	672	4
Total Assets	<u>\$ 6,927</u>	<u>\$ 1,320</u>	<u>\$ 1,330</u>	<u>\$ 6,917</u>
LIABILITIES				
Accounts payable	\$ 150	\$ 603	\$ 623	\$ 130
Accrued liabilities	-	-	-	-
Due to bondholders	6,777	10	-	6,787
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 6,927</u>	<u>\$ 613</u>	<u>\$ 623</u>	<u>\$ 6,917</u>

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)
Page 5 of 9

	June 30, 2014			June 30, 2015		
	Balance	Additions	Deductions	Balance	Additions	Deductions
Oak Creek Assessment District 94-13						
ASSETS						
Cash and investments	\$ 260	\$ 294	\$ 296	\$ 258		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accounts	-	42	-	42		
Accrued interest	-	-	-	-		
Prepaid costs	-	-	-	-		
Due from developers	67	233	296	4		
Total Assets	<u>\$ 327</u>	<u>\$ 569</u>	<u>\$ 592</u>	<u>\$ 304</u>		
LIABILITIES						
Accounts payable	\$ 66	\$ 197	\$ 220	\$ 43		
Accrued liabilities	1	1	1	1		
Due to bondholders	260	-	-	260		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 327</u>	<u>\$ 198</u>	<u>\$ 221</u>	<u>\$ 304</u>		
Westpark II Assessment District 94-15						
ASSETS						
Cash and investments	\$ 1,465	\$ 134	\$ 138	\$ 1,461		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accounts	-	10	-	10		
Accrued interest	1	-	1	-		
Prepaid costs	-	-	-	-		
Due from developers	28	100	124	4		
Total Assets	<u>\$ 1,494</u>	<u>\$ 244</u>	<u>\$ 263</u>	<u>\$ 1,475</u>		
LIABILITIES						
Accounts payable	\$ 27	\$ 76	\$ 92	\$ 11		
Accrued liabilities	-	1	-	1		
Due to bondholders	1,440	23	-	1,463		
Due to other governments	27	-	27	-		
Total Liabilities	<u>\$ 1,494</u>	<u>\$ 100</u>	<u>\$ 119</u>	<u>\$ 1,475</u>		
Northwest Assessment District 97-16						
ASSETS						
Cash and investments	\$ 483	\$ 1,117	\$ 1,120	\$ 480		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accounts	-	65	-	65		
Accrued interest	-	-	-	-		
Prepaid costs	-	-	-	-		
Due from developers	97	1,047	1,140	4		
Total Assets	<u>\$ 580</u>	<u>\$ 2,229</u>	<u>\$ 2,260</u>	<u>\$ 549</u>		
LIABILITIES						
Accounts payable	\$ 96	\$ 289	\$ 320	\$ 65		
Accrued liabilities	1	1	1	1		
Due to bondholders	483	-	-	483		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 580</u>	<u>\$ 290</u>	<u>\$ 321</u>	<u>\$ 549</u>		

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)
Page 6 of 9

	June 30, 2014			June 30, 2015
	Balance	Additions	Deductions	Balance
Lower Peters Canyon Assessment District 97-17				
ASSETS				
Cash and investments	\$ 477	\$ 577	\$ 579	\$ 475
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	83	-	83
Accrued interest	-	-	-	-
Prepaid costs	6	-	6	-
Due from developers	54	393	443	4
Total Assets	<u>\$ 537</u>	<u>\$ 1,053</u>	<u>\$ 1,028</u>	<u>\$ 562</u>
LIABILITIES				
Accounts payable	\$ 83	\$ 483	\$ 482	\$ 84
Accrued liabilities	9	1	9	1
Due to bondholders	445	32	-	477
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 537</u>	<u>\$ 516</u>	<u>\$ 491</u>	<u>\$ 562</u>
Irvine Public Facilities and Infrastructure Authority 2012 Series A				
ASSETS				
Cash and investments	\$ 19	\$ 57	\$ 37	\$ 39
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 19</u>	<u>\$ 57</u>	<u>\$ 37</u>	<u>\$ 39</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 18	\$ 19	\$ -
Accrued liabilities	1	-	1	-
Due to bondholders	17	22	-	39
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 19</u>	<u>\$ 40</u>	<u>\$ 20</u>	<u>\$ 39</u>
Reassessment District 11-1				
ASSETS				
Cash and investments	\$ 5,017	\$ 9,041	\$ 9,029	\$ 5,029
Receivables, net of allowances:				
Taxes	49	78	49	78
Accounts	-	-	-	-
Accrued interest	4	7	4	7
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 5,070</u>	<u>\$ 9,126</u>	<u>\$ 9,082</u>	<u>\$ 5,114</u>
LIABILITIES				
Accounts payable	\$ -	\$ 5,819	\$ 5,819	\$ -
Accrued liabilities	1	-	1	-
Due to bondholders	5,069	45	-	5,114
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,070</u>	<u>\$ 5,864</u>	<u>\$ 5,820</u>	<u>\$ 5,114</u>

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)
Page 7 of 9

	June 30, 2014			June 30, 2015
	Balance	Additions	Deductions	Balance
Reassessment District 11-2				
ASSETS				
Cash and investments	\$ 5,370	\$ 7,120	\$ 6,991	\$ 5,499
Receivables, net of allowances:				
Taxes	78	74	78	74
Accounts	-	-	-	-
Accrued interest	1	2	1	2
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 5,449</u>	<u>\$ 7,196</u>	<u>\$ 7,070</u>	<u>\$ 5,575</u>
LIABILITIES				
Accounts payable	\$ -	\$ 3,498	\$ 3,498	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	5,449	126	-	5,575
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,449</u>	<u>\$ 3,624</u>	<u>\$ 3,498</u>	<u>\$ 5,575</u>
Reassessment District 12-1				
ASSETS				
Cash and investments	\$ 19,923	\$ 37,814	\$ 37,618	\$ 20,119
Receivables, net of allowances:				
Taxes	221	216	221	216
Accounts	-	-	-	-
Accrued interest	8	8	8	8
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 20,152</u>	<u>\$ 38,038</u>	<u>\$ 37,847</u>	<u>\$ 20,343</u>
LIABILITIES				
Accounts payable	\$ 3	\$ 24,451	\$ 24,454	\$ -
Accrued liabilities	1	1	1	1
Due to bondholders	20,148	194	-	20,342
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 20,152</u>	<u>\$ 24,646</u>	<u>\$ 24,455</u>	<u>\$ 20,343</u>
Reassessment District 13-1				
ASSETS				
Cash and investments	\$ 11,034	\$ 20,389	\$ 19,774	\$ 11,649
Receivables, net of allowances:				
Taxes	174	173	174	173
Accounts	-	-	-	-
Accrued interest	4	4	4	4
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 11,212</u>	<u>\$ 20,566</u>	<u>\$ 19,952</u>	<u>\$ 11,826</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 12,882	\$ 12,883	\$ -
Accrued liabilities	1	1	1	1
Due to bondholders	11,210	615	-	11,825
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 11,212</u>	<u>\$ 13,498</u>	<u>\$ 12,884</u>	<u>\$ 11,826</u>

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)
Page 8 of 9

	June 30, 2014			June 30, 2015		
	Balance	Additions	Deductions	Balance	Additions	Deductions
CFD-Central Park 2004-1						
ASSETS						
Cash and investments	\$ 852	\$ 1,518	\$ 14	\$ 2,356		
Receivables, net of allowances:						
Taxes	-	39	-	39		
Accounts	-	-	-	-		
Accrued interest	-	2	-	2		
Prepaid costs	-	-	-	-		
Due from developers	-	50	50	-		
Total Assets	<u>\$ 852</u>	<u>\$ 1,609</u>	<u>\$ 64</u>	<u>\$ 2,397</u>		
LIABILITIES						
Accounts payable	\$ -	\$ 16	\$ 13	\$ 3		
Accrued liabilities	-	-	-	-		
Due to bondholders	852	1,594	52	2,394		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 852</u>	<u>\$ 1,610</u>	<u>\$ 65</u>	<u>\$ 2,397</u>		
CFD-Columbus Grove 2005-2						
ASSETS						
Cash and investments	\$ 1,605	\$ 2,993	\$ 2,862	\$ 1,736		
Receivables, net of allowances:						
Taxes	28	21	28	21		
Accounts	-	-	-	-		
Accrued interest	-	1	-	1		
Prepaid costs	-	-	-	-		
Due from developers	-	-	-	-		
Total Assets	<u>\$ 1,633</u>	<u>\$ 3,015</u>	<u>\$ 2,890</u>	<u>\$ 1,758</u>		
LIABILITIES						
Accounts payable	\$ -	\$ 1,847	\$ 1,847	\$ -		
Accrued liabilities	1	1	1	1		
Due to bondholders	1,632	125	-	1,757		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 1,633</u>	<u>\$ 1,973</u>	<u>\$ 1,848</u>	<u>\$ 1,758</u>		
CFD-Great Park 2013-3						
ASSETS						
Cash and investments	\$ (50)	\$ 72,862	\$ 64,222	\$ 8,590		
Receivables, net of allowances:						
Taxes	4	321	4	321		
Accounts	-	124	124	-		
Accrued interest	-	-	-	-		
Prepaid costs	-	-	-	-		
Due from developers	91	9	100	-		
Total Assets	<u>\$ 45</u>	<u>\$ 73,316</u>	<u>\$ 64,450</u>	<u>\$ 8,911</u>		
LIABILITIES						
Accounts payable	\$ 41	\$ 4,217	\$ 4,256	\$ 2		
Accrued liabilities	4	33	4	33		
Due to bondholders	-	9,543	667	8,876		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 45</u>	<u>\$ 13,793</u>	<u>\$ 4,927</u>	<u>\$ 8,911</u>		

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)
Page 9 of 9

	June 30, 2014			June 30, 2015
	Balance	Additions	Deductions	Balance
Inter-Agency Custodial Fund				
ASSETS				
Cash and investments	\$ 66	\$ 139	\$ 67	\$ 138
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 66</u>	<u>\$ 139</u>	<u>\$ 67</u>	<u>\$ 138</u>
LIABILITIES				
Accounts payable	\$ -	\$ 36	\$ 34	\$ 2
Accrued liabilities	-	-	-	-
Due to bondholders	-	-	-	-
Due to other governments	66	106	36	136
Total Liabilities	<u>\$ 66</u>	<u>\$ 142</u>	<u>\$ 70</u>	<u>\$ 138</u>
Total Agency Funds				
ASSETS				
Cash and investments	\$ 94,161	\$ 174,099	\$ 174,097	\$ 94,163
Receivables, net of allowances:				
Taxes	726	1,041	731	1,036
Accounts	-	946	159	787
Accrued interest	34	33	34	33
Prepaid costs	6	-	6	-
Due from developers	1,079	4,877	5,903	53
Total Assets	<u>\$ 96,006</u>	<u>\$ 180,996</u>	<u>\$ 180,930</u>	<u>\$ 96,072</u>
LIABILITIES				
Accounts payable	\$ 1,111	\$ 66,516	\$ 66,823	\$ 804
Accrued liabilities	33	55	34	54
Due to bondholders	94,769	12,902	12,593	95,078
Due to other governments	93	106	63	136
Total Liabilities	<u>\$ 96,006</u>	<u>\$ 79,579</u>	<u>\$ 79,513</u>	<u>\$ 96,072</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities				
Net investment in capital assets	\$ 1,517,272	\$ 1,541,807	\$ 1,575,361	\$ 1,537,181
Restricted	478,204	404,305	320,962	287,906
Unrestricted	<u>416,521</u>	<u>351,248</u>	<u>362,179</u>	<u>384,731</u>
Total Governmental Activities Net Position	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>
Primary Government				
Net investment in capital assets	\$ 1,517,272	\$ 1,541,807	\$ 1,575,361	\$ 1,537,181
Restricted	478,204	404,305	320,962	287,906
Unrestricted	<u>416,521</u>	<u>351,248</u>	<u>362,179</u>	<u>384,731</u>
Total Primary Government Net Position	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>

Source: City Fiscal Services Division

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 1,523,430	\$ 1,488,021	\$ 1,459,815	\$ 1,425,432	\$ 1,275,007	\$ 1,180,580
294,596	349,681	375,082	364,556	430,022	410,792
287,840	244,927	294,354	371,340	313,186	213,578
<u>\$ 2,105,866</u>	<u>\$ 2,082,629</u>	<u>\$ 2,129,251</u>	<u>\$ 2,161,328</u>	<u>\$ 2,018,215</u>	<u>\$ 1,804,950</u>
\$ 1,523,430	\$ 1,488,021	\$ 1,459,815	\$ 1,425,432	\$ 1,275,007	\$ 1,180,580
294,596	349,681	375,082	364,556	430,022	410,792
287,840	244,927	294,354	371,340	313,186	213,578
<u>\$ 2,105,866</u>	<u>\$ 2,082,629</u>	<u>\$ 2,129,251</u>	<u>\$ 2,161,328</u>	<u>\$ 2,018,215</u>	<u>\$ 1,804,950</u>

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

	2015	2014	2013	2012
EXPENSES				
Governmental Activities				
General Government	\$ 24,558	\$ 32,863	\$ 28,141	\$ 54,380
Public Safety	59,266	62,745	59,284	57,563
Public Works	70,697	63,897	70,423	59,037
Community Services	39,119	22,980	29,944	35,806
Community Development ⁽¹⁾	24,278	39,689	20,575	20,694
Redevelopment ⁽¹⁾	-	-	-	-
Great Park ⁽²⁾	-	16,812	59,621	16,398
Interest on long-term debt	6	16	20	26
Unallocated infrastructure depreciation	49,647	48,367	46,693	44,770
Total Governmental Activities Expenses	<u>\$ 267,571</u>	<u>\$ 287,369</u>	<u>\$ 314,701</u>	<u>\$ 288,674</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for services:				
General Government	\$ 4,566	\$ 1,984	\$ 560	\$ 1,741
Public Safety	4,395	4,548	4,471	3,172
Public Works	46,387	18,321	13,847	7,210
Community Services	19,362	15,375	14,326	9,070
Community Development ⁽¹⁾	19,414	30,129	14,410	15,788
Redevelopment ⁽¹⁾	-	-	-	-
Great Park ⁽²⁾	-	3,292	4,233	3,212
Operating grants and contributions	30,404	31,661	32,664	23,693
Capital grants and contributions	111,989	76,751	145,897	36,104
Total Governmental Activities Program Revenue	<u>236,517</u>	<u>182,061</u>	<u>230,408</u>	<u>99,990</u>
Total Net Revenues (Expenses)	<u>\$ (31,054)</u>	<u>\$ (105,308)</u>	<u>\$ (84,293)</u>	<u>\$ (188,684)</u>
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes:				
Property tax ⁽³⁾	\$ 53,300	\$ 49,524	\$ 46,659	\$ 47,862
Sales taxes	58,725	56,499	51,596	48,972
Franchise taxes	14,100	13,690	12,505	12,163
Transient occupancy taxes	13,465	11,664	11,256	8,489
Document transfer taxes	3,554	2,911	2,404	1,426
Business license taxes	-	-	-	905
Motor vehicle in-lieu	99	98	115	108
Gain on sale of assets	10,112	144	129	563
Unrestricted capital grants & contributions	-	-	-	-
Investment revenue	5,243	15,632	7,740	7,982
Other revenue	118	93	1,448	250
Total General Revenues	<u>158,716</u>	<u>150,255</u>	<u>133,852</u>	<u>128,720</u>
Extraordinary Gain (Loss)	<u>107,833</u>	<u>(5,500)</u>	<u>163,916</u>	<u>-</u>
Changes in Net Position	<u>\$ 235,495</u>	<u>\$ 39,447</u>	<u>\$ 213,475</u>	<u>\$ (59,964)</u>

⁽¹⁾ Redevelopment department established in fiscal year 2005-06 and combined with Community Development in fiscal year 2008-09. Redevelopment Agency was dissolved on February 1, 2012.

⁽²⁾ Great Park department established in fiscal year 2006-07. During fiscal year 2013-14, the Great Park department was reorganized and all activities were absorbed into the other City departments.

⁽³⁾ City amounts included the Redevelopment Agency's incremental valuation. On February 1, 2012, the State of California dissolved all redevelopment agencies and the redevelopment agency tax incremental value was no longer received.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 20,267	\$ 23,199	\$ 20,495	\$ 47,848	\$ 18,211	\$ 22,587
57,091	57,891	57,693	52,292	45,356	43,907
58,702	59,666	55,070	27,663	90,318	60,461
33,006	26,715	32,284	37,177	34,389	29,868
21,747	25,447	32,453	18,488	21,485	24,822
-	-	-	10,468	16,628	1,400
14,747	17,593	13,235	34,248	18,628	-
68	14,803	14,111	-	1,239	1,250
42,778	41,026	38,928	33,172	27,777	24,502
<u>\$ 248,406</u>	<u>\$ 266,340</u>	<u>\$ 264,269</u>	<u>\$ 261,356</u>	<u>\$ 274,031</u>	<u>\$ 208,797</u>
\$ 462	\$ 7,354	\$ 681	\$ 10,738	\$ -	\$ 2,861
3,460	4,163	4,273	3,950	3,429	3,610
10,465	12,057	10,856	24,566	18,098	27,231
9,069	9,219	10,896	7,723	7,285	6,793
17,579	6,896	4,828	13,479	12,983	16,355
-	-	-	319	768	-
2,946	3,521	3,384	3,450	2,785	-
16,570	9,644	15,702	11,286	16,029	9,949
71,731	31,707	52,238	155,840	245,498	434,218
132,282	84,561	102,858	231,351	306,875	501,017
<u>\$ (116,124)</u>	<u>\$ (181,779)</u>	<u>\$ (161,411)</u>	<u>\$ (30,005)</u>	<u>\$ 32,844</u>	<u>\$ 292,220</u>
\$ 48,370	\$ 50,791	\$ 54,168	\$ 52,155	\$ 54,566	\$ 33,094
48,694	42,209	49,732	58,949	58,041	53,688
12,099	11,223	11,704	11,553	11,344	10,040
8,294	7,306	7,768	9,108	9,396	8,708
1,536	1,626	996	1,328	2,525	3,831
911	-	-	-	-	-
981	628	715	820	1,069	1,284
64	62	165	14	21	78
-	-	-	-	1	1
4,786	20,492	7,325	36,304	43,458	21,270
27	179	20	2,276	-	-
125,762	134,516	132,593	172,507	180,421	131,994
-	-	-	-	-	-
<u>\$ 9,638</u>	<u>\$ (47,263)</u>	<u>\$ (28,818)</u>	<u>\$ 142,502</u>	<u>\$ 213,265</u>	<u>\$ 424,214</u>

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

	<u>2015 ⁽¹⁾</u>	<u>2014 ⁽¹⁾</u>	<u>2013 ⁽¹⁾</u>	<u>2012 ⁽¹⁾</u>
GENERAL FUND				
Non Spendable	\$ 7,617	\$ 8,033	\$ 7,987	\$ 7,736
Restricted	5,682	5,730	5,378	5,435
Committed	25,946	18,904	16,538	16,033
Assigned	63,790	66,581	70,987	74,850
Unassigned	23,867	8,666	11,105	7,878
Total General Fund	<u>\$ 126,902</u>	<u>\$ 107,914</u>	<u>\$ 111,995</u>	<u>\$ 111,932</u>
 ALL OTHER GOVERNMENTAL FUNDS				
Non Spendable	\$ 496	\$ 586	\$ 136,400	\$ 136,178
Restricted	750,871	501,039	296,160	269,852
Committed	79,880	50,195	63,194	82,706
Assigned	5,256	7,148	5,062	12,621
Unassigned	(2,483)	-	(2,453)	(1,536)
Total All Other Governmental Funds	<u>\$ 834,020</u>	<u>\$ 558,968</u>	<u>\$ 498,363</u>	<u>\$ 499,821</u>
 ALL GOVERNMENTAL FUNDS	 <u>\$ 960,922</u>	 <u>\$ 666,882</u>	 <u>\$ 610,358</u>	 <u>\$ 611,753</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

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

⁽²⁾ Information prior to the implementation of GASB 54 is unavailable.

<u>2011 ⁽²⁾</u>	<u>2010 ⁽²⁾</u>	<u>2009 ⁽²⁾</u>	<u>2008 ⁽²⁾</u>	<u>2007 ⁽²⁾</u>	<u>2006 ⁽²⁾</u>
\$ 7,816	\$ 7,054				
4,927	5,234				
7,863	15,938				
74,674	75,411				
13,474	312				
<u>\$ 108,754</u>	<u>\$ 103,949</u>				

\$ 175,116	\$ 136,584
281,699	273,138
148,216	185,655
10,712	15,022
(224,542)	(180,521)
<u>\$ 391,201</u>	<u>\$ 429,878</u>
<u>\$ 499,955</u>	<u>\$ 533,827</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 9,427	\$ 9,443	\$ 9,261	\$ 9,142
100,769	114,344	117,811	120,750
<u>\$ 110,196</u>	<u>\$ 123,787</u>	<u>\$ 127,072</u>	<u>\$ 129,892</u>
\$ 320,395	\$ 335,939	\$ 293,983	\$ 294,102
127,296	187,750	262,416	185,171
52,429	30,655	26,928	(9)
170	146	114	72
<u>\$ 500,290</u>	<u>\$ 554,490</u>	<u>\$ 583,441</u>	<u>\$ 479,336</u>
<u>\$ 610,486</u>	<u>\$ 678,277</u>	<u>\$ 710,513</u>	<u>\$ 609,228</u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
REVENUES				
Taxes				
Property taxes	\$ 53,300	\$ 49,524	\$ 46,659	\$ 47,861
Sales and use taxes	62,925	59,385	54,663	52,566
All other taxes	48,373	41,891	37,445	30,732
Licenses & permits	10,750	7,401	6,865	6,091
Fines & forfeitures	1,531	1,830	1,780	2,065
Investment income	4,216	4,496	(283)	4,146
Intergovernmental	11,663	16,312	18,694	14,072
Charges for services	33,673	31,834	27,702	24,057
Assessment districts contributions	69,650	25,257	31,520	2,489
Revenue from developers	49,110	59,124	53,469	16,539
Revenue from property owners	32,615	6,172	6,015	5,673
Donations	664	915	655	572
Other revenue	5,014	3,394	4,234	3,400
Total Revenues	<u>383,484</u>	<u>307,535</u>	<u>289,418</u>	<u>210,263</u>
EXPENDITURES				
Current:				
General Government	29,446	31,305	26,446	52,183
Public Safety	65,624	63,130	60,211	56,264
Public Works	50,841	40,451	41,330	34,663
Community Development	26,390	25,839	23,321	22,873
Community Services	35,920	38,861	34,839	33,965
Redevelopment ⁽¹⁾	-	-	-	-
Great Park	-	12,364	15,235	16,079
Street lighting	-	-	-	6,403
Capital Outlay	53,138	48,558	86,345	60,461
Debt Services:				
Principal retirement	-	-	-	-
Interest & fiscal charges	-	-	-	4,866
Administration	-	-	-	-
Total Expenditures	<u>261,359</u>	<u>260,508</u>	<u>287,727</u>	<u>287,757</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>122,125</u>	<u>47,027</u>	<u>1,691</u>	<u>(77,494)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term note	-	-	-	-
Proceeds from sale of capital assets	14,224	46	40	1,125
Transfers in	47,426	23,505	31,166	16,304
Transfers out	(47,735)	(23,408)	(33,417)	(16,309)
Total Other Financing Sources (Uses)	<u>13,915</u>	<u>143</u>	<u>(2,211)</u>	<u>1,120</u>
EXTRAORDINARY GAIN (LOSS)				
Forgiveness of debts	-	-	-	25,823
Dissolution of redevelopment agency	-	-	-	162,349
Settlement agreement	158,000	(5,500)	-	-
Total Extraordinary Gain (Loss)	<u>158,000</u>	<u>(5,500)</u>	<u>-</u>	<u>188,172</u>
Net Change in Fund Balances	<u>\$ 294,040</u>	<u>\$ 41,670</u>	<u>\$ (520)</u>	<u>\$ 111,798</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	0.0%	0.0%	0.0%	2.1%

⁽¹⁾ Redevelopment department established in fiscal year 2005-06 and combined into Community Development in fiscal year 2008-09. Redevelopment Agency was dissolved on February 1, 2012.

Source: City Fiscal Services Division

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	50,608	\$ 51,106	\$ 54,168	\$ 52,155	\$ 54,566	\$ 33,094
	48,487	42,209	49,732	58,949	58,041	53,688
	33,371	25,393	25,402	31,353	33,261	42,340
	6,122	4,395	4,592	7,528	7,166	8,996
	1,916	1,948	1,936	2,192	1,985	2,151
	10,488	10,845	23,089	35,973	39,141	20,201
	35,419	35,367	43,610	35,885	20,647	13,315
	33,496	34,405	34,202	43,572	35,241	34,178
	38,318	-	498	-	108,131	101,067
	7,641	336	1,103	83,975	89,669	76,410
	5,372	4,904	5,203	4,863	7,782	6,372
	574	791	537	1,003	-	-
	4,392	4,065	2,936	2,563	4,253	6,326
	<u>276,204</u>	<u>215,764</u>	<u>247,008</u>	<u>360,011</u>	<u>459,883</u>	<u>398,138</u>
	28,346	29,457	30,572	31,331	28,662	34,308
	55,586	56,165	56,404	52,481	47,830	44,100
	27,188	35,709	33,833	35,803	39,613	29,946
	27,234	25,888	33,985	18,576	17,818	24,947
	32,054	33,667	34,240	35,264	34,524	29,613
	-	-	-	9,737	15,537	1,270
	14,779	17,743	13,073	12,128	18,636	-
	6,892	5,658	6,226	5,069	4,589	4,137
	95,986	76,164	84,770	169,594	137,511	93,798
	8,260	7,525	6,990	8,170	6,225	5,770
	16,336	14,690	14,038	11,853	1,240	1,202
	11	43	75	106	108	179
	<u>312,672</u>	<u>302,709</u>	<u>314,206</u>	<u>390,112</u>	<u>352,293</u>	<u>269,270</u>
	<u>(36,468)</u>	<u>(86,945)</u>	<u>(67,198)</u>	<u>(30,101)</u>	<u>107,590</u>	<u>128,868</u>
	-	62	48	47	1,350	-
	322	-	-	14	-	-
	215,415	124,556	65,542	476,218	97,956	83,297
	<u>(213,141)</u>	<u>(113,586)</u>	<u>(64,308)</u>	<u>(477,803)</u>	<u>(101,266)</u>	<u>(86,950)</u>
	<u>2,596</u>	<u>11,032</u>	<u>1,282</u>	<u>(1,524)</u>	<u>(1,960)</u>	<u>(3,653)</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>(33,872)</u>	<u>(75,913)</u>	<u>(65,916)</u>	<u>(31,625)</u>	<u>105,630</u>	<u>125,215</u>
	11.4%	9.8%	9.2%	9.1%	3.5%	4.1%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Apparel stores	\$ *	\$ 213,839	\$ 209,566	\$ 195,765
General merchandise	*	370,563	333,813	290,142
Food stores	*	609,828	148,776	142,268
Eating & drinking places	*	151,152	563,941	520,632
Home furnishings & appliances	*	410,687	372,189	340,419
Building material & farm tools	*	106,565	95,815	90,901
Auto dealers & supplies	*	655,268	626,940	570,374
Service stations	*	277,156	276,639	268,934
Other retail stores	*	438,521	428,451	387,844
All other outlets	*	1,766,788	1,600,281	1,628,911
Total	<u>\$ -</u>	<u>\$ 5,000,367</u>	<u>\$ 4,656,411</u>	<u>\$ 4,436,190</u>
City Direct Sales Tax Rate	0.75%	0.75%	0.75%	0.75%

⁽¹⁾ 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 2014-15 is unavailable at the present time.

2011	2010	2009	2008	2007	2006
\$ 182,997	\$ 172,603	\$ 165,975	\$ 151,277	\$ 160,900	\$ 134,828
295,272	278,703	313,425	382,044	426,465	381,271
137,485	125,234	118,234	135,395	125,231	121,971
471,740	445,344	437,188	455,804	455,127	429,805
308,224	283,000	238,432	172,600	214,469	212,144
83,541	73,915	70,540	94,565	103,877	85,475
536,199	474,807	467,329	660,418	726,047	722,744
230,887	197,404	182,025	212,969	183,978	160,051
286,806	285,369	372,985	748,933	925,451	838,667
<u>1,585,799</u>	<u>1,472,038</u>	<u>1,574,474</u>	<u>1,635,329</u>	<u>1,610,630</u>	<u>1,647,566</u>
<u>\$ 4,118,950</u>	<u>\$ 3,808,417</u>	<u>\$ 3,940,607</u>	<u>\$ 4,649,334</u>	<u>\$ 4,932,175</u>	<u>\$ 4,734,522</u>
0.75%	0.75%	0.75%	0.75%	0.75% ⁽¹⁾	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 Tax	Other	Total
	City	Redevelopment Agency ⁽¹⁾						
2015	\$ 53,086	\$ 214	\$ 62,925	\$ 10,772	\$ 13,479	\$ 3,554	\$ 20,568	\$ 164,598
2014	49,442	82	59,385	9,331	13,100	2,911	16,549	150,800
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

⁽¹⁾ Redevelopment Agency tax increment began in fiscal year 2006-07. Redevelopment Agency was dissolved on February 1, 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				Direct Tax Rate
	Secured	Public Utility	Unsecured	Taxable Assessed Value	Secured	Public Utility	Unsecured	Incremental Valuation	
2015	\$ 51,914,992	\$ 1,639	\$ 3,777,254	\$ 55,693,885	\$ 964,285	\$ 335	\$ 807	\$ 965,427	0.02992%
2014	47,391,485	1,639	3,609,124	51,002,248	610,840	335	320	611,495	0.02992%
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%

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.

⁽¹⁾ Redevelopment Agency tax values began in fiscal year 2006-07. Redevelopment Agency was dissolved on February 1, 2012.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
City Direct Rates	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992
Overlapping Rates:										
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	0.27536	0.27536	0.27536	0.27536	0.27536	0.27536	0.27536	0.27536	0.27536	0.27536
Orange County Water District	0.00541	0.00541	0.00541	0.00541	0.00541	0.00541	0.00541	0.00541	0.00541	0.00541
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
Tustin Unified General Fund	<u>0.45154</u>	<u>0.45154</u>	<u>0.45154</u>	<u>0.45154</u>	<u>0.45154</u>	<u>0.45154</u>	<u>0.45154</u>	<u>0.45154</u>	<u>0.45154</u>	<u>0.45154</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	0.00350	0.00350	0.00370	0.00370	0.00430	0.00430	0.00450	0.00470	0.00520
Tustin Unified	<u>0.06955</u>	<u>0.08912</u>	<u>0.06729</u>	<u>0.05586</u>	-	-	-	-	-	-
Total Direct and Overlapping Rates	<u>1.07305</u>	<u>1.09262</u>	<u>1.07079</u>	<u>1.05956</u>	<u>1.00370</u>	<u>1.00430</u>	<u>1.00430</u>	<u>1.00450</u>	<u>1.00470</u>	<u>1.00520</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**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Irvine Company	\$ 4,571,733,136	1	8.23%	\$ 3,375,233,980	1	10.00%
New HM Co Southern California	997,258,641	2	1.79%	-	-	-
Irvine Apartment Communities	731,500,575	3	1.32%	1,287,335,978	2	3.81%
Allergan	491,862,535	4	0.89%	-	-	-
B Braun Medical Inc	384,980,768	5	0.69%	183,816,840	6	0.54%
Heritage Fields El Toro	366,774,542	6	0.66%	830,988,066	3	2.46%
Jamboree Center	350,071,088	7	0.63%	-	-	-
LBA IV-PPI LLC	300,913,296	8	0.54%	104,479,362	9	0.31%
John Hancock Life Insurance	281,712,009	9	0.51%	-	-	-
Broadcom Corporation	229,631,400	10	0.41%	-	-	-
Maguire Properties-Park	-	-	-	629,705,401	4	1.87%
Koll Center Irvine	-	-	-	206,969,469	5	0.61%
Lakeshore Properties LLC	-	-	-	166,642,902	7	0.49%
Century Centre LLC	-	-	-	136,884,000	8	0.41%
2040 Main LLC	-	-	-	101,632,318	10	0.30%
Totals	<u>\$ 8,706,437,990</u>		<u>15.67%</u>	<u>\$ 7,023,688,316</u>		<u>20.80%</u>

Note:

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

Redevelopment Agency began in fiscal year 2006-07 and was dissolved on February 1, 2012.

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

Fiscal Year	Total Tax Levy for Fiscal Year ^{(1) (3)}	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 86,003,581	\$ 85,186,715	99.05%	\$ 159,584	\$ 85,346,299	98.09%
2014	76,486,915	76,278,909	99.73%	729,226	77,008,135	99.73%
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%

⁽¹⁾ 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.

⁽²⁾ Net collections reflect deductions for refunds, delinquencies and impoundments.

⁽³⁾ Redevelopment Agency was dissolved on February 1, 2012, amounts exclude tax payments received for the enforceable obligations of the Successor Agency of the Dissolved Irvine Redevelopment Agency.

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 ⁽¹⁾</u>	<u>% of Actual Assessed Value of Property ⁽²⁾</u>	<u>Per Capita ⁽¹⁾</u>
2015	\$ -	\$ -	\$ -	\$ 78	78	0.00%	0.000%	0
2014	-	-	-	177	177	0.00%	0.000%	1
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

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

⁽²⁾ 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)

Fiscal Year	Population ⁽¹⁾	Total General Obligation Bonds	Less Debt Service Fund	Net Bonded Debt	Percent of Debt to Assessed Value	Debt per Capita
2015	250	-	-	-	0.00%	-
2014	243	-	-	-	0.00%	-
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%	-

⁽¹⁾ California Department of Finance at January 1, est.

City of Irvine
Schedule of Direct and Overlapping Bonded Debt
June 30, 2015

2014-15 Assessed valuation: \$ 55,693,885,275

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/15	%Applicable ⁽¹⁾	City's Share of Debt 6/30/15
Metropolitan Water District	\$ 110,420,000	2.405 %	\$ 2,655,601
Rancho Santiago Community College District	277,290,443	11.186	31,017,709
Rancho Santiago Community College District School Facilities Improvement District No. 1	70,585,000	21.581	15,232,949
Irvine Unified School District Community Facilities Districts	591,093,358	99.735-100.	590,890,911
Saddleback Valley Unified School District	122,240,000	3.736	4,566,886
Santa Ana Unified School District	282,043,547	26.494	74,724,617
Santa Ana Unified School District Community Facilities District No. 2004-1	7,660,000	100	7,660,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	49,798,788	9.289	4,625,809
Tustin Unified School District School Facilities Improvement District No. 2008-1	70,495,000	9.616	6,778,799
Tustin Unified School District School Facilities Improvement District No. 2012-1	32,535,000	24.095	7,839,308
Tustin Unified School District Community Facilities District No. 97-1	92,455,000	100	92,455,000
Tustin Unified School District Community Facilities District No. 2007-1	15,745,000	100	15,745,000
Tustin Unified School District Community Facilities District No. 2014-1	85,055,000	100	85,055,000
Irvine Ranch Water District Improvement Districts	479,278,980	18.959-100.	294,695,410
City of Irvine Community Facilities District No. 2005-2	16,620,000	100	16,620,000
City of Irvine Community Facilities District No. 2013-3, I.A. 1	72,700,000	100	72,700,000
City of Irvine 1915 Act Bonds	806,209,000	100	806,209,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			2,129,471,999
 <u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 98,906,000	11.821 %	\$ 11,691,678
Orange County Pension Obligations	366,854,623	11.821	43,365,885
Orange County Board of Education Certificates of Participation	15,190,000	11.821	1,795,610
Municipal Water District of Orange County Water Facilities Corporation	5,360,000	14.14	757,904
Orange Unified School District Certificates of Participation and Benefit Obligation	115,579,699	0.0001	116
Santa Ana Unified School District Certificates of Participation	73,662,130	26.494	19,516,045
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 77,127,238
Less: MWDOC Water Facilities Corporation (paid from water charges)			757,904
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 76,369,334
 TOTAL DIRECT DEBT			\$ 77,859
GROSS OVERLAPPING DEBT			\$ 2,206,599,237
NET OVERLAPPING DEBT			\$ 2,205,841,333
 GROSS COMBINED TOTAL DEBT			\$ 2,206,599,237 ⁽²⁾
NET COMBINED TOTAL DEBT			\$ 2,205,841,333

⁽¹⁾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.

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

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 3.82%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt 0.00%

Gross Combined Total Debt..... 3.96%

Net Combined Total Debt..... 3.96%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assessed valuation	\$55,693,885,275	\$51,002,248,297	\$48,646,093,255	\$47,136,231,043
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$13,923,471,319	\$12,750,562,074	\$12,161,523,314	\$11,784,057,761
Debit limit percentage	15%	15%	15%	15%
Debt limit	2,088,520,698	1,912,584,311	1,824,228,497	1,767,608,664
Total Net Debt Applicable to Limit: General obligation bonds	-	-	-	-
Legal Debt Margin	<u>\$ 2,088,520,698</u>	<u>\$ 1,912,584,311</u>	<u>\$ 1,824,228,497</u>	<u>\$ 1,767,608,664</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$46,538,576,173	\$47,212,001,153	\$47,257,608,206	\$44,382,983,056	\$39,280,255,615	\$33,764,042,231
25%	25%	25%	25%	25%	25%
\$11,634,644,043	\$11,803,000,288	\$11,814,402,052	\$11,095,745,764	\$ 9,820,063,904	\$ 8,441,010,558
15%	15%	15%	15%	15%	15%
1,745,196,606	1,770,450,043	1,772,160,308	1,664,361,865	1,473,009,586	1,266,151,584
-	-	-	-	-	-
<u>\$ 1,745,196,606</u>	<u>\$ 1,770,450,043</u>	<u>\$ 1,772,160,308</u>	<u>\$ 1,664,361,865</u>	<u>\$ 1,473,009,586</u>	<u>\$ 1,266,151,584</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Irvine
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Personal Income (in thousands)	Per Capita Personal Income ⁽³⁾	Income per Median Household ⁽³⁾	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2015	250,384	\$ 10,593,508 ⁽³⁾	\$ 43,096	\$ 90,585	34.2	31,621	3.2%
2014	242,651	9,595,168 ⁽³⁾	43,271	92,663	33.6	30,170	3.9%
2013	231,117	8,174,011 ⁽³⁾	43,102	92,599	34.0	29,000	4.6%
2012	223,729	8,886,628 ⁽³⁾	41,898	90,939	33.1	27,411	6.0%
2011	219,156	8,481,794 ⁽³⁾	41,759	93,258	33.2	27,202	6.9%
2010	217,686	8,090,372 ⁽³⁾	57,165	94,903	33.3	26,812	7.4%
2009	212,541	8,723,320 ⁽²⁾	41,043	91,101	33.3	26,323	7.0%
2008	207,646	8,601,736 ⁽²⁾	41,425	98,923	32.9	26,097	4.0%
2007	199,400	7,667,079 ⁽²⁾	37,941	85,624	33.4	25,781	2.6%
2006	192,167	7,352,397 ⁽²⁾	37,941	84,270	32.1	25,459	3.8%

⁽¹⁾ California Department of Finance at January 1.

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

⁽³⁾ U.S. Census Bureau, American Community Survey

⁽⁴⁾ Irvine Unified School District

⁽⁵⁾ Employment Development Department

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

Employer	2015			2006		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	19,625	1	17.12%	16,374	1	8.19%
Irvine Unified School District	4,709	2	4.11%	4,025	2	2.01%
Blizzard Entertainment Inc.	2,622	3	2.29%	-	-	-
Broadcom	2,604	4	2.27%	1,647	10	0.82%
Edwards Lifesciences LLC	2,575	5	2.25%	1,854	5	-
Parker Hannifin Corporation	2,400	6	2.09%	1,752	6	0.88%
Nationstar Mortgage	1,556	7	1.36%	-	-	-
Glidewell Laboratories	1,538	8	1.34%	1,985	-	-
24 Hour Fitness	1,426	9	1.24%	1,922	-	-
Thales Avionics	1,424	10	1.24%	-	-	-
Verizon Wireless	-	-	-	2,279	3	1.15%
St. John Knits	-	-	-	2,179	4	1.09%
New Century Mortgage	-	-	-	1,700	7	0.85%
Allergan	-	-	-	1,677	8	0.84%
Washington Mutual	-	-	-	1,650	9	0.82%

Source: City public Safety Department, Irvine Unified School District, University of California

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Full-time	87.00	88.00	82.00	80.00	80.00	89.00	91.00	94.00	87.20	82.10
Part-time	15.92	12.53	9.28	8.60	9.06	10.40	25.65	24.40	22.80	35.34
Non-hourly	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	-	-
Public Safety										
Full-time	304.00	298.00	290.00	290.00	291.00	295.00	295.00	283.00	263.00	242.00
Part-time	31.44	30.95	30.95	31.05	31.33	33.80	29.31	29.30	43.10	54.43
Non-hourly	42.00	39.40	32.40	32.40	30.40	30.40	30.40	30.40	-	-
Public Works										
Full-time	140.00	142.00	122.00	121.00	123.00	134.00	152.00	154.00	148.00	135.00
Part-time	6.00	4.30	1.75	1.75	3.50	4.00	5.88	5.00	7.00	11.68
Community Development										
Full-time	108.00	102.00	99.00	101.00	101.00	104.00	109.00	96.30	90.00	84.90
Part-time	1.80	1.80	1.80	2.60	2.60	2.60	7.14	-	12.40	17.45
Non-hourly	6.00	6.00	6.00	11.00	11.00	11.00	11.00	10.60	-	-
Community Services										
Full-time	109.00	108.00	113.00	114.00	114.50	118.00	113.00	114.00	92.00	83.00
Part-time	212.95	197.69	196.63	185.11	177.54	178.20	194.63	197.90	217.50	209.79
Non-hourly	12.00	12.00	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
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	-	-
Total	1,086.11	1,052.67	1,048.94	1,047.39	1,040.11	1,099.10	1,150.21	1,114.10	1,027.90	993.69

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 Redevelopment Agency was dissolved on February 1, 2012.

Great Park department established in fiscal year 2006-07. During fiscal year 2013-14, the Great Park department was reorganized and all activities were absorbed into the other City departments.

Source: City Budget Office, City Human Resources Division

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

FUNCTION	Fiscal Years as of June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police Safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	49	52	46	46	44	44	44	44	43	39
Fire stations ⁽¹⁾	11	11	11	11	11	11	9	9	9	9
Public Works										
Streets (miles)	1,931	1,875	1,855	1,851	1,827	1,757	1,742	1,742	1,704	1,645
Traffic signals	341	338	337	330	330	327	317	295	295	295
Streetscape (acres)	889	872	834	808	781	773	749	716	702	670
Open space/greenbelts (acres)	5,600	5,590	5,250	5,250	5,250	5,250	4,100	3,500	2,340	2,144
Bicycle trails (miles)	152	152	151	151	151	147	147	147	148	141
Off-street bicycle trails (miles)	59	57	54	54	45	44	43	43	43	43
Culture and Recreation										
Community athletic parks	19	19	19	18	18	18	13	13	11	11
Multi use centers	14	14	14	13	12	12	11	11	11	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	41	40	40	38	38	36	36	35	35	31
Swimming pools	3	4	4	4	4	4	4	4	4	4
Batting cages	14	14	14	14	14	14	14	14	14	14
Basketball courts	31	30	29	29	29	29	29	25	25	19
Racquetball/handball courts	14	14	14	14	14	10	10	10	10	9
Tennis courts	64	64	64	64	61	59	59	57	57	55
Volleyball courts	17	16	16	16	16	15	15	14	14	14

⁽¹⁾ Joint powers authority with the Orange County Fire Authority.

City of Irvine
Operating Indicators by Function
Last Ten Fiscal Years

FUNCTION	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government				
Checks/wire transfers	46,112	44,607	45,105	44,672
Number of purchase orders placed	1,681	1,936	1,953	2,316
Police				
Animal control service calls	9,741	10,580	10,664	10,309
Physical arrests	2,506	2,774	2,824	2,802
Parking citations	4,056	4,824	6,934	4,702
Traffic citations	21,266	23,541	23,221	26,395
Highways and Streets				
Arterial street resurfacing (centerline miles)	36	40	47	44
Arterial street sweeping (curb miles)	38,884	38,449	38,401	38,300
Community Development				
Building inspections completed	190,409	160,718	151,835	127,964
Building permits issued	13,577	12,635	12,029	10,201
Culture and Recreation				
Recreational & instructional classes offered	8,826	8,890	8,151	8,203
Recreational & instructional enrollees	95,618	99,811	90,027	81,271
Recreational & internet registrants for classes	57	50	52	54
Youth services participation units	NA	NA	NA	NA
Redevelopment ^{(1) (2)}				
Number of discretionary applications processed	-	-	-	-
Number of demolition permits issued	-	-	-	-
Number of grading/building permits issued	-	-	-	-

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

⁽²⁾ Redevelopment Agency was dissolved on February 1, 2012.

⁽³⁾ Only arterial rehabilitation

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
44,422	47,252	47,918	47,837	46,004	55,056
2,211	2,172	2,065	1,898	2,290	2,100
8,639	8,510	8,669	7,247	7,068	9,750
2,579	2,819	2,846	2,855	3,377	3,512
4,793	6,639	6,830	9,465	9,135	8,076
19,426	29,707	26,325	26,452	27,281	25,179
17	41	30	27	10	1 ⁽³⁾
38,204	38,204	37,940	37,939	37,939	36,834
87,563	63,363	98,538	117,000	155,000	130,100
10,582	8,030	8,132	11,500	12,800	14,930
7,671	7,546	6,845	6,763	7,000	7,000
71,853	70,998	65,153	61,804	56,848	54,982
56	56	58	56	54	48
87,517	75,240	68,251	74,152	74,000	73,869
231	10	17	7	3	-
9	8	11	15	8	-
47	44	7	16	15	-

**City of Irvine
Miscellaneous Statistical Information
June 30, 2015**

<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 2014</u>	-	105,886
<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	-	889
Community Parks	-	350
Neighborhood Parks	-	172.5
Sports Field	-	164
<u>Facilities and Services Excluded in the Reporting Entity</u>		<u>Number</u>
Education:		
Elementary Schools	-	24
Middle Schools	-	6
High Schools	-	5
Continuation/Independent Study High School	-	1

Sources: City Clerk Division, City Community Services Department, City Public Work Department, Irvine Unified School District

**City of Irvine
Miscellaneous Statistical Information
June 30, 2015
(continued)**

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

<u>Year</u>	<u>Commercial</u>	<u>Residential</u>
2015	\$464,007,374	\$920,655,938
2014	293,556,248	778,675,037
2013	276,788,166	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

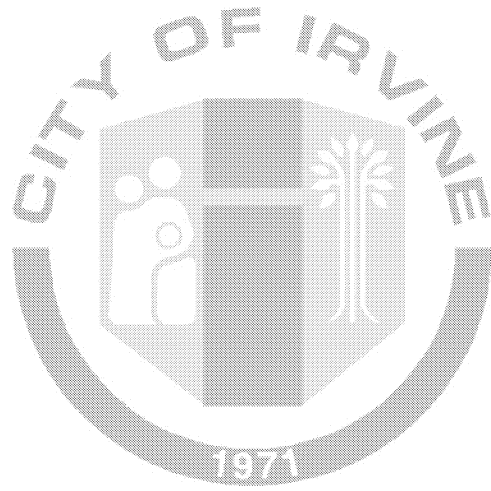
**Building Permits
(number of units authorized)**

<u>Year</u>	<u>Authorized</u>
2015	2,221
2014	3,565
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

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

<u>Year</u>	<u>Unit</u>
2015	96,142
2014	93,718
2013	90,095
2012	83,710
2011	81,560
2010	79,414
2009	77,729
2008	75,159
2007	73,815
2006	70,389

Sources: City Community Development Department



About the Cover

Known for its dramatically exposed and layered sandstone cliffs, the Limestone Sinks is a picturesque, natural sandstone formation located in the southern portion of OC Parks' Limestone Canyon Nature Preserve. Situated at the top of the 1,200-acre Agua Chinon basin and said to be 20 million to 40 million years old, the Sespe Formation's dramatic amphitheater shape is most likely a result of landslides and stream erosion over millions of years. The Limestone Sinks has become a popular destination for day-trippers and outdoor enthusiasts alike and is quickly earning a reputation as "Orange County's miniature Grand Canyon." Visitors to the Sinks can experience an array of activities including hiking, biking and horseback riding, in addition to watching native wildlife, such as hawks, turkey vultures, grey foxes, mule deer and lizards.

Photo courtesy Irvine Company

The authors wish to thank the Irvine Public Information Office for design of the cover. The cover and report were printed by the Irvine Duplicating Center, with thanks to Jon Williams and Duplicating staff.