



**City of Irvine, California  
Comprehensive  
Annual Financial  
Report**

**Year Ended June 30, 2009**



## City of Irvine

Incorporation: December 28, 1971  
 Population: 212,793 (Jan. 1, 2009, est.)  
 Size: 66 square miles  
 Sphere of Influence: 74 square miles (approx.)

**City of Irvine, California**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2009



**Prepared by Fiscal Services**



# City of Irvine

## Comprehensive Annual Financial Report

### For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS	PAGE
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
Government Finance Officers Association	
Certificate of Achievement for Excellence in Financial Reporting	9
Irvine City Officials	10
Organizational Chart	11
 <b>FINANCIAL SECTION</b>	
Independent Auditors' Report	13
Management's Discussion and Analysis	15
 <i><b>Basic Financial Statements</b></i>	
Government-wide Financial Statements:	
Statement of Net Assets	30
Statement of Activities	31
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Activities	34
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	40
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Irvine Business Complex	41
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Orange County Great Park	42
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Irvine Redevelopment Fund	43
Statement of Net Assets – Proprietary Funds	44
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	45
Statement of Cash Flows – Proprietary Funds	46
Statement of Fiduciary Net Assets – Fiduciary Funds	49
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	50
 Notes to the Basic Financial Statements	 53

**City of Irvine**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2009

<b>TABLE OF CONTENTS (CONTINUED)</b>	<b>PAGE</b>
<b>FINANCIAL SECTION (CONTINUED)</b>	
<i>Required Supplementary Information</i>	
Schedule of Employer Contribution – Defined Benefit Pension Plan	98
Schedules of Funding Progress – CalPERS Defined Benefit Pension Plans	99
Schedules of Funding Progress – Other Post Employment Benefit Plans	100
<b>SUPPLEMENTAL SCHEDULES</b>	
<i>Combining and Individual Fund Financial Statements and Schedules</i>	
Other Governmental Funds:	101
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	103
Other Special Revenue Funds:	105
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	110
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County Sales Tax Measure M	114
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – State Gasoline Tax	115
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Systems Development	116
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Local Park Fees	117
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Slurry Seal Fees	118
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Maintenance District	119
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Air Quality Improvement	120
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Fees and Exactions	121
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Special Events	122
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – RDA Housing	123
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – North Irvine Transportation Mitigation	124
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Shuttle Service	125

**City of Irvine**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2009

<b>TABLE OF CONTENTS (CONTINUED)</b>	<b>PAGE</b>
<b>SUPPLEMENTAL SCHEDULES (CONTINUED)</b>	
<i>Combining and Individual Fund Financial Statements and Schedules (continued)</i>	
Other Governmental Funds (continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Irvine Community Land Trust	126
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Grants	127
Debt Service Funds:	129
Combining Balance Sheet	130
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	131
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – RDA Debt Service	132
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Irvine Public Facilities and Infrastructure Authority	133
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Infrastructure Financing Plan	134
Other Capital Projects Funds:	137
Combining Balance Sheet	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	140
Permanent Funds:	143
Balance Sheet	144
Statement of Revenues, Expenditures, and Changes in Fund Balances	145
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Senior Services	146
Internal Service Funds:	149
Combining Statement of Net Assets	150
Combining Statement of Revenues, Expenses, and Changes in Net Assets	151
Combining Statement of Cash Flows	152
Fiduciary Funds:	155
Combining Statement of Net Assets – Pension and Employee Benefit Trust Funds	156
Combining Statement of Changes in Net Assets – Pension and Employee Benefit Trust Funds	157
Combining Statement of Net Assets – Agency Funds	158
Combining Statement of Changes in Assets and Liabilities – Agency Funds	164

**City of Irvine**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2009**

<b>TABLE OF CONTENTS (CONTINUED)</b>	<b>PAGE</b>
<b>STATISTICAL SECTION</b>	173
Net Assets by Component – Last Eight Fiscal Years	174
Changes in Net Assets – Last Eight Fiscal Years	176
Fund Balances of Governmental Funds – Last Ten Fiscal Years	178
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	180
Taxable Sales by Category – Last Ten Fiscal Years	182
Tax Revenues by Source - Governmental Funds – Last Ten Fiscal Years	184
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	185
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	186
Principal Property Taxpayers – Current Year and Nine Years Ago	187
Property Tax Levies and Collections – Last Ten Fiscal Years	188
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	189
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	190
Schedule of Direct and Overlapping Bonded Debt	191
Legal Debt Margin – Last Ten Fiscal Years	192
Demographic and Economic Statistics – Last Ten Fiscal Years	194
Principal Employers – Current Year and Nine Years Ago	195
Budgeted Full-Time, Part-Time, and Non-Hourly Positions by Functions – Last Ten Fiscal Years	196
Capital Assets Statistics – Last Ten Fiscal Years	197
Operating Indicators by Function – Last Ten Fiscal Years	198
Miscellaneous Statistical Information	200







December 7, 2009

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Irvine (City) for the fiscal year ended June 30, 2009. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

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

As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City.

Diehl, Evans & Company, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended June 30, 2009 are free of material misstatement. The independent auditor concluded there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

In addition, Diehl, Evans & Company, 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 Department of Administrative Services.

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

## **CITY OF IRVINE PROFILE**

The City, incorporated in 1971, is located in Orange County, California, approximately 40 miles southeast of Los Angeles. Irvine is one of the nation's largest planned urban communities with 66 square miles of land, which includes residential communities, commercial retail centers, several industrial/office complexes, a 1,500-acre University of California campus, as well as civic, cultural, and recreational facilities. The City's residential population has grown from 7,500 in 1971 to 212,793 in 2009.

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 Managers and the directors of the City's departments. The City Council is elected on a nonpartisan basis. Councilmembers are elected to four-year staggered terms and the Mayor is elected to a two-year term.

The City provides a wide range of services, including, public safety; building safety regulation and inspection; infrastructure and public facility capital improvement construction; street and park maintenance; street lighting; recreational activities and cultural programs. The City contracts with the Orange County Fire Authority for fire protection and emergency medical aid services. The Orange County Transportation Authority provides transportation services in the City alongside the City's transportation service, iShuttle. Independent special districts provide educational, library, and utility services to Irvine residents.

The City is also financially accountable for a number of legally separate entities that are included as an integral part of the City's financial statements. These component units include the Orange County Great Park Corporation, a nonprofit public benefit entity; Irvine Community Land Trust, a nonprofit public benefit entity; as well as the Irvine Redevelopment Agency; Irvine Public Facilities Corporation; and the Irvine Public Facilities and Infrastructure Authority.

The annual budget serves as the foundation for the City's financial planning and control. The City Council is required to adopt a budget by the start of the fiscal year. The budget is prepared by fund, program (e.g. senior services) and department (e.g. Community Development). After adoption, the City Manager may amend the adopted General Fund budget provided that the

change does not increase overall revenues or expenditures. Departmental requests for budget amendments over \$50,000, and amendments that change revenues or expenditures, 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 III.A. of the notes to the basic financial statements.

## **ECONOMIC CONDITION**

**Local economy.** Irvine is renowned as the nation's most successful master-planned community. It is home to over 13,700 businesses, many of which are headquarters for well-known national corporations. These businesses represent a wide range of industries, most notably Southern California's highest concentration of technology firms. Other industries include a variety of technical and professional businesses, textile, aerospace, pharmaceutical and electronic manufacturers, hotels, an entertainment and retail complex, an auto center, and numerous other retail establishments.

Orange County's (County) economy, which benefited during the real estate boom from an abundance of high-paying financial services and real estate industry jobs, has been significantly impacted by job losses resulting from the real estate downturn. As a result, the unemployment rate in the County has increased from an average annual rate of 3.4% in 2006 to 9.3% in June 2009 (Bureau of Labor Statistics). Like the County, the City's unemployment rate has increased sharply in the last three years. Irvine's unemployment rate is reported at 7.0% for June 2009, according to the Bureau of Labor Statistics, up from a recent low of 2.5% enjoyed three years earlier and already exceeding the recent high of 4.0% experienced in the midst of the 2001 recession. Nevertheless, Irvine's unemployment rate remains below the unemployment rate of the County.

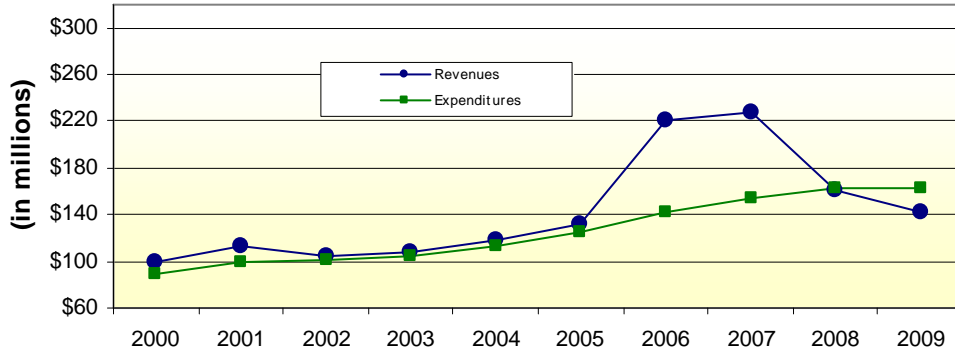
Despite the difficult economic environment, Irvine continues to attract expanding businesses, including software and legal firms, helping to offset some of the job losses resulting from the mortgage and housing industry downturn. Two significant examples include the Federal Deposit Insurance Corporation (FDIC), which recently leased a 200,000 square-foot building for office space in the Spectrum area of the City, and Western Digital, which will be moving its headquarters to Irvine during 2010.

Irvine's future is very bright despite the near-term challenges posed by the difficult external economic environment. Irvine has been recognized as one of the most successfully planned and accessible cities in the nation. In 2008, Irvine was designated by Money Magazine as the fourth best city in the Country in which to live. In addition, it was rated the safest large city in American by the FBI for the fifth consecutive year, and selected by America's Promise Alliance as the best community for young people.

Overall, the City's general fund revenue for fiscal year 2008-09 decreased 11.3% from prior fiscal year, while related expenditures decreased less than 1%. Due to the continued weak economy, general fund revenues are forecasted to decrease again in fiscal year 2009-10. In anticipation of the current cycle, the City has taken a number of steps to ensure the continuation of City services. These measures include utilizing the City's reserve funds to support ongoing

operations, efficiently using grant and other restricted funds, and filling only those vacancies necessary for the delivery of City services.

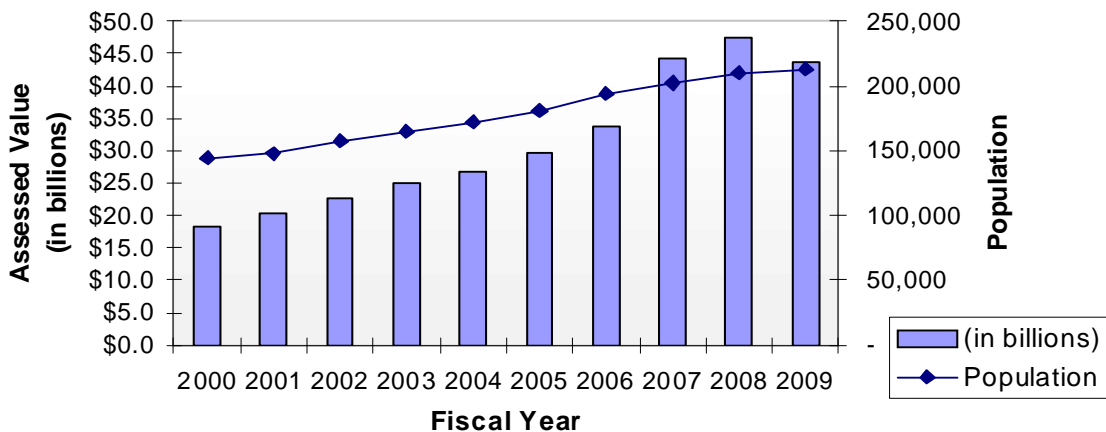
**City of Irvine  
General Fund Revenues and Expenditures  
Last Ten Years**



Property tax has become more significant as a revenue source to the City over the past five years, due to new residential and commercial development, high property valuations and legislation enacted in 2004 that swapped motor vehicle license fee allocations for additional property tax revenue (property tax in-lieu of VLF revenues). The property tax and property tax in-lieu of VLF revenues received in fiscal year 2008-09 totaled \$54.3 million. The increasing importance of property tax revenue to the City is a concern in the short term given the difficult conditions currently gripping the nation’s residential real estate market. Despite declining property values, the City’s property tax revenue is not expected to decline significantly unless property values continue to fall for an extended period of time. Instead, property tax revenue is projected to be substantially flat through fiscal year 2010-11. Over time, however, property tax has proven to be one of the City’s more stable revenue sources.

The following chart compares total assessed valuation of property located in Irvine against annual population for the past ten fiscal years.

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



Sales tax is the City's largest general fund revenue source with actual revenues in fiscal year 2008-09 of \$49.7 million. As a result of the current recession, the sales tax revenue for fiscal year 2009-10 is estimated to fall 12.7% from fiscal year 2008-09.

**Long-term financial planning.** The City's five-year fiscal forecast beginning in fiscal year 2009-10, is balanced by a combination of expenditure reductions and by the use of accumulated surpluses. Beyond the first fiscal year, additional expenditure reductions of \$3.6 million and \$1.8 million are expected to be required in the second and third years of the plan respectively, based on the current forecast and economic outlook. By the fourth and fifth year of the forecast, the City is expected to be operating at a slight surplus and will be able to begin to restore its reserves with renewed contributions to its Contingency Reserve Fund and annual transfers to its Infrastructure and Rehabilitation Fund from its annual operating budget.

To provide for future infrastructure rehabilitation needs, the City established the Asset Management Plan Fund in 1985. The fund balance is \$69.9 million as of June 30, 2009 and continues to make annual contributions of \$1.5 million (begun in fiscal year 2004-05) to meet the City's infrastructure needs. Future contributions will be based on investment earnings in order to preserve core assets.

**Financial policies.** City Council policy sets the Contingency Reserve at 15% of general fund expenditures, with a minimum reserve of 3%. This reserve is designated for future economic uncertainties, to fund critical City service delivery functions in the event an extreme financial condition occurs.

**Major initiatives.** Through its Strategic Business Plan, Irvine's City Council seeks to assure a high quality of life endures and improves as the City ages and grows in size. The Strategic Business Plan was first created in 1994 as a way to help the City Council assess the effect of today's economic decisions on the City's future quality of life. As a blueprint for the City's future, the Strategic Business Plan defines the City Council's goals and evaluates the City's financial capacity to achieve them. The following four strategic goals set priorities for the City operations and the annual budget.

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

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

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

*Promote effective government by:* providing civic information to the community; connecting the community with the past, present and future of Irvine; evaluating the staffing mix of employees,

consultants and contractors; implementing the strategic technology plan; developing performance measurements for services; and measuring and evaluating citizen satisfaction.

## **AWARDS AND ACKNOWLEDGEMENTS**

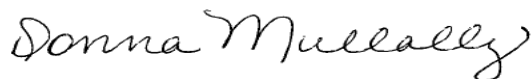
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the thirtieth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

In addition, the City's Budget Office also received the GFOA Distinguished Budget Presentation Award for its fiscal year 2008-09 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Donna Mullally  
Manager of Fiscal Services



Rick Paikoff  
Director of Administrative Services







# 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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# IRVINE CITY OFFICIALS



SUKHEE KANG  
Mayor



LARRY AGRAN  
Mayor Pro Tem



STEVEN CHOI  
Council Member



BETH KROM  
Council Member



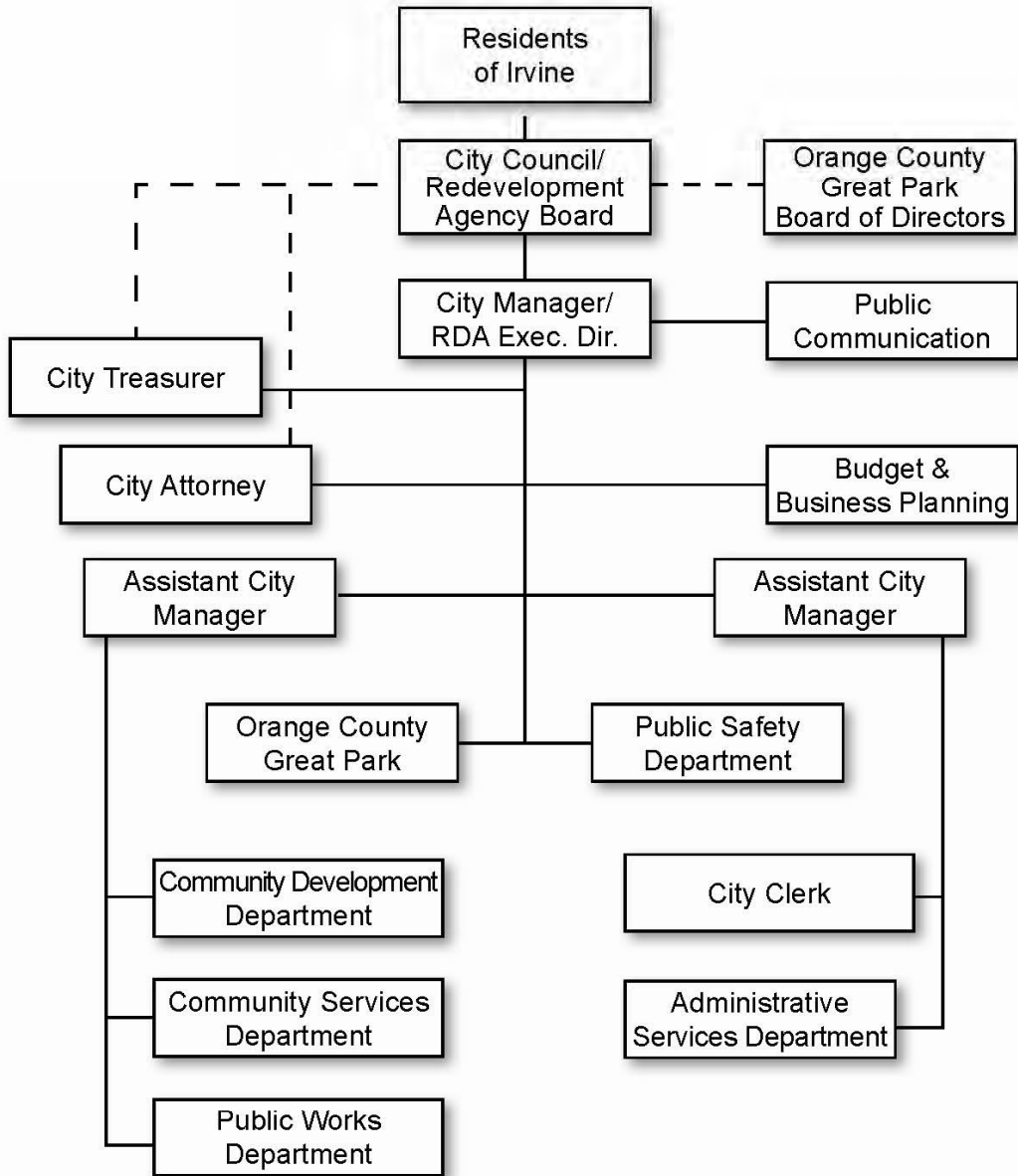
CHRISTINA SHEA  
Council Woman

City Manager • Sean Joyce

Assistant City Manager.....	Sharon Landers
Assistant City Manager.....	Wally Kreutzen
Orange County Great Park CEO.....	Mike Ellzey
City Attorney.....	Phil Kohn
City Clerk.....	Sharie Apodaca
Director of Administrative Services.....	Rick Paikoff
Director of Community Development.....	Douglas Williford
Director of Community Services.....	Libby Cowan ( <i>Interim</i> )
Director of Public Safety.....	Dave Maggard
Director of Public Works.....	Manuel Gomez



# City of Irvine Organizational Chart









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November 30, 2009

**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and  
Members of City Council  
City of Irvine  
Irvine, California

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, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Irvine's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Irvine, California, as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Irvine Business Complex, Orange County Great Park, and Irvine Redevelopment major governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2009, on our consideration of the City of Irvine California's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis, the defined benefit pension plan schedule of employer contributions and the schedules of funding progress for the defined benefit pension plan, the CalPERS defined benefit pension plans and the other post employment benefits plan, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Irvine, California's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Diehl, Evans and Company, LLP*



# 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, 2009. 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.

### Financial Highlights

- The assets of the City exceeded its liabilities, at June 30, 2009, by \$2.13 billion (*net assets*). Of this amount, \$294.35 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to residents and creditors, but is subject to designation for specific City programs. Some of these designations are \$265.05 million for the Orange County Great Park project and \$14.57 million for various non-circulation projects such as parks and public facilities.
- The government's total net assets decreased by \$27.84 million during the fiscal year ended June 30, 2009. The decrease in net assets is mainly attributable to the decrease in capital grants and contributions and general revenue. The City received its last installment of developer fees in fiscal year 2007-08 and has experienced declines in interest revenue and sales tax revenue due to the current economic downturn.
- As of June 30, 2009, the City's governmental funds reported combined ending fund balances of \$610.49 million, a decrease of \$65.92 million in comparison with the prior year. Approximately 46% of this total amount, \$280.66 million, is available for spending at the government's discretion (*unreserved fund balance*) within the guidelines of the funding sources.
- At June 30, 2009, unreserved fund balance for the general fund was \$100.77 million or 62% of total general fund expenditures for the fiscal year ended June 30, 2009. This represents a decrease of unreserved fund balance of \$13.58 million or 12% from prior year. The City Council has designated all of this unreserved fund balance for specified purposes, in accordance with City policies and budgetary guidelines.
- The City's total long-term liabilities decreased by \$6.17 million (15%) during the current fiscal year. The key factor in this decrease was the retirement of debt.

### 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.

See Independent Auditors' Report.

## **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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases in the net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses 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, health and sanitation, culture and recreation, community development, and great park.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also three legally separate entities: the Orange County Great Park Corporation, the Irvine Redevelopment Agency, 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 Infrastructure Authority is also included with the activities of the primary government.

The government-wide financial statements can be found immediately following this discussion and analysis.

## **Fund financial statements**

A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental funds.*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

See Independent Auditors' Report.

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, the Irvine Business Complex Fund, the Orange County Great Park Fund, the Irvine Redevelopment Fund, the Capital Improvement Projects Fund, the Assessment Districts Fund and the RDA Debt Service 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, the Irvine Business Complex Fund, the Orange County Great Park Fund, the Irvine Redevelopment Fund and 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 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.

See Independent Auditors' Report.

## **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 Debt Service 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.

## **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 assets (69%) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress); less any related outstanding debt used to acquire those assets. 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 Assets**  
**As of June 30, 2009 and 2008**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>As restated 2008</b>
<b>Assets</b>		
Current and other assets	\$ 754,004	\$ 821,048
Capital assets	1,476,046	1,442,895
Total Assets	2,230,050	2,263,943
<b>Liabilities</b>		
Other liabilities	75,720	74,375
Long-term liabilities	24,105	31,499
Total Liabilities	99,825	105,874
<b>Net Assets</b>		
Invested in capital assets, net of related debt	1,459,815	1,424,048
Restricted	376,056	354,030
Unrestricted	294,354	379,991
Total Net Assets	\$ 2,130,225	\$ 2,158,069

During the fiscal year ended June 30, 2009, net assets of the City decreased 1% to \$2.13 billion, of which \$1.46 billion is invested in capital assets such as equipment, buildings and infrastructure. Of the remaining total, \$376.06 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties. The remaining \$294.35 million is subject to designation for specific purposes as approved by the City Council, of that amount \$279.62 million is designated for non-circulation projects such as the Orange County Great Park, various neighborhood parks, and public facilities.

See Independent Auditors' Report.

**City of Irvine**  
**Summary of Changes in Net Assets**  
**For the Years Ended June 30, 2009 and 2008**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>As restated 2008</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 34,918	\$ 66,927
Operating grants and contributions	15,702	11,286
Capital grants and contributions	52,984	155,840
General revenues:		
Sales taxes	49,732	58,949
Property taxes	54,168	52,155
Investment revenue	7,325	36,304
Other taxes	21,183	21,989
Other revenues	185	3,110
Total Revenues	236,197	406,560
<b>Expenses</b>		
General Government	20,495	47,848
Public Safety	57,693	52,292
Public Works	55,070	54,664
Health and Sanitation	375	314
Culture and Recreation	31,909	38,247
Community Development	32,453	18,488
Redevelopment	-	10,468
Great Park	13,235	11,824
Interest on long-term debt	14,111	-
Unallocated infrastructure depreciation	38,700	33,172
Total Expenses	264,041	267,317
Excess of Revenues Over Expenses	(27,844)	139,243
<b>Increase (Decrease) in Net Assets</b>	(27,844)	139,243
Beginning Net Assets, as restated	2,158,069	2,018,826
Ending Net Assets	\$ 2,130,225	\$ 2,158,069

See Independent Auditors' Report.

Overall, Citywide revenues for the fiscal year ended June 30, 2009 decreased by \$170.36 million, a 42% decrease from the prior year. The majority of the decrease was attributed to capital grants and contributions program revenues. In addition, developer fees received in connection with the Orange County Great Park development were completely received during prior year. In addition:

- Total program revenues of \$103.60 million were 44% of total revenues. Capital grants and contributions related to infrastructure and capital improvements accounted for 22% of total revenues.
- Total general revenues of \$132.59 million were 56% of total revenues. The largest general revenue, property taxes, accounted for 23% of total revenues.

Total related expenses decreased by \$3.28 million, a 1.23% decrease from the prior year. Public Safety expenses accounted for 22% of the total expenses. Public Works expenses accounted for 21% of total current expenses, while Community Services expenses (comprised of health, sanitation, culture and recreation related activities) were 12% of total expenses.

## **Financial Analysis of the Government's Funds**

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

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

As of June 30, 2009, the City's governmental funds reported total combined ending fund balances of \$610.49 million, a decrease of \$65.92 million from the prior year. Approximately 46% of the City's governmental funds ending fund balances, or \$280.66 million, constitute *unreserved fund balance*, which is available for spending at the government's direction within the guidelines of the funding sources. The remainder of fund balance, \$329.82 million, is *reserved* to indicate that it is not available for new spending, because it has already been committed to: 1) liquidate contracts and purchase orders of the prior period (\$0.38 million), 2) pay debt service (\$5.45 million), 3) pay for infrastructure improvements, park development projects, and capital improvement projects (\$186.15 million), 4) generate income to pay for senior citizens services programs (\$0.47 million), 5) advances to other funds (\$136.53 million), 6) deposits and prepaid costs (\$0.45 million), and 7) law enforcement purposes (\$0.39 million).

### **General Fund Financial Highlights**

The general fund is the chief operating fund of the City. At June 30, 2009, unreserved fund balance of the general fund was \$100.77 million, while total fund balance was \$110.20 million. As a measure of the general fund's liquidity, it is useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 62% of the total general fund expenditures. As mentioned above, however, the City Council has designated all of this unreserved fund balance for specified purposes.

See Independent Auditors' Report.

For the fiscal year ended June 30, 2009, the cash and investments balance in the general fund was \$100.29 million, a decrease of \$16.05 million from the prior fiscal year. Long-term notes receivable in the amount of \$10.64 million were established in the general fund as a result of various housing loans made during the years.

**City of Irvine**  
**Summary of Changes in Fund Balances - General Fund**  
**For the Years Ended June 30, 2009 and 2008**  
**(amounts expressed in thousands)**

	<u>2009</u>	<u>2008</u>
<b>Revenues</b>		
Taxes:		
Sales	\$ 46,559	\$ 55,431
Property	43,058	41,364
Other	<u>20,737</u>	<u>22,346</u>
Total Taxes	110,354	119,141
Charges for services	15,842	20,479
Intergovernmental	2,557	2,089
Investment revenue	4,638	6,090
Other	<u>9,091</u>	<u>12,836</u>
Total Revenues	<u>142,482</u>	<u>160,635</u>
 <b>Expenditures</b>		
General Government	29,223	28,016
Public Safety	54,672	50,780
Public Works	28,644	31,372
Community Development	18,001	18,543
Community Services	32,417	33,449
Redevelopment	<u>-</u>	<u>1,282</u>
Total Expenditures	<u>162,957</u>	<u>163,442</u>
 Excess of Revenues Over Expenditures	(20,475)	(2,807)
Proceeds from sale of capital assets	-	14
Net transfers	<u>6,884</u>	<u>(492)</u>
 <b>(Decrease) in Fund Balance</b>	<u>\$ (13,591)</u>	<u>\$ (3,285)</u>

See Independent Auditors' Report.



Overall, General Fund revenues for the fiscal year ended June 30, 2009 decreased by \$18.15 million, or 11%, over the prior year. The majority of this decrease is attributable to lower tax revenues and charges for services.

Total related General Fund expenditures decreased by \$0.49 million, or less than 1%, from the prior year. Changes in expenditures, by function, occurred as follows during the fiscal year ended June 30, 2009:

- General Government expenditures increased by \$1.21 million, to \$29.22 million due to increased staffing costs.
- Public Safety expenditures increased by \$3.89 million to \$54.67 million, due to increased regular salary, overtime and benefit costs for active and retiring sworn employees, and costs associated with training new sworn personnel.
- Public Works expenditures decreased by \$2.73 million, to \$28.64 million, reflecting decreased costs associated with the slowdown of infrastructure and construction.
- Community Development expenditures decreased by \$0.54 million, to \$18.00 million, as a result of decreased staffing costs.
- Community Services expenditures decreased by \$1.03 million, to \$32.42 million, driven by temporary closure of University Community Park for modernization combined with a decrease in internal service costs.

### **General Fund Budgetary Highlights**

Differences between the general fund original budget expenditures and the final amended budget were \$2.45 million and can be briefly summarized as follows:

#### Increases for activities

- \$0.03 million for community services.
- \$1.21 million for community development.
- \$1.44 million for general government.

#### Decreases for activities

- \$0.06 million for public works.
- \$0.17 million for public safety.

In each of the functional expenditure categories, actual expenditures were less than final budgeted amounts, totaling \$162.96 million, and \$179.35 million, respectively. Additionally, for the year ended June 30, 2009, actual revenues did not meet budgetary estimates, at \$142.48 million and \$164.34 million respectively. Since expenditures exceeded revenues, there was a need to draw upon existing fund balance of \$20.48 million. Furthermore, actual net transfers from the general fund were less than final budget amounts by \$7.21 million, due to decreasing development project.

See Independent Auditors' Report.

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

The Irvine Business Complex Fund utilizes developer fees, gas tax, and interest revenue to fund multi-year arterial streets projects in the Irvine Business Complex area. For the fiscal year ended June 30, 2009, developer fees of \$0.68 million were received. Actual expenditures were less than budgeted amounts because project delays resulted in the postponement of capital outlay expenditures to future fiscal years. The ending fund balance of \$64.76 million is designated for future construction of various Irvine Business Complex projects.

The Orange County Great Park Fund accounts for transactions relating to the development, management, operation and maintenance of the Orange County Great Park to be located on the site of the former Marine Corps Air Station (MCAS) at El Toro. Current year expenditures, primarily for advance planning and design costs for the Orange County Great Park amounted to \$11.24 million. The ending fund balance of \$260.67 million is designated for the future development of the Orange County Great Park.

The Irvine Redevelopment Fund accounts for the operational activities of the Irvine Redevelopment Agency (Agency) to enable and facilitate the redevelopment of the project area located on the site of the former MCAS El Toro. Transfers in and revenues exceeded expenditures by \$0.48 million. The ending fund balance of \$0.76 million is designated for the future operations of the Agency.

The Capital Improvement Projects Fund accounts for street, bridge, traffic signal and other circulation related capital projects funded by grants, fees and interest revenue. The fund balance increased by \$4.20 million due to a delay in expenditures in capital outlay for circulation capital projects. The fund balance of \$9.32 million is reserved for future construction.

The Assessment Districts Fund accounts for the 1915 Improvement Bond Act bond proceeds to fund major road and drainage improvements throughout the City. Capital outlays were \$19.49 million for improvements related to new development in the City. The ending fund balance of \$169.50 million is reserved for future construction of these projects.

The RDA Debt Service Fund accounts for the accumulation of tax increment receipts, debt service payments, and statutory pass-through payments of property tax to affected agencies of the redevelopment project area and plans for the non-aviation reuse of the former MCAS El Toro base property. Expenditures and transfers out exceeded revenues by \$17.17 million mainly due to an increase in interest and fiscal charges related to the advances with other funds. The fund balance is a deficit of \$159.29 million. Future tax increment revenues from the development in project area are expected to alleviate this deficit.

## **Capital Assets and Debt Administration**

### **Capital Assets**

The City's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$1.48 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads,

See Independent Auditors' Report.

highways, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 2%.

**City of Irvine**  
**Summary of Changes in Capital Assets**  
**For the Year Ended June 30, 2009**  
**(amounts expressed in thousands)**

	As restated Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 574,632	\$ 5,377	\$ -	\$ 580,009
Construction in progress	67,478	24,984	21,413	71,049
Total capital assets not being depreciated	<u>642,110</u>	<u>30,361</u>	<u>21,413</u>	<u>651,058</u>
Capital assets, being depreciated:				
Buildings	79,298	2,711	1,497	80,512
Improvements other than buildings	50,570	20,222	-	70,792
Machinery and equipment	42,080	5,597	1,051	46,626
Infrastructure	1,233,113	44,896	-	1,278,009
Total capital assets being depreciated	<u>1,405,061</u>	<u>73,426</u>	<u>2,548</u>	<u>1,475,939</u>
Less accumulated depreciation for:				
Buildings	(36,393)	(2,007)	-	(38,400)
Improvements other than buildings	(25,389)	(2,279)	-	(27,668)
Machinery and equipment	(29,922)	(4,661)	(972)	(33,611)
Infrastructure	(512,572)	(38,700)	-	(551,272)
Total accumulated depreciation	<u>(604,276)</u>	<u>(47,647)</u>	<u>(972)</u>	<u>(650,951)</u>
Total capital assets, being depreciated, net	<u>800,785</u>	<u>25,779</u>	<u>1,576</u>	<u>824,988</u>
Governmental activities capital assets, net	<u>\$ 1,442,895</u>	<u>\$ 56,140</u>	<u>\$ 22,989</u>	<u>\$ 1,476,046</u>

See Independent Auditors' Report.

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

- Infrastructure additions for the year totaled \$44.90 million. Street additions accounted for \$35.01 million, traffic signal additions totaled \$7.76 million, bridge additions were \$0.23 million, trail additions totaled \$0.35 million and landscaping additions were \$1.54 million.
- Machinery and Equipment acquisitions of \$5.60 million included vehicles, telephone equipment, and hardware and software per the Strategic Technology Plan.

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

### Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$15.79 million. Bond principal retired during the year totaled \$6.99 million.

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

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009	Long- Term	Due Within One Year
<b>Lease Revenue Bonds:</b>						
Series 1985 matures in 2010	\$ 21,200	\$ -	\$ 6,500	\$ 14,700	\$ 7,700	\$ 7,000
Series 1987 matures in 2010	1,575	-	490	1,085	560	525
Total Lease Revenue Bonds	<u>22,775</u>	<u>-</u>	<u>6,990</u>	<u>15,785</u>	<u>8,260</u>	<u>7,525</u>
<b>Other Debt:</b>						
Compensated absences	9,182	1,966	1,014	10,134	9,017	1,117
Claims payable	7,722	1,898	2,117	7,503	5,002	2,501
Capital lease obligation	631	352	310	673	381	292
Long-term note	1,397	48	-	1,445	1,445	-
Total Other Debt	<u>18,932</u>	<u>4,264</u>	<u>3,441</u>	<u>19,755</u>	<u>15,845</u>	<u>3,910</u>
Total Long-Term Liabilities	<u>\$ 41,707</u>	<u>\$ 4,264</u>	<u>\$ 10,431</u>	<u>\$ 35,540</u>	<u>\$ 24,105</u>	<u>\$ 11,435</u>

Long-term debt-related events during the fiscal year ended June 30, 2009 included:

- Compensated absences liabilities increased by \$1.97 million and payouts to employees upon termination amounted to \$1.01 million.
- A new capital lease for Public Safety patrol vehicles totaled \$0.35 million.

Additional information on the City's long-term debt can be found under Section IV. E. entitled "Long-term debt" of the Notes to the Basic Financial Statements.

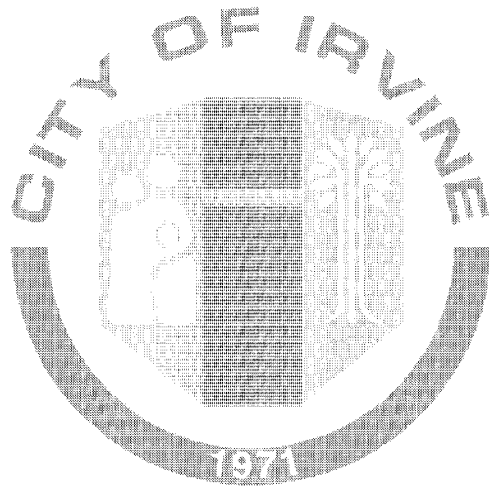
See Independent Auditors' Report.

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

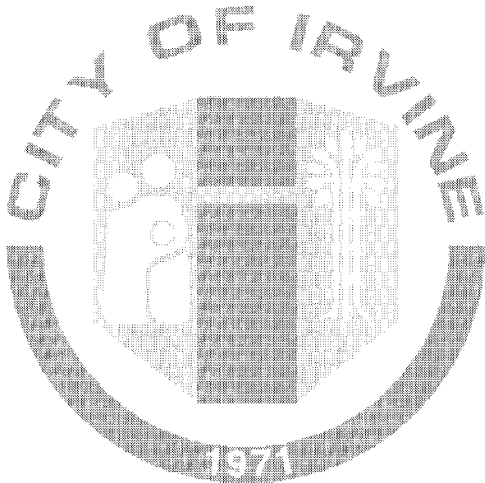
The City's economy is linked to the national and state economy. However, because the City is still developing, its local economy can experience departures from other local, state or national trends; with resultant recurring revenue fluctuations. Additionally, because the City's revenues are obtained 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. 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 2008-09 citywide budget, available through the City Manager's Office.

## **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 Assets**  
**June 30, 2009**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 498,584
Cash and investments held by trustee	206,866
Receivables, net of allowances:	
Taxes	12,294
Accounts	1,826
Accrued interest	2,662
Deposits	145
Prepaid costs	306
Inventories	150
Due from other governments	15,862
Due from developers	1
Long-term note receivable	13,105
Net pension asset	1,466
Property held for resale	737
Capital assets, net of accumulated depreciation:	
Land	580,009
Buildings and systems	42,112
Improvements other than buildings	43,124
Machinery and equipment	13,015
Infrastructure	726,737
Construction in progress	71,049
Total Assets	2,230,050
<b>LIABILITIES</b>	
Accounts payable	26,033
Accrued liabilities	11,288
Due to other governments	5,776
Deposits	3,724
Deferred revenue	17,245
Noncurrent liabilities:	
Due within one year	11,435
Due in more than one year	24,105
Net pension obligation	219
Total Liabilities	99,825
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,459,815
Restricted	
Expendable:	
Debt Service	5,449
Assessment infrastructure and capital improvements	358,919
Other programs and activities	11,219
Nonexpendable:	
Senior Services Fund program	469
Unrestricted	294,354
Total Net Assets	\$ 2,130,225

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



**City of Irvine**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
General Government	\$ 20,495	\$ 681	\$ 96	\$ -	\$ (19,718)
Public Safety	57,693	4,273	2,639	-	(50,781)
Public Works	55,070	10,856	4,782	22,046	(17,386)
Health and Sanitation	375	-	332	-	(43)
Culture and Recreation	31,909	10,896	620	11,536	(8,857)
Community Development	32,453	4,828	7,233	-	(20,392)
Great Park	13,235	3,384	-	19,402	9,551
Interest on Long-Term Debt	14,111	-	-	-	(14,111)
Unallocated infrastructure depreciation	38,700	-	-	-	(38,700)
Total Governmental Activities	<u>\$ 264,041</u>	<u>\$ 34,918</u>	<u>\$ 15,702</u>	<u>\$ 52,984</u>	<u>(160,437)</u>
<b>General Revenues</b>					
Taxes:					
Property taxes					54,168
Franchise taxes					11,704
Sales taxes					49,732
Document transfer taxes					996
Transient occupancy taxes					7,768
Unrestricted motor vehicle in-lieu					715
Gain on sales of assets					165
Investment revenue					7,325
Other revenue					20
Total General Revenues					<u>132,593</u>
Change in Net Assets					(27,844)
Total Net Assets, Beginning, as restated					<u>2,158,069</u>
Total Net Assets, Ending					<u>\$ 2,130,225</u>

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

**City of Irvine**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**  
(amounts expressed in thousands)  
Page 1 of 2

	<u>General</u>	<u>Irvine Business Complex</u>	<u>Orange County Great Park</u>	<u>Irvine Redevelop - ment</u>	<u>Capital Improvement Projects</u>
<b>ASSETS</b>					
Cash and investments	\$ 100,291	\$ 66,136	\$ 127,046	\$ 880	\$ 15,678
Receivables, net of allowances:					
Taxes	8,299	-	-	-	-
Accounts	1,023	-	29	-	22
Accrued interest	258	158	331	2	23
Deposits	145	-	-	-	-
Prepaid costs	-	-	306	-	-
Due from other funds	3,535	-	-	-	-
Due from other governments	379	2,738	-	-	9,187
Due from developers	-	-	-	-	1
Advances to other funds	11,936	-	157,015	-	-
Long-term note receivable	10,638	-	-	-	-
Property held for resale	-	-	-	-	-
Total Assets	<u>\$ 136,504</u>	<u>\$ 69,032</u>	<u>\$ 284,727</u>	<u>\$ 882</u>	<u>\$ 24,911</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 2,668	\$ 317	\$ 909	\$ 120	\$ 2,534
Accrued liabilities	4,881	1,214	109	5	1,486
Due to other funds	-	-	-	-	2,926
Due to other governments	38	-	3	-	-
Deposits	2,792	-	21	-	645
Deferred revenue	15,929	2,738	23,015	-	8,000
Advances from other funds	-	-	-	-	-
Total Liabilities	<u>26,308</u>	<u>4,269</u>	<u>24,057</u>	<u>125</u>	<u>15,591</u>
Fund Balances:					
Reserved	9,427	-	134,306	-	9,320
Unreserved, reported in:					
General Fund	100,769	-	-	-	-
Special Revenue Funds	-	64,763	126,364	757	-
Capital Project Funds	-	-	-	-	-
Permanent Fund	-	-	-	-	-
Total Fund Balances	<u>110,196</u>	<u>64,763</u>	<u>260,670</u>	<u>757</u>	<u>9,320</u>
Total Liabilities and Fund Balances	<u>\$ 136,504</u>	<u>\$ 69,032</u>	<u>\$ 284,727</u>	<u>\$ 882</u>	<u>\$ 24,911</u>

- continued -

**City of Irvine**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**  
(amounts expressed in thousands)  
Page 2 of 2

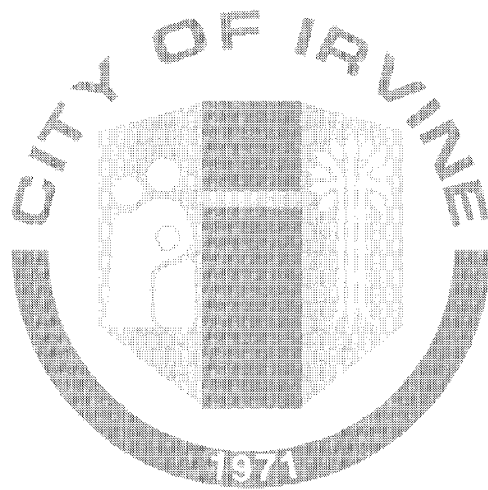
	<u>Assessment Districts</u>	<u>RDA Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 175,235	\$ 18,412	\$ 164,357	\$ 668,035
Receivables, net of allowances:				
Taxes	-	-	1,473	9,772
Accounts	-	-	642	1,716
Accrued interest	1	45	384	1,202
Deposits	-	-	-	145
Prepaid costs	-	-	-	306
Due from other funds	-	-	-	3,535
Due from other governments	-	-	3,558	15,862
Due from developers	-	-	-	1
Advances to other funds	-	-	1,350	170,301
Long-term note receivable	-	-	2,467	13,105
Property held for resale	-	-	737	737
	<u>\$ 175,236</u>	<u>\$ 18,457</u>	<u>\$ 174,968</u>	<u>\$ 884,717</u>
Total Assets				
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 8,794	\$ 8,775	\$ 24,117
Accrued liabilities	2	-	3,559	11,256
Due to other funds	-	-	609	3,535
Due to other governments	5,733	-	2	5,776
Deposits	-	-	250	3,708
Deferred revenue	-	-	5,856	55,538
Advances from other funds	-	168,951	1,350	170,301
	<u>5,735</u>	<u>177,745</u>	<u>20,401</u>	<u>274,231</u>
Total Liabilities				
Fund Balances:				
Reserved	169,501	-	7,268	329,822
Unreserved, reported in:				
General Fund	-	-	-	100,769
Special Revenue Funds	-	(159,288)	94,700	127,296
Capital Project Funds	-	-	52,429	52,429
Permanent Fund	-	-	170	170
	<u>169,501</u>	<u>(159,288)</u>	<u>154,567</u>	<u>610,486</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 175,236</u>	<u>\$ 18,457</u>	<u>\$ 174,968</u>	<u>\$ 884,717</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 Activities**  
**For the Fiscal Year Ended June 30, 2009**  
**(amounts expressed in thousands)**

Total Fund Balances of Governmental Funds	\$ 610,486
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in government activities are nonfinancial resources and are not reported in the funds.	1,465,830
Other long term assets are not available to pay for current period expenditures and are deferred in the funds.	39,715
The net pension asset is not an available financial resources and is excluded from the funds.	1,466
The net other employment pension obligations are not due and payable in the current period and are not reported in the funds.	(219)
A portion of sales tax receivable is not reported in the fund financial statements.	2,522
Internal service funds are used to charge the cost of interfund activities to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Assets.	37,528
Long term liabilities are not due and payable in the current period and are not reported in the funds.	<u>(27,103)</u>
Total Net Assets per Statement of Net Asset	<u><u>\$ 2,130,225</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, 2009**  
(amounts expressed in thousands)  
Page 1 of 2

	<u>General</u>	<u>Irvine Business Complex</u>	<u>Orange County Great Park</u>	<u>Irvine Redevelop- ment</u>	<u>Capital Improvement Projects</u>
<b>REVENUES</b>					
Taxes	\$ 110,354	\$ -	\$ -	\$ -	\$ -
Licenses and permits	4,592	-	-	-	-
Fines and forfeitures	1,936	-	-	-	-
Investment income	4,638	2,612	5,713	29	350
Intergovernmental	2,557	7,096	-	-	13,338
Charges for services	15,842	-	3,384	62	302
Revenue from developers	19	683	-	-	5
Contributions from property owners	498	-	-	-	-
Revenue from property owners	-	-	-	-	-
Donations	-	-	425	-	-
Other revenue	2,046	-	-	-	19
	<u>142,482</u>	<u>10,391</u>	<u>9,522</u>	<u>91</u>	<u>14,014</u>
<b>EXPENDITURES</b>					
Current:					
General Government	29,223	16	-	230	43
Public Safety	54,672	-	-	-	-
Public Works	28,644	515	-	-	904
Community Development	18,001	381	-	1,386	-
Community Services	32,417	-	-	-	-
Great Park	-	-	11,123	-	-
Street lighting	-	-	-	-	-
Capital outlay	-	3,577	115	-	25,485
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Administration	-	-	-	-	-
	<u>162,957</u>	<u>4,489</u>	<u>11,238</u>	<u>1,616</u>	<u>26,432</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(20,475)</u>	<u>5,902</u>	<u>(1,716)</u>	<u>(1,525)</u>	<u>(12,418)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term note	-	-	-	-	-
Transfers in	9,219	61	-	2,000	18,121
Transfers out	(2,335)	(1,180)	(18,519)	-	(1,504)
	<u>6,884</u>	<u>(1,119)</u>	<u>(18,519)</u>	<u>2,000</u>	<u>16,617</u>
Net Change in Fund Balances	(13,591)	4,783	(20,235)	475	4,199
Fund Balances, Beginning, as restated	<u>123,787</u>	<u>59,980</u>	<u>280,905</u>	<u>282</u>	<u>5,121</u>
Fund Balances, Ending	<u>\$ 110,196</u>	<u>\$ 64,763</u>	<u>\$ 260,670</u>	<u>\$ 757</u>	<u>\$ 9,320</u>

- continued -

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

**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**

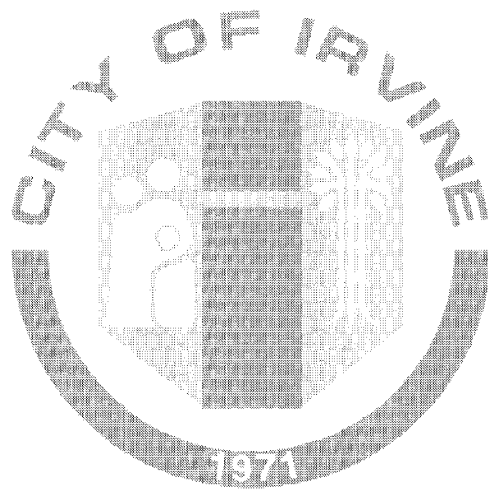
**For the Fiscal Year Ended June 30, 2009**

(amounts expressed in thousands)

Page 2 of 2

	Assessment Districts	RDA Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ 7,018	\$ 11,930	\$ 129,302
Licenses and permits	-	-	-	4,592
Fines and forfeitures	-	-	-	1,936
Investment income	2,757	697	6,293	23,089
Intergovernmental	-	-	20,619	43,610
Charges for services	-	-	14,612	34,202
Revenue from developers	-	-	396	1,103
Contributions from property owners	-	-	-	498
Revenue from property owners	-	-	5,203	5,203
Donations	-	-	112	537
Other revenue	-	-	871	2,936
<b>Total Revenues</b>	<b>2,757</b>	<b>7,715</b>	<b>60,036</b>	<b>247,008</b>
<b>EXPENDITURES</b>				
Current:				
General Government	896	-	164	30,572
Public Safety	-	-	1,732	56,404
Public Works	302	-	3,468	33,833
Community Development	-	8,853	5,364	33,985
Community Services	-	-	1,823	34,240
Great Park	-	-	1,950	13,073
Street lighting	-	-	6,226	6,226
Capital outlay	19,490	-	36,103	84,770
Debt service:				
Principal retirement	-	-	6,990	6,990
Interest and fiscal charges	-	13,772	266	14,038
Administration	-	-	75	75
<b>Total Expenditures</b>	<b>20,688</b>	<b>22,625</b>	<b>64,161</b>	<b>314,206</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,931)	(14,910)	(4,125)	(67,198)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term note	-	-	48	48
Transfers in	-	-	36,141	65,542
Transfers out	(2,562)	(2,264)	(35,944)	(64,308)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,562)</b>	<b>(2,264)</b>	<b>245</b>	<b>1,282</b>
<b>Net Change in Fund Balances</b>	<b>(20,493)</b>	<b>(17,174)</b>	<b>(3,880)</b>	<b>(65,916)</b>
Fund Balances, Beginning, as restated	189,994	(142,114)	158,447	676,402
Fund Balances, Ending	\$ 169,501	\$ (159,288)	\$ 154,567	\$ 610,486

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, 2009**  
(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	\$ (65,916)
<p>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.</p>	
Excess capital outlay over current year depreciation	31,392
<p>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.</p>	
Donation of capital infrastructure assets	1,247
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	
Interest	13,140
Grants	(10,422)
Sales taxes	(996)
<p>Governmental funds do not report the changes in the net pension asset, since it does not provide or require the use of current financial resources.</p>	
Defined Benefit Pension Plan	(778)
Other Post Employment Benefit Plans	(219)
<p>Governmental funds report repayments of the principal of long-term debt as expenditures, but repayments are included as a reduction of long-term liabilities in the Statement of Net Assets.</p>	
Issuance of long term note	(48)
Principal repayments on long term debt	6,990
<p>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.</p>	
Accrued interest	24
Compensated absences	(915)
<p>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.</p>	
	<u>(1,343)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (27,844)</u></u>

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

**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**

**For the Fiscal Year Ended June 30, 2009**

(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 123,402	\$ 123,402	\$ 110,354	\$ (13,048)
Licenses and permits	7,231	7,231	4,592	(2,639)
Fines and forfeitures	2,132	2,132	1,936	(196)
Investment income	4,777	4,777	4,638	(139)
Intergovernmental	2,500	3,315	2,557	(758)
Charges for services	20,816	20,717	15,842	(4,875)
Revenue from developers	16	16	19	3
Revenue from property owners	8	8	498	490
Other revenue	2,746	2,746	2,046	(700)
	<u>163,628</u>	<u>164,344</u>	<u>142,482</u>	<u>(21,862)</u>
<b>Total Revenues</b>				
<b>EXPENDITURES</b>				
Current:				
General Government:				
City Manager	8,771	9,124	7,899	1,225
Administrative Services	22,539	23,625	21,324	2,301
Public Safety	56,373	56,206	54,672	1,534
Public Works	31,149	31,091	28,644	2,447
Community Development	19,461	20,671	18,001	2,670
Community Services	38,607	38,632	32,417	6,215
	<u>176,900</u>	<u>179,349</u>	<u>162,957</u>	<u>16,392</u>
<b>Total Expenditures</b>				
(Deficiency) of Revenues				
(Under) Expenditures	<u>(13,272)</u>	<u>(15,005)</u>	<u>(20,475)</u>	<u>(5,470)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,112	11,686	9,219	(2,467)
Transfers out	(12,214)	(12,010)	(2,335)	9,675
	<u>(4,102)</u>	<u>(324)</u>	<u>6,884</u>	<u>7,208</u>
<b>Total Other Financing Sources (Uses)</b>				
Net Change in Fund Balances	(17,374)	(15,329)	(13,591)	1,738
Fund Balances, Beginning	<u>123,787</u>	<u>123,787</u>	<u>123,787</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 106,413</u>	<u>\$ 108,458</u>	<u>\$ 110,196</u>	<u>\$ 1,738</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**  
**Irvine Business Complex**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 2,340	\$ 2,340	\$ 2,612	\$ 272
Intergovernmental	4,025	4,025	7,096	3,071
Revenue from developers	7,547	7,547	683	(6,864)
<b>Total Revenues</b>	<u>13,912</u>	<u>13,912</u>	<u>10,391</u>	<u>(3,521)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	14	14	16	(2)
Public Works	434	434	515	(81)
Community Development	-	381	381	-
Capital outlay	21,614	21,614	3,577	18,037
<b>Total Expenditures</b>	<u>22,062</u>	<u>22,443</u>	<u>4,489</u>	<u>17,954</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,150)</u>	<u>(8,531)</u>	<u>5,902</u>	<u>14,433</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	399	409	61	(348)
Transfers out	(1,180)	(1,180)	(1,180)	-
<b>Total Other Financing (Uses)</b>	<u>(781)</u>	<u>(771)</u>	<u>(1,119)</u>	<u>(348)</u>
<b>Net Change in Fund Balances</b>	<u>(8,931)</u>	<u>(9,302)</u>	<u>4,783</u>	<u>14,085</u>
Fund Balances, Beginning	<u>59,980</u>	<u>59,980</u>	<u>59,980</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 51,049</u>	<u>\$ 50,678</u>	<u>\$ 64,763</u>	<u>\$ 14,085</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**  
**Orange County Great Park**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 4,200	\$ 3,700	\$ 5,713	\$ 2,013
Charges for services	3,526	3,389	3,384	(5)
Donations	300	300	425	125
	<u>8,026</u>	<u>7,389</u>	<u>9,522</u>	<u>2,133</u>
<b>EXPENDITURES</b>				
Current:				
Great Park	13,058	17,286	11,123	6,163
Capital outlay	-	175	115	60
	<u>13,058</u>	<u>17,461</u>	<u>11,238</u>	<u>6,223</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,032)</u>	<u>(10,072)</u>	<u>(1,716)</u>	<u>8,356</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(45,844)</u>	<u>(57,126)</u>	<u>(18,519)</u>	<u>38,607</u>
Total Other Financing Sources (Uses)	<u>(45,844)</u>	<u>(57,126)</u>	<u>(18,519)</u>	<u>38,607</u>
Net Change in Fund Balances	(50,876)	(67,198)	(20,235)	46,963
Fund Balances, Beginning, as restated	<u>280,905</u>	<u>280,905</u>	<u>280,905</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 230,029</u>	<u>\$ 213,707</u>	<u>\$ 260,670</u>	<u>\$ 46,963</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**  
**Irvine Redevelopment**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 49	\$ 49	\$ 29	\$ (20)
Charges for services	62	62	62	-
Total Revenues	111	111	91	(20)
<b>EXPENDITURES</b>				
Current:				
General Government	758	758	230	528
Community Development	1,349	1,349	1,386	(37)
Total Expenditures	2,107	2,107	1,616	491
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,996)	(1,996)	(1,525)	471
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,000	2,000	2,000	-
Total Other Financing Sources	2,000	2,000	2,000	-
Net Change in Fund Balances	4	4	475	471
Fund Balances, Beginning	282	282	282	-
Fund Balances, Ending	\$ 286	\$ 286	\$ 757	\$ 471

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

**City of Irvine**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**  
(amounts expressed in thousands)

	<u><b>Governmental Activities - Internal Service Funds</b></u>
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 37,415
Receivables, net of allowances:	
Accounts	110
Accrued interest	91
Inventories	<u>150</u>
Total Current Assets	<u>37,766</u>
Noncurrent Assets:	
Capital assets:	
Equipment	36,225
Less accumulated depreciation	<u>(26,009)</u>
Total Noncurrent Assets	<u>10,216</u>
Total Assets	<u>47,982</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	1,916
Accrued liabilities	27
Deposits	16
Deferred revenue	54
Lease payable	292
Compensated absences	29
Claims payable	<u>2,501</u>
Total Current Liabilities	<u>4,835</u>
Noncurrent Liabilities:	
Lease payable	381
Compensated absences	236
Claims payable	<u>5,002</u>
Total Noncurrent Liabilities	<u>5,619</u>
Total Liabilities	<u>10,454</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	9,543
Unrestricted	<u>27,985</u>
Total Net Assets	<u>\$ 37,528</u>

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

**City of Irvine**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 18,101
Other	504
Total Operating Revenue	18,605
<b>OPERATING EXPENSES</b>	
Personal services	2,468
Supplies & equipment	3,968
Contract services	4,911
Administration	1,144
Self-insured losses	2,001
Insurance premiums	2,099
Depreciation	4,035
Total Operating Expenses	20,626
Operating Income (Loss)	(2,021)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest revenue	1,534
Interest expense	(22)
Gain/(Loss) on disposal of equipment	165
Total Nonoperating Revenues	1,677
Income (Loss) Before Transfers	(344)
Transfers in	301
Transfers out	(1,300)
Change in Net Assets	(1,343)
Total Net Assets, Beginning	38,871
Total Net Assets, Ending	\$ 37,528

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, 2009**  
(amounts expressed in thousands)

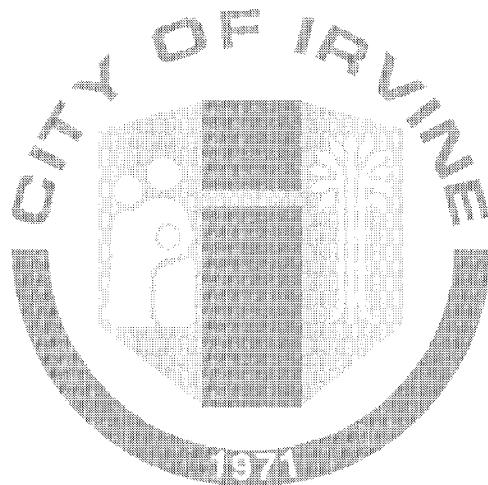
	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers and users	\$ 273
Received from interfund services provided	18,453
Paid to suppliers	(13,889)
Paid for interfund services provided	(245)
Paid to employees	(1,690)
Net Cash Provided by Operating Activities	<u>2,902</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers in	301
Transfers out	(1,300)
Net Cash Used by Non-Capital Financing Activities	<u>(999)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from sale of equipment	336
Interest paid	(22)
Equipment purchases	(4,718)
Net Cash Used by Capital and Related Financing Activities	<u>(4,404)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received on investments	1,590
Net Cash Provided by Investing Activities	<u>1,590</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(911)
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>38,326</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 37,415</u>

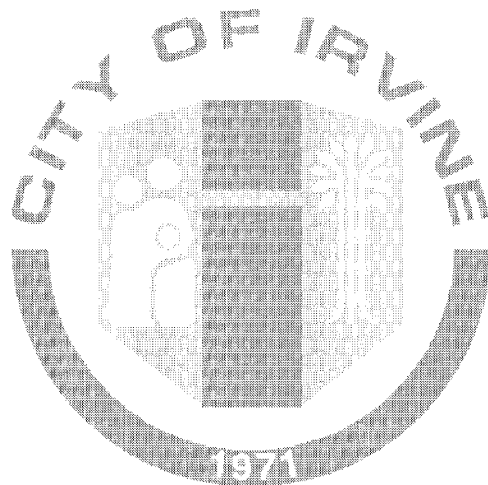
**Reconciliation of Operating Income to  
Net Cash Provided (Used) by Operating Activities**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating loss	\$ (2,021)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	4,035
Changes in assets and liabilities:	
(Increase) decrease in receivables, net of allowances	104
(Increase) decrease in due from other governments	1
(Increase) decrease in inventories	24
Increase (decrease) in accounts payable	882
Increase (decrease) in accrued liabilities	3
Increase (decrease) in due to other governments	(1)
Increase (decrease) in deposits	16
Increase (decrease) in lease payable	42
Increase (decrease) in compensated absences	36
Increase (decrease) in claims payable	(219)
Total Adjustments	<u>4,923</u>
Net Cash Provided by Operating Activities	<u>\$ 2,902</u>
Non Cash Capital Financing Activities - Capital Lease Borrowings	<u>\$ 352</u>

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







**City of Irvine**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2008 and June 30, 2009**  
(amounts expressed in thousands)

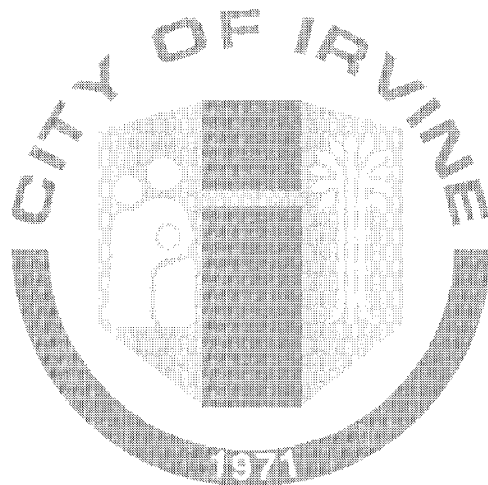
	<b>Pension and Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash	\$ -	\$ 93,340
Investments:		
Collective trust funds	14,752	-
Short-term investments	715	-
Participant-directed investments	9,116	-
Receivables, net of allowances:		
Taxes	-	2,075
Accrued interest	1	3
Loans	125	-
Due from developers	-	230
Total Assets	24,709	95,648
<b>LIABILITIES</b>		
Accounts payable	172	58
Accrued liabilities	23	381
Due to bondholders	-	95,069
Due to other governments	-	140
Total Liabilities	195	95,648
<b>NET ASSETS</b>		
Held in trust for pension benefits & other purposes	24,514	-
Total Net Assets	\$ 24,514	\$ -

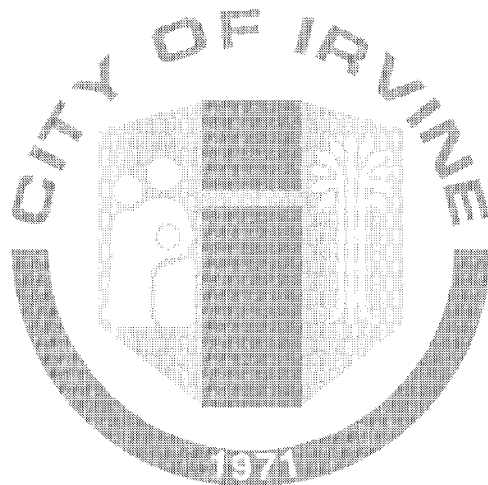
See Independent Auditors' Report and Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended December 31, 2008**  
(amounts expressed in thousands)

	<b>Pension and Employee Benefit Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 437
Plan members	56
Total Contributions	493
Investment income (loss):	
Interest and dividends	199
Net (depreciation) in fair value of investments	(4,255)
Total Investment (Loss)	(4,056)
Less investment expense	(103)
Net Investment (Loss)	(4,159)
Total Additions	(3,666)
<b>DEDUCTIONS</b>	
Benefit payments	1,378
Administrative expenses	55
Forfeitures to the City of Irvine	8
Transfer to other defined benefit plan	210
Total Deductions	1,651
Change in Net Assets	(5,317)
Total Net Assets, Beginning	29,831
Total Net Assets, Ending	\$ 24,514

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, 2009**

**I. Summary of significant accounting policies**

**A. Reporting entity**

The City of Irvine (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 Governmental Accounting Standards Board (GASB) Statement 14. The Irvine Public Facilities Corporation (Corporation) and the Irvine Public Facilities and Infrastructure Authority (Authority) are used to finance the acquisition and construction of the City's civic center, operations support facility, animal services facilities, and other infrastructure improvements in the City. The Corporation and Authority are governed by boards comprised of appointed Finance Commissioners and the elected City Councilmembers, respectively. The transactions of the Corporation and the Authority are reported in the governmental fund financial statements as debt service funds. The Corporation's debt was retired in fiscal year 2001-02 and no additional activity has occurred in that fund. Separate financial statements are not available for the Corporation and the Authority.

The Irvine Redevelopment Agency (Agency) was created in 1999 to prepare a redevelopment project area and plan for the non-aviation reuse of the former Marine Corps Air Station at El Toro (MCAS El Toro). A board of directors comprised of the elected City Council governs the Agency. The transactions of the Agency are reported in the governmental fund financial statements as a major special revenue fund, a major debt service fund, and an other governmental special revenue fund. Copies of separate financial statements for the Agency may be obtained from the City of Irvine City Hall, One Civic Center Plaza, Irvine, California, 92606.

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 MCAS El Toro. A board of directors comprised of the elected City Council and four appointed individuals governs the OCGPC. The transactions of the OCGPC are reported in the governmental fund financial statements as a part of the major special revenue fund, Orange County Great Park fund. Separate financial statements are available for the OCGPC, and copies may be obtained from the City of Irvine City Hall, One Civic Center Plaza, Irvine, California, 92606.

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**I. Summary of significant accounting policies (continued)**

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**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. 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 function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are properly not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**I. Summary of significant accounting policies (continued)**

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 to be 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, as 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 to be 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 to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 Irvine Business Complex Fund, a special revenue fund, accounts for related capital project activities and fee revenue generated by development within the Irvine Business Complex.

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

The Irvine Redevelopment Fund, a special revenue fund, accounts for the activities of the Irvine Redevelopment Agency to administer the redevelopment project area and plan for the non-aviation reuse of the former MCAS El Toro.

The Capital Improvement Projects Fund accounts for construction of major transportation infrastructure.

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

The RDA Debt Service Fund accounts for the accumulation of property tax increment receipts, debt service payments, and statutory pass through payments of tax increment to affected agencies of the redevelopment project area.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**I. Summary of significant accounting policies (continued)**

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.

Debt Service funds account for the accumulation of resources and the payment of principal and interest on general long-term debt.

Capital Projects funds account for financial resources used for the acquisition or construction of major capital facilities.

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

**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. 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. Additionally, the 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.

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with, or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**I. Summary of significant accounting policies (continued)**

and enterprise funds, subject to this same limitation. The City does not have business-type activities or enterprise funds; all City activities are governmental activities.

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 they are needed.

**D. Assets, liabilities, and net assets or equity**

**1. Deposits 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.

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

**2. Receivables and payables**

All outstanding balances between funds are reported as "Due to/from other funds" if expected to be repaid within one fiscal year. Noncurrent interfund receivables and payables are classified as "Advances to/from other funds."

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 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 should receive 100% of the tax levied. The City is not responsible to reimburse the County for unpaid property taxes; in return the County receives all penalty charges or delinquent property taxes and is also responsible for any foreclosure proceedings.

**3. Inventories and prepaid costs**

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**I. Summary of significant accounting policies (continued)**

**4. 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>Years</u>
Buildings & systems	40 years
Improvements other than buildings	15 years
Automotive equipment	3 - 10 years
Other miscellaneous equipment	3 - 10 years
Infrastructure	17 - 62 years

**5. Compensated absences**

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**I. Summary of significant accounting policies (continued)**

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

**7. Deferred revenue**

Revenues received, but not yet earned, are deferred until such time as those monies meet the revenue recognition criteria. In the case of intergovernmental revenues in the fund financial statements, e.g., grants, entitlements and shared revenue, the basis of accounting for such revenue is determined according to the procedures common to each fund type in which the grant, entitlement, or shared revenue is recorded. Grants, entitlements and shared revenues received earlier than the time established by the revenue recognition criteria are reported as deferred revenues. In the General Fund, revenues received for inspections not performed are recognized as deferred revenues until such time as the inspections are complete. For the Special Revenue Funds and the Capital Projects Funds, revenues are recognized when the related expenditures are incurred. Such revenues typically include grants or entitlements. The long-term note receivable in the General Fund and Other Governmental Funds is offset by deferred revenue that will be recognized when received.

Revenues earned, but not yet received, may not be available in a timely manner to pay current expenditures or obligations. Such receivables, not meeting the availability criteria necessary for accrual under modified accrual basis accounting principles, are reclassified as deferred revenues for that period in the fund financial statements. In the government-wide financial statements, however, availability criteria are not considered. Instead, revenues become, and remain receivable from the point in time when revenue is earned through performance or similar recognition standards, until received.

**8. Fund equity**

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**I. Summary of significant accounting policies (continued)**

**E. 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.

**II. Reconciliation of government-wide and fund financial statements**

**A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Assets.**

The governmental fund Balance Sheet includes a reconciliation between Fund Balances – Total Governmental Funds and Net Assets Governmental Activities as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that certain revenues in the governmental funds are different because revenues are not collected within the prescribed time period after year end. However, on an accrual basis revenues are included in the government-wide statement. The details of this \$39,715 difference (in thousands) are as follows:

Orange County Great Park Fund	\$ 23,015
Capital Improvement Projects Fund	7,714
General Fund	3,663
Irvine Business Complex Fund	2,738
Park Development Fund	1,174
Grants Fund	26
Interfund	<u>16</u>
	38,346
Interest receivable - adjustment to full accrual basis	<u>1,369</u>
Net adjustment to increase Fund Balances - Total Governmental Funds	<u><u>\$ 39,715</u></u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**II. Reconciliation of government-wide and fund financial statements (continued)**

Another element of the reconciliation explains, “Long-term liabilities are not due and payable in the current period and are not reported in the funds.”

The details of this \$27,103 difference (in thousands) are as follows:

Lease revenue bonds	\$ 15,785
Compensated absences	9,868
Long-term note	1,445
Accrued interest payable	<u>5</u>
Net adjustment to decrease Fund Balances - Total Governmental Funds	<u><u>\$ 27,103</u></u>

**B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities.**

The governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between Net Change in Fund Balances – Total Governmental Funds and Change in Net Assets of Governmental Activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “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.”

The details of this \$31,392 difference (in thousands) are as follows:

Expenditures for capital outlays	\$ 84,770
Expenditures for capital equipment purchases	492
Less amounts not capitalized	<u>(10,258)</u>
Expenditures for capital asset acquisitions	75,004
Less depreciation expense - governmental funds	<u>(43,612)</u>
Net adjustment to increase Net Change in Fund Balances - Total Governmental Funds	<u><u>\$ 31,392</u></u>

**III. Stewardship, compliance, and accountability**

**A. Budgetary information**

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

1. The budget includes proposed expenditures and their financing sources. During May and June, the City Manager submits to the City’s Finance Commission and the City Council a

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**III. Stewardship, compliance, and accountability (continued)**

proposed operating budget for all funds of the City for the fiscal year commencing the following July 1.

2. Public hearings are conducted at the Finance Commission and City Council meetings to obtain residents' comments. Prior to July 1, the budget is legally enacted through adoption of an appropriation resolution.
3. After adoption, the annual budget may be amended by the City Manager, if amendments are less than \$50,000 and do not expand or add to city 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 at the department level. The City departments are: City Manager, Administrative Services, Community Development, Community Services, Public Safety, Public Works, and Great Park. The first two departments are classified together for reporting purposes as General Government, but City Manager and Administrative Services operate separately as departments for budgetary control purposes. Review by the Finance Commission and approval by the City Council are required if an amendment is in excess of \$50,000. Amendments to the adopted General Fund budget for the fiscal year ended June 30, 2009, increased appropriations by \$2,449,209, to an amended total of \$179,349,162. The legal level of control for all governmental funds other than the General Fund is considered to be at the fund level.
4. Budgets for the General, Special Revenue, and Debt Service 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.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**B. Excess of expenditures over appropriations**

Other Funds

For the fiscal year ended June 30, 2009, the expenditures exceeded appropriations in the Major Special Events Fund by \$567,000. Additional events were added to the planned schedule, increasing the need for overtime. These additional overtime costs were offset by an equal amount of revenue billed to and received from the event sponsors.

The expenditures in the North Irvine Transportation Mitigation Fund exceeded appropriations by \$335,000. Due to various factors influencing development timetables inherent in multi-year capital



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**III. Stewardship, compliance, and accountability (continued)**

projects scheduling, various projects in this fund continue to fluctuate during the current year. These timing differences are expected to reverse in future fiscal years and will be monitored accordingly at the project level.

During fiscal year 2005-06, the City Council approved the formation of the Irvine Community Land Trust (ICLT) Fund that had been accounted for in the Redevelopment Agency Housing Fund. During fiscal year 2007-08, it was determined that the ICLT is a blended component unit of the City and its activity were recorded in a separate fund. The expenditures exceeded appropriations by \$370,000. The fund was not budgeted in fiscal year 2008-09.

**C. Deficit fund balances**

Major Funds

The RDA Debt Service Fund has a deficit fund balance of \$159,287,984 at June 30, 2009, which is expected to be relieved from future tax increment revenues.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**IV. Detailed notes on all funds**

**A. Deposits and investments**

Cash and investments, as of June 30, 2009, are classified in the accompanying financial statements as follows (in thousands):

Statement of net assets:	
Cash and investments	\$ 498,584
Cash and investments held by trustee	206,866
Total	705,450
Fiduciary funds:	
Cash and investments	28,321
Cash and investments held by trustee	64,879
Agency deposits	140
Investments - Pension trust funds	24,583
Total	117,923
Total Cash and Investments	\$ 823,373

Cash and investments, as of June 30, 2009, consist of the following (in thousands):

Cash on hand	\$ 21
Deposits with financial institutions	2,785
Investments	795,984
Total	798,790
Investments - Pension trust funds	24,583
Total Cash and Investments	\$ 823,373

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

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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

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

**Investments Authorized by Bond Indentures**

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

**Disclosures Relating to Interest Rate Risk**

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

Information about the sensitivity of the fair values of the City's investments (including investments 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 (in thousands):

Investment Type	Amount	Remaining Maturity		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Government Sponsored Enterprise Securities	\$ 515,820	\$ 148,397	\$ 157,887	\$ 209,536
Local Agency Investment Fund (LAIF)	8,195	8,195	-	-
Money Market Mutual Funds	271,969	271,969	-	-
	<u>\$ 795,984</u>	<u>\$ 428,561</u>	<u>\$ 157,887</u>	<u>\$ 209,536</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

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

The City's investments (including investments held by trustees) in callable federal agency securities are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2009, is \$211,350,848.

**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 fiscal year-end for each investment type (in thousands).

Investment Type	Total	Minimum Legal Rating	Rating Not Required	Rating as of June 30, 2009	
				AAA/Aaa	Unrated
U.S. Government Sponsored Enterprise Securities	\$ 515,820	N/A	\$ -	\$ 515,820	\$ -
Local Agency Investment Fund (LAIF)	8,195	N/A	-	-	8,195
Money Market Mutual Funds	271,969	AAA	-	271,969	-
	<u>\$ 795,984</u>		<u>\$ -</u>	<u>\$ 787,789</u>	<u>\$ 8,195</u>

**Concentration of Credit Risk**

The City's investment policy generally states that no more than 5% or \$5 million of the portfolio, whichever is less, may be invested in any obligations of one entity or single security except U.S. Treasuries, U.S. Government Sponsored Enterprise Securities, and LAIF, which is subject to a 25% (excluding the fiscal agent cash portfolio) limitation. Investments in any one issuer that represent 5% or more of the City's investments are as follows (in thousands):

Issuer	Investment Type	Market Value
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 78,203
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 190,095
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 133,564
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 93,017

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

Issuer	Investment Type	Market Value
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 14,942

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. On June 30, 2009, \$1,287,367 of the bank value of the City's deposits with financial institutions was in excess of federal depository insurance limits.

Bank of America, the City's banking institution, has notified the City that there are times during the course of the year where they may not have met the collateral requirements. In addition, due to existing financial market conditions, there is a risk that the City may not be able to recover its deposits in excess of FDIC insurance coverage if a financial institution fails and the market value of the collateral is insufficient to cover all deposits.

As of June 30, 2009, the City's investments in the following investment type was held by the City's safekeeping agent or trustee (in thousands).

Investment Type	Market Value
U.S. Government Sponsored Enterprise Securities	\$ 494,879

The following investments in the fiscal agent cash portfolio are uninsured or uncollateralized and currently held by the bond trustees (in thousands):

Investment Type	Market Value
U.S. Government Sponsored Enterprise Securities	\$ 20,941

**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 Plan - Investments in the Plan are administered by the City's Defined Benefit Pension Plan Trustees and are subject to the investment policies stipulated in the Plan document rather than

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

the general provisions of the California Government Code or the City's investment policy. Cash and investments of the Defined Benefit Plan are included in the basic financial statements as of December 31, 2008. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2008.

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, 2008. 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, 2008.

**Agency Deposits**

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

**Restricted Cash**

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$637,654 at June 30, 2009, were restricted per terms of an agreement with the Irvine Senior Foundation and the City.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

**B. Capital assets**

Capital asset activity for the year ended June 30, 2009, was as follows (in thousands):

	As restated Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 574,632	\$ 5,377	\$ -	\$ 580,009
Construction in progress	67,478	24,984	21,413	71,049
Total capital assets not being depreciated	<u>642,110</u>	<u>30,361</u>	<u>21,413</u>	<u>651,058</u>
Capital assets, being depreciated:				
Buildings and systems	79,298	2,711	1,497	80,512
Improvements other than buildings	50,570	20,222	-	70,792
Machinery and equipment	42,080	5,597	1,051	46,626
Infrastructure	<u>1,233,113</u>	<u>44,896</u>	<u>-</u>	<u>1,278,009</u>
Total capital assets being depreciated	<u>1,405,061</u>	<u>73,426</u>	<u>2,548</u>	<u>1,475,939</u>
Less accumulated depreciation for:				
Buildings and systems	(36,393)	(2,007)	-	(38,400)
Improvements other than buildings	(25,389)	(2,279)	-	(27,668)
Machinery and equipment	(29,922)	(4,661)	(972)	(33,611)
Infrastructure	<u>(512,572)</u>	<u>(38,700)</u>	<u>-</u>	<u>(551,272)</u>
Total accumulated depreciation	<u>(604,276)</u>	<u>(47,647)</u>	<u>(972)</u>	<u>(650,951)</u>
Total capital assets, being depreciated, net	<u>800,785</u>	<u>25,779</u>	<u>1,576</u>	<u>824,988</u>
Governmental activities capital assets, net	<u>\$ 1,442,895</u>	<u>\$ 56,140</u>	<u>\$ 22,989</u>	<u>\$ 1,476,046</u>

**Property Held for Resale**

As part of the City's low and moderate income housing activities, the Irvine Community Land Trust (ICLT) purchased properties for resale to be preserved for affordable housing units. The ICLT resells the properties to income eligible homebuyers in accordance with the affordable housing program at below market value. Property assets held for resale are accounted for at the lower of cost or realized market value.

As of June 30, 2009, property held for resale totaling \$736,850 consisted of three condominiums.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

Depreciation expense was charged to City functions/programs as follows (in thousands):

Public Works	\$ 1,748
General Government	1,579
Community Services	1,124
Public Safety	417
Great Park	36
Community Development	8
Internal Service Funds Depreciation-charged to programs based on asset usage	<u>4,035</u>
Allocated Depreciation	8,947
Unallocated Infrastructure Depreciation	<u>38,700</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 47,647</u></u>

**Construction Commitments**

The City has active construction projects as of June 30, 2009. The projects include signal projects, streets and drainage projects, bridges, trails, landscape, facilities and equipment. At fiscal year-end the City's encumbrances with contractors were as follows (in thousands):

	Spent-to-date	Remaining Commitment
Streets and drainage	\$ 27,374	\$ 7,009
Facilities and equipment	24,985	13,606
Bridges	12,430	9,669
Traffic signal projects	7,763	637
Landscape	1,537	97
Trails	353	234
Total	<u><u>\$ 74,442</u></u>	<u><u>\$ 31,252</u></u>

Special assessment bonds that will be repaid by the benefiting property owners are financing the special assessment commitments. A mixture of outside federal and state grants supplemented by City funding finances the other commitments. City funding includes the 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, 2009, was as follows (in thousands):

<b>Due to/from other funds:</b>		
Receivable Fund	Payable Fund	Amount
<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>\$ 3,535</u>



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

**Advances to/from other funds:**

Receivable Fund	Payable Fund	Amount
Orange County Great Park Fund	RDA Debt Service Fund	\$ 157,015
General Fund	RDA Debt Service Fund	11,936
Other Governmental Funds	Other Governmental Funds	1,350
		<u>\$ 170,301</u>

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

The advances balance (in thousands) represent balances due under a series of financing agreements, including accrued interest between the Agency and the General Fund and Orange County Great Park Fund. Agreement terms stipulate Agency repayment from future tax increment revenues as they become available.

**Interfund Transfers:**

	Transfers in (in thousands):						Total
	General Fund	Irvine Business Complex	Irvine Redevelopment	Capital Improvement Projects	Other Governmental Funds	Internal Service Funds	
Transfers out:							
General Fund	\$ -	\$ 49	\$ -	\$ (84)	\$ 2,370	\$ -	\$ 2,335
Irvine Business Complex	-	-	-	-	1,180	-	1,180
Orange County Great Park	100	-	-	-	18,419	-	18,519
RDA Debt Service	-	-	2,000	-	264	-	2,264
Capital Improvement Projects	1,105	-	-	-	399	-	1,504
Assessment Districts	-	-	-	2,562	-	-	2,562
Other Governmental Funds	6,714	12	-	15,643	13,509	66	35,944
Internal Service Funds	1,300	-	-	-	-	-	1,300
Total	<u>\$ 9,219</u>	<u>\$ 61</u>	<u>\$ 2,000</u>	<u>\$ 18,121</u>	<u>\$ 36,141</u>	<u>\$ 66</u>	<u>\$ 65,608</u>
Contribution of equipment - General Fund						151	
Contribution of equipment - Orange County Great Park						84	
Total Transfers - Internal Service Funds						<u>\$ 301</u>	

Transfers provided funding for the development of the OCGP, other capital projects, as well as capital acquisitions and debt service. Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, 2) move receipts restricted from debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

**D. Leases**

**Operating Revenue Lease**

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

**Irvine Redevelopment Agency**

The Agency is lessor in an operating lease with El Toro Farms, LLC, for the use of approximately 19.2 acres of farming land for the purpose of cultivating, irrigation, raising and harvesting of strawberry and vegetable crops. The lease is a one-year lease beginning August 2007, the second amendment to the lease extended the lease term to June 2010, with the option to extend the lease for two one-year periods. The base monthly rent is \$4,327. Rental revenue at June 30, 2009, was \$61,536. The Agency expects to receive the following future minimum lease payment (in thousands):

Fiscal Year Ending June 30	Annual Rent
2010	\$ 52

**Orange County Great Park**

The Orange County Great Park (OCGP) fund receives revenue for three operating leases for sites within the former MCAS El Toro. The first lease is with All Star Services Corporation for recreational vehicle storage. The original lease was a five-month lease beginning in July 2005. In January 2009, the City entered into its sixth amendment of the lease, extending the lease termination date to January 31, 2009, and the base monthly rent is \$146,760. Rental revenue for the fiscal year ended June 30, 2009, was \$1,803,319.

Tierra Verde Industries entered into a lease beginning in May 2006 and terminating May 2010. The lease is for two parcels within the OCGP, the first parcel is approximately 60 acres of land for green waste recycling, rent is paid quarterly in advance at \$72,119 per quarter. The rent for parcel one is adjusted at the end of each lease year and shall be increased by the percentage increase in the consumer price index during the lease year. Parcel two, is for an office and warehouse building in the OCGP, used for general office, light maintenance and manufacturing. Rent for the office and warehouse building is \$5,500 due monthly. The lessee also pays additional rent for Green Waste Host Fees at \$0.60 per ton. Rental revenue for the fiscal year ended June 30, 2009, for parcel one and two was \$354,475 and Green Waste Host Fees was \$113,423.

The final lease in the OCGP fund is with El Toro Farms, LLC, for the use of approximately 65.8 acres of farming land for the purpose of cultivating, irrigation, raising and harvesting of strawberry and vegetable crops. The original lease was a one-year lease beginning in July 2005. In July 2009, the City entered into its fourth amendment to the lease, extending the lease termination date to June 30, 2010, and reducing the acres usage to approximately 35.4 acres. The base monthly rent is \$7,965. Rental revenue at June 30, 2009, was \$238,720.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2009, is as follows (in thousands):

Fiscal Year Ending June 30	Annual Rent
2010	\$ 1,448

**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, 2009, amounted to \$404,387. The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2009, is as follows (in thousands):

Fiscal Year Ending June 30	Annual Rent
2010	\$ 607
2011	398
2012	255
2013	254
2014	257
2015-2019	827
2020-2024	801
2025-2029	650
2030-2031	143
	\$ 4,192

**Other Governmental Funds**

The City is lessor in an operating lease with Irvine Roller Hockey Facilities, LLC and its successor-in-interest HBP Realty LLC. The lease was a ten-year lease beginning in July 1996, containing five successive options to extend the term of the lease for five years each. Annual rent under the initial ten year lease was a fixed minimum of \$60,000. The first option to extend the term of the lease was accepted, effective July 2006. Annual rent under the renewal option is a fixed minimum of \$73,800 plus 3.5% of the facility's annual gross sales when that amount is in excess of the fixed minimum.

Rental revenue at June 30, 2009 was \$73,800. The City expects to receive the following future minimum lease payments (in thousands):

Fiscal Year Ending June 30	Annual Rent
2010	\$ 74
2011	74
	\$ 148

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

**Operating Lease Commitments**

**Irvine Redevelopment Agency**

The Agency has an ongoing commitment under a multi-tenant operating lease agreement with Heritage Fields El Toro, LLC. The lease is a five-year operating lease beginning April 2006. Rental expenditures at June 30, 2009, were \$130,258. The City is obligated to pay the following future minimum lease payments (in thousands):

Fiscal Year Ending June 30	Annual Rent
2010	\$ 133
2011	112
	\$ 245

**Orange County Great Park**

The OCGP has an ongoing commitment under a multi-tenant operating lease agreement with Heritage Fields El Toro, LLC. The lease is a five-year operating lease beginning April 2006. Rental expenditures at June 30, 2009, were \$166,065. The City is obligated to pay the following future minimum lease payments (in thousands):

Fiscal Year Ending June 30	Annual Rent
2010	\$ 169
2011	143
	\$ 312

**Capital Leases**

Total assets acquired through capital leases at June 30, 2009 were as follows (in thousands):

Governmental Activities	
Machinery and equipment	\$ 3,062
Less: Accumulated depreciation	(825)
Total	\$ 2,237

The City entered into a lease agreement with Key Equipment Finance Corporation in April 2006 for mail room equipment at a cost of \$44,546. The lease meets the capitalization policy and has been recorded as an asset of the Equipment and Services Internal Service Fund. The interest rate on the lease is 7.73%. The term of the lease is three years. The remaining balance was paid in full during fiscal year 2008-09.

The City entered into a lease agreement with Ford Motor Credit Corporation in January 2006 for patrol cars at a cost of \$231,917. 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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

is 5.0%. The term of the lease is three years. The remaining balance was paid in full during fiscal year 2008-09.

The City entered into a lease agreement with Ford Motor Credit Corporation in April 2006 for patrol cars at a cost of \$185,603. 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 5.25%. The term of the lease is three years. The remaining balance was paid in full during fiscal year 2008-09.

In February 2008, the City entered into a lease agreement with Ford Motor Credit for patrol cars at a cost of \$536,204. 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 4.15%. The term of the lease is three years. Future minimum payments relating to the lease are as follows (in thousands):

Fiscal Year Ending June 30	Internal Service Fund		
	Principal	Interest	Total
2010	\$ 180	\$ 11	\$ 191
2011	141	3	144
	<u>\$ 321</u>	<u>\$ 14</u>	<u>\$ 335</u>

The City entered into a lease agreement with Ford Motor Credit Company in June 2009 for sixteen patrol cars at a cost of \$380,299. The lease meets the capitalization policy and the vehicles have been recorded as assets of the Equipment and Services Internal Service Fund. The interest rate on the lease is 4.80%. The term of the lease is three years. Payments are due quarterly under the terms of the lease. Future minimum payments relating to the lease are as follows (in thousands):

Fiscal Year Ending June 30	Internal Service Fund		
	Principal	Interest	Total
2010	\$ 112	\$ 15	\$ 127
2011	117	9	126
2012	123	4	127
	<u>\$ 352</u>	<u>\$ 28</u>	<u>\$ 380</u>

**E. Long-term debt**

**Lease Revenue Bonds Payable**

Lease Revenue Bonds, which were issued by the Irvine Public Facilities and Infrastructure Authority, consist of two separate bond issues; Series 1985 and Series 1987. The \$90,400,000 Series 1985 lease revenue bonds were issued on November 19, 1985. The bonds contain a variable rate of interest and mature from November 1, 1991 to November 1, 2010, per a prescribed redemption schedule of semi-annual principal and monthly interest payments. The \$6,375,000 Series 1987 lease revenue bonds were issued on April 30, 1987, as parity bonds to the original Series 1985 issue. The Series 1987 bonds also contain a variable rate of interest and mature on the same dates as the Series 1985 issue; from

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

November 1, 1991 to November 1, 2010, per a prescribed redemption schedule of semi-annual principal and monthly interest payments. These bond issues were for the purpose of financing the site acquisition and construction of a new civic center, a childcare center, and other capital improvements within the City.

Both the Series 1985 and Series 1987 bonds are subject to purchase on demand of the holder at a price equal to principal plus accrued interest, on seven days notice and delivery of the Certificate to the Paying Agent. The Remarketing Agent is authorized to sell the repurchased bonds at a price equal to the principal amount thereof, plus accrued interest to the purchase date. The bond indentures provide for various interest rate modes that can be selected by the City, provided that 45 days notice is given to the bondholders. Accordingly, tender dates and the requirements thereof vary with the mode selected. It is anticipated that the bonds will continue to be repriced on a weekly mode. The Authority's bonds are secured by an irrevocable Letter of Credit (LOC) issued by the State Street Bank and Trust Company, rated Aa2 by Moody's. The trustee is entitled to draw an amount sufficient to pay the principal plus accrued interest for the bonds delivered to the trustee. The LOC for both issues (Series 1985 and Series 1987) is valid until November 1, 2010. The City agrees to pay the Bank a nonrefundable letter of credit fee, which is based on a percentage of the total amount available under the LOC. The Lease Revenue bonds are not subject to federal arbitrage regulations.

Both Series 1985 and Series 1987 contain a variable rate of interest, which re-prices weekly. For disclosure purposes, the current rate at June 30, 2009 of 1.21% was utilized for both issues. Principal and interest amounts paid for the year ended June 30, 2009, were \$6,990,000 and \$266,286 respectively. The actual gross cost of debt (interest, 1.21%; remarketing agent, 0.06%; and letter of credit fees, 0.24%) incurred for the fiscal year ended June 30, 2009, was 1.51%.

Annual debt service requirements to maturity for lease revenue bonds are as follows (in thousands):

Fiscal Year Ending June 30	Series 1985 Bonds			Series 1987 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2010	7,000	412	7,412	525	30	555
2011	7,700	216	7,916	560	16	576
	<u>\$ 14,700</u>	<u>\$ 628</u>	<u>\$ 15,328</u>	<u>\$ 1,085</u>	<u>\$ 46</u>	<u>\$ 1,131</u>

**Long-Term Note**

On May 2, 2007, the Agency received a \$1,350,000 HELP (Housing Enabled by Local Partnership) loan from the California Housing Finance Agency. The proceeds of the loan were used to lend monies to the City for the purpose of developing an affordable housing rental project. The loan bears simple interest at a rate of 3.5% per annum. The term of the loan is 10 years. Payment of principal and interest on the loan is deferred until May 2, 2017. At June 30, 2009, principal and interest due were \$1,444,500.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

**F. Changes in long-term liabilities**

For the fiscal year ended June 30, 2009, changes in long-term liabilities are as follows (in thousands):

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009	Long- Term	Due Within One Year
Lease Revenue Bonds:						
Series 1985 matures in 2010	\$ 21,200	\$ -	\$ 6,500	\$ 14,700	\$ 7,700	\$ 7,000
Series 1987 matures in 2010	1,575	-	490	1,085	560	525
Total Lease Revenue Bonds	<u>22,775</u>	<u>-</u>	<u>6,990</u>	<u>15,785</u>	<u>8,260</u>	<u>7,525</u>
Other Debt:						
Compensated absences	9,182	1,966	1,014	10,134	9,017	1,117
Claims payable	7,722	1,898	2,117	7,503	5,002	2,501
Capital lease obligation	631	352	310	673	381	292
Long-term note	1,397	48	-	1,445	1,445	-
Total Other Debt	<u>18,932</u>	<u>4,264</u>	<u>3,441</u>	<u>19,755</u>	<u>15,845</u>	<u>3,910</u>
Total Long-Term Liabilities	<u>\$ 41,707</u>	<u>\$ 4,264</u>	<u>\$ 10,431</u>	<u>\$ 35,540</u>	<u>\$ 24,105</u>	<u>\$ 11,435</u>

**G. Special assessment debt with no city commitment**

**Special tax and 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 as an agent for those paying special tax and assessments and remits the amounts collected to the bondholders of the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915 issues.

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. If delinquencies occur beyond the amounts held in the reserve funds created from the bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof, is pledged to the payment of these bonds.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

Non-committal debt amounts issued and outstanding at June 30, 2009, are as follows (in thousands):

Variable Rate Issues:		Bonds Issued	Bonds Outstanding
07-22	Stonegate	\$ 40,000	\$ 40,000
05-21	Orchard Hills	80,000	80,000
04-20	Portola Springs	115,000	78,248
03-19	Northern Sphere	121,600	50,072
00-18	Shady Canyon/Turtle Ridge/Quail Hill	84,800	8,683
85-7	Irvine Spectrum	51,500	50,300
87-8	Spectrum 5	74,700	15,750
89-10	Westpark	43,640	23,195
93-14	Spectrum 6 & 7	72,400	54,537
94-13	Oak Creek	61,600	22,287
94-15	Westpark II	32,700	12,652
97-16	Northwest Irvine	60,000	27,695
97-17	Lower Peters Canyon East	95,000	32,754
	Total Variable Rate Issues	932,940	496,173

-Continued-



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

Non-committal debt amounts issued and outstanding at June 30, 2009, are as follows (in thousands):

Fixed Rate Issues:	Bonds Issued	Bonds Outstanding
00-18 Shady Canyon/Turtle Ridge/Quail Hill	46,755	39,370
00-18 Shady Canyon/Turtle Ridge/Quail Hill	27,220	23,325
00-18 Shady Canyon/Turtle Ridge/Quail Hill	18,040	15,860
00-18 Shady Canyon/Turtle Ridge/Quail Hill	6,705	5,985
04-20 Portola Springs	37,885	36,920
03-19 Northern Sphere	6,795	6,100
03-19 Northern Sphere	28,890	26,730
03-19 Northern Sphere	8,885	8,195
03-19 Northern Sphere	15,725	14,860
03-19 Northern Sphere	17,875	17,380
87-8 Spectrum 5	5,695	2,785
87-8 Spectrum 5	10,825	7,405
87-8 Spectrum 5	17,300	5,215
87-8 Spectrum 5	11,015	8,190
93-14 Spectrum 6 & 7	1,905	1,630
93-14 Spectrum 6 & 7	875	755
93-14 Spectrum 6 & 7	4,475	4,020
93-14 Spectrum 6 & 7	2,120	1,975
93-14 Spectrum 6 & 7	1,335	1,295
97-16 Northwest Irvine	1,320	1,105
97-17 Lower Peters Canyon East	3,040	2,600
97-17 Lower Peters Canyon East	1,650	1,455
IPFLA Revenue Bonds, Series A	66,240	35,670
99-1 Reassessment District	15,465	2,795
99-2 Reassessment District	50,775	34,233
IPFLA Revenue Bonds, Series B	57,575	44,740
01-1 Reassessment District	8,755	7,165
01-2 Reassessment District	48,814	39,042
IPFLA Revenue Bonds, Series C	91,175	73,345
03-1 Reassessment District	9,665	8,098
03-2 Reassessment District	81,519	66,503
CFD 2005-2 Columbus Grove	24,375	23,600
Total Fixed Rate Issues	<u>730,688</u>	<u>568,346</u>
Total All Issues	<u>\$ 1,663,628</u>	<u>\$ 1,064,519</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

**H. Fund equity reservations, designations, and restricted net assets**

The City has established reservations of fund equity to segregate fund balances that are not available for expenditure or which are legally segregated for a specific future use. The City Council has also established designations of unreserved fund balances to indicate tentative plans for uses of financial resources in a future period.

**Reservations**

The City's fund equity reservations at June 30, 2009, are presented in the table below (in thousands) followed by explanations as to the nature and purpose of each reservation.

	General Fund	Orange County Great Park	Capital Improve- ment Projects	Assess- ment Districts	Other Govern- mental Funds
Encumbrances	\$ 380	\$ -	\$ -	\$ -	\$ -
Deposits	145	-	-	-	-
Prepaid costs	-	306	-	-	-
Advances to other funds	1,185	134,000	-	-	1,350
Asset Forfeiture funds	391	-	-	-	-
Infrastructure & rehabilitation	7,326	-	-	-	-
Debt service	-	-	-	-	5,449
Infrastructure improvements in assessment districts	-	-	-	169,501	-
Capital improvement projects	-	-	9,320	-	-
Senior Services program	-	-	-	-	469
<b>Total Reserved</b>	<b>\$ 9,427</b>	<b>\$ 134,306</b>	<b>\$ 9,320</b>	<b>\$ 169,501</b>	<b>\$ 7,268</b>

Reserved for Encumbrances - This reserve is maintained to indicate commitments related to unperformed contracts for goods or services at fiscal year end, and represent the estimated amount of expenditures expected to result when such contracts are completed.

Reserved for Deposits - These amounts represent security deposits for the City's share of joint transportation projects with other government agencies. These funds will not be available for current expenditures until the related projects are complete.

Reserved for Prepaid Costs - This reserve represents the expenditures that were paid in advance and will be realized when the corresponding services and goods are received.

Reserved for Advances to Other Funds - This reserve represents amounts of various financing and reimbursement agreements that are not currently available resources.

Reserved for Asset Forfeiture Funds - These funds are legally restricted by federal and state guidelines to be spent for law enforcement purposes, supplementing and not supplanting other public safety funding.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

Reserved for Infrastructure & Rehabilitation - The amount represents the funding for capital improvement approved by the City Council and currently in process.

Reserved for Debt Service - This amount represents all amounts accumulated in the debt service funds to be used for future debt service, including amounts held in accordance with bond indentures or similar covenants.

Reserved for Infrastructure Improvements in Assessment Districts - This reserve represents amounts established to account for the expenditures of bond construction proceeds used to fund capital improvement projects in the various assessment districts.

Reserved for Capital Improvement Projects - This reserve represents amounts established to account for expenditures for the construction and rehabilitation of circulation improvements and railroad grade separation projects from revenues that are restricted by bond covenants and enabling legislation.

Reserved for Senior Services Programs - This reserve represents nonexpendable resources invested to produce earnings that may be used to support the City's adult day health services and senior citizen centers.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

**Designations**

The City's designations at June 30, 2009, are presented in the table below (in thousands) followed by explanations as to the nature and purpose of each designation.

	General Fund	Irvine Business Complex	Orange County Great Park	Irvine Redevelop- ment Fund	Other Govern- mental Funds
Asset Management	\$ 69,909	\$ -	\$ -	\$ -	\$ -
Infrastructure & rehabilitation	3,378	-	-	-	-
Education partnership	1,140	-	-	-	-
Compensated absences	2,285	-	-	-	-
Contingency	21,045	-	-	-	-
Orange County Great Park	-	-	126,364	-	-
Development services	427	-	-	-	-
Council reallocation	1,312	-	-	-	-
Community Services	1,273	-	-	-	-
Irvine Business Complex	-	64,763	-	-	-
Senior Services program	-	-	-	-	170
Street and road improvements	-	-	-	-	48,854
Lighting, landscape, and park maintenance	-	-	-	-	3,436
Park capital outlays	-	-	-	-	31,560
Park development	-	-	-	-	52,429
Traffic signal exactions	-	-	-	-	3,179
Affordable housing program	-	-	-	-	5,153
Irvine Redevelopment	-	-	-	757	-
Clean Air Act program	-	-	-	-	1,312
Special programs	-	-	-	-	1,206
Total Designated	<u>\$ 100,769</u>	<u>\$ 64,763</u>	<u>\$ 126,364</u>	<u>\$ 757</u>	<u>\$ 147,299</u>

Designated for Asset Management - This designated amount is available to the City Council as a long-term funding source for infrastructure rehabilitation and other projects deemed appropriate by the City Council, once sufficient funds have accumulated as a reserve for the City's lease revenue bond obligations.

Designated for Infrastructure & Rehabilitation - The City Council designated this amount of fund balance to provide funding for current and long-term major rehabilitation of the City's infrastructure.

Designated for Education Partnership - The City Council designated this amount of fund balance to provide funding for enhancements or additions to programs and activities for students attending public schools located within the City's boundaries.

Designated for Compensated Absences - This amount is designated for funding vacation and sick leave conversion benefits payable upon termination.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

Designated for Contingency - Per City Council policy, a goal of 15% with a minimum reserve of 3% of the General Fund operating budget is designated for future economic uncertainties to fund critical City service delivery functions during times of extreme financial conditions.

Designated for Orange County Great Park - This fund balance is designated for land-use planning and implementation of the development plan for the OCGP on the site of the former MCAS El Toro.

Designated for Development Services - This amount is designated for development costs such as those related to general plan amendments, zone changes, master plans, development agreements, tentative tract and parcel maps and sign programs.

Designated for Council Reallocation - This amount is designated for reallocation by the City Council for fiscal year 2009-10 priorities.

Designated for Community Services - This fund balance is designated for community services programs supported by donations, special programs, and events.

Designated for Irvine Business Complex - This fund balance is designated to provide for planned new capital and transportation management projects within the Irvine Business Complex area and is funded by revenues generated by development within the Irvine Business Complex.

Designated for Senior Services Programs - This amount is designated for purposes that support the City's adult day health services and senior citizens programs.

Designated for Street and Road Improvements - These funds are designated for specific street related purposes such as new construction, rehabilitation and maintenance, as well as traffic congestion relief plans.

Designated for Lighting, Landscape, and Park Maintenance - These funds are designated for the expenditures of special assessments generated by voter approval of the City's lighting, and park maintenance assessment in April 2002.

Designated for Park Capital Outlays - This fund balance is designated to provide for expenditures of developer fees received under the Quimby Act for the purposes of providing or improving recreational facilities in the area of proposed developer improvements.

Designated for Park Development - This fund balance is designated to fund various construction and rehabilitation projects for parks, and related facilities and landscaping in accordance with grant and development agreements.

Designated for Traffic Signal Exactions - This fund balance is designated to provide for expenditures of developer fees collected for future capital improvements projects from which they will receive direct benefit.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

Designated for Affordable Housing Programs - This fund balance is designated to provide for the accumulation of 20% of tax increment set aside for affordable housing uses and the activities of Irvine Community Land Trust to assist the City in securing low income housing for its residents.

Designated for Irvine Redevelopment - This fund balance is designated to provide for the activities of the Irvine Redevelopment Agency to administer the redevelopment project area.

Designated for Clean Air Act Program - This fund balance is designated to provide for the City's programs implementing AB 2766, the California Clean Air Act of 1988, which mandates that the fees collected fund expenditures for the reduction of air pollution from motor vehicles.

Designated for Special Programs - The City Council designated these funds to support a variety of grant funded special programs as designated by law, the grant terms, or administrative regulations.

**Restricted Net Assets**

Restrictions imposed by constitutional provisions, legislation or mutual agreement with third parties the City's Net Assets at June 30, 2009, are summarized below (in thousands).

**Net assets restricted for:**

Debt service	\$ 5,449
Assessment district infrastructure improvements	169,501
Capital improvement projects	139,126
Streets and transportation improvement projects	50,292
Lighting, landscape, and park maintenance	3,436
Affordable housing program	5,153
Redevelopment project areas	757
Public Safety	391
Clean Air Act program	1,312
Senior Services programs:	
Expendable	170
Nonexpendable	469
Total Restricted Net Assets	<u><u>\$ 376,056</u></u>

Restricted for Debt Service - This restriction represents amounts accumulated in the debt service funds to be used for future debt service, including amounts held in accordance with bond indentures or similar covenants.

Restricted for Assessment Districts Infrastructure Improvements - This restriction represents amounts established to account for the expenditures of bond construction proceeds used to fund capital improvement projects in the various assessment districts.

Restricted for Capital Improvement Projects - This restriction represents amounts established to account for expenditures for the construction and rehabilitation of circulation improvements and

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

railroad grade separation projects from revenues that are restricted by bond covenants and enabling legislation.

Restricted for Streets and Transportation Improvement Projects - This restriction represents amounts used to provide for planned new streets and transportation management projects within the City.

Restricted for Lighting, Landscape, and Park Maintenance - These funds are restricted for the expenditures of special assessments generated by voter approval of the City's lighting, landscape, and park maintenance assessment in April 2002.

Restricted for Affordable Housing Program - These funds are restricted for the activities of the City in securing low income housing for its residents.

Restricted for Redevelopment Project Areas - The restriction represents amounts to account for operational and capital expenditures associated with the redevelopment project area and plan for the non-aviation reuse of the former MCAS El Toro base property.

Restricted for Public Safety - These funds are restricted for law enforcement purposes, supplementing and not supplanting other public safety funding.

Restricted for Clean Air Act Program - This restriction represents amounts used to provide for the City's programs implementing AB 2766, the California Clean Air Act of 1988, which mandates that the fees collected fund expenditures for the reduction of air pollution from motor vehicles.

Restricted for Senior Services Programs - These amounts are restricted for purposes that support the City's permanent fund activities to provide adult day health services, and additional support for senior citizens centers and programs. A portion of the restricted fund balance is non-expendable in accordance with the contractual agreement to establish the fund.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

**Pension and Employee Benefit Trust Fund Restrictions**

Pension Trust Funds net assets at December 31, 2008, contain the following restricted amounts (in thousands):

Defined Benefit Pension Benefits	\$ 15,445
Defined Contribution Pension Benefits	<u>9,069</u>
Total Pension and Employee Benefit Trust Funds - Net Assets	<u><u>\$ 24,514</u></u>



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. Other information**

**A. Risk management**

The City uses a combination of insured and self-insured programs to finance its property and casualty risk. The City is self-insured for workers' compensation, automotive and general liability risks. Excess liability coverage above \$350,000 per occurrence and a \$2,000,000 aggregate is provided through a risk-sharing pool, the California Insurance Pool Authority (CIPA). CIPA also purchases excess liability coverage up to a \$42,000,000 limit for the pool. Excess workers' compensation coverage above \$300,000 per occurrence and up to \$3,000,000 is provided through the use of CIPA. Property and employment practices liability risk are financed through insurance contracts and have 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 ten other Orange County cities. Premiums paid during the fiscal year ended June 30, 2009, were \$1,902,691. 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. Two 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, 2009. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2009, \$7,502,697 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 know 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 the fiscal year 2008-09. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2007, resulted in the following (in thousands):

	Workers' Compensation	General Liability	Total
Liability Balance, July 1, 2007	\$ 5,823	\$ 2,274	\$ 8,097
Claims and changes in estimates	340	1,053	1,393
Claim payments during 2007-2008	(1,043)	(725)	(1,768)
Liability Balance, June 30, 2008	<u>5,120</u>	<u>2,602</u>	<u>7,722</u>
Claims and changes in estimates	2,062	(164)	1,898
Claim payments during 2008-2009	(1,186)	(931)	(2,117)
Liability Balance, June 30, 2009	<u>\$ 5,996</u>	<u>\$ 1,507</u>	<u>\$ 7,503</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. 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 healthcare plan. 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 the employee group. Eligible retirees receive a monthly reimbursement of health insurance premiums under the plan in an amount to be determined by the Board of Trustees based on years of service and contribution. 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. At June 30, 2009, employer contributions were \$802,263 and participant contributions were \$791,932. Copies of the MOU may be obtained from City Hall.

**Retirement Health Savings**

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

Funding Policy The City is required to contribute 2% or 3% of base salary depending on the employee association's MOU. At June 30, 2009, the City contributed \$277,116 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, 2009 (Continued)**

**V. Other information (continued)**

**Other Post Employment Benefits (OPEB)**

Plan Description The City provides that retirees may elect to continue their healthcare insurance benefits through the City. This benefit coverage is determined by negotiation between the City and the employee associations and detailed along with other wage and benefit issues in MOU 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 become eligible for long-term disability benefits and have coverage immediately prior to retirement, are eligible to retire and participate in the City's healthcare plans by paying the full premiums identical to those charged for the City's active employees. As of June 30, 2009, there were 108 retired employees receiving healthcare benefits. A separate financial statement is not issued.

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

The annual OPEB actuarial cost does not require that the unfunded liabilities actually be funded, only that employers account for the unfunded accrued liability and compliance in meeting the Annual Required Contribution (ARC). The ARC is the sum of the present value of future benefits being earned by current employees plus amortization of benefits already earned by current and former employees but not yet provided for. The amortization of benefits previously earned (unfunded actuarial liabilities) is being amortized over a period of thirty years.

Annual OPEB Cost and Net OPEB Obligation The City's annual OPEB cost (expense) \$486,108, 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 closed thirty years period. The following table shows the components of the City's annual OPEB cost for the year:

	June 30, 2009
Annual required contribution (ARC)	\$ 486,108
Contributions made	(267,120)
Increase in net OPEB obligation	218,988
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	\$ 218,988

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. Other information (continued)**

The percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year 2008-09 is as follows (in thousands):

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 486	55%	\$ 219

Funded Status and Funding Progress As of July 1, 2008, the date of the latest actuarial valuation, there were 687 active employees and 108 retirees. The actuarial accrued liability for benefits was \$3,868,637 as of June 30, 2009. The City is currently funding the program on a pay-as-you-go basis. The Net Pension Obligation (NPO) is accrued in the amount of \$218,988 as part of the liabilities in the Statement of Net Assets.

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 regarding 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 trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 actuarial cost method used for determining the benefit obligations is the Projected Unit Credit method. The actuarial assumptions included an annual health care cost trend rate of 8% initially, reduced 1% per year to an ultimate rate of 5% per year beginning in 2011.

**D. Employee retirement systems and pension plans**

**City of Irvine Defined Benefit Pension Plan**

Plan Description Prior to February 2, 2002, the City provided pension benefits for all of its sworn employees through the City of Irvine Defined Benefit Pension Plan. On February 2, 2002, the City contracted with the California Public Employees' Retirement system (CalPERS) to provide retirement benefits for sworn employees. The City of Irvine Defined Benefit Pension Plan is a single-employer defined benefit pension plan established by City resolution and administered in accordance with the provisions of the Plan document adopted on April 1, 1975, and subsequently restated on January 1, 1984, July 1, 1996, and January 1, 2004. The Plan is now closed to new participants. An actuarial

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. Other information (continued)**

valuation is performed bi-annually to determine the actuarial implication of the Plan's funding policy. The last actuarial valuation date was January 1, 2008. The City issues a publicly available financial report that includes financial statements and required supplementary information for the City of Irvine Defined Benefit Pension Plan. Copies of the annual financial report may be obtained from City Hall.

Funding Policy The City makes the contributions required of City employees on their behalf and for their accounts. The City contributes at an actuarially determined rate or higher; the current rate is 57.33% of annual covered payroll, which equals the actuarial determined rate of 57.33%. The contribution requirements of Plan Members and the City are established and may be amended by City resolution.

Annual Pension Cost and Net Pension Obligation For 2008, the City's annual required contributions of \$156,819 was less than the City's actual contributions, which totaled \$228,424. The method of valuation used to calculate the costs of the Plan is the aggregate cost method. Under this method there is no unfunded actuarial liability and all costs including gains and losses are funded as a percentage of participants' future salaries. The components of the annual pension cost for the calendar year ended December 31, 2008, are as follows:

Annual required contribution	\$ 156,819
Interest on net pension obligation	(107,551)
Adjustment to annual required contribution	<u>231,722</u>
Annual pension cost	280,990
Actuarial adjustment	268,639
Contributions made	<u>228,424</u>
Increase (decrease) in net pension obligation	778,053
Net pension obligation (asset) - beginning of year	<u>(2,244,104)</u>
Net pension obligation (asset) - end of year	<u><u>\$ (1,466,051)</u></u>

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

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. Other information (continued)**

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

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
12/31/2006	\$ 327	100%	\$ (2,226)
12/31/2007	\$ 212	100%	\$ (2,244)
12/31/2008	\$ 281	100%	\$ (1,466)

The actuarial assumptions included a 5.5% investment rate of return, 5.5% inflation rate, annual salary increases of 5% and post-retirement benefit increases of 2%. The actuarial method for valuing assets is market value plus actuarial contribution and interest.

Funded Status and Funding Progress As of January 1, 2008, the most recent actuarial valuation date, the Plan was 98.54% funded. The actuarial accrued liability for benefits was \$19,070,867, and the actuarial value of assets was \$18,792,094, resulting in Unfunded Actuarial Accrued Liability (UAAL) of \$278,773. The covered payroll (annual payroll of active employees covered by the Plan) was \$273,538, and the ratio of the UAAL to the covered payroll was 101.8%. The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents multi-year trend information whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrual liability for benefits.

**City of Irvine Defined Contribution Pension Plan**

Plan Description The City provides pension benefits through the City of Irvine Defined Contribution Pension Plan for those full time non-sworn employees who elected not to participate in CalPERS in 2003. The City is responsible for the administration of the Plan with the City Council having the authority to amend or terminate contribution provisions. Copies of the annual financial report may be obtained from City Hall. Retirement benefits depend on amounts contributed plus investment earnings. Until July 2004, non-sworn full time employees were eligible to participate from the date of employment. The Plan is now 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 MOU between those entities. Copies of MOU may be obtained from City Hall.

Funding Policy Effective July 1, 2004, eligible participants were required to contribute 4% of their base compensation into the Plan. Pursuant to agreements with the City's employee associations, the City's contributions were 15% of the participants' basic compensation for the fiscal year ended December 31, 2008. Plan participants have the right to 100% of their account balance upon their death, permanent and total disability or upon attainment of normal retirement age 59.5 under the Plan. If employment terminates prior to normal retirement age for reasons other than death, or permanent and total disability, the participant will retain 50% vesting upon successful completion of the six month to one year probationary period and 5% vesting for each calendar year in which the employee attains 1,000 hours of credited service until the completion of the fifth year when full vesting will occur.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. Other information (continued)**

At December 31, 2008, the Plan had a membership of 119, consisting of 16 active members, 76 terminated and 27 non-employee or other members. All 119 members are fully vested in the Plan. Total Plan assets were \$9,240,891. Effective April 1996, the Plan became participant-directed. Participants may direct investment of employer contributions and earnings in 1% increments among twenty-three investment options with the third party administrator, Wachovia Bank. Employer contributions to the Plan during the calendar year ended December 31, 2008 were \$208,888 and participant contributions were \$55,705. On March 15, 2008, \$210,778 was transferred to CalPERS. 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 are eligible to participate in the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. Initial participation was determined during the employees' ratification vote during October 2001. New employees are required to join CalPERS. CalPERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

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

Annual Pension Cost For the fiscal year ended June 30, 2009, the City's annual pension cost of \$7,774,861 for CalPERS was equal to the City's required and actual contributions. The required contribution was determined by actuarial valuation using the entry age normal actuarial cost method as of June 30, 2006. The amortization method used is a level percentage of payroll. The actuarial assumptions included: (a) a 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by age, length of service and type of employment from 3.25% to 13.15%, (c) a 3% inflation rate, (d) a 3.25% payroll growth rate, and (e) a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3% and an annual production growth of 0.25%. Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent Plan amendments will be amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a 30 year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of Plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. Other information (continued)**

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 5,765	100%	\$ -
6/30/2008	\$ 6,710	100%	\$ -
6/30/2009	\$ 7,745	100%	\$ -

Funding Status and Funding Progress As of June 30, 2008, the most recent actuarial valuation date, the Plan was 80.9% funded. The actuarial accrued liability for benefits was \$117,823,310 and the actuarial value of assets was \$95,371,234, resulting in an UAAL of \$22,452,076. The covered payroll (annual payroll of active employees covered by the Plan) was \$17,239,535, and the ratio of the UAAL to the covered payroll was 130.2%. The Schedule of Funding Progress is presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents multi-year trend information whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

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

Funding Policy Participants are required to contribute 8% of their annual covered salary. The City contributes 2.552 % of the contribution required of miscellaneous employees on their behalf and for their accounts. The City is also required to contribute additional amounts at an actuarially determined rate. The contribution requirements of plan members and the City are established and may be amended by CalPERS. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

Annual Pension Cost For the fiscal year ended June 30, 2009, the City's annual pension cost of \$10,213,813 for CalPERS was equal to the City's required and actual contributed pension costs. The required contribution was determined by actuarial valuation as of June 30, 2006, using the entry age normal actuarial cost method. The amortization method used is a level percentage of payroll. The actuarial assumptions included: (a) a 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by age, length of service and type of employment from 3.25% to 14.45%, (c) a 3% inflation rate, (d) and a 3.25% payroll growth rate. Initial unfunded liabilities are



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. Other information (continued)**

amortized over a closed period that depends on the Plan's date of entry into CalPERS. All changes in liability due to Plan amendments, changes in actuarial assumptions, or methodology will be amortized as a level percentage of pay over a 20 year period. Gains and losses that occur in the operation of the Plan are amortized over a 30 year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of Plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year period.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 8,500	100%	\$ -
6/30/2008	\$ 9,713	100%	\$ -
6/30/2009	\$ 10,214	100%	\$ -

Funding Status and Funding Progress As of June 30, 2008, the most recent actuarial valuation date, the Plan was 74.7% funded. The actuarial accrued liability for benefits was \$177,192,852 and the actuarial value of assets was \$132,395,391, resulting in an UAAL of \$44,797,461. The covered payroll (annual payroll of active employees covered by the Plan) was \$47,141,495, and the ratio of the UAAL to the covered payroll was 95.0%. The Schedule of Funding Progress is presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents multi-year trend information whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**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. Retirement benefits depend on amounts contributed plus investment earnings. Copies of PAR's annual financial report may be obtained from their executive office: P.O. Box 1291, Newport Beach, California 92658.

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

Annual Pension Cost At December 31, 2008, the Plan had 560 members. Total Plan assets were \$1,819,840. Employer and employee contributions to the Plan during the calendar year ended December 31, 2008, were \$325,937.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. Other information (continued)**

**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 investment of the nonexpendable portion to fund projects at specific senior citizen and adult day health centers, and to use other contributed amounts and their investment earnings in the same manner as previously used by the Irvine Senior Foundation.

The net assets of the fund include a nonexpendable amount of \$469,404 which is reported as part of Restricted Net Assets. Expendable donations and accrued interest of \$169,259 are available for expenditure and are reflected as Restricted Net Assets, Expendable. The amount of net depreciation on investments available for expenditure at June 30, 2009, was \$8,140. The City administers this fund pursuant to its authority and duties under the Uniform Management of Institutional Funds Act, section 18500 et. Seq.

**F. Restatement**

Fund Balance at July 1, 2008, has been restated to reflect the following changes (in thousands):

Funds	Balance at July 1, 2008 as Previously Reported	Fund Restatements	Balance at July 1, 2008 as Adjusted
Orange County Great Park	\$ 280,706	\$ 199	\$ 280,905
Capital Improvement Projects	5,496	(375)	5,121
Assessment Districts	189,619	375	189,994
Fees and Exactions	8,148	(2,074)	6,074

During the fiscal year ended June 30, 2009, additional information pertaining to fund balance and net assets for the previous year became available. This information has necessitated certain changes to be made to those balances previously reported for the fiscal year ended June 30, 2008, to better conform with GAAP.

Orange County Great Park Fund was adjusted \$199,883 to correct insurance premium payment made in the prior fiscal year; these expenditures should have been recorded as a prepaid expense and expensed over the life of the insurance policy.

Restated \$375,460 in the Capital Improvement Projects Fund for construction expenditures reported in the Assessment District Fund.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**V. Other information (continued)**

The Fees and Exactions Fund was adjusted \$2,073,644 for future Mitigation Measure 123 fee credits given to University of Irvine (UCI) in exchange for right of way land used for infrastructure project in the UCI area.

During the year, the beginning net asset balance of the Statement of Activities, a government-wide statement, was adjusted \$1,383,997 to correct a misstatement in the construction in process balance in capital assets.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**Schedule of Employer Contributions – Defined Benefit Pension Plan**

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

The Plan uses the aggregate cost method to determine its annual pension cost.

**Schedule of Employer Contributions**  
**For the three years ended December 31, 2008**  
(in thousands)

Year	Actuarial Valuation Date	Annual Required Contributions (ARC)*	Percentage of ARC Contributed
2006	1/1/2006	\$ 218	100.55%
2007	1/1/2006	\$ 186	123.65%
2008	1/1/2008	\$ 159	138.08%

\* Annual required contributions were determined by multiplying the actual covered payroll by the ARC rate in order to ensure an appropriate comparison of contributions required versus contributions made.

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

**Schedule of Funding Progress**  
**For the three years ended December 31, 2008**  
(in thousands)

Actuarial Valuation Date	Actuarial Accrued Liability (AAI) (A)	Actuarial Value of Assets (B)	Unfunded AAI (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
1/1/2004	\$ 16,981	\$ 16,981	\$ -	100.00%	\$ 455	0.0%
1/1/2006	\$ 17,367	\$ 17,367	\$ -	100.00%	\$ 335	0.0%
1/1/2008	\$ 19,071	\$ 18,792	\$ 279	98.54%	\$ 274	101.8%

\* The actuarial valuation is performed bi-annually.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

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

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

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

**Schedule of Funding Progress**  
**For the three years ended December 31, 2008**  
(in thousands)

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
6/30/2006	\$ 96,243	\$ 76,310	\$ 19,933	79.29%	\$ 13,804	144.4%
6/30/2007	\$ 107,080	\$ 85,550	\$ 21,530	79.89%	\$ 14,975	143.8%
6/30/2008	\$ 117,823	\$ 95,371	\$ 22,452	80.94%	\$ 17,240	130.2%

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

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

**Schedule of Funding Progress**  
**For the three years ended December 31, 2008**  
(in thousands)

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
6/30/2006	\$ 134,617	\$ 95,587	\$ 39,030	71.01%	\$ 37,570	103.9%
6/30/2007	\$ 155,487	\$ 113,591	\$ 41,896	73.06%	\$ 42,050	99.6%
6/30/2008	\$ 177,193	\$ 132,395	\$ 44,798	74.72%	\$ 47,141	95.0%

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2009 (Continued)**

**Schedules of Funding Progress – Other Post Employment Benefit Plans**

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

**Schedule of Funding Progress**  
**For the three years ended December 31, 2008**  
(in thousands)

Actuarial Valuation Date *	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (AVA) (B)	Unfunded AAL (UAAL) (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll (A-B)/C
7/1/2008	\$ 3,868	\$ -	\$ 3,868	0.00%	\$ 59,728	6.48%

\* 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 Debt Service Funds, Other Capital Projects Funds, and Permanent Fund.

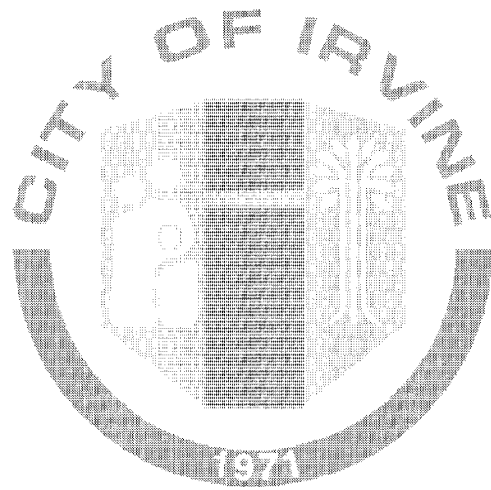


**City of Irvine**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2009**  
(amounts expressed in thousands)

	<b>Other Special Revenue Funds</b>	<b>Other Debt Service Funds</b>	<b>Other Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Total Other Governmental Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 98,678	\$ 5,424	\$ 59,617	\$ 638	\$ 164,357
Receivables, net of allowances:					
Taxes	1,473	-	-	-	1,473
Accounts	628	14	-	-	642
Accrued interest	242	16	124	2	384
Due from other governments	1,390	-	2,168	-	3,558
Advances to other funds	1,350	-	-	-	1,350
Long-term note receivable	2,467	-	-	-	2,467
Property held for resale	737	-	-	-	737
Total Assets	<u>\$ 106,965</u>	<u>\$ 5,454</u>	<u>\$ 61,909</u>	<u>\$ 640</u>	<u>\$ 174,968</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 4,351	\$ 5	\$ 4,418	\$ 1	\$ 8,775
Accrued liabilities	21	-	3,538	-	3,559
Due to other funds	609	-	-	-	609
Due to other governments	2	-	-	-	2
Deposits	-	-	250	-	250
Deferred revenue	4,582	-	1,274	-	5,856
Advances from other funds	1,350	-	-	-	1,350
Total Liabilities	<u>10,915</u>	<u>5</u>	<u>9,480</u>	<u>1</u>	<u>20,401</u>
Fund Balances:					
Reserved	1,350	5,449	-	469	7,268
Unreserved	94,700	-	52,429	170	147,299
Total Fund Balances	<u>96,050</u>	<u>5,449</u>	<u>52,429</u>	<u>639</u>	<u>154,567</u>
Total Liabilities and Fund Balances	<u>\$ 106,965</u>	<u>\$ 5,454</u>	<u>\$ 61,909</u>	<u>\$ 640</u>	<u>\$ 174,968</u>

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<b>Other Special Revenue Funds</b>	<b>Other Debt Service Funds</b>	<b>Other Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>					
Taxes	\$ 11,930	\$ -	\$ -	\$ -	\$ 11,930
Investment income	4,351	255	1,660	27	6,293
Intergovernmental	7,471	-	13,148	-	20,619
Charges for services	1,845	12,692	74	1	14,612
Revenue from developers	396	-	-	-	396
Revenue from property owners	5,043	-	160	-	5,203
Donations	112	-	-	-	112
Other revenue	757	1	100	13	871
	<u>31,905</u>	<u>12,948</u>	<u>15,142</u>	<u>41</u>	<u>60,036</u>
<b>EXPENDITURES</b>					
Current:					
General Government	139	4	21	-	164
Public Safety	1,732	-	-	-	1,732
Public Works	3,187	-	281	-	3,468
Community Development	5,355	-	9	-	5,364
Community Services	1,760	-	46	17	1,823
Great Park	-	-	1,950	-	1,950
Street lighting	6,226	-	-	-	6,226
Capital outlay	4,115	-	31,988	-	36,103
Debt service:					
Principal retirement	-	6,990	-	-	6,990
Interest and fiscal charges	-	266	-	-	266
Administration	-	75	-	-	75
	<u>22,514</u>	<u>7,335</u>	<u>34,295</u>	<u>17</u>	<u>64,161</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,391</u>	<u>5,613</u>	<u>(19,153)</u>	<u>24</u>	<u>(4,125)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term note	48	-	-	-	48
Transfers in	4,194	-	31,947	-	36,141
Transfers out	(29,229)	(5,169)	(1,546)	-	(35,944)
	<u>(24,987)</u>	<u>(5,169)</u>	<u>30,401</u>	<u>-</u>	<u>245</u>
Net Change in Fund Balances	(15,596)	444	11,248	24	(3,880)
Fund Balances, Beginning, as restated	111,646	5,005	41,181	615	158,447
Fund Balances, Ending	<u>\$ 96,050</u>	<u>\$ 5,449</u>	<u>\$ 52,429</u>	<u>\$ 639</u>	<u>\$ 154,567</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 to the cities for their use, which is restricted solely to transportation purposes.

State Gasoline Tax - This fund accounts for gasoline taxes received under Sections 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 lighting, landscape, and park 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.

RDA Housing - This fund accounts for the accumulation receipts of 20% tax increment to be set aside for affordable housing and accounts for the Irvine Redevelopment Agency housing related activities.

North Irvine Transportation Mitigation - This fund accounts for the financial transaction related to the planning and implementation of circulation improvements necessary to accommodate the build-out of the City's Northern Sphere of Influence.

Shuttle Service - This fund accounts for the implementation and operation of the shuttle program.

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

Grants - This fund accounts for a variety of local, state, and federal grants.

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2009**  
 (amounts expressed in thousands)  
 Page 1 of 4

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
<b>ASSETS</b>			
Cash and investments	\$ 5,086	\$ 10,131	\$ 5,168
Receivables, net of allowances:			
Taxes	422	694	-
Accounts	-	-	-
Accrued interest	15	24	12
Due from other governments	-	-	-
Advances to other funds	-	-	-
Long-term note receivable	-	-	-
Property held for resale	-	-	-
Total Assets	<u>\$ 5,523</u>	<u>\$ 10,849</u>	<u>\$ 5,180</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 5	\$ 21	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>5</u>	<u>21</u>	<u>-</u>
Fund Balances:			
Reserved	-	-	-
Unreserved	5,518	10,828	5,180
Total Fund Balances	<u>5,518</u>	<u>10,828</u>	<u>5,180</u>
Total Liabilities and Fund Balances	<u>\$ 5,523</u>	<u>\$ 10,849</u>	<u>\$ 5,180</u>

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2009**  
(amounts expressed in thousands)  
**Page 2 of 4**

	<b>Local Park Fees</b>	<b>Slurry Seal Fees</b>	<b>Maintenance District</b>	<b>Air Quality Improvement</b>
<b>ASSETS</b>				
Cash and investments	\$ 31,483	\$ 1,738	\$ 3,768	\$ 1,250
Receivables, net of allowances:				
Taxes	-	-	357	-
Accounts	-	-	3	-
Accrued interest	77	4	10	2
Due from other governments	-	-	-	60
Advances to other funds	-	-	-	-
Long-term note receivable	-	-	-	-
Property held for resale	-	-	-	-
Total Assets	<u>\$ 31,560</u>	<u>\$ 1,742</u>	<u>\$ 4,138</u>	<u>\$ 1,312</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 699	\$ -
Accrued liabilities	-	1	3	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>1</u>	<u>702</u>	<u>-</u>
Fund Balances:				
Reserved	-	-	-	-
Unreserved	31,560	1,741	3,436	1,312
Total Fund Balances	<u>31,560</u>	<u>1,741</u>	<u>3,436</u>	<u>1,312</u>
Total Liabilities and Fund Balances	<u>\$ 31,560</u>	<u>\$ 1,742</u>	<u>\$ 4,138</u>	<u>\$ 1,312</u>

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2009**  
(amounts expressed in thousands)  
**Page 3 of 4**

	<b>Fees and Exactions</b>	<b>Major Special Events</b>	<b>RDA Housing</b>	<b>North Irvine Transportation Mitigation</b>
<b>ASSETS</b>				
Cash and investments	\$ 6,586	\$ -	\$ 5,325	\$ 25,937
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	243	-	-
Accrued interest	16	-	13	63
Due from other governments	-	-	-	-
Advances to other funds	-	-	1,350	-
Long-term note receivable	-	-	-	-
Property held for resale	-	-	-	-
	<u>\$ 6,602</u>	<u>\$ 243</u>	<u>\$ 6,688</u>	<u>\$ 26,000</u>
Total Assets				
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 2	\$ 1,601	\$ 408
Accrued liabilities	-	7	3	5
Due to other funds	-	226	-	-
Due to other governments	-	-	-	-
Deferred revenue	2,073	17	-	-
Advances from other funds	1,350	-	-	-
	<u>3,423</u>	<u>252</u>	<u>1,604</u>	<u>413</u>
Total Liabilities				
Fund Balances:				
Reserved	-	-	1,350	-
Unreserved	3,179	(9)	3,734	25,587
	<u>3,179</u>	<u>(9)</u>	<u>5,084</u>	<u>25,587</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 6,602</u>	<u>\$ 243</u>	<u>\$ 6,688</u>	<u>\$ 26,000</u>

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2009**  
(amounts expressed in thousands)  
**Page 4 of 4**

	<u>Shuttle Service</u>	<u>Irvine Community Land Trust</u>	<u>Grants</u>	<u>Total Other Special Revenue Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,123	\$ 700	\$ 383	\$ 98,678
Receivables, net of allowances:				
Taxes	-	-	-	1,473
Accounts	17	1	364	628
Accrued interest	3	2	1	242
Due from other governments	-	-	1,330	1,390
Advances to other funds	-	-	-	1,350
Long-term note receivable	-	-	2,467	2,467
Property held for resale	-	737	-	737
	<u>\$ 1,143</u>	<u>\$ 1,440</u>	<u>\$ 4,545</u>	<u>\$ 106,965</u>
Total Assets				
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 344	\$ 21	\$ 1,250	\$ 4,351
Accrued liabilities	-	-	2	21
Due to other funds	-	-	383	609
Due to other governments	-	-	2	2
Deferred revenue	-	-	2,492	4,582
Advances from other funds	-	-	-	1,350
	<u>344</u>	<u>21</u>	<u>4,129</u>	<u>10,915</u>
Total Liabilities				
Fund Balances:				
Reserved	-	-	-	1,350
Unreserved	799	1,419	416	94,700
	<u>799</u>	<u>1,419</u>	<u>416</u>	<u>96,050</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 1,143</u>	<u>\$ 1,440</u>	<u>\$ 4,545</u>	<u>\$ 106,965</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, 2009**

(amounts expressed in thousands)

Page 1 of 4

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
<b>REVENUES</b>			
Taxes	\$ 2,859	\$ 4,016	\$ 962
Investment income	286	480	212
Intergovernmental	-	1,781	-
Charges for services	-	-	-
Revenue from developers	-	-	-
Revenue from property owners	-	-	-
Donations	-	-	-
Other revenue	-	-	-
	<u>3,145</u>	<u>6,277</u>	<u>1,174</u>
<b>EXPENDITURES</b>			
Current:			
General Government	17	17	-
Public Safety	-	-	-
Public Works	200	530	-
Community Development	-	-	-
Community Services	-	-	-
Street lighting	-	-	-
Capital outlay	-	-	-
	<u>217</u>	<u>547</u>	<u>-</u>
Total Expenditures	<u>217</u>	<u>547</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,928</u>	<u>5,730</u>	<u>1,174</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of long-term note	-	-	-
Transfers in	-	-	400
Transfers out	<u>(3,622)</u>	<u>(6,279)</u>	<u>(13,616)</u>
Total Other Financing Sources (Uses)	<u>(3,622)</u>	<u>(6,279)</u>	<u>(13,216)</u>
Net Change in Fund Balances	(694)	(549)	(12,042)
Fund Balances, Beginning, as restated	<u>6,212</u>	<u>11,377</u>	<u>17,222</u>
Fund Balances, Ending	<u>\$ 5,518</u>	<u>\$ 10,828</u>	<u>\$ 5,180</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, 2009**  
(amounts expressed in thousands)

Page 2 of 4

	<u>Local Park Fees</u>	<u>Slurry Seal Fees</u>	<u>Maintenance District</u>	<u>Air Quality Improvement</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 2,338	\$ -
Investment income	1,304	57	147	47
Intergovernmental	-	-	-	240
Charges for services	-	54	1	-
Revenue from developers	109	-	-	-
Revenue from property owners	-	-	5,043	-
Donations	-	-	-	-
Other revenue	-	-	25	1
	<u>1,413</u>	<u>111</u>	<u>7,554</u>	<u>288</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	4	50	-
Public Safety	-	-	-	-
Public Works	-	55	-	6
Community Development	-	-	-	-
Community Services	-	-	1,385	-
Street lighting	-	-	6,226	-
Capital outlay	-	871	-	-
	<u>-</u>	<u>930</u>	<u>7,661</u>	<u>6</u>
Total Expenditures	<u>-</u>	<u>930</u>	<u>7,661</u>	<u>6</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,413</u>	<u>(819)</u>	<u>(107)</u>	<u>282</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term note	-	-	-	-
Transfers in	-	928	-	-
Transfers out	-	-	-	(266)
	<u>-</u>	<u>928</u>	<u>-</u>	<u>(266)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>928</u>	<u>-</u>	<u>(266)</u>
Net Change in Fund Balances	1,413	109	(107)	16
Fund Balances, Beginning, as restated	<u>30,147</u>	<u>1,632</u>	<u>3,543</u>	<u>1,296</u>
Fund Balances, Ending	<u>\$ 31,560</u>	<u>\$ 1,741</u>	<u>\$ 3,436</u>	<u>\$ 1,312</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, 2009**  
(amounts expressed in thousands)

Page 3 of 4

	<u>Fees and Exactions</u>	<u>Major Special Events</u>	<u>RDA Housing</u>	<u>North Irvine Transportation Mitigation</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 1,755	\$ -
Investment income	452	-	204	1,093
Intergovernmental	-	-	-	-
Charges for services	4	979	-	-
Revenue from developers	287	-	-	-
Revenue from property owners	-	-	-	-
Donations	-	-	-	-
Other revenue	731	-	-	-
	<u>1,474</u>	<u>979</u>	<u>1,959</u>	<u>1,093</u>
Total Revenues	<u>1,474</u>	<u>979</u>	<u>1,959</u>	<u>1,093</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	7
Public Safety	-	1,014	-	-
Public Works	-	-	-	146
Community Development	331	-	2,154	-
Community Services	-	-	-	-
Street lighting	-	-	-	-
Capital outlay	-	-	-	3,235
	<u>331</u>	<u>1,014</u>	<u>2,154</u>	<u>3,388</u>
Total Expenditures	<u>331</u>	<u>1,014</u>	<u>2,154</u>	<u>3,388</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,143</u>	<u>(35)</u>	<u>(195)</u>	<u>(2,295)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term note	-	-	48	-
Transfers in	-	-	-	425
Transfers out	(4,038)	-	(56)	-
	<u>(4,038)</u>	<u>-</u>	<u>(8)</u>	<u>425</u>
Total Other Financing Sources (Uses)	<u>(4,038)</u>	<u>-</u>	<u>(8)</u>	<u>425</u>
Net Change in Fund Balances	(2,895)	(35)	(203)	(1,870)
Fund Balances, Beginning, as restated	<u>6,074</u>	<u>26</u>	<u>5,287</u>	<u>27,457</u>
Fund Balances, Ending	<u>\$ 3,179</u>	<u>\$ (9)</u>	<u>\$ 5,084</u>	<u>\$ 25,587</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, 2009**  
(amounts expressed in thousands)

Page 4 of 4

	<u>Shuttle Service</u>	<u>Irvine Community Land Trust</u>	<u>Grants</u>	<u>Total Other Special Revenue Funds</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 11,930
Investment income	32	14	23	4,351
Intergovernmental	-	807	4,643	7,471
Charges for services	19	752	36	1,845
Revenue from developers	-	-	-	396
Revenue from property owners	-	-	-	5,043
Donations	-	-	112	112
Other revenue	-	-	-	757
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	51	1,573	4,814	31,905
<b>EXPENDITURES</b>				
Current:				
General Government	1	-	43	139
Public Safety	-	-	718	1,732
Public Works	2,250	-	-	3,187
Community Development	-	370	2,500	5,355
Community Services	-	-	375	1,760
Street lighting	-	-	-	6,226
Capital outlay	-	-	9	4,115
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	2,251	370	3,645	22,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(2,200)	1,203	1,169	9,391
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term note	-	-	-	48
Transfers in	2,354	56	31	4,194
Transfers out	-	-	(1,352)	(29,229)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	2,354	56	(1,321)	(24,987)
Net Change in Fund Balances	154	1,259	(152)	(15,596)
Fund Balances, Beginning, as restated	<hr/>	<hr/>	<hr/>	<hr/>
	645	160	568	111,646
Fund Balances, Ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 799	\$ 1,419	\$ 416	\$ 96,050

**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, 2009**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 3,326	\$ 3,326	\$ 2,859	\$ (467)
Investment income	147	147	286	139
Total Revenues	<u>3,473</u>	<u>3,473</u>	<u>3,145</u>	<u>(328)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	22	22	17	5
Public Works	200	200	200	-
Total Expenditures	<u>222</u>	<u>222</u>	<u>217</u>	<u>5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,251</u>	<u>3,251</u>	<u>2,928</u>	<u>(323)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(8,275)	(8,381)	(3,622)	4,759
Total Other Financing Sources (Uses)	<u>(8,275)</u>	<u>(8,381)</u>	<u>(3,622)</u>	<u>4,759</u>
Net Change in Fund Balances	(5,024)	(5,130)	(694)	4,436
Fund Balances, Beginning	<u>6,212</u>	<u>6,212</u>	<u>6,212</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,188</u>	<u>\$ 1,082</u>	<u>\$ 5,518</u>	<u>\$ 4,436</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**State Gasoline Tax**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 3,866	\$ 4,544	\$ 4,016	\$ (528)
Investment income	176	176	480	304
Intergovernmental	2,668	2,668	1,781	(887)
	<u>6,710</u>	<u>7,388</u>	<u>6,277</u>	<u>(1,111)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	22	22	17	5
Public Works	530	530	530	-
	<u>552</u>	<u>552</u>	<u>547</u>	<u>5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,158</u>	<u>6,836</u>	<u>5,730</u>	<u>(1,106)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(16,015)</u>	<u>(17,092)</u>	<u>(6,279)</u>	<u>10,813</u>
	<u>(16,015)</u>	<u>(17,092)</u>	<u>(6,279)</u>	<u>10,813</u>
Net Change in Fund Balances	(9,857)	(10,256)	(549)	9,707
Fund Balances, Beginning	<u>11,377</u>	<u>11,377</u>	<u>11,377</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,520</u>	<u>\$ 1,121</u>	<u>\$ 10,828</u>	<u>\$ 9,707</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Systems Development**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,500	\$ 4,500	\$ 962	\$ (3,538)
Investment income	470	470	212	(258)
Total Revenues	4,970	4,970	1,174	(3,796)
<b>EXPENDITURES</b>				
Current:				
Public Works	900	900	-	900
Total Expenditures	900	900	-	900
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,070	4,070	1,174	(2,896)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	400	400	-
Transfers out	(8,227)	(13,616)	(13,616)	-
Total Other Financing Sources (Uses)	(8,227)	(13,216)	(13,216)	-
Net Change in Fund Balances	(4,157)	(9,146)	(12,042)	(2,896)
Fund Balances, Beginning	17,222	17,222	17,222	-
Fund Balances, Ending	\$ 13,065	\$ 8,076	\$ 5,180	\$ (2,896)

**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, 2009**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 800	\$ 800	\$ 1,304	\$ 504
Revenue from developers	-	-	109	109
Total Revenues	<u>800</u>	<u>800</u>	<u>1,413</u>	<u>613</u>
<b>EXPENDITURES</b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>800</u>	<u>800</u>	<u>1,413</u>	<u>613</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	800	800	1,413	613
Fund Balances, Beginning	<u>30,147</u>	<u>30,147</u>	<u>30,147</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 30,947</u></u>	<u><u>\$ 30,947</u></u>	<u><u>\$ 31,560</u></u>	<u><u>\$ 613</u></u>



**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, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 39	\$ 39	\$ 57	\$ 18
Charges for services	275	275	54	(221)
Total Revenues	314	314	111	(203)
<b>EXPENDITURES</b>				
Current:				
General Government	1	1	4	(3)
Public Works	112	112	55	57
Capital outlay	2,841	2,841	871	1,970
Total Expenditures	2,954	2,954	930	2,024
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,640)	(2,640)	(819)	1,821
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,420	2,849	928	(1,921)
Total Other Financing Sources (Uses)	2,420	2,849	928	(1,921)
Net Change in Fund Balances	(220)	209	109	(100)
Fund Balances, Beginning	1,632	1,632	1,632	-
Fund Balances, Ending	\$ 1,412	\$ 1,841	\$ 1,741	\$ (100)

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Maintenance District**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,314	\$ 2,314	\$ 2,338	\$ 24
Investment income	79	79	147	68
Charges for services	2	2	1	(1)
Revenue from property owners	5,055	5,055	5,043	(12)
Other revenue	-	-	25	25
Total Revenues	7,450	7,450	7,554	104
<b>EXPENDITURES</b>				
Current:				
General Government	52	52	50	2
Community Services	1,879	1,879	1,385	494
Street lighting	5,622	6,072	6,226	(154)
Total Expenditures	7,553	8,003	7,661	342
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103)	(553)	(107)	446
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	(103)	(553)	(107)	446
Fund Balances, Beginning	3,543	3,543	3,543	-
Fund Balances, Ending	\$ 3,440	\$ 2,990	\$ 3,436	\$ 446

**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, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 33	\$ 33	\$ 47	\$ 14
Intergovernmental	233	233	240	7
Other revenue	-	-	1	1
Total Revenues	266	266	288	22
<b>EXPENDITURES</b>				
Current:				
General Government	1	1	-	1
Public Works	114	114	6	108
Total Expenditures	115	115	6	109
Excess of Revenues Over Expenditures	151	151	282	131
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(702)	(686)	(266)	420
Total Other Financing Sources (Uses)	(702)	(686)	(266)	420
Net Change in Fund Balances	(551)	(535)	16	551
Fund Balances, Beginning	1,296	1,296	1,296	-
Fund Balances, Ending	\$ 745	\$ 761	\$ 1,312	\$ 551

**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, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 276	\$ 276	\$ 452	\$ 176
Charges for services	-	-	4	4
Revenue from developers	10	194	287	93
Other revenue	-	-	731	731
Total Revenues	286	470	1,474	1,004
<b>EXPENDITURES</b>				
Current:				
Community Development	900	900	331	569
Total Expenditures	900	900	331	569
Excess (Deficiency) of Revenues Over (Under) Expenditures	(614)	(430)	1,143	1,573
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(4,038)	(4,038)	-
Total Other Financing Sources (Uses)	-	(4,038)	(4,038)	-
Net Change in Fund Balances	(614)	(4,468)	(2,895)	1,573
Fund Balances, Beginning, as restated	6,074	6,074	6,074	-
Fund Balances, Ending	\$ 5,460	\$ 1,606	\$ 3,179	\$ 1,573

**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, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 458	\$ 458	\$ 979	\$ 521
Total Revenues	458	458	979	521
<b>EXPENDITURES</b>				
Current:				
Public Safety	447	447	1,014	(567)
Total Expenditures	447	447	1,014	(567)
Excess (Deficiency) of Revenues Over (Under) Expenditures	11	11	(35)	(46)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	11	11	(35)	(46)
Fund Balances, Beginning	26	26	26	-
Fund Balances, Ending	\$ 37	\$ 37	\$ (9)	\$ (46)

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**RDA Housing**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,674	\$ 1,674	\$ 1,755	\$ 81
Investment income	126	126	204	78
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>1,959</u>	<u>159</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	1,581	3,181	2,154	1,027
Total Expenditures	<u>1,581</u>	<u>3,181</u>	<u>2,154</u>	<u>1,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>219</u>	<u>(1,381)</u>	<u>(195)</u>	<u>1,186</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term note	-	-	48	48
Transfers out	-	(53)	(56)	(3)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(53)</u>	<u>(8)</u>	<u>45</u>
Net Change in Fund Balances	219	(1,434)	(203)	1,231
Fund Balances, Beginning	<u>5,287</u>	<u>5,287</u>	<u>5,287</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 5,506</u>	<u>\$ 3,853</u>	<u>\$ 5,084</u>	<u>\$ 1,231</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**North Irvine Transportation Mitigation**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 1,024	\$ 1,024	\$ 1,093	\$ 69
Total Revenues	<u>1,024</u>	<u>1,024</u>	<u>1,093</u>	<u>69</u>
<b>EXPENDITURES</b>				
Current:				
General Government	9	9	7	2
Public Works	250	250	146	104
Capital outlay	<u>2,794</u>	<u>2,794</u>	<u>3,235</u>	<u>(441)</u>
Total Expenditures	<u>3,053</u>	<u>3,053</u>	<u>3,388</u>	<u>(335)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(2,029)</u>	<u>(2,029)</u>	<u>(2,295)</u>	<u>(266)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>423</u>	<u>437</u>	<u>425</u>	<u>(12)</u>
Total Other Financing Sources (Uses)	<u>423</u>	<u>437</u>	<u>425</u>	<u>(12)</u>
Net Change in Fund Balances	(1,606)	(1,592)	(1,870)	(278)
Fund Balances, Beginning	<u>27,457</u>	<u>27,457</u>	<u>27,457</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 25,851</u>	<u>\$ 25,865</u>	<u>\$ 25,587</u>	<u>\$ (278)</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Shuttle Service**

**For the Fiscal Year Ended June 30, 2009**

(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ 14	\$ 14	\$ 32	\$ 18
Intergovernmental	4,308	4,308	-	(4,308)
Charges for services	157	157	19	(138)
	<hr/>		<hr/>	
Total Revenues	4,479	4,479	51	(4,428)
<hr/>				
<b>EXPENDITURES</b>				
Current:				
General Government	1	1	1	-
Public Works	7,084	7,084	2,250	4,834
	<hr/>		<hr/>	
Total Expenditures	7,085	7,085	2,251	4,834
	<hr/>		<hr/>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,606)	(2,606)	(2,200)	406
<hr/>				
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,354	2,354	2,354	-
	<hr/>		<hr/>	
Total Other Financing Sources	2,354	2,354	2,354	-
	<hr/>		<hr/>	
Net Change in Fund Balances	(252)	(252)	154	406
	<hr/>		<hr/>	
Fund Balances, Beginning	645	645	645	-
	<hr/>		<hr/>	
Fund Balances, Ending	\$ 393	\$ 393	\$ 799	\$ 406
	<hr/> <hr/>		<hr/> <hr/>	



**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, 2009**  
(amounts expressed in thousands)

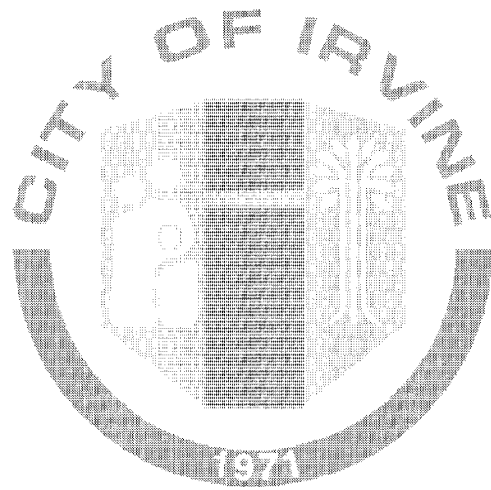
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 14	\$ 14
Intergovernmental	-	-	807	807
Charges for services	-	752	752	-
Total Revenues	-	752	1,573	821
<b>EXPENDITURES</b>				
Current:				
Community Development	-	-	370	(370)
Total Expenditures	-	-	370	(370)
Excess of Revenues Over Expenditures	-	752	1,203	451
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	53	56	3
Total Other Financing Sources	-	53	56	3
Net Change in Fund Balances	-	805	1,259	454
Fund Balances, Beginning	160	160	160	-
Fund Balances, Ending	<u>\$ 160</u>	<u>\$ 965</u>	<u>\$ 1,419</u>	<u>\$ 454</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Grants**

**For the Fiscal Year Ended June 30, 2009**

(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 11	\$ 11	\$ 23	\$ 12
Intergovernmental	5,173	6,311	4,643	(1,668)
Charges for services	34	34	36	2
Donations	131	131	112	(19)
Total Revenues	5,349	6,487	4,814	(1,673)
<b>EXPENDITURES</b>				
Current:				
General Government	53	53	43	10
Public Safety	837	2,005	718	1,287
Community Development	3,182	3,182	2,500	682
Community Services	316	316	375	(59)
Capital outlay	17	17	9	8
Total Expenditures	4,405	5,573	3,645	1,928
Excess of Revenues Over Expenditures	944	914	1,169	255
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	31	31	-
Transfers out	(1,328)	(1,328)	(1,352)	(24)
Total Other Financing (Uses)	(1,328)	(1,297)	(1,321)	(24)
Net Change in Fund Balances	(384)	(383)	(152)	231
Fund Balances, Beginning	568	568	568	-
Fund Balances, Ending	\$ 184	\$ 185	\$ 416	\$ 231



# DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs. Debt Service Funds include the following:

## **Major Fund**

RDA Debt Service – This fund accounts for the accumulation of property tax increment receipts, debt service payments, and statutory pass through payments of tax increment to affected agencies of the redevelopment project areas.

## **Other Debt Service Funds**

Irvine Public Facilities and Infrastructure Authority - This fund accounts for the accumulation and disbursement of monies to meet the debt service requirements for the Series 1985 and Series 1987 lease revenue bonds.

Infrastructure Financing Plan – This fund accounts for the preliminary work on an infrastructure financing plan.

**City of Irvine**  
**Combining Balance Sheet**  
**Other Debt Service Funds**  
**June 30, 2009**  
(amounts expressed in thousands)

	<b>Irvine Public Facilities and Infrastructure Authority</b>	<b>Infrastructure Financing Plan</b>	<b>Total Other Debt Service Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ 5,298	\$ 126	\$ 5,424
Receivables, net of allowances:			
Accounts	14	-	14
Accrued interest	16	-	16
Total Assets	\$ 5,328	\$ 126	\$ 5,454
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 5	\$ -	\$ 5
Total Liabilities	5	-	5
Fund Balances:			
Reserved	5,323	126	5,449
Total Fund Balances	5,323	126	5,449
Total Liabilities and Fund Balances	\$ 5,328	\$ 126	\$ 5,454

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Debt Service Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<b>Irvine Public Facilities and Infrastructure Authority</b>	<b>Infrastructure Financing Plan</b>	<b>Total Other Debt Service Funds</b>
<b>REVENUES</b>			
Investment income	\$ 250	\$ 5	\$ 255
Charges for services	12,692	-	12,692
Other revenue	1	-	1
	<u>12,943</u>	<u>5</u>	<u>12,948</u>
<b>EXPENDITURES</b>			
Current:			
General Government	4	-	4
Debt service:			
Principal retirement	6,990	-	6,990
Interest and fiscal charges	266	-	266
Administration	68	7	75
	<u>7,328</u>	<u>7</u>	<u>7,335</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,615</u>	<u>(2)</u>	<u>5,613</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(5,169)</u>	<u>-</u>	<u>(5,169)</u>
Total Other Financing Sources (Uses)	<u>(5,169)</u>	<u>-</u>	<u>(5,169)</u>
Net Change in Fund Balances	446	(2)	444
Fund Balances, Beginning	<u>4,877</u>	<u>128</u>	<u>5,005</u>
Fund Balances, Ending	<u>\$ 5,323</u>	<u>\$ 126</u>	<u>\$ 5,449</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**RDA Debt Service**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 6,694	\$ 6,694	\$ 7,018	\$ 324
Investment income	464	464	697	233
Total Revenues	7,158	7,158	7,715	557
<b>EXPENDITURES</b>				
Current:				
Community Development	2,451	9,948	8,853	1,095
Debt service:				
Interest and fiscal charges	12,768	12,768	13,772	(1,004)
Total Expenditures	15,219	22,716	22,625	91
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,061)	(15,558)	(14,910)	648
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,000)	(4,202)	(2,264)	1,938
Total Other Financing Sources (Uses)	(2,000)	(4,202)	(2,264)	1,938
Net Change in Fund Balances	(10,061)	(19,760)	(17,174)	2,586
Fund Balances, Beginning	(142,114)	(142,114)	(142,114)	-
Fund Balances, Ending	\$ (152,175)	\$ (161,874)	\$ (159,288)	\$ 2,586

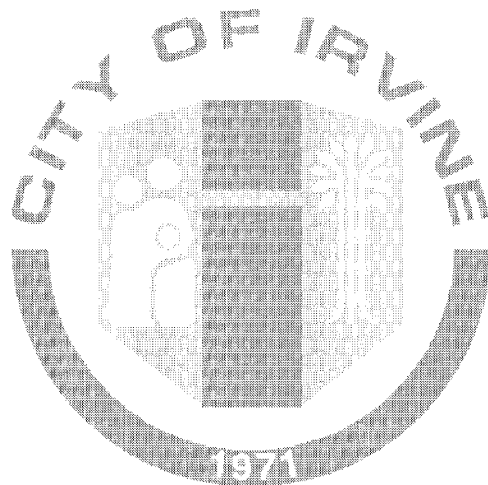
**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Irvine Public Facilities and Infrastructure Authority**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

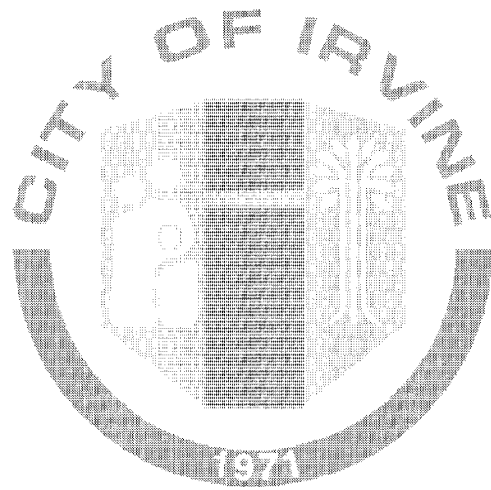
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 150	\$ 150	\$ 250	\$ 100
Charges for services	12,692	12,692	12,692	-
Other revenue	-	-	1	1
Total Revenues	12,842	12,842	12,943	101
<b>EXPENDITURES</b>				
Current:				
General Government	3	3	4	(1)
Debt service:				
Principal retirement	6,990	6,990	6,990	-
Interest and fiscal charges	634	634	266	368
Administration	67	67	68	(1)
Total Expenditures	7,694	7,694	7,328	366
Excess of Revenues Over Expenditures	5,148	5,148	5,615	467
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(5,169)	(5,169)	(5,169)	-
Total Other Financing Sources (Uses)	(5,169)	(5,169)	(5,169)	-
Net Change in Fund Balances	(21)	(21)	446	467
Fund Balances, Beginning	4,877	4,877	4,877	-
Fund Balances, Ending	\$ 4,856	\$ 4,856	\$ 5,323	\$ 467



**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Infrastructure Financing Plan**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 4	\$ 4	\$ 5	\$ 1
Total Revenues	4	4	5	1
<b>EXPENDITURES</b>				
Current:				
General Government	9	9	-	9
Debt service:				
Administration	107	107	7	100
Total Expenditures	116	116	7	109
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112)	(112)	(2)	110
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	(112)	(112)	(2)	110
Fund Balances, Beginning	128	128	128	-
Fund Balances, Ending	\$ 16	\$ 16	\$ 126	\$ 110





## OTHER CAPITAL PROJECTS FUNDS

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

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

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

Transit Guideway - This fund accounts for a transit guideway project to serve the Great Park and Irvine Spectrum.

City Infrastructure - This fund accounts for the remodeling and construction of infrastructure needs for a new public safety facility.

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

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

**City of Irvine**  
**Combining Balance Sheet**  
**Other Capital Projects Funds**  
**June 30, 2009**  
 (amounts expressed in thousands)  
**Page 1 of 2**

	Community Facilities Districts	Park Development	Transit Guideway
<b>ASSETS</b>			
Cash and investments	\$ 21,796	\$ 19,253	\$ 61
Receivables, net of allowances:			
Accrued interest	51	47	-
Due from other governments	-	2,168	-
Total Assets	<u>\$ 21,847</u>	<u>\$ 21,468</u>	<u>\$ 61</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ 854	\$ -
Accrued liabilities	-	109	1
Deposits	250	-	-
Deferred revenue	-	1,274	-
Total Liabilities	<u>250</u>	<u>2,237</u>	<u>1</u>
Fund Balances:			
Unreserved	<u>21,597</u>	<u>19,231</u>	<u>60</u>
Total Fund Balances	<u>21,597</u>	<u>19,231</u>	<u>60</u>
Total Liabilities and Fund Balances	<u>\$ 21,847</u>	<u>\$ 21,468</u>	<u>\$ 61</u>

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**City of Irvine**  
**Combining Balance Sheet**  
**Other Capital Projects Funds**  
**June 30, 2009**  
(amounts expressed in thousands)  
**Page 2 of 2**

	<u>City Infrastructure</u>	<u>Orange County Great Park Infrastructure</u>	<u>Great Park Development</u>	<u>Total Other Capital Projects Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 7,282	\$ 3,778	\$ 7,447	\$ 59,617
Receivables, net of allowances:				
Accrued interest	18	8	-	124
Due from other governments	-	-	-	2,168
Total Assets	<u>\$ 7,300</u>	<u>\$ 3,786</u>	<u>\$ 7,447</u>	<u>\$ 61,909</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 137	\$ 43	\$ 3,384	\$ 4,418
Accrued liabilities	-	191	3,237	3,538
Deposits	-	-	-	250
Deferred revenue	-	-	-	1,274
Total Liabilities	<u>137</u>	<u>234</u>	<u>6,621</u>	<u>9,480</u>
Fund Balances:				
Unreserved	<u>7,163</u>	<u>3,552</u>	<u>826</u>	<u>52,429</u>
Total Fund Balances	<u>7,163</u>	<u>3,552</u>	<u>826</u>	<u>52,429</u>
Total Liabilities and Fund Balances	<u>\$ 7,300</u>	<u>\$ 3,786</u>	<u>\$ 7,447</u>	<u>\$ 61,909</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, 2009**  
(amounts expressed in thousands)  
**Page 1 of 2**

	<b>Community Facilities Districts</b>	<b>Park Development</b>	<b>Transit Guideway</b>
<b>REVENUES</b>			
Investment income	\$ 431	\$ 814	-
Intergovernmental	-	9,745	3,403
Charges for services	-	74	-
Revenue from property owners	-	160	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	431	10,793	3,403
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
General Government	-	18	-
Public Works	42	127	100
Community Development	-	5	-
Community Services	-	45	-
Great Park	-	-	-
Capital outlay	2,256	6,513	3,641
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,298	6,708	3,741
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,867)	4,085	(338)
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	6,166	264
Transfers out	-	(1,546)	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	-	4,620	264
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(1,867)	8,705	(74)
	<hr/>	<hr/>	<hr/>
Fund Balances, Beginning	23,464	10,526	134
	<hr/>	<hr/>	<hr/>
Fund Balances, Ending	\$ 21,597	\$ 19,231	\$ 60
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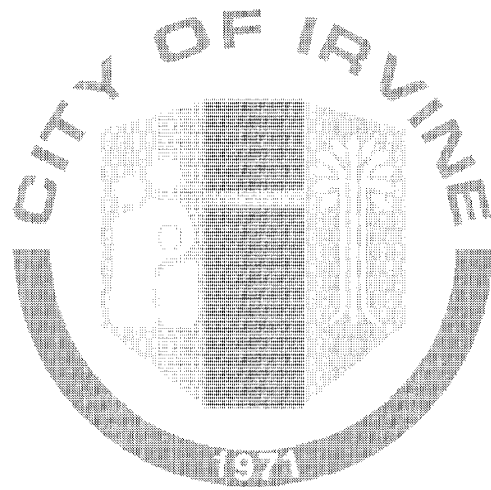
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**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

Page 2 of 2

	City Infrastructure	Orange County Great Park Infrastructure	Great Park Development	Total Other Capital Projects Funds
<b>REVENUES</b>				
Investment income	\$ 215	\$ 149	\$ 51	\$ 1,660
Intergovernmental	-	-	-	13,148
Charges for services	-	-	-	74
Revenue from property owners	-	-	-	160
Other revenue	-	-	100	100
Total Revenues	<u>215</u>	<u>149</u>	<u>151</u>	<u>15,142</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1	-	2	21
Public Works	11	-	1	281
Community Development	-	-	4	9
Community Services	-	-	1	46
Great Park	-	75	1,875	1,950
Capital outlay	138	938	18,502	31,988
Total Expenditures	<u>150</u>	<u>1,013</u>	<u>20,385</u>	<u>34,295</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>65</u>	<u>(864)</u>	<u>(20,234)</u>	<u>(19,153)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,098	419	18,000	31,947
Transfers out	-	-	-	(1,546)
Total Other Financing Sources	<u>7,098</u>	<u>419</u>	<u>18,000</u>	<u>30,401</u>
Net Change in Fund Balances	7,163	(445)	(2,234)	11,248
Fund Balances, Beginning	-	3,997	3,060	41,181
Fund Balances, Ending	<u>\$ 7,163</u>	<u>\$ 3,552</u>	<u>\$ 826</u>	<u>\$ 52,429</u>





# PERMANENT FUND

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.

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, 2009**  
(amounts expressed in thousands)

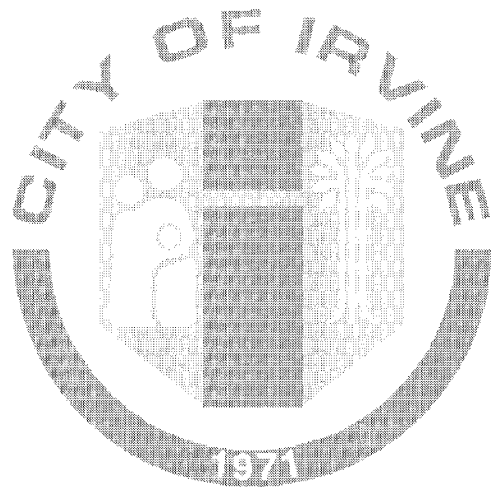
	<b>Senior Services Fund</b>
<b>ASSETS</b>	
Cash and investments	\$ 638
Receivables, net of allowances:	
Accrued interest	2
Total Assets	<u>\$ 640</u>
 <b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	<u>\$ 1</u>
Total Liabilities	<u>1</u>
Fund Balances:	
Reserved	469
Unreserved	170
Total Fund Balances	<u>639</u>
Total Liabilities and Fund Balances	<u><u>\$ 640</u></u>

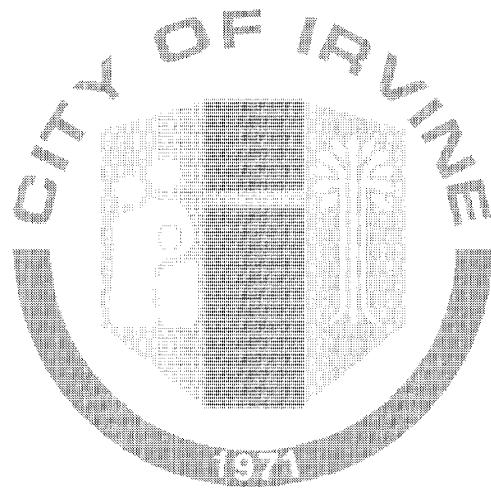
**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Permanent Fund**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<u>Senior Services Fund</u>
<b>REVENUES</b>	
Investment income	\$ 27
Charges for services	1
Other revenue	<u>13</u>
Total Revenues	<u>41</u>
<b>EXPENDITURES</b>	
Current:	
Community Services	<u>17</u>
Total Expenditures	<u>17</u>
Excess of Revenues Over Expenditures	<u>24</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Total Other Financing Sources	<u>-</u>
Net Change in Fund Balances	24
Fund Balances, Beginning	<u>615</u>
Fund Balances, Ending	<u><u>\$ 639</u></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, 2009**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 13	\$ 13	\$ 27	\$ 14
Charges for services	-	-	1	1
Other revenue	28	28	13	(15)
Total Revenues	41	41	41	-
<b>EXPENDITURES</b>				
Current:				
Community Services	88	88	17	71
Total Expenditures	88	88	17	71
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47)	(47)	24	71
<b>OTHER FINANCING SOURCES (USES)</b>				
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	(47)	(47)	24	71
Fund Balances, Beginning	615	615	615	-
Fund Balances, Ending	\$ 568	\$ 568	\$ 639	\$ 71





# 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 Assets**  
**Internal Service Funds**  
**June 30, 2009**  
(amounts expressed in thousands)

	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 24,292	\$ 13,115	\$ 8	\$ 37,415
Receivables, net of allowances:				
Accounts	71	39	-	110
Accrued interest	58	33	-	91
Inventories	-	-	150	150
	<u>24,421</u>	<u>13,187</u>	<u>158</u>	<u>37,766</u>
Total Current Assets				
	<u>24,421</u>	<u>13,187</u>	<u>158</u>	<u>37,766</u>
Noncurrent Assets:				
Capital assets:				
Equipment	35	36,190	-	36,225
Less accumulated depreciation	(30)	(25,979)	-	(26,009)
	<u>5</u>	<u>10,211</u>	<u>-</u>	<u>10,216</u>
Total Noncurrent Assets				
	<u>5</u>	<u>10,211</u>	<u>-</u>	<u>10,216</u>
Total Assets	<u>24,426</u>	<u>23,398</u>	<u>158</u>	<u>47,982</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	117	1,787	12	1,916
Accrued liabilities	14	13	-	27
Deposits	-	16	-	16
Deferred revenue	54	-	-	54
Lease payable	-	292	-	292
Compensated absences	11	18	-	29
Claims payable	2,501	-	-	2,501
	<u>2,697</u>	<u>2,126</u>	<u>12</u>	<u>4,835</u>
Total Current Liabilities				
	<u>2,697</u>	<u>2,126</u>	<u>12</u>	<u>4,835</u>
Noncurrent Liabilities:				
Lease payable	-	381	-	381
Compensated absences	86	150	-	236
Claims payable	5,002	-	-	5,002
	<u>5,088</u>	<u>531</u>	<u>-</u>	<u>5,619</u>
Total Noncurrent Liabilities				
	<u>5,088</u>	<u>531</u>	<u>-</u>	<u>5,619</u>
Total Liabilities	<u>7,785</u>	<u>2,657</u>	<u>12</u>	<u>10,454</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	5	9,538	-	9,543
Unrestricted	16,636	11,203	146	27,985
	<u>16,641</u>	<u>20,741</u>	<u>146</u>	<u>37,528</u>
Total Net Assets				
	<u>\$ 16,641</u>	<u>\$ 20,741</u>	<u>\$ 146</u>	<u>\$ 37,528</u>

**City of Irvine**  
**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

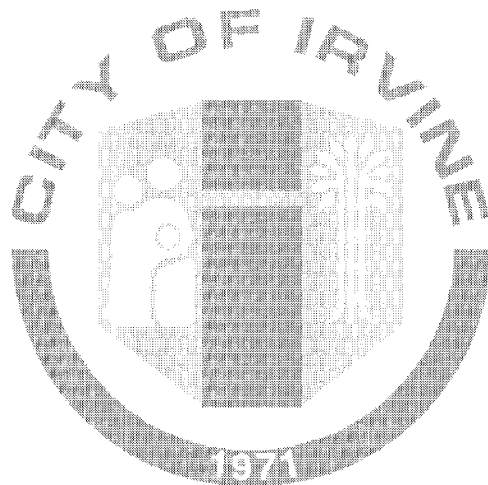
	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 4,790	\$ 13,311	\$ -	\$ 18,101
Other	32	120	352	504
Total Operating Revenue	<u>4,822</u>	<u>13,431</u>	<u>352</u>	<u>18,605</u>
<b>OPERATING EXPENSES</b>				
Personal services	824	1,644	-	2,468
Supplies & equipment	53	3,555	360	3,968
Contract services	479	4,432	-	4,911
Administration	21	1,123	-	1,144
Self-insured losses	2,001	-	-	2,001
Insurance premiums	2,099	-	-	2,099
Depreciation	3	4,032	-	4,035
Total Operating Expenses	<u>5,480</u>	<u>14,786</u>	<u>360</u>	<u>20,626</u>
Operating Income (Loss)	<u>(658)</u>	<u>(1,355)</u>	<u>(8)</u>	<u>(2,021)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	978	556	-	1,534
Interest expense	-	(22)	-	(22)
Gain/(Loss) on disposal of equipment	-	165	-	165
Total Nonoperating Revenues	<u>978</u>	<u>699</u>	<u>-</u>	<u>1,677</u>
Income (Loss) Before Transfers	320	(656)	(8)	(344)
Transfers in	-	301	-	301
Transfers out	<u>(1,200)</u>	<u>(100)</u>	<u>-</u>	<u>(1,300)</u>
Change in Net Assets	(880)	(455)	(8)	(1,343)
Total Net Assets, Beginning	<u>17,521</u>	<u>21,196</u>	<u>154</u>	<u>38,871</u>
Total Net Assets, Ending	<u>\$ 16,641</u>	<u>\$ 20,741</u>	<u>\$ 146</u>	<u>\$ 37,528</u>

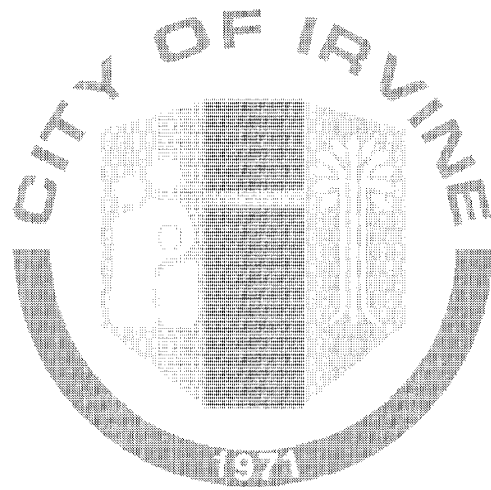
**City of Irvine**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<b>Self- Insur- ance</b>	<b>Equip- ment and Services</b>	<b>Inven- tory</b>	<b>Total Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>				
Received from customers and users	\$ 52	\$ 221	\$ -	\$ 273
Received from interfund services provided	4,790	13,311	352	18,453
Paid to suppliers	(5,059)	(8,483)	(347)	(13,889)
Paid for interfund services provided	(18)	(227)	-	(245)
Paid to employees	(564)	(1,126)	-	(1,690)
Net Cash Provided (Used) by Operating Activities	<u>(799)</u>	<u>3,696</u>	<u>5</u>	<u>2,902</u>
<b>Cash Flows From Non-Capital Financing Activities</b>				
Transfers in	-	301	-	301
Transfers out	(1,200)	(100)	-	(1,300)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,200)</u>	<u>201</u>	<u>-</u>	<u>(999)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from sale of equipment	-	336	-	336
Interest paid	-	(22)	-	(22)
Equipment purchases	-	(4,718)	-	(4,718)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(4,404)</u>	<u>-</u>	<u>(4,404)</u>
<b>Cash Flows from Investing Activities</b>				
Interest received on investments	1,015	575	-	1,590
Net Cash Provided by Investing Activities	<u>1,015</u>	<u>575</u>	<u>-</u>	<u>1,590</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(984)	68	5	(911)
Cash and Cash Equivalents, Beginning of Fiscal Year	25,276	13,047	3	38,326
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 24,292</u>	<u>\$ 13,115</u>	<u>\$ 8</u>	<u>\$ 37,415</u>

**Reconciliation of Operating Income to  
Net Cash Provided (Used) by Operating Activities**

<b>Cash Flows from Operating Activities</b>				
Operating (loss)	\$ (658)	\$ (1,355)	\$ (8)	\$ (2,021)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	3	4,032	-	4,035
Changes in assets and liabilities:				
(Increase) decrease in receivables, net of allowances	20	84	-	104
(Increase) decrease in due from other governments	-	1	-	1
(Increase) decrease in inventories	-	-	24	24
Increase (decrease) in accounts payable	34	859	(11)	882
Increase (decrease) in accrued liabilities	3	-	-	3
Increase (decrease) in due to other governments	-	(1)	-	(1)
Increase (decrease) in deposits	-	16	-	16
Increase (decrease) in lease payable	-	42	-	42
Increase (decrease) in compensated absences	18	18	-	36
Increase (decrease) in claims payable	(219)	-	-	(219)
Total Adjustments	<u>(141)</u>	<u>5,051</u>	<u>13</u>	<u>4,923</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (799)</u>	<u>\$ 3,696</u>	<u>\$ 5</u>	<u>\$ 2,902</u>
Noncash Capital Financing Activities - Capital Lease Borrowings	<u>\$ -</u>	<u>\$ 352</u>	<u>\$ -</u>	<u>\$ 352</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.

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 Inter-Agency Custodial Fund is used to account for cash seized by Public Safety and held until final disposition of the cases. The other agency funds primarily reflect amounts collected and remitted under the terms of the various assessment districts.

**City of Irvine**  
**Combining Statement of Net Assets**  
**Pension and Employee Benefit Trust Funds**  
**June 30, 2009**  
(amounts expressed in thousands)

	<b>PENSION TRUST</b>		
	<b>(December 31, 2008)</b>		
	<b>Defined Benefit Pension Plan</b>	<b>Defined Contribution Pension Plan</b>	<b>Total Pension and Employee Benefit Trust Funds</b>
<b>ASSETS</b>			
Investments:			
Collective trust funds	\$ 14,752	\$ -	\$ 14,752
Short-term investments	715	-	715
Participant-directed investments	-	9,116	9,116
Receivables, net of allowances:			
Accrued interest	1	-	1
Loans	-	125	125
Total Assets	<u>15,468</u>	<u>9,241</u>	<u>24,709</u>
<b>LIABILITIES</b>			
Accounts payable	-	172	172
Accrued liabilities	<u>23</u>	<u>-</u>	<u>23</u>
Total Liabilities	<u>23</u>	<u>172</u>	<u>195</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits & other purposes	<u>15,445</u>	<u>9,069</u>	<u>24,514</u>
Total Net Assets	<u>\$ 15,445</u>	<u>\$ 9,069</u>	<u>\$ 24,514</u>

**City of Irvine**  
**Combining Statement of Changes in Net Assets**  
**Pension and Employee Benefit Trust Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

	<b>PENSION TRUST</b>		
	<b>(December 31, 2008)</b>		
	<b>Defined Benefit Pension Plan</b>	<b>Defined Contribution Pension Plan</b>	<b>Total Pension and Employee Benefit Trust Funds</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 228	\$ 209	\$ 437
Plan members	-	56	56
Total Contributions	<u>228</u>	<u>265</u>	<u>493</u>
Investment Income (Loss):			
Interest and dividends	9	190	199
Net appreciation (depreciation) in fair value of investments	<u>(2,457)</u>	<u>(1,798)</u>	<u>(4,255)</u>
Total Investment Income (Loss)	<u>(2,448)</u>	<u>(1,608)</u>	<u>(4,056)</u>
Less investment expense	<u>(103)</u>	<u>-</u>	<u>(103)</u>
Net Investment Income (Loss)	<u>(2,551)</u>	<u>(1,608)</u>	<u>(4,159)</u>
Total Additions	<u>(2,323)</u>	<u>(1,343)</u>	<u>(3,666)</u>
<b>DEDUCTIONS</b>			
Benefit payments	1,003	375	1,378
Administrative expenses	21	34	55
Forfeitures to the City of Irvine	-	8	8
Transfers to other defined benefit plan	<u>-</u>	<u>210</u>	<u>210</u>
Total Deductions	<u>1,024</u>	<u>627</u>	<u>1,651</u>
Change in Net Assets	(3,347)	(1,970)	(5,317)
Total Net Assets, Beginning	<u>18,792</u>	<u>11,039</u>	<u>29,831</u>
Total Net Assets, Ending	<u>\$ 15,445</u>	<u>\$ 9,069</u>	<u>\$ 24,514</u>



**City of Irvine**  
**Combining Statement of Net Assets**  
**Agency Funds**  
**June 30, 2009**  
(amounts expressed in thousands)  
**Page 1 of 6**

	Stonegate Assessment District 07-22	Orchard Hills Assessment District 05-21	Portola Springs Assessment District 04-20	Northern Sphere Assessment District 03-19
<b>ASSETS</b>				
Cash and investments	\$ 3,322	\$ 3,508	\$ 7,209	\$ 10,327
Receivables, net of allowances:				
Taxes	-	-	72	288
Investment interest	-	-	-	1
Due from developers	-	-	-	-
	<u>3,322</u>	<u>3,508</u>	<u>7,281</u>	<u>10,616</u>
Total Assets				
	<u>3,322</u>	<u>3,508</u>	<u>7,281</u>	<u>10,616</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	12
Accrued liabilities	1	1	3	5
Due to bondholders	3,321	3,507	7,278	10,599
Due to other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities				
	<u>3,322</u>	<u>3,508</u>	<u>7,281</u>	<u>10,616</u>
<b>NET ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

**City of Irvine**  
**Combining Statement of Net Assets**  
**Agency Funds**  
**June 30, 2009**  
(amounts expressed in thousands)  
**Page 2 of 6**

	Shady Canyon Turtle Ridge Assessment District 00-18	Irvine Spectrum Reassessment District 85-7	Irvine Spectrum Assessment District 87-8	Westpark Assessment District 89-10
<b>ASSETS</b>				
Cash and investments	\$ 12,628	\$ 5,409	\$ 4,410	\$ 530
Receivables, net of allowances:				
Taxes	500	-	240	-
Investment interest	1	-	-	-
Due from developers	-	-	24	27
	<u>13,129</u>	<u>5,409</u>	<u>4,674</u>	<u>557</u>
Total Assets				
	<u>13,129</u>	<u>5,409</u>	<u>4,674</u>	<u>557</u>
<b>LIABILITIES</b>				
Accounts payable	2	-	4	6
Accrued liabilities	5	30	23	10
Due to bondholders	13,122	5,379	4,647	541
Due to other governments	-	-	-	-
	<u>13,129</u>	<u>5,409</u>	<u>4,674</u>	<u>557</u>
Total Liabilities				
	<u>13,129</u>	<u>5,409</u>	<u>4,674</u>	<u>557</u>
<b>NET ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

**City of Irvine**  
**Combining Statement of Net Assets**  
**Agency Funds**  
**June 30, 2009**  
(amounts expressed in thousands)  
**Page 3 of 6**

	Irvine Spectrum Assessment District 93-14	Oak Creek Assessment District 94-13	Westpark II Assessment District 94-15	Northwest Assessment District 97-16
<b>ASSETS</b>				
Cash and investments	\$ 8,070	\$ 305	\$ 1,860	\$ 664
Receivables, net of allowances:				
Taxes	114	-	-	-
Investment interest	-	-	-	-
Due from developers	71	-	20	40
Total Assets	<u>8,255</u>	<u>305</u>	<u>1,880</u>	<u>704</u>
<b>LIABILITIES</b>				
Accounts payable	10	5	4	7
Accrued liabilities	61	34	45	42
Due to bondholders	8,184	266	1,831	655
Due to other governments	-	-	-	-
Total Liabilities	<u>8,255</u>	<u>305</u>	<u>1,880</u>	<u>704</u>
<b>NET ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

**City of Irvine**  
**Combining Statement of Net Assets**  
**Agency Funds**  
**June 30, 2009**

(amounts expressed in thousands)

Page 4 of 6

	<u>Lower Peters Canyon Assessment District 97-17</u>	<u>Irvine Public Facilities and Infrastructure Authority Series A</u>	<u>Irvine Public Facilities and Infrastructure Authority Series B</u>	<u>Irvine Public Facilities and Infrastructure Authority Series C</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,174	\$ 2,584	\$ 2,500	\$ 6,086
Receivables, net of allowances:				
Taxes	18	-	-	-
Investment interest	-	-	-	-
Due from developers	48	-	-	-
	<u>1,240</u>	<u>2,584</u>	<u>2,500</u>	<u>6,086</u>
Total Assets				
	<u>1,240</u>	<u>2,584</u>	<u>2,500</u>	<u>6,086</u>
<b>LIABILITIES</b>				
Accounts payable	8	-	-	-
Accrued liabilities	117	1	1	1
Due to bondholders	1,115	2,583	2,499	6,085
Due to other governments	-	-	-	-
	<u>1,240</u>	<u>2,584</u>	<u>2,500</u>	<u>6,086</u>
Total Liabilities				
	<u>1,240</u>	<u>2,584</u>	<u>2,500</u>	<u>6,086</u>
<b>NET ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

**City of Irvine**  
**Combining Statement of Net Assets**  
**Agency Funds**  
**June 30, 2009**  
 (amounts expressed in thousands)  
 Page 5 of 6

	Reassessment District 99-1	Reassessment District 99-2	Reassessment District 01-1	Reassessment District 01-2	Reassessment District 03-1
<b>ASSETS</b>					
Cash and investments	\$ 1,006	\$ 5,253	\$ 713	\$ 4,340	\$ 804
Receivables, net of allowances:					
Taxes	126	104	9	157	62
Investment interest	-	-	-	-	-
Due from developers	-	-	-	-	-
Total Assets	<u>1,132</u>	<u>5,357</u>	<u>722</u>	<u>4,497</u>	<u>866</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Due to bondholders	1,132	5,357	722	4,497	866
Due to other governments	-	-	-	-	-
Total Liabilities	<u>1,132</u>	<u>5,357</u>	<u>722</u>	<u>4,497</u>	<u>866</u>
<b>NET ASSETS</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

- continued -

**City of Irvine**  
**Combining Statement of Net Assets**  
**Agency Funds**  
**June 30, 2009**  
 (amounts expressed in thousands)  
 Page 6 of 6

	Reassessment District 03-2	CFD - Central Park 04-1	CFD - Columbus Grove 05-2	Inter-Agency Custodial Fund	Total Agency Funds
<b>ASSETS</b>					
Cash and investments	\$ 6,870	\$ 844	\$ 2,784	\$ 140	\$ 93,340
Receivables, net of allowances:					
Taxes	250	-	135	-	2,075
Investment interest	1	-	-	-	3
Due from developers	-	-	-	-	230
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	7,121	844	2,919	140	95,648
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>					
Accounts payable	-	-	-	-	58
Accrued liabilities	-	-	1	-	381
Due to bondholders	7,121	844	2,918	-	95,069
Due to other governments	-	-	-	140	140
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	7,121	844	2,919	140	95,648
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>	<u>\$ -</u>	<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, 2009**  
(amounts expressed in thousands)  
**Page 1 of 9**

	June 30, 2008				June 30, 2009
	Balance	Additions	Deductions		Balance
<b>Stonegate Assessment District 07-22</b>					
ASSETS					
Cash and investments	\$ 3,966	\$ -	\$ 644		\$ 3,322
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	-	-	-		-
	<u>3,966</u>	<u>-</u>	<u>644</u>		<u>3,322</u>
Total Assets	<u>\$ 3,966</u>	<u>\$ -</u>	<u>\$ 644</u>		<u>\$ 3,322</u>
LIABILITIES					
Accounts payable	\$ -	\$ 6	\$ 6		\$ -
Accrued liabilities	-	1	-		1
Due to bondholders	3,966	-	645		3,321
Due to other governments	-	-	-		-
	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Total Liabilities	<u>\$ 3,966</u>	<u>\$ 7</u>	<u>\$ 651</u>		<u>\$ 3,322</u>
<b>Orchard Hills Assessment District 05-21</b>					
ASSETS					
Cash and investments	\$ 4,789	\$ 5	\$ 1,286		\$ 3,508
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	1	-	1		-
Due from developers	-	-	-		-
	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Total Assets	<u>\$ 4,790</u>	<u>\$ 5</u>	<u>\$ 1,287</u>		<u>\$ 3,508</u>
LIABILITIES					
Accounts payable	\$ 1	\$ 2	\$ 3		\$ -
Accrued liabilities	-	1	-		1
Due to bondholders	4,789	-	1,282		3,507
Due to other governments	-	-	-		-
	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Total Liabilities	<u>\$ 4,790</u>	<u>\$ 3</u>	<u>\$ 1,285</u>		<u>\$ 3,508</u>
<b>Portola Springs Assessment District 04-20</b>					
ASSETS					
Cash and investments	\$ 8,593	\$ 5,380	\$ 6,764		\$ 7,209
Receivables, net of allowances:					
Taxes	19	82	29		72
Accrued interest	2	-	2		-
Due from developers	-	-	-		-
	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Total Assets	<u>\$ 8,614</u>	<u>\$ 5,462</u>	<u>\$ 6,795</u>		<u>\$ 7,281</u>
LIABILITIES					
Accounts payable	\$ 1	\$ 2,720	\$ 2,721		\$ -
Accrued liabilities	-	3	-		3
Due to bondholders	8,613	-	1,335		7,278
Due to other governments	-	-	-		-
	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Total Liabilities	<u>\$ 8,614</u>	<u>\$ 2,723</u>	<u>\$ 4,056</u>		<u>\$ 7,281</u>

-continued-

**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)

Page 2 of 9

	June 30, 2008			June 30, 2009		
	Balance	Additions	Deductions	Balance	Additions	Deductions
<b>Northern Sphere Assessment District 03-19</b>						
ASSETS						
Cash and investments	\$ 11,511	S 14,696	S 15,880	S 10,327		
Receivables, net of allowances:						
Taxes	211	288	211	288		
Accrued interest	5	1	5	1		
Due from developers	-	-	-	-		
Total Assets	<u>\$ 11,727</u>	<u>S 14,985</u>	<u>S 16,096</u>	<u>S 10,616</u>		
LIABILITIES						
Accounts payable	\$ -	S 7,174	S 7,162	S 12		
Accrued liabilities	8	5	8	5		
Due to bondholders	11,719	-	1,120	10,599		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 11,727</u>	<u>S 7,179</u>	<u>S 8,290</u>	<u>S 10,616</u>		
<b>Shady Canyon/Turtle Ridge Assessment District 00-18</b>						
ASSETS						
Cash and investments	\$ 13,093	S 14,243	S 14,708	S 12,628		
Receivables, net of allowances:						
Taxes	412	500	412	500		
Accrued interest	5	1	5	1		
Due from developers	-	-	-	-		
Total Assets	<u>\$ 13,510</u>	<u>S 14,744</u>	<u>S 15,125</u>	<u>S 13,129</u>		
LIABILITIES						
Accounts payable	\$ -	S 7,311	S 7,309	S 2		
Accrued liabilities	6	5	6	5		
Due to bondholders	13,504	-	382	13,122		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 13,510</u>	<u>S 7,316</u>	<u>S 7,697</u>	<u>S 13,129</u>		
<b>Irvine Spectrum Reassessment District 85-7</b>						
ASSETS						
Cash and investments	\$ 5,499	S 76	S 166	S 5,409		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accrued interest	-	-	-	-		
Due from developers	-	-	-	-		
Total Assets	<u>\$ 5,499</u>	<u>S 76</u>	<u>S 166</u>	<u>S 5,409</u>		
LIABILITIES						
Accounts payable	\$ -	S 156	S 156	S -		
Accrued liabilities	-	30	-	30		
Due to bondholders	5,499	-	120	5,379		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 5,499</u>	<u>S 186</u>	<u>S 276</u>	<u>S 5,409</u>		

-continued-



**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)  
**Page 3 of 9**

	<u>June 30, 2008</u>		<u>June 30, 2009</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
<b>Irvine Spectrum Assessment District 87-8</b>				
ASSETS				
Cash and investments	\$ 5,205	\$ 5,304	\$ 6,099	\$ 4,410
Receivables, net of allowances:				
Taxes	57	240	57	240
Accrued interest	2	-	2	-
Due from developers	-	113	89	24
	<u>5,264</u>	<u>5,657</u>	<u>6,247</u>	<u>4,674</u>
Total Assets	<u>\$ 5,264</u>	<u>\$ 5,657</u>	<u>\$ 6,247</u>	<u>\$ 4,674</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 2,948	\$ 2,945	\$ 4
Accrued liabilities	15	23	15	23
Due to bondholders	5,248	-	601	4,647
Due to other governments	-	-	-	-
	<u>5,264</u>	<u>2,971</u>	<u>3,561</u>	<u>4,674</u>
Total Liabilities	<u>\$ 5,264</u>	<u>\$ 2,971</u>	<u>\$ 3,561</u>	<u>\$ 4,674</u>
<b>Westpark Assessment District 89-10</b>				
ASSETS				
Cash and investments	\$ 546	\$ 130	\$ 146	\$ 530
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	142	115	27
	<u>546</u>	<u>272</u>	<u>261</u>	<u>557</u>
Total Assets	<u>\$ 546</u>	<u>\$ 272</u>	<u>\$ 261</u>	<u>\$ 557</u>
LIABILITIES				
Accounts payable	\$ -	\$ 147	\$ 141	\$ 6
Accrued liabilities	20	10	20	10
Due to bondholders	526	15	-	541
Due to other governments	-	-	-	-
	<u>546</u>	<u>172</u>	<u>161</u>	<u>557</u>
Total Liabilities	<u>\$ 546</u>	<u>\$ 172</u>	<u>\$ 161</u>	<u>\$ 557</u>
<b>Irvine Spectrum Assessment District 93-14</b>				
ASSETS				
Cash and investments	\$ 8,222	\$ 1,818	\$ 1,970	\$ 8,070
Receivables, net of allowances:				
Taxes	49	114	49	114
Accrued interest	1	-	1	-
Due from developers	-	229	158	71
	<u>8,272</u>	<u>2,161</u>	<u>2,178</u>	<u>8,255</u>
Total Assets	<u>\$ 8,272</u>	<u>\$ 2,161</u>	<u>\$ 2,178</u>	<u>\$ 8,255</u>
LIABILITIES				
Accounts payable	\$ 56	\$ 1,072	\$ 1,118	\$ 10
Accrued liabilities	10	61	10	61
Due to bondholders	8,206	30	52	8,184
Due to other governments	-	-	-	-
	<u>8,272</u>	<u>1,163</u>	<u>1,180</u>	<u>8,255</u>
Total Liabilities	<u>\$ 8,272</u>	<u>\$ 1,163</u>	<u>\$ 1,180</u>	<u>\$ 8,255</u>

-continued-

**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)  
**Page 4 of 9**

	June 30, 2008				June 30, 2009
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>		<u>Balance</u>
<b>Oak Creek Assessment District 94-13</b>					
ASSETS					
Cash and investments	\$ 440	\$ 8	\$ 143		\$ 305
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	-	-	-		-
	<u>\$ 440</u>	<u>\$ 8</u>	<u>\$ 143</u>		<u>\$ 305</u>
Total Assets					
	<u>\$ 440</u>	<u>\$ 8</u>	<u>\$ 143</u>		<u>\$ 305</u>
LIABILITIES					
Accounts payable	\$ -	\$ 143	\$ 138		\$ 5
Accrued liabilities	26	34	26		34
Due to bondholders	414	-	148		266
Due to other governments	-	-	-		-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
Total Liabilities					
	<u>\$ 440</u>	<u>\$ 177</u>	<u>\$ 312</u>		<u>\$ 305</u>
<b>Westpark II Assessment District 94-15</b>					
ASSETS					
Cash and investments	\$ 1,861	\$ 113	\$ 114		\$ 1,860
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	-	107	87		20
	<u>\$ 1,861</u>	<u>\$ 220</u>	<u>\$ 201</u>		<u>\$ 1,880</u>
Total Assets					
	<u>\$ 1,861</u>	<u>\$ 220</u>	<u>\$ 201</u>		<u>\$ 1,880</u>
LIABILITIES					
Accounts payable	\$ -	\$ 113	\$ 109		\$ 4
Accrued liabilities	15	45	15		45
Due to bondholders	1,846	-	15		1,831
Due to other governments	-	-	-		-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
Total Liabilities					
	<u>\$ 1,861</u>	<u>\$ 158</u>	<u>\$ 139</u>		<u>\$ 1,880</u>
<b>Northwest Assessment District 97-16</b>					
ASSETS					
Cash and investments	\$ 694	\$ 371	\$ 401		\$ 664
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	-	180	140		40
	<u>\$ 694</u>	<u>\$ 551</u>	<u>\$ 541</u>		<u>\$ 704</u>
Total Assets					
	<u>\$ 694</u>	<u>\$ 551</u>	<u>\$ 541</u>		<u>\$ 704</u>
LIABILITIES					
Accounts payable	\$ -	\$ 291	\$ 284		\$ 7
Accrued liabilities	32	42	32		42
Due to bondholders	662	2	9		655
Due to other governments	-	-	-		-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
Total Liabilities					
	<u>\$ 694</u>	<u>\$ 335</u>	<u>\$ 325</u>		<u>\$ 704</u>

-continued-

**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2009**  
 (amounts expressed in thousands)  
**Page 5 of 9**

	<u>June 30, 2008</u>		<u>June 30, 2009</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
<b>Lower Peters Canyon Assessment District 97-17</b>				
ASSETS				
Cash and investments	\$ 1,241	\$ 923	\$ 990	\$ 1,174
Receivables, net of allowances:				
Taxes	22	18	22	18
Accrued interest	-	-	-	-
Due from developers	-	184	136	48
	<u>1,263</u>	<u>1,125</u>	<u>1,148</u>	<u>1,240</u>
Total Assets	<u>\$ 1,263</u>	<u>\$ 1,125</u>	<u>\$ 1,148</u>	<u>\$ 1,240</u>
LIABILITIES				
Accounts payable	-	601	593	8
Accrued liabilities	39	117	39	117
Due to bondholders	1,224	-	109	1,115
Due to other governments	-	-	-	-
	<u>1,263</u>	<u>718</u>	<u>741</u>	<u>1,240</u>
Total Liabilities	<u>\$ 1,263</u>	<u>\$ 718</u>	<u>\$ 741</u>	<u>\$ 1,240</u>
<b>Irvine Public Facilities and Infrastructure Authority Series A</b>				
ASSETS				
Cash and investments	\$ 3,014	\$ 384	\$ 814	\$ 2,584
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
	<u>3,014</u>	<u>384</u>	<u>814</u>	<u>2,584</u>
Total Assets	<u>\$ 3,014</u>	<u>\$ 384</u>	<u>\$ 814</u>	<u>\$ 2,584</u>
LIABILITIES				
Accounts payable	-	4	4	-
Accrued liabilities	-	1	-	1
Due to bondholders	3,014	-	431	2,583
Due to other governments	-	-	-	-
	<u>3,014</u>	<u>5</u>	<u>435</u>	<u>2,584</u>
Total Liabilities	<u>\$ 3,014</u>	<u>\$ 5</u>	<u>\$ 435</u>	<u>\$ 2,584</u>
<b>Irvine Public Facilities and Infrastructure Authority Series B</b>				
ASSETS				
Cash and investments	\$ 2,131	\$ 398	\$ 29	\$ 2,500
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
	<u>2,131</u>	<u>398</u>	<u>29</u>	<u>2,500</u>
Total Assets	<u>\$ 2,131</u>	<u>\$ 398</u>	<u>\$ 29</u>	<u>\$ 2,500</u>
LIABILITIES				
Accounts payable	-	3	3	-
Accrued liabilities	-	1	-	1
Due to bondholders	2,131	368	-	2,499
Due to other governments	-	-	-	-
	<u>2,131</u>	<u>372</u>	<u>3</u>	<u>2,500</u>
Total Liabilities	<u>\$ 2,131</u>	<u>\$ 372</u>	<u>\$ 3</u>	<u>\$ 2,500</u>

-continued-

**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2009**  
(amounts expressed in thousands)  
**Page 6 of 9**

	June 30, 2008			June 30, 2009		
	Balance	Additions	Deductions	Balance	Balance	Balance
<b>Irvine Public Facilities and Infrastructure Authority Series C</b>						
<b>ASSETS</b>						
Cash and investments	\$ 4,493	\$ 1,634	\$ 41	\$ 6,086		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accrued interest	-	-	-	-		
Due from developers	-	-	-	-		
Total Assets	<u>\$ 4,493</u>	<u>\$ 1,634</u>	<u>\$ 41</u>	<u>\$ 6,086</u>		
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 3	\$ 3	\$ -		
Accrued liabilities	-	1	-	1		
Due to bondholders	4,493	1,592	-	6,085		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 4,493</u>	<u>\$ 1,596</u>	<u>\$ 3</u>	<u>\$ 6,086</u>		
<b>Reassessment District 99-1</b>						
<b>ASSETS</b>						
Cash and investments	\$ 1,164	\$ 1,862	\$ 2,020	\$ 1,006		
Receivables, net of allowances:						
Taxes	-	126	-	126		
Accrued interest	1	-	1	-		
Due from developers	-	-	-	-		
Total Assets	<u>\$ 1,165</u>	<u>\$ 1,988</u>	<u>\$ 2,021</u>	<u>\$ 1,132</u>		
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 950	\$ 950	\$ -		
Accrued liabilities	-	-	-	-		
Due to bondholders	1,165	-	33	1,132		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 1,165</u>	<u>\$ 950</u>	<u>\$ 983</u>	<u>\$ 1,132</u>		
<b>Reassessment District 99-2</b>						
<b>ASSETS</b>						
Cash and investments	\$ 5,461	\$ 8,038	\$ 8,246	\$ 5,253		
Receivables, net of allowances:						
Taxes	87	104	87	104		
Accrued interest	3	-	3	-		
Due from developers	-	163	163	-		
Total Assets	<u>\$ 5,551</u>	<u>\$ 8,305</u>	<u>\$ 8,499</u>	<u>\$ 5,357</u>		
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 4,099	\$ 4,099	\$ -		
Accrued liabilities	-	-	-	-		
Due to bondholders	5,551	-	194	5,357		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 5,551</u>	<u>\$ 4,099</u>	<u>\$ 4,293</u>	<u>\$ 5,357</u>		

-continued-

City of Irvine  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2009  
(amounts expressed in thousands)  
Page 7 of 9

	June 30, 2008				June 30, 2009
	Balance	Additions	Deductions		Balance
<b>Reassessment District 01-1</b>					
ASSETS					
Cash and investments	\$ 767	\$ 1,313	\$ 1,367		\$ 713
Receivables, net of allowances:					
Taxes	18	9	18		9
Accrued interest	1	-	1		-
Due from developers	-	-	-		-
	<u>786</u>	<u>1,322</u>	<u>1,386</u>		<u>722</u>
Total Assets	<u>\$ 786</u>	<u>\$ 1,322</u>	<u>\$ 1,386</u>		<u>\$ 722</u>
LIABILITIES					
Accounts payable	-	679	679		-
Accrued liabilities	-	-	-		-
Due to bondholders	786	-	64		722
Due to other governments	-	-	-		-
	<u>786</u>	<u>679</u>	<u>743</u>		<u>722</u>
Total Liabilities	<u>\$ 786</u>	<u>\$ 679</u>	<u>\$ 743</u>		<u>\$ 722</u>
<b>Reassessment District 01-2</b>					
ASSETS					
Cash and investments	\$ 4,737	\$ 7,626	\$ 8,023		\$ 4,340
Receivables, net of allowances:					
Taxes	144	157	144		157
Accrued interest	3	-	3		-
Due from developers	-	-	-		-
	<u>4,884</u>	<u>7,783</u>	<u>8,170</u>		<u>4,497</u>
Total Assets	<u>\$ 4,884</u>	<u>\$ 7,783</u>	<u>\$ 8,170</u>		<u>\$ 4,497</u>
LIABILITIES					
Accounts payable	-	3,995	3,995		-
Accrued liabilities	-	-	-		-
Due to bondholders	4,884	-	387		4,497
Due to other governments	-	-	-		-
	<u>4,884</u>	<u>3,995</u>	<u>4,382</u>		<u>4,497</u>
Total Liabilities	<u>\$ 4,884</u>	<u>\$ 3,995</u>	<u>\$ 4,382</u>		<u>\$ 4,497</u>
<b>Reassessment District 03-1</b>					
ASSETS					
Cash and investments	\$ 839	\$ 1,501	\$ 1,536		\$ 804
Receivables, net of allowances:					
Taxes	60	62	60		62
Accrued interest	1	-	1		-
Due from developers	-	-	-		-
	<u>900</u>	<u>1,563</u>	<u>1,597</u>		<u>866</u>
Total Assets	<u>\$ 900</u>	<u>\$ 1,563</u>	<u>\$ 1,597</u>		<u>\$ 866</u>
LIABILITIES					
Accounts payable	-	763	763		-
Accrued liabilities	-	-	-		-
Due to bondholders	900	-	34		866
Due to other governments	-	-	-		-
	<u>900</u>	<u>763</u>	<u>797</u>		<u>866</u>
Total Liabilities	<u>\$ 900</u>	<u>\$ 763</u>	<u>\$ 797</u>		<u>\$ 866</u>

-continued-

City of Irvine  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2009  
(amounts expressed in thousands)  
Page 8 of 9

	June 30, 2008				June 30, 2009
	Balance	Additions	Deductions		Balance
<b>Reassessment District 03-2</b>					
ASSETS					
Cash and investments	\$ 7,168	\$ 13,081	\$ 13,379		\$ 6,870
Receivables, net of allowances:					
Taxes	254	250	254		250
Accrued interest	5	1	5		1
Due from developers	-	4	4		-
	<u>7,427</u>	<u>13,336</u>	<u>13,642</u>		<u>7,121</u>
Total Assets	<u>\$ 7,427</u>	<u>\$ 13,336</u>	<u>\$ 13,642</u>		<u>\$ 7,121</u>
LIABILITIES					
Accounts payable	\$ -	\$ 6,665	\$ 6,665		\$ -
Accrued liabilities	-	-	-		-
Due to bondholders	7,427	-	306		7,121
Due to other governments	-	-	-		-
	<u>7,427</u>	<u>6,665</u>	<u>6,971</u>		<u>7,121</u>
Total Liabilities	<u>\$ 7,427</u>	<u>\$ 6,665</u>	<u>\$ 6,971</u>		<u>\$ 7,121</u>
<b>CFD-Central Park 2004-1</b>					
ASSETS					
Cash and investments	\$ 838	\$ 12	\$ 6		\$ 844
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	1	-	1		-
Due from developers	-	-	-		-
	<u>839</u>	<u>12</u>	<u>7</u>		<u>844</u>
Total Assets	<u>\$ 839</u>	<u>\$ 12</u>	<u>\$ 7</u>		<u>\$ 844</u>
LIABILITIES					
Accounts payable	\$ -	\$ 3	\$ 3		\$ -
Accrued liabilities	-	-	-		-
Due to bondholders	839	5	-		844
Due to other governments	-	-	-		-
	<u>839</u>	<u>8</u>	<u>3</u>		<u>844</u>
Total Liabilities	<u>\$ 839</u>	<u>\$ 8</u>	<u>\$ 3</u>		<u>\$ 844</u>
<b>CFD-Columbus Grove 2005-2</b>					
ASSETS					
Cash and investments	\$ 2,714	\$ 3,336	\$ 3,266		\$ 2,784
Receivables, net of allowances:					
Taxes	166	135	166		135
Accrued interest	1	-	1		-
Due from developers	-	-	-		-
	<u>2,881</u>	<u>3,471</u>	<u>3,433</u>		<u>2,919</u>
Total Assets	<u>\$ 2,881</u>	<u>\$ 3,471</u>	<u>\$ 3,433</u>		<u>\$ 2,919</u>
LIABILITIES					
Accounts payable	\$ -	\$ 1,614	\$ 1,614		\$ -
Accrued liabilities	-	1	-		1
Due to bondholders	2,881	37	-		2,918
Due to other governments	-	-	-		-
	<u>2,881</u>	<u>1,652</u>	<u>1,614</u>		<u>2,919</u>
Total Liabilities	<u>\$ 2,881</u>	<u>\$ 1,652</u>	<u>\$ 1,614</u>		<u>\$ 2,919</u>

-continued-

**City of Irvine**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2009**  
 (amounts expressed in thousands)  
**Page 9 of 9**

	<u>June 30, 2008</u>		<u>June 30, 2009</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
<b>Inter-Agency Custodial Fund</b>				
ASSETS				
Cash and investments	\$ 57	\$ 219	\$ 136	\$ 140
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
	<u>57</u>	<u>219</u>	<u>136</u>	<u>140</u>
Total Assets	<u>\$ 57</u>	<u>\$ 219</u>	<u>\$ 136</u>	<u>\$ 140</u>
LIABILITIES				
Accounts payable	\$ -	\$ 67	\$ 67	\$ -
Accrued liabilities	-	1	1	-
Due to bondholders	-	-	-	-
Due to other governments	57	153	70	140
	<u>57</u>	<u>221</u>	<u>138</u>	<u>140</u>
Total Liabilities	<u>\$ 57</u>	<u>\$ 221</u>	<u>\$ 138</u>	<u>\$ 140</u>
<b>Total Agency Funds</b>				
ASSETS				
Cash and investments	\$ 99,043	\$ 82,471	\$ 88,174	\$ 93,340
Receivables, net of allowances:				
Taxes	1,499	2,085	1,509	2,075
Accrued interest	32	3	32	3
Due from developers	-	1,122	892	230
	<u>100,574</u>	<u>85,681</u>	<u>90,607</u>	<u>95,648</u>
Total Assets	<u>\$ 100,574</u>	<u>\$ 85,681</u>	<u>\$ 90,607</u>	<u>\$ 95,648</u>
LIABILITIES				
Accounts payable	\$ 59	\$ 41,529	\$ 41,530	\$ 58
Accrued liabilities	171	382	172	381
Due to bondholders	100,287	2,049	7,267	95,069
Due to other governments	57	153	70	140
	<u>100,574</u>	<u>44,113</u>	<u>49,039</u>	<u>95,648</u>
Total Liabilities	<u>\$ 100,574</u>	<u>\$ 44,113</u>	<u>\$ 49,039</u>	<u>\$ 95,648</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 Assets by Component
- Changes in Net Assets
- 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. The City implemented Governmental Accounting Standards Board Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Governmental Activities</b>			
Invested in capital assets, net of related debt	\$ 1,459,815	\$ 1,425,432	\$ 1,275,007
Restricted	376,056	364,556	430,022
Unrestricted	294,354	371,340	313,186
Total Governmental Activities Net Assets	<u>\$ 2,130,225</u>	<u>\$ 2,161,328</u>	<u>\$ 2,018,215</u>
<b>Primary Government</b>			
Invested in capital assets, net of related debt	\$ 1,459,815	\$ 1,425,432	\$ 1,275,007
Restricted	376,056	364,556	430,022
Unrestricted	294,354	371,340	313,186
Total Primary Government Net Assets	<u>\$ 2,130,225</u>	<u>\$ 2,161,328</u>	<u>\$ 2,018,215</u>

**Note:** The City implemented Governmental Accounting Standards Board Statement No. 34 (GASB 34) for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is unavailable.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 1,180,580	\$ 883,853	\$ 810,255	\$ 741,460	\$ 684,510
410,792	351,994	343,352	285,379	312,353
213,578	144,889	124,419	111,001	103,862
<u>\$ 1,804,950</u>	<u>\$ 1,380,736</u>	<u>\$ 1,278,026</u>	<u>\$ 1,137,840</u>	<u>\$ 1,100,725</u>

\$ 1,180,580	\$ 883,853	\$ 810,255	\$ 741,460	\$ 684,510
410,792	351,994	343,352	285,379	312,353
213,578	144,889	124,419	111,001	103,862
<u>\$ 1,804,950</u>	<u>\$ 1,380,736</u>	<u>\$ 1,278,026</u>	<u>\$ 1,137,840</u>	<u>\$ 1,100,725</u>

**City of Irvine**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
(amounts expressed in thousands)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>EXPENSES</b>			
<b>Governmental Activities</b>			
General Government	\$ 20,495	\$ 47,848	\$ 18,211
Public Safety	57,693	52,292	45,356
Public Works	55,070	27,663	90,318
Health and Sanitation	375	314	263
Culture and Recreation	31,909	36,863	34,126
Community Development	32,453	18,488	21,485
Redevelopment <sup>(1)</sup>	-	10,468	16,628
Great Park <sup>(2)</sup>	13,235	34,248	18,628
Interest on long-term debt	14,111	-	1,239
Unallocated infrastructure depreciation	38,700	33,172	27,777
Total Governmental Activities Expenses	<u>\$ 264,041</u>	<u>\$ 261,356</u>	<u>\$ 274,031</u>
<b>PROGRAM REVENUES</b>			
<b>Governmental Activities</b>			
Charges for services:			
General Government	\$ 681	\$ 10,738	\$ -
Public Safety	4,273	3,950	3,429
Public Works	10,856	24,566	18,098
Health and Sanitation	-	25	-
Culture and Recreation	10,896	7,698	7,285
Community Development	4,828	13,479	12,983
Redevelopment <sup>(1)</sup>	-	319	768
Great Park <sup>(2)</sup>	3,384	3,450	2,785
Operating grants and contributions	15,702	11,286	16,029
Capital grants and contributions	52,984	155,840	245,498
Total Governmental Activities Program Revenues	<u>103,604</u>	<u>231,351</u>	<u>306,875</u>
<b>Total Net Revenues (Expenses)</b>	<u>\$ (160,437)</u>	<u>\$ (30,005)</u>	<u>\$ 32,844</u>
<b>GENERAL REVENUES AND OTHER</b>			
<b>CHANGES IN NET ASSETS</b>			
<b>Governmental Activities</b>			
Taxes:			
Property tax <sup>(3)</sup>	\$ 54,168	\$ 52,155	\$ 54,566
Franchise taxes	11,704	11,553	11,344
Sales taxes	49,732	58,949	58,041
Document transfer taxes	996	1,328	2,525
Transient occupancy taxes	7,768	9,108	9,396
Motor vehicle in-lieu	715	820	1,069
Sale of assets	165	14	21
Unrestricted capital grants & contributions	-	-	1
Investment revenue	7,325	36,304	43,458
Other revenue	20	2,276	-
Total Governmental Activities	<u>132,593</u>	<u>172,507</u>	<u>180,421</u>
<b>Changes in Net Assets</b>	<u>\$ (27,844)</u>	<u>\$ 142,502</u>	<u>\$ 213,265</u>

**Note:** The City implemented Governmental Accounting Standards Board Statement No. 34 (GASB 34) for the fiscal year ended June 30, 2002. Information prior to the implementation of GASB 34 is unavailable.

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

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

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

Source: City Fiscal Services Division

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	22,587	\$ 18,732	\$ 20,967	\$ 17,305	\$ 15,684
	43,907	38,418	36,238	31,582	33,284
	60,461	61,121	51,849	29,731	36,984
	251	235	205	200	173
	29,617	26,743	22,783	20,531	20,195
	24,822	18,038	15,180	12,664	14,877
	1,400	-	-	-	-
	-	-	-	-	-
	1,250	979	746	961	1,426
	24,502	22,089	19,396	16,989	14,841
\$	<u>208,797</u>	<u>\$ 186,355</u>	<u>\$ 167,364</u>	<u>\$ 129,963</u>	<u>\$ 137,464</u>
\$	2,861	\$ 134	\$ 222	\$ 425	\$ 212
	3,610	3,365	3,329	3,624	2,453
	27,231	37,855	13,895	15,009	11,271
	-	-	-	-	-
	6,793	6,059	5,574	5,031	4,935
	16,355	13,164	11,683	9,887	10,055
	-	-	-	-	-
	-	-	-	-	-
	9,949	10,465	9,036	5,073	5,073
	434,218	110,554	165,605	31,850	79,850
	501,017	181,596	209,344	70,899	113,849
\$	<u>292,220</u>	<u>\$ (4,759)</u>	<u>\$ 41,980</u>	<u>\$ (59,064)</u>	<u>\$ (23,615)</u>
\$	33,094	\$ 27,530	\$ 17,372	\$ 16,189	\$ 15,269
	10,040	9,015	8,729	8,896	8,627
	53,688	49,335	48,547	41,763	40,986
	3,831	3,622	2,617	1,813	1,457
	8,708	7,295	6,688	6,112	6,009
	1,284	1,429	10,712	8,511	8,925
	78	74	-	49	28
	1	-	-	444	152
	21,270	9,169	3,541	10,721	15,109
	-	-	-	-	469
	131,994	107,469	98,206	94,498	97,031
\$	<u>424,214</u>	<u>\$ 102,710</u>	<u>\$ 140,186</u>	<u>\$ 35,434</u>	<u>\$ 73,416</u>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>GENERAL FUND</b>				
Reserved	\$ 9,427	\$ 9,443	\$ 9,261	\$ 9,142
Unreserved	100,769	114,344	117,811	120,750
Total General Fund	<u>\$ 110,196</u>	<u>\$ 123,787</u>	<u>\$ 127,072</u>	<u>\$ 129,892</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 320,395	\$ 335,939	\$ 293,983	\$ 289,757
Unreserved, reported in:				
Special Revenue Funds	127,296	187,750	262,416	185,171
Capital Project Funds	52,429	30,655	26,928	(9)
Permanent Funds	170	146	114	72
Total All Other Governmental Funds	<u>\$ 500,290</u>	<u>\$ 554,490</u>	<u>\$ 583,441</u>	<u>\$ 474,991</u>

Source: City Fiscal Services Division

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 2,745	\$ 2,200	\$ 616	\$ 736	\$ 1,194	\$ 1,438
<u>111,696</u>	<u>102,262</u>	<u>99,104</u>	<u>96,626</u>	<u>94,752</u>	<u>87,203</u>
<u>\$ 114,441</u>	<u>\$ 104,462</u>	<u>\$ 99,720</u>	<u>\$ 97,362</u>	<u>\$ 95,946</u>	<u>\$ 88,641</u>
\$ 249,718	\$ 265,307	\$ 217,452	\$ 244,287	\$ 216,266	\$ 220,728
115,520	81,008	67,967	68,615	60,680	55,887
(67)	(13)	-	-	-	-
56	97	112	106	-	-
<u>\$ 365,227</u>	<u>\$ 346,399</u>	<u>\$ 285,531</u>	<u>\$ 313,008</u>	<u>\$ 276,946</u>	<u>\$ 276,615</u>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>				
Taxes				
Sales and use taxes	\$ 49,732	\$ 58,949	\$ 58,041	\$ 53,688
Property taxes	54,168	52,155	54,566	33,094
All other taxes	25,402	31,353	33,261	42,340
Licenses & permits	4,592	7,528	7,166	8,996
Fines & forfeitures	1,936	2,192	1,985	2,151
Investment income	23,089	35,973	39,141	20,201
Intergovernmental	43,610	35,885	20,647	13,315
Charges for services	34,202	43,572	35,241	34,178
Assessment districts contributions	1,103	-	108,131	101,067
Revenue from developers	498	83,975	89,669	76,410
Revenue from property owners	5,203	4,863	7,782	6,372
Donations	537	1,003	-	-
Other revenue	2,936	2,563	4,253	6,326
Total Revenues	<u>247,008</u>	<u>360,011</u>	<u>459,883</u>	<u>398,138</u>
<b>EXPENDITURES</b>				
Current:				
General Government	30,572	31,331	28,662	34,308
Public Safety	56,404	52,481	47,830	44,100
Public Works	33,833	35,803	39,613	29,946
Community Development	33,985	18,576	17,818	24,947
Community Services	34,240	35,264	34,524	29,613
Redevelopment	-	9,737	15,537	1,270
Great Park	13,073	12,128	18,636	-
Street lighting	6,226	5,069	4,589	4,137
Capital Outlay	84,770	169,594	137,511	93,798
Debt Services:				
Principal retirement	6,990	8,170	6,225	5,770
Interest & fiscal charges	14,038	11,853	1,240	1,202
Administration	75	106	108	179
Total Expenditures	<u>314,206</u>	<u>390,112</u>	<u>352,293</u>	<u>269,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(67,198)</u>	<u>(30,101)</u>	<u>107,590</u>	<u>128,868</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term note	48	47	1,350	-
Proceeds from sale of capital assets	-	14	-	-
Transfers in	65,542	476,218	97,956	83,297
Transfers out	(64,308)	(477,803)	(101,266)	(86,950)
Proceeds from capital lease obligation	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,282</u>	<u>(1,524)</u>	<u>(1,960)</u>	<u>(3,653)</u>
Net Change in Fund Balances	<u>\$ (65,916)</u>	<u>\$ (31,625)</u>	<u>\$ 105,630</u>	<u>\$ 125,215</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	6.7%	8.9%	2.8%	3.6%

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

Source: City Fiscal Services Division



	2005	2004	2003	2002	2001	2000
\$	49,335	\$ 48,547	\$ 41,763	\$ 40,986	\$ 46,529	\$ 43,278
	27,530	17,372	16,189	15,269	12,864	10,917
	32,566	28,814	27,758	24,152	25,744	27,139
	6,943	6,646	5,859	5,780	6,104	6,276
	2,059	1,829	1,921	1,796	2,338	2,139
	8,774	3,510	9,662	13,734	28,346	19,227
	10,801	15,883	17,261	14,780	16,340	11,811
	28,450	25,152	22,943	20,786	20,660	28,888
	47,421	104,061	-	69,476	60,949	4,238
	36,051	15,985	4,619	5,097	-	-
	5,859	8,529	4,365	2,937	2,792	2,283
	-	-	-	-	-	-
	2,582	1,909	453	1,158	5,627	1,256
	<u>258,371</u>	<u>278,237</u>	<u>152,793</u>	<u>215,951</u>	<u>228,293</u>	<u>157,452</u>
	28,780	30,118	24,576	21,941	63,582	19,216
	39,130	36,640	33,724	33,286	31,730	30,066
	32,409	30,673	21,365	20,012	18,894	15,121
	18,078	15,002	12,825	14,643	12,699	11,669
	26,621	22,436	20,540	19,038	17,662	16,092
	-	-	-	-	-	-
	-	-	-	-	-	-
	4,190	3,771	3,687	3,618	3,391	3,344
	73,914	68,271	54,440	56,711	59,405	91,377
	5,330	4,885	4,550	6,635	5,780	5,580
	911	706	892	1,251	2,427	2,620
	156	166	195	148	223	124
	<u>229,519</u>	<u>212,668</u>	<u>176,794</u>	<u>177,283</u>	<u>215,793</u>	<u>195,209</u>
	<u>28,852</u>	<u>65,569</u>	<u>(24,001)</u>	<u>38,668</u>	<u>12,500</u>	<u>(37,757)</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	22,244	22,393	26,627	13,677	34,290	27,667
	(22,919)	(22,352)	(27,745)	(14,867)	(37,030)	(26,633)
	-	-	-	-	-	19
	<u>(675)</u>	<u>41</u>	<u>(1,118)</u>	<u>(1,190)</u>	<u>(2,740)</u>	<u>1,053</u>
\$	<u>28,177</u>	<u>\$ 65,610</u>	<u>\$ (25,119)</u>	<u>\$ 37,478</u>	<u>\$ 9,760</u>	<u>\$ (36,704)</u>
	3.6%	3.6%	4.5%	6.0% <sup>(1)</sup>	5.4% <sup>(1)</sup>	8.0% <sup>(1)</sup>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Apparel stores	\$ *	\$ 151,277	\$ 160,900	\$ 134,828
General merchandise	*	382,044	426,465	381,271
Food stores	*	135,395	125,231	121,971
Eating & drinking places	*	455,804	455,127	429,805
Home furnishings & appliances	*	172,600	214,469	212,144
Building material & farm tools	*	94,565	103,877	85,475
Auto dealers & supplies	*	660,418	726,047	722,744
Service stations	*	212,969	183,978	160,051
Other retail stores	*	748,933	925,451	838,667
All other outlets	*	1,635,329	1,610,630	1,647,566
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ -	\$ 4,649,334	\$ 4,932,175	\$ 4,734,522
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>City Direct Sales Tax Rate</b>	0.75%	0.75%	0.75%	0.75%

**Note:** Data prior to the fiscal year 2000-01 is only available on a calendar year basis.

\* Statistics for fiscal year 2008-09 is unavailable at the present time.

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$	107,968	\$ 93,733	\$ 74,095	\$ 73,043	\$ 71,139	\$ 63,174
	334,891	316,770	298,023	270,510	241,725	209,598
	112,236	89,630	84,524	77,627	74,035	68,354
	395,191	374,066	337,082	311,470	297,177	273,319
	213,146	204,504	181,005	163,123	169,808	161,719
	91,439	88,095	76,730	83,749	83,662	55,247
	782,031	829,419	702,634	587,821	471,822	452,655
	134,092	117,033	101,927	89,816	99,995	81,928
	754,319	759,285	595,802	557,940	863,996	698,106
	<u>1,558,964</u>	<u>1,461,650</u>	<u>1,387,472</u>	<u>1,375,154</u>	<u>1,729,321</u>	<u>1,670,135</u>
\$	<u>4,484,277</u>	<u>4,334,185</u>	<u>3,839,294</u>	<u>3,590,253</u>	<u>4,102,680</u>	<u>3,734,235</u>
	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

<b>Fiscal Year</b>	<b>Property Tax</b>		<b>Sales Tax</b>	<b>Transient Occupancy Tax</b>	<b>Franchise Tax</b>	<b>Document Transfer Tax</b>	<b>Other</b>	<b>Total</b>
	<b>City</b>	<b>Redevelopment Agency <sup>(1)</sup></b>						
2009	\$ 45,395	\$ 8,773	\$ 48,736	\$ 7,768	\$ 11,704	\$ 996	\$ 5,930	\$ 129,302
2008	45,309	6,846	\$ 58,949	9,108	11,553	1,328	9,364	142,457
2007	42,013	12,553	58,041	9,396	11,344	2,525	9,996	145,868
2006	33,094	-	53,688	8,708	10,040	3,831	19,761	129,122
2005	27,530	-	49,335	7,295	9,015	3,622	12,634	109,431
2004	17,372	-	48,547	6,688	8,729	2,617	10,780	94,733
2003	16,189	-	41,763	6,112	8,896	1,813	10,937	85,710
2002	15,269	-	40,986	6,009	8,627	1,457	8,059	80,407
2001	12,864	-	46,529	7,288	7,253	1,466	9,737	85,137
2000	10,917	-	43,278	6,446	6,404	1,283	13,006	81,334

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

Source: City Fiscal Services Division and City Budget Office

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

Fiscal Year	City				Redevelopment Agency <sup>(2)</sup>				Total Direct Tax Rate
	Secured	Public Utility	Unsecured	Taxable Assessed Value <sup>(1)</sup>	Secured	Public Utility	Unsecured	Incremental Valuation	
2009	\$ 43,636,021	\$ 2,060	\$ 3,619,528	\$ 47,257,609	\$ 864,151	\$ 335,411	\$ 7,657	\$ 872,144	0.113%
2008	41,322,909	2,479	3,057,595	44,382,983	847,207	335	2,559	850,101	0.115%
2007	36,335,844	5,682	2,938,730	39,280,256	830,738	616	2,904	834,258	0.136%
2006	31,225,237	5,893	2,532,912	33,764,042	-	-	-	-	0.098%
2005	27,069,659	7,034	2,558,015	29,634,708	-	-	-	-	0.093%
2004	24,268,011	5,685	2,526,044	26,799,740	-	-	-	-	0.065%
2003	22,388,912	18,268	2,451,452	24,858,632	-	-	-	-	0.065%
2002	20,292,552	16,892	2,400,696	22,710,140	-	-	-	-	0.067%
2001	18,169,324	16,432	2,219,603	20,405,359	-	-	-	-	0.063%
2000	16,217,961	3,714	2,074,761	18,296,436	-	-	-	-	0.060%

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

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

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

Source: Orange County Auditor-Controller, MuniServices LLC

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>	<u>2001</u>	<u>2000</u>
<b>City Direct Rates</b>	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992
<b>Overlapping Rates:</b>										
Orange County Street Lighting Maintenance District #10	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972
Orange County Fire Authority-General Fund	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559
Orange County Water District	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533
Orange County Water District-Water Reserve	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008
Orange County Transit Authority	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289
Orange County Sanitation #7 General Fund	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082
Orange County Sanitation (OC 7111 SMD)	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159
Tustin Unified General Fund	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154
South Orange County Community College District	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104
Orange County Department of Education	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649
Orange County General Fund	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339
Orange County Public Library	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715
Orange County Flood Control District	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034
Orange County Harbors Beaches & Parks CSA	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572
Educational Revenue Augmentation Fund	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673
Orange County Cemetery Fund	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051
Orange County Vector Control District	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115
Total Proposition 13 Rate (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	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610	0.00670	0.00770	0.00880	0.00890
Irvine City-Bond Fund 1974	-	-	-	-	-	-	-	0.00130	0.00590	0.00850
Tustin Unified SFID 2002 Bond SR 2003A	0.00292	0.00001	-	-	0.05541	0.03036	-	-	-	-
Tustin Unified SFID 2001-2, Series C	0.00735	-	-	-	-	-	-	-	-	-
Tustin Unified SFID 2002 Bond SR 2006B	0.02075	0.03172	0.00232	0.03105	-	-	-	-	-	-
<b>Total Direct and Overlapping Rate</b>	<u>1.03532</u>	<u>1.03623</u>	<u>1.00702</u>	<u>1.03625</u>	<u>1.06121</u>	<u>1.03646</u>	<u>1.00670</u>	<u>1.00900</u>	<u>1.01470</u>	<u>1.01740</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.

\*Under Article IXXXXA of the California Constitution, local agencies within the State of California can only levy a tax rate for general obligation bonds. In addition, Article XIII A of the California Constitution specifies that the counties within the State of California may levy a basic tax rate, distributing the proceeds to the proper agencies. The City's general obligation bonds were retired during fiscal year 2001-02.

Source: Orange County Auditor-Controller Tax Rate Area 26-000

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

<b>Taxpayer</b>	<b>2009</b>			<b>2000</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Irvine Company	\$ 5,821,467,360	1	13.41%	\$ 1,787,016,870	1	9.77%
Maguire Properties	1,009,079,060	2	2.32%	-		
Irvine Apartment Communities	685,510,229	3	1.58%	886,605,747	2	4.85%
Koll Center Irvine #2	-		-	196,878,221	3	1.08%
Heritage Fields El Toro	597,913,835	4	1.38%	-		
Central Park West	335,051,430	5	0.77%	-		-
Capital Research Company	251,950,402	6	0.58%	-		-
B Braun Medical Inc	245,502,575	7	0.57%	183,277,412	4	1.00%
Allergan	226,830,858	8	0.52%			
Lakeshore Properties LLC	178,315,468	9	0.41%	119,888,221	5	0.66%
Century Centre LLC	146,428,093	10	0.34%	-		-
Jamboree LLC	-		-	119,602,577	6	0.65%
Spieker Properties LP	-		-	115,283,460	7	0.63%
Baxter Healthcare Corp.	-		-	107,805,799	8	0.59%
OTR	-		-	102,358,429	9	0.56%
Metropolitan Life	-		-	92,021,992	10	0.50%
<b>Totals</b>	<b>\$ 9,498,049,310</b>		<b>21.87%</b>	<b>\$ 3,710,738,728</b>		<b>20.29%</b>

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

Source: County Tax Assessor's Office and County Tax Roll

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

Fiscal Year	Total Tax Levy for Fiscal Year <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount <sup>(2)</sup>	Percentage of Levy		Amount	Percentage of Levy
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	97.4%	768,707	56,706,318	98.7%
2005	49,012,241	50,247,731	102.52%	629,321	50,877,052	103.80%
2004	47,447,593	46,459,312	97.92%	425,152	46,884,464	98.81%
2003	42,762,873	41,801,320	97.75%	469,054	42,270,374	98.85%
2002	36,487,887	35,606,325	97.58%	359,476	35,965,801	98.57%
2001	31,871,521	31,166,546	97.79%	380,470	31,547,016	98.98%
2000	30,100,175	29,482,296	97.95%	310,355	29,792,652	98.98%

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

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

<sup>(3)</sup> With the advent of Proposition 218, the Refuse Disposal tax is no longer collected with property tax.

Source: Orange County Auditor-Controller



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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Lease Revenue Bonds</b>	<b>Certificates of Participation</b>	<b>Capital Leases</b>	<b>Total Governmental Activities</b>	<b>Percentage of Personal Income <sup>(1)</sup></b>	<b>% of Actual Assessed Value of Property <sup>(2)</sup></b>	<b>Per Capita <sup>(1)</sup></b>
2009	\$ -	\$ 15,785	\$ -	\$ 673	16,458	0.19%	0.03%	77
2008	-	22,775	-	631	23,406	0.27%	0.05%	112
2007	-	29,135	1,810	425	31,370	0.41%	0.09%	155
2006	-	34,965	2,205	648	37,818	0.51%	0.11%	195
2005	-	40,365	2,575	801	43,741	0.60%	0.15%	254
2004	-	45,340	2,930	939	49,209	-	0.18%	286
2003	-	49,890	3,265	1,228	54,383	-	0.22%	330
2002	-	54,120	3,585	1,500	59,205	-	0.26%	376
2001	720	58,025	5,595	752	65,092	-	0.32%	440
2000	2,120	61,510	6,490	1,003	71,123	-	0.39%	494

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

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

Source: City Fiscal Services Division, Employment Development Department, State Department of Finance, U.S. Bureau of Census, and Center for Demographic Research of California State University, Fullerton

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Total General Obligation Bonds <sup>(1)</sup></b>	<b>Less Debt Service Fund <sup>(2)</sup></b>	<b>Net Bonded Debt</b>	<b>Percent of Debt to Assessed Value <sup>(3)</sup></b>	<b>Debt per Capita</b>
2009	213	-	-	-	0.00%	-
2008	210	-	-	-	0.00%	-
2007	202	-	-	-	0.00%	-
2006	194	-	-	-	0.00%	-
2005	172 <sup>(4)</sup>	-	-	-	0.00%	-
2004	172	-	-	-	0.00%	-
2003	165	-	-	-	0.00%	-
2002	158	-	-	-	0.00%	-
2001	148	720	412	308	0.00%	2.08
2000	144	2,120	540	1,580	0.01%	10.97

<sup>(1)</sup> Amounts exclude lease revenue bonds.

<sup>(2)</sup> Amounts available for repayment of general obligation bonds.

<sup>(3)</sup> Assessed value used because estimated value of taxable property not readily available in State of California.

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

Source: City Fiscal Services Division

**City of Irvine**  
**Schedule of Direct and Overlapping Bonded Debt**  
**June 30, 2009**

2008-09 Assessed valuation:	\$ 47,257,608,206
Redevelopment incremental valuation:	<u>868,168,545</u>
Adjusted assessed valuation	\$ 46,389,439,661

	Total Debt 6/30/09	% <sup>(1)</sup> Applicable	City's Share of Debt 6/30/09
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Metropolitan Water District	\$ 293,425,000	2.516 %	\$ 7,382,573
Rancho Santiago Community College District	316,405,071	14.241	45,059,246
Irvine Unified School District Community Facilities Districts	447,406,803	99.607-100.	447,101,108
Laguna Unified School District	34,315,000	0.00002	7
Saddleback Valley Unified School District	140,200,000	3.820	5,355,640
Santa Ana Unified School District	221,191,491	32.673	72,269,896
Santa Ana Unified School District Community Facilities District No. 2004-1	11,730,000	100.	11,730,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	40,345,617	8.239	3,324,075
Tustin Unified School District Community Facilities District No. 97-1	100,172,675	100.	100,172,675
Tustin Unified School District Community Facilities District No. 2007-1	74,677,670	100.	74,677,670
Irvine Ranch Water District Improvement Districts	343,890,569	50.887-100.	250,220,595
City of Irvine Community Facilities District No. 2005-2	23,600,000	100.	23,600,000
City of Irvine 1915 Act Bonds	887,163,771	100.	<u>887,163,771</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			1,928,057,256
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Orange County General Fund Obligations	\$ 462,152,000	12.229 %	\$ 56,516,568
Orange County Pension Obligations	69,713,001	12.229	8,525,203
Orange County Board of Education Certificates of Participation	19,430,000	12.229	2,376,095
Municipal Water District of Orange County Water Facilities Corporation	17,685,000	14.524	2,568,569
South Orange County Community College District Certificates of Participation	32,875,000	23.916	7,862,385
Orange Unified School District Certificates of Participation	144,265,000	0.005	7,213
Santa Ana Unified School District Certificates of Participation	62,396,493	32.673	20,386,806
Tustin Unified School District Certificates of Participation	5,760,000	25.397	1,462,867
Irvine Ranch Water District Certificates of Participation	103,100,000	64.088	66,074,728
City of Irvine General Fund Obligations	15,785,000	100.	15,785,000
Orange County Fire Authority	7,040,000	23.782	<u>1,674,253</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 183,239,687 <sup>(2)</sup>
Less: MWDOC Water Facilities Corporation (paid from water charges)			2,568,569
Santa Ana Unified School District QZABs supported by investment fund payments			<u>3,757,395</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 176,913,723
GROSS COMBINED TOTAL DEBT			\$ 2,111,296,943 <sup>(3)</sup>
NET COMBINED TOTAL DEBT			\$ 2,104,970,979

<sup>(1)</sup>Percentage of overlapping agency's assessed valuation located within boundaries of the city.

<sup>(2)</sup>Previously classified Orange County Sanitation District Certificates of Participation have been reclassified as district revenue supported issues and are no longer included in debt statement.

<sup>(3)</sup>Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

<b><u>Ratios to 2008-09 Assessed Valuation:</u></b>	
Total overlapping tax and assessment debt.....	4.08%
<b><u>Ratios to Adjusted Assessed Valuation:</u></b>	
Combined direct debt (\$15,785,000).....	0.03%
Gross combined total debt.....	4.55%
Net combined total debt.....	4.54%
<b><u>STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/08:</u></b>	<b>\$0</b>

Source: California Municipal Statistics, Inc.

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed valuation	\$ 47,257,608,206	\$ 44,382,983,056	\$ 39,280,255,615	\$ 33,764,042,231
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 11,814,402,052	\$ 11,095,745,764	\$ 9,820,063,904	\$ 8,441,010,558
Debit limit percentage	15%	15%	15%	15%
Debt limit	1,772,160,308	1,664,361,865	1,473,009,586	1,266,151,584
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 1,772,160,308</u>	<u>\$ 1,664,361,865</u>	<u>\$ 1,473,009,586</u>	<u>\$ 1,266,151,584</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.

Source: City Fiscal Services Division, California Municipal Statistics, Inc. and Orange County Auditor-Controller

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 29,634,708,495	\$ 26,799,740,692	\$ 24,858,631,527	\$ 22,710,140,394	\$ 20,405,359,320	\$ 18,296,436,249
25%	25%	25%	25%	25%	25%
\$ 7,408,677,124	\$ 6,699,935,173	\$ 6,214,657,882	\$ 5,677,535,099	\$ 5,101,339,830	\$ 4,574,109,062
15%	15%	15%	15%	15%	15%
1,111,301,569	1,004,990,276	932,198,682	851,630,265	765,200,975	686,116,359
-	-	-	-	308,513	1,580,260
<u>\$ 1,111,301,569</u>	<u>\$ 1,004,990,276</u>	<u>\$ 932,198,682</u>	<u>\$ 851,630,265</u>	<u>\$ 764,892,462</u>	<u>\$ 684,536,099</u>
0.00%	0.00%	0.00%	0.00%	0.04%	0.23%

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income <sup>(1)</sup> (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Income per Median Household</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2009	212,793	\$ 8,733,663	\$ 41,043	\$ 91,101	33.3	26,323	7.0%
2008	209,806	8,691,214	41,425	98,923	32.9	26,097	4.0%
2007	202,079	7,667,079	37,941	85,624	33.4	25,781	2.6%
2006	193,785 <sup>(2)</sup>	7,352,397	37,941	84,270	32.1	25,459	3.8%
2005	172,182 <sup>(3)</sup>	7,267,978 <sup>(3)</sup>	42,211 <sup>(3)</sup>	82,827	36.0	25,163	3.9%
2004	171,700	*	*	71,200	34.5	24,833	2.4%
2003	164,923	*	*	71,200	33.1	24,714	2.8%
2002	157,499	*	*	75,985	33.1	24,360	2.9%
2001	148,100	*	*	72,605	33.1	23,784	2.1%
2000	144,100	*	*	72,057	34.2	23,127	2.0%

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

<sup>(1)</sup> Used prior fiscal year per capita income and estimated population number from City Budget Office to calculate fiscal year total personal income.

<sup>(2)</sup> City Budget Office estimate.

<sup>(3)</sup> U.S. Census Bureau, 2005 American Community Survey. Data is limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters.

Source: U.S. Bureau of Census, Employment Development Department, California Department of Finance, California State University, Fullerton, and Irvine Unified School District

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

<b>Employer</b>	<b>2009</b>		<b>2000</b>	
	<b>Number of Employees</b>	<b>Percentage of Employment</b>	<b>Number of Employees</b>	<b>Percentage of Employment</b>
University of California Irvine	18,284	8.11%	8,140	9.03%
Irvine Unified School District	2,571	1.14%	2,374	2.63%
Broadcom	2,439	1.08%	2,439	2.71%
Edwards Lifesciences	1,934	0.86%	1,934	2.15%
Allergan	1,922	0.85%	2,003	2.22%
New Century Mortgage Corp	1,741	0.77%	-	-
Parker Hannifin	1,650	0.73%	-	-
St John Knits	1,619	0.72%	2,315	2.57%
B Braun Medical	1,500	0.67%	-	-
Capital Group Companies	1,077	0.48%	-	-
Fluor Daniel	-	-	2,130	2.36%
Baxter/Bentley	-	-	1,857	2.06%
Option One Mortgage Corp	-	-	1,826	2.03%
Toshiba	-	-	1,816	2.02%

Source: City Budget Office and City Public Safety Department

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

FUNCTION	Fiscal Years as of June 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government										
Full-time	91.00	94.00	87.20	82.10	73.00	80.00	80.00	79.00	72.00	70.00
Part-time	25.65	24.40	22.80	35.34	40.22	33.40	35.08	34.03	32.08	31.32
Non-hourly	10.00	10.00	-	-	-	-	-	-	-	-
Public Safety										
Full-time	295.00	283.00	263.00	242.00	236.00	233.00	232.00	233.50	226.50	226.50
Part-time	29.31	29.30	43.10	54.43	49.07	40.40	45.42	45.40	57.10	55.97
Non-hourly	30.40	30.40	-	-	-	-	-	-	-	-
Public Works										
Full-time	152.00	154.00	148.00	135.00	129.00	120.00	118.50	118.00	115.00	111.00
Part-time	5.88	5.00	7.00	11.68	11.99	10.60	12.95	18.05	18.45	15.88
										-
Community Development										
Full-time	109.00	96.30	90.00	84.90	84.00	77.50	79.50	79.00	81.00	79.00
Part-time	7.14	-	12.40	17.45	15.15	16.07	15.97	15.17	15.47	15.43
Non-hourly	11.00	10.60	-	-	-	-	-	-	-	-
Community Services										
Full-time	113.00	114.00	92.00	83.00	83.00	83.00	84.00	84.00	81.00	78.00
Part-time	194.63	197.90	217.50	209.79	208.96	188.32	194.31	205.88	198.44	182.71
Non-hourly	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	23.00	21.00	15.00	15.00	10.00	-	-	-	-	-
Part-time	2.20	0.60	9.20	9.00	-	-	-	-	-	-
Non-hourly	39.00	9.00	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,150.21</b>	<b>1,114.10</b>	<b>1,027.90</b>	<b>993.69</b>	<b>940.39</b>	<b>882.29</b>	<b>897.73</b>	<b>912.03</b>	<b>897.04</b>	<b>865.81</b>

**Note:**

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

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

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

Source: City Budget Office, City Human Resources



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

FUNCTION	Fiscal Year as of June 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police safety										
Stations	2	2	2	2	2	2	2	2	2	1
Patrol units	44	44	43	39	37	37	37	37	37	37
Fire stations <sup>(1)</sup>	9	9	9	9	8	7	7	7	7	6
Public Works										
Streets (miles)	1,742	1,742	1,704	1,645	1,612	1,612	1,532	1,495	1,477	1,447
Traffic signals	317	295	295	295	282	274	273	260	253	247
Streetscape (acres)	749	716	702	670	670	599	557	542	526	526
Open space/greenbelts (acres)	4,100	3,500	2,340	2,144	2,136	2,136	300	300	300	300
Bicycle trails (miles)	147	147	148	141	132	132	132	126	126	126
Off-street bicycle trails (miles)	43	43	43	43	42	42	42	32	32	32
Culture and Recreation										
Community athletic parks	13	13	11	11	9	7	7	7	7	7
Community centers	11	11	11	9	9	9	9	6	6	*
Dog parks	1	1	1	1	1	1	1	1	1	*
Skate parks	1	1	1	1	1	1	1	1	1	1
Soccer fields	36	35	35	31	31	27	27	27	*	*
Swimming pools	4	4	4	4	3	3	3	3	3	*
Batting cages	14	14	14	14	14	14	14	14	*	*
Basketball courts	29	25	25	19	19	15	15	15	*	*
Racquetball/handball courts	10	10	10	9	9	9	9	9	*	*
Tennis courts	59	57	57	55	53	53	47	39	48	48
Volleyball courts	15	14	14	14	14	12	12	12	*	*

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

\* Data not readily available.

Source: City Budget Office

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

<b>FUNCTION</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
General Government				
Checks/wire transfers	47,918	47,837	46,004	55,056
Number of purchase orders placed	2,065	1,898	2,290	2,100
Police				
Animal control service calls	8,669	7,247	7,068	9,750
Physical arrests	2,846	2,855	3,377	3,512
Parking citations	6,830	9,465	9,135	8,076
Traffic citations	26,325	26,452	27,281	25,179
Highways and Streets				
Arterial street resurfacing (centerline miles)	15	6	3	1
Arterial street sweeping (curb miles)	37,940	37,939	37,939	36,834
Community Development				
Building permits issued	98,538	117,000	155,000	130,100
Building inspections completed	8,132	11,500	12,800	14,930
Culture and Recreation				
Recreational & instructional classes offered	6,845	6,763	7,000	7,000
Recreational & instructional enrollees	65,153	61,804	56,848	54,982
Recreational & internet registrants for classes	58	56	54	48
Youth services participation units	68,251	74,152	74,000	73,869
Redevelopment <sup>(1)</sup>				
Number of discretionary applications processed	17	7	3	-
Number of demolition permits issued	11	15	8	-
Number of grading/building permits issued	7	16	15	-

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

\* Data not readily available.

Source: Various city departments

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
47,000	41,641	40,472	*	44,078	*
2,098	2,121	1,600	*	3,000	*
9,718	9,718	10,415	9,392	7,750	7,767
2,288	2,314	2,209	5,487	2,355	2,359
8,117	8,042	11,242	10,627	7,856	*
20,441	18,167	32,300	30,805	22,259	21,341
1	6	5	2	5	3
35,762	34,059	33,617	33,050	33,400	30,000
124,591	156,835	125,000	110,000	144,900	90,000
13,424	14,137	13,100	9,500	11,100	11,300
6,687	5,819	3,500	3,500	3,300	3,300
44,851	32,409	25,793	24,594	21,325	18,491
41	35	22	-	-	-
72,978	72,978	61,649	58,000	57,085	44,345
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

**City of Irvine  
Miscellaneous Statistical Information  
June 30, 2009**

<u>Date of Incorporation</u>	-	December 28, 1971
<u>Form of Government</u>	-	Charter, Council-Manager
<u>Area</u>	-	66 square miles
<u>City Tree</u>	-	Camphor
<u>City Flower</u>	-	Lily of the Nile
<u>Registered Voters as of June 30, 2009</u>	-	109,828
<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	-	749
Community Parks	-	333
Neighborhood Parks	-	155
Sports Field	-	129
<u>Facilities and Services Excluded in the Reporting Entity</u>		<u>Number</u>
Education:		
Elementary Schools	-	23
Middle Schools	-	5
High Schools	-	4
Continuation/Independent Study High School	-	2

Source: State Department of Finance, Irvine Unified School District, City Finance Division, City Community Services Department, City Public Safety Department, and City Public Works Department

**City of Irvine  
Miscellaneous Statistical Information  
June 30, 2009  
(continued)**

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

<u>Year</u>	<u>Commercial</u>	<u>Residential</u>
2009	\$ 64,419,150	\$ 79,699,317
2008	251,269,260	363,333,294
2007	445,600,704	392,766,606
2006	818,840,474	539,959,491
2005	139,306,324	511,012,501
2004	140,099,477	457,438,697
2003	97,793,649	481,207,054
2002	169,520,522	288,402,025
2001	134,375,635	279,701,813
2000	292,586,130	491,585,803

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

<u>Year</u>	<u>Authorized</u>
2009	1,643
2008	3,283
2007	3,884
2006	1,206
2005	1,062
2004	1,564
2003	1,397
2002	1,320
2001	1,492
2000	1,802

**Housing Units**

<u>Year</u>	<u>Unit</u>
2009	75,291
2008	75,159
2007	73,815
2006	70,389
2005	68,564
2004	65,892
2003	62,579
2002	59,825
2001	57,859
2000	53,831

**City of Irvine**  
**Miscellaneous Statistical Information**  
**June 30, 2009**  
**(continued)**

**General Plan**

Irvine is a planned community. The Irvine Company initiated design and development of the first components of the City more than 40 years ago. World-renowned architect and planner William Pereira participated in the early stages of design and development. In 1971, the City of Irvine was incorporated. Since that time, the City and the Irvine Company have cooperatively planned and designed how the land might be best used to create a place for people to live, work, and play.

Irvine is renowned for many outstanding attributes. Irvine is the nation's largest master-planned urban community, consisting of approximately 66 square miles of land including residential villages, commercial retail centers, as well as civic, cultural, recreational and other supportive facilities. Beautiful homes and apartments line landscaped boulevards. Greenbelts, parks, tennis courts, athletic parks and swimming pools provide a variety of recreational activities. Shopping centers are within biking distance, and children are able to walk to award-winning neighborhood schools. Irvine is rated the safest city in the U.S. with populations over 100,000.

**Industry and Employment**

Within Irvine there are several major commercial/industrial centers; the Irvine Business Complex, University Research Park, Irvine Spectrum, and West Irvine.

The Irvine Business Complex is located adjacent to John Wayne Airport. A variety of professional and technical businesses, as well as residential properties, are located in this area.

The University Research Park is a 183-acre business, research, and development office park, located next to the University of California, Irvine (UCI). The Irvine Company developed the University Research Park to promote a mutually beneficial association between innovative businesses and UCI. Companies that locate within the University Research Park have the benefit of partnering with UCI through internship programs, executive extension programs, and collaborative research. Some of the University Research Park's companies include renowned local, regional, and national companies such as America Online, Cisco Systems, and Skyworks.

The Irvine Spectrum, home to prestigious high-rises and campus-like environments, is one of California's leaders in its concentration of technology, research and development, and light manufacturing companies. Six industry clusters have emerged in the area: software, computer hardware, biotech, medical devices, broadband communications, and automotive design. Some of Irvine Spectrum's leading companies include Broadcom, Verizon Wireless, Toshiba, Advanced Sterilization Products, and Meade Instruments.

Irvine has access to a highly educated, skilled labor force and a fully operational transportation network. Over 9,356 acres in the City are available for business uses: 1,456 acres are zoned for multi-use such as office, retail, institutional, and residential land uses; 1,765 acres for commercial uses, including retail, office, and commercial recreational land uses; and 6,135 acres in areas such as the Irvine Business Complex and Spectrum for office, manufacturing, and retail land uses. As of June 30, 2009, Irvine was home to over 13,700 businesses ranging from Fortune 500 corporations to on-the-grow companies, as the city continues to emerge as one of the nation's most prestigious business address.

Sources: Morgan Quitno Press, City Community Development Department, City Public Works Department, The Irvine Company, Orange County Register, and U.S. Census Bureau

**City of Irvine**  
**Miscellaneous Statistical Information**  
**June 30, 2009**  
**(continued)**

**Retail Community**

The Irvine General Plan gives retailers a blueprint for the future managed growth of the City and added confidence in making the decision to locate a business here. Irvine has 42 retail shopping centers ranging from small neighborhood centers to a large regional retail and entertainment complex. The neighborhood centers contain a variety of retail, personal services, automotive service shops, restaurants, and movie theaters. The Irvine Spectrum Center is Orange County's premier dining, shopping, and entertainment destination, offering concerts, dancing, movies, dining, comedy, and nightclubs.

**Education**

The City is fortunate to have outstanding educational facilities. Home to 28 California Distinguished Schools and 14 National Blue Ribbon Schools, the Irvine Unified School District (IUSD) includes twenty-three elementary schools (with two K-8 schools), five middle schools, four comprehensive high schools, and two continuation/independent study high schools. In addition, Irvine residents have access to two elementary schools, Hicks Canyon Elementary School and Myford Elementary School; and to Beckman High School, all of which are in the Irvine city boundary but are under the Tustin Unified School District. Each of the IUSD schools has achieved and surpassed the state's long-range Academic Performance Index (API) target of 800. Mardan School (K-12), a private school is also located in Irvine, and provides education for children with emotional and learning challenges.

Irvine Valley College is a community college, which proudly offers courses for students seeking to obtain a degree/certificate or transfer to a four-year university. UCI and Concordia University are located in Irvine, offering extensive four-year undergraduate programs. Additionally, UCI provides graduate level degrees in a variety of areas including medical, business and computer sciences.

Irvine is also home to satellite campuses of Alliant International University, California State University, Fullerton, University of La Verne, Keller Graduate School of Management, Pepperdine University, University of Southern California, and Webster University.

**Recreational Opportunities**

Located in the City of Irvine are three public golf courses, one 18-hole natural grass putting course, one golf practice center, one tennis club, and numerous public and private tennis courts. The City owns and manages over 485 acres of public park lands, eleven public facilities (which include a Fine Arts Center, an Aquatics Complex and two Senior Centers), and over 40 miles of off-street trails. There are two County Libraries, and a County Regional Park. In partnership with the University of California, Irvine, the Irvine Barclay Theatre was developed as a 750-seat community theater. The Verizon Wireless Amphitheater is a 15,500-seat outdoor venue that is home to the Pacific Symphony Orchestra and other shows and festivals during the summer.

Commercial recreation facilities include two miniature golf courses, batting cages, racing cars, boats, video arcades, a bowling alley, an open air amphitheater which hosts professional contemporary musical artists, and five movie complexes (56 theaters, including one IMAX screen).

Sources: California Department of Education, The Irvine Company, City Community Development Department, City Community Service Department, City Finance Division, and University of California, Irvine, and Irvine Unified School District

**City of Irvine**  
**Miscellaneous Statistical Information**  
**June 30, 2009**  
**(continued)**

**Family Services and Child Care Opportunities**

The City offers a variety of family support services: the Child Care Coordination Office, the Child Resource Center, FOR Families, Disability Services, and Irvine Youth Employment. The City is very proud of the variety of child care opportunities available in our community: forty-two infant/toddler/pre-school centers, thirty-three school-age centers, and numerous licensed family child care home sites. The National Association for the Education of Young Children has developed an accreditation system for early childhood programs; fifteen programs in Irvine have successfully completed the accreditation process.

The Child Care Coordination Office provides resource and referral services to parents seeking quality and affordable child care in Irvine, support services to persons opening new home-based family child care businesses or new child care centers in Irvine.

The Child Resource Center offers a lending library for members that include: child development/curriculum books, DVDs and training materials, instructional materials, lamination and die cut machines.

FOR Families provides information and short-term support to individuals, couples, and families living or working in Irvine who need assistance identifying and accessing needed services and resources.

Disability Services is committed to providing resource and referral services, disability sensitivity training, accommodations and inclusion services, accessible services, programs and activities to Irvine residents and families with disabilities.

Irvine Youth Employment assists Irvine youth in employment, counseling, referrals, and job placement with Orange County employers.



### ***About the Covers***

The Irvine Station, located in the Spectrum area at 15215 Barranca Parkway, has become the busiest train station in Orange County. The Irvine Station offers amenities such as complimentary parking, bike lockers, restrooms, ATM machines, food services, information kiosks, newspaper stands, rental car services, Quik-Trak ticket machines, and an Amtrak ticket counter and lobby. The Station also supports local and rail feeder bus services operated by the Orange County Transportation Authority and local Irvine Businesses.

Since its opening in August 2008, the Irvine Station Parking Structure, a 490,000 square foot, four level, three-story structure has received rave reviews, including “Best Design” from the International Parking Institute. The structure accommodates approximately 1,500 vehicles, took 13 months to complete, and created a net increase of 950 additional parking spaces. The parking structure includes 6,728 square feet of ground level shell space for future transit-supportive retail, space provisions ZevNet Electric Vehicles, the incorporation of sustainable design principles and “green building” criteria, and the incorporation of land and hardscaping to enhance the pedestrian environment.

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