

City of Irvine, California
**Comprehensive Annual
Financial Report**
Year Ended June 30, 2010



Hikers take to the trail at the Quail Hill Trail Connector Opening • March 20, 2010





City of Irvine

Incorporation: December 28, 1971
 Population: 217,686 (Jan. 1, 2010, 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, 2010



Prepared by Fiscal Services



City of Irvine

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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November 15, 2010

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, 2010. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

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

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

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, 2010 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, 2010, 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 217,686 in 2010.

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

The City provides a wide range of services, 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, or amendments that decrease fund balance, or expand or add to City programs or services require review of the Finance Commission and approval by the City Council. The City's budgetary procedures are further discussed in section 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 15,000 businesses, many of which are headquarters for well-known national corporations. These businesses represent a wide range of industries such as, automobile design, manufacturing, legal, finance, software, accounting, scientific, and medical research firms. In addition, Irvine is home to many start-up businesses in emerging fields such as Fisker Automotive, the maker of plug-in hybrid vehicles. The Orange County Business Journal's 2009 Book of Lists indicates that the City of Irvine is the headquarters for four of the ten fastest growing public companies in Orange County, and a recent edition of the Orange County Business Journal, found five of the top ten fastest growing private companies are located in Irvine.

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 9.5% in June 2010 (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 7.2% for June 2010, according to the Bureau of Labor Statistics, up from a recent low of 2.5% enjoyed four 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.

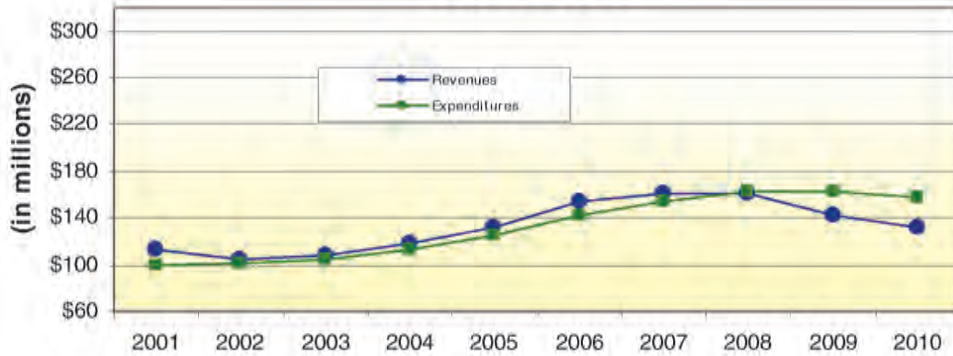
Despite the difficult economic environment, Irvine continues to attract expanding businesses, including software and legal firms, helping to offset some of the job losses resulting from the mortgage and housing industry downturn. Attracting business to the City of Irvine is the area's high-quality schools, including the University of California at Irvine. UCI is a relatively young and fast-growing educational institution, recently ranked in the U.S. News & World Report's "Best Colleges 2010" as the 14th best university in the United States.

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. With the City's entrepreneurial and technological orientation, Irvine is a center of innovation not unlike Silicon Valley. The Irvine Chamber of Commerce's website has described the City as "...an anchor for California's Technology Coast... one of the leading regions in the United States for innovation."

Overall, the City's general fund revenue for fiscal year 2009-10 decreased 7% from the prior fiscal year, while related expenditures decreased 3.4%. Due to the continued weak economy, general fund revenues are forecasted to decrease again in fiscal year 2010-11. 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 contingency 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.

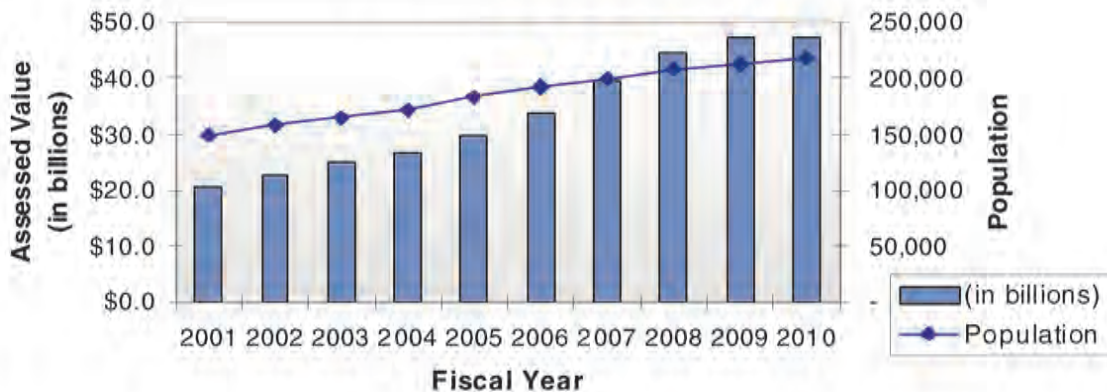
**City of Irvine
General Fund Revenues and Expenditures
Last Ten Years**



Property tax has become more significant as a revenue source to the City over the past six 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 2009-10 totaled \$42.7 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 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 2009-10 of \$39.7 million. Projections for next year have the sales tax revenue increasing 2.1% to \$40.6 million in the General Fund.

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 is a five-year fiscal forecast and capital plan updated annually that 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.

Long-term financial planning. The Strategic Business Plan (SBP) is updated, published and adopted by the City Council annually in the beginning of each calendar year outlines the City's goals and evaluates the City's financial capability to achieve them. The SBP is important because it provides a long-term operating budget projection for the City's General Fund revenues and expenditures. The purpose of the operating forecast is to prepare for the upcoming budget year and also to identify long-term financial trends and imbalances, so the budget can be proactively addressed. The second important purpose of the SBP is presentation of the City's five-year Capital Improvement Project program. This is the City's five year investment plan for capital project infrastructure improvements such as street, park, and traffic signal construction and rehabilitation efforts.

To provide for future infrastructure rehabilitation needs, the City established the Asset Management Plan (AMP) Fund in 1985. The fund balance is \$69.9 million as of June 30, 2010 and continues to make annual contributions to meet the City's infrastructure needs. During fiscal year 2009-10, the AMP's contribution was \$2.5 million. 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%. The contingency reserve may be used at the discretion of the City Council to provide resources to make up for temporary decrease in revenues, in the event of an economic downturn while expenditure reductions are implemented, and provide resources to meet emergency expenditure in the case of flood, fire, earthquake, landslides, or other disasters. At June 30, 2010 the fund balance is \$21.8 million; of the \$21.8 million balance, \$1.6 million has been set aside to maintain social services programs for Irvine residents in the face of county budget cuts, and \$4.4 million has been set aside for the 3% minimum reserve. The remaining balance is available for use in fiscal year 2010-11 to help maintain City services during the difficult economic times.

AWARDS AND ACKNOWLEDGEMENTS

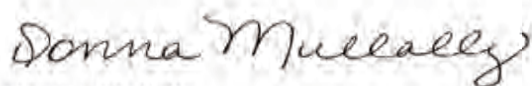
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the thirty-first consecutive year the City has received this 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 2009-10 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, 2009

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



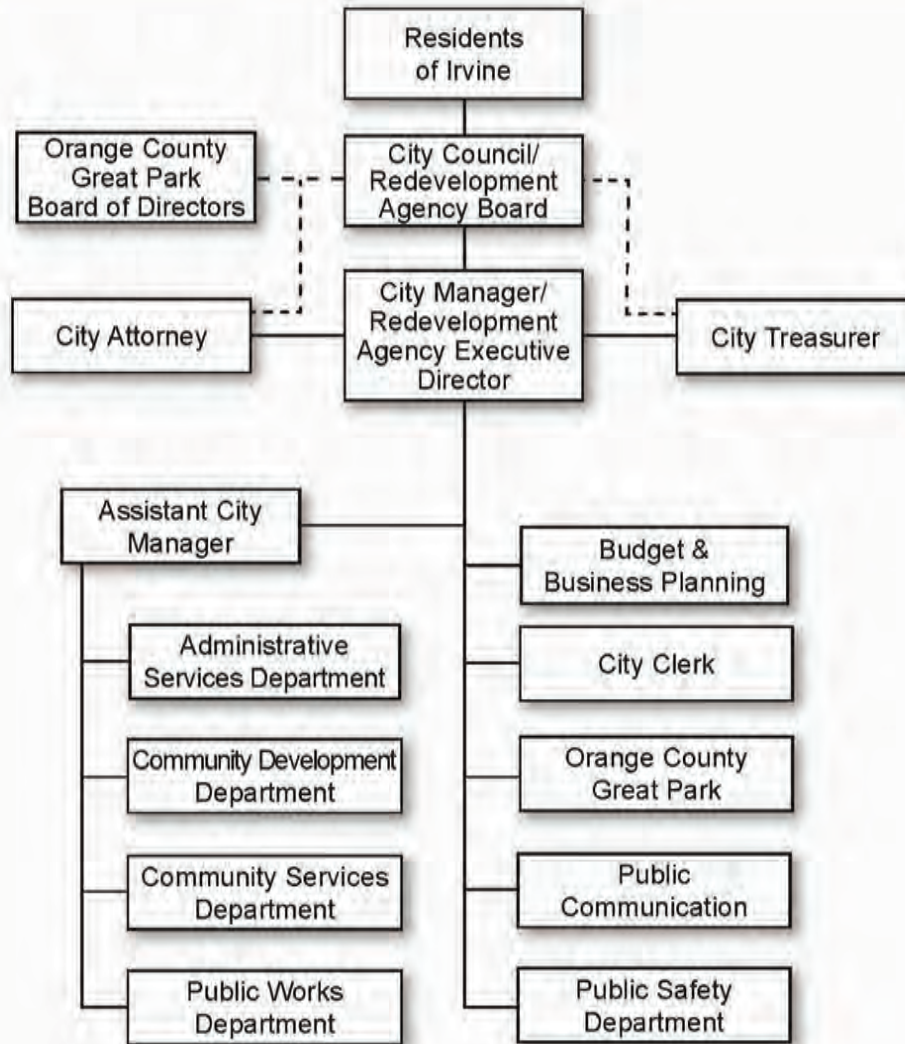
CHRISTINA SHEA
Council Woman

City Manager • Sean Joyce

Assistant City Manager.....	Sharon Landers
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.....	Eric Tolles (Acting)
Director of Community Services.....	Brian Fisk
Director of Public Safety.....	Dave Maggard
Director of Public Works.....	Manuel Gomez



City of Irvine Organizational Chart



appointed by







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November 8, 2010

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, 2010, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. 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, 2010 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Irvine Business Complex and Orange County Great Park, 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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613 W. VALLEY PARKWAY, SUITE 330
 ESCONDIDO, CALIFORNIA 92025-2598
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As discussed in Note I.F. to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* and GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended June 30, 2010.

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2010, 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, 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.

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

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Irvine, California's basic financial statements. The supplemental statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements of the City or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the City of Irvine, California as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

Overview of the Financial Statements

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

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net 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

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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.

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 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, and the Orange County Great Park Fund, to demonstrate compliance with the annual budget as adopted and amended.

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

Proprietary funds. The City maintains various *internal service funds*. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various

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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.

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.

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Financial Highlights

- The assets of the City exceeded its liabilities, at June 30, 2010, by \$2.08 billion (*net assets*). Of this amount, \$244.93 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to residents and creditors, but is subject to allocation for specific City programs. Some of these designations are \$171.46 million for the Orange County Great Park project and \$11.96 million for various non-circulation projects such as parks and public facilities.
- During the fiscal year ended June 30, 2010, the government's total net assets decreased by \$47.26 million. The decrease in net assets is attributable to a decrease in program revenues, while expenditures and general revenues remained unchanged.
- As of June 30, 2010, the City's governmental funds reported combined ending fund balances of \$533.83 million, a decrease of \$75.91 million in comparison with the prior year. Approximately 21% of this total amount, \$111.81 million, is available for spending at the government's discretion (*committed, assigned, and unassigned fund balance*) within the guidelines of the funding sources.
- At June 30, 2010, committed, assigned, and unassigned fund balance for the general fund was \$91.66 million or 58% of total general fund expenditures. This represents a decrease of \$9.11 million or 9% from the prior year. The City Council has designated all of this fund balance for specified purposes, in accordance with City policies and budgetary guidelines.
- The City's total long-term liabilities decreased by \$6.59 million, 19%, during the current fiscal year. The key factor in this decrease was the retirement of debt.

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, 71%, reflects its investment in capital assets (e.g., land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress); less any related outstanding debt used to acquire those assets. The City 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, 2010 and 2009
(amounts expressed in thousands)

	Governmental Activities	
	2010	As restated 2009
Assets		
Current and other assets	\$ 667,088	\$ 754,417
Capital assets	1,496,662	1,476,046
Total Assets	2,163,750	2,230,463
Liabilities		
Other liabilities	64,502	76,466
Long-term liabilities	16,619	24,105
Total Liabilities	81,121	100,571
Net Assets		
Invested in capital assets, net of related debt	1,488,021	1,459,815
Restricted	349,681	375,495
Unrestricted	244,927	294,582
Total Net Assets	\$ 2,082,629	\$ 2,129,892

During the fiscal year ended June 30, 2010, net assets of the City decreased 2% to \$2.08 billion, of which \$1.49 billion is invested in capital assets such as equipment, buildings and infrastructure. Of the remaining total, \$349.68 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties. The remaining \$244.93 million is subject to designation for specific purposes as approved by the City Council, of that amount \$183.42 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, 2010 and 2009
(amounts expressed in thousands)

	Governmental	
	Activities	
	2010	As restated 2009
Revenues		
Program revenues:		
Charges for services	\$ 43,210	\$ 34,918
Operating grants and contributions	9,644	14,376
Capital grants and contributions	31,707	41,787
General revenues:		
Property taxes	50,791	54,168
Sales taxes	42,209	49,732
Investment revenue	20,492	19,102
Other taxes	20,783	21,183
Other revenues	241	185
Total Revenues	219,077	235,451
Expenses		
General Government	23,199	20,495
Public Safety	57,891	57,280
Public Works	59,666	55,070
Health and Sanitation	1,475	375
Culture and Recreation	25,240	31,909
Community Development	25,447	32,453
Great Park	17,593	13,235
Interest on long-term debt	14,803	14,111
Unallocated infrastructure depreciation	41,026	38,700
Total Expenses	266,340	263,628
Decrease in Net Assets	(47,263)	(28,177)
Beginning Net Assets, as restated	2,129,892	2,158,069
Ending Net Assets	\$ 2,082,629	\$ 2,129,892

See Independent Auditors' Report.

Overall, Citywide revenues for the fiscal year ended June 30, 2010 decreased by \$16.37 million, an 8% decrease from the prior year. The majority of the decrease was attributed to program revenue. In addition:

- Total program revenues of \$84.56 million were 39% of total revenues. Capital grants and contributions related to infrastructure and capital improvements accounted for 15% of total revenues.
- Total general revenues of \$134.52 million were 61% of total revenues. The largest general revenue, property taxes, accounted for 23% of total revenues.

Total expenses increased by \$2.71 million, a 1% increase from the prior year. Public Safety and Public Works expenses each accounted for 22% of the total expenses, Community Services (comprised of health, sanitation, culture and recreation related activities) accounted for 10% 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, 2010, the City's governmental funds reported total combined ending fund balances of \$533.83 million, a decrease of \$75.91 million from the prior year. Approximately 21% of the City's governmental funds ending fund balances, or \$111.81 million, constitute *committed, assigned, and unassigned fund balance*, which is available for spending at the government's direction within the guidelines of the funding sources. The remainder of fund balance, \$422.02 million, is either nonspendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation. The nonspendable portion total of \$143.64 million consists of an endowment to generate income to pay for senior citizen services programs of \$0.47 million, \$142.36 million long-term of advances to other funds, and \$0.81 million of prepaid expenditures. The remaining restricted funds totaling \$278.37 million are comprised of \$261.42 million for capital improvement projects, circulation improvement and maintenance, \$0.68 million for community service activities, a contingency reserve of \$4.37 million, \$3.07 million for future debt service, \$6.58 million for low-income housing and redevelopment activities, \$0.36 million for development activities, \$0.97 for pollution remediation, and for law enforcement purposes \$0.92 million.

General Fund Financial Highlights

The general fund is the chief operating fund of the City. At June 30, 2010, committed, assigned, and unassigned fund balance of the general fund was \$91.66 million, while total fund balance was \$103.95 million. As a measure of the general fund's liquidity, it is useful to compare committed, assigned, and unassigned fund balance to total fund expenditures. Committed, assigned, and unassigned fund balance represents 58% of the total general fund expenditures. As

See Independent Auditors' Report.

mentioned above, however, the City Council has designated all of this committed, assigned, and unassigned fund balance for specified purposes.

For the fiscal year ended June 30, 2010, the cash and investments balance in the general fund was \$99.63 million, a decrease of \$0.66 million from the prior fiscal year. Long-term notes receivable in the amount of \$10.62 million in the general fund, are a result of various housing loans made during the years.

City of Irvine
Summary of Changes in Fund Balances - General Fund
For the Years Ended June 30, 2010 and 2009
(amounts expressed in thousands)

	<u>2010</u>	<u>2009</u>
Revenues		
Taxes:		
Sales	\$ 39,735	\$ 46,559
Property	42,739	43,058
Other	<u>20,117</u>	<u>20,737</u>
Total Taxes	102,591	110,354
Charges for services	15,624	15,842
Intergovernmental	1,363	2,557
Investment revenue	4,228	4,638
Other	<u>8,696</u>	<u>9,091</u>
Total Revenues	<u>132,502</u>	<u>142,482</u>
 Expenditures		
General Government	28,915	29,223
Public Safety	54,274	54,672
Public Works	28,663	28,644
Community Development	14,403	18,001
Community Services	<u>31,166</u>	<u>32,417</u>
Total Expenditures	<u>157,421</u>	<u>162,957</u>
 Deficiency of Revenues Under Expenditures	(24,919)	(20,475)
Proceeds from sale of capital assets	62	-
Net transfers	<u>18,610</u>	<u>6,884</u>
 Decrease in Fund Balance	<u><u>\$ (6,247)</u></u>	<u><u>\$ (13,591)</u></u>

See Independent Auditors' Report.

Overall, General Fund revenues for the fiscal year ended June 30, 2010 decreased by \$9.98 million, or 7%, over the prior year. The majority of this decrease is attributable to lower tax revenues and intergovernmental revenues.

Total related General Fund expenditures decreased by \$5.54 million, or 3%, from the prior year. Changes in expenditures, by function, occurred as follows during the fiscal year ended June 30, 2010:

- General Government expenditures decreased by \$0.31 million, to \$28.92 million due to decreased staffing costs.
- Public Safety expenditures decreased by \$0.40 million to \$54.27 million, due to expenditure controls for supplies and outside services, also no additional patrol cars were purchased this fiscal year. The patrol force was fully staffed during the previous fiscal year as well as the patrol fleet.
- Public Works expenditures increased by \$0.019 million, to \$28.66 million, reflecting costs associated with increased utility expenditures and additional maintenance associated with new landscape, roadway, and traffic operations.
- Community Development expenditures decreased by \$3.60 million, to \$14.40 million, due to a decrease in staffing and consultant costs.
- Community Services expenditures decreased by \$1.25 million, to \$31.17 million, driven by an increased emphasis on cost control and a delay in some rehabilitation projects.

General Fund Budgetary Highlights

Differences between the general fund original budget expenditures and the final amended budget were \$0.93 million and can be briefly summarized as follows:

Increases for activities

- \$1.04 million for community services.
- \$0.14 million for community development.
- \$0.22 million for general government.
- \$0.06 million for public works.

Decreases for activities

- \$0.53 million for public safety.

In each of the functional expenditure categories except Community Development, actual expenditures were less than final budgeted amounts, totaling \$157.42 million, and \$166.15 million, respectively. Additionally, for the year ended June 30, 2010, actual revenues did not meet budgetary estimates, at \$132.50 million and \$140.50 million respectively. Since expenditures exceeded revenues, there was a need to draw upon existing fund balance of \$24.92 million. Furthermore, actual net transfers from the general fund were more than final budget amounts by \$4.11 million, due to increasing need for general funds for capital improvement projects.

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, 2010, developer fees of \$0.18 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 \$55.20 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 programs for the Orange County Great Park amounted to \$12.89 million. The ending fund balance of \$171.48 million is designated for the future development of the Orange County Great Park.

The Capital Improvement Projects Fund accounts for street, bridge, traffic signal and other circulation related capital projects funded by grants, fees, gas tax, sales tax, and interest revenue. The fund balance increased by \$1.03 million due to a delay in expenditures in capital outlay for circulation capital projects. The fund balance of \$10.35 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 \$7.28 million for improvements related to new development in the City. The ending fund balance of \$162.42 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 \$15.38 million mainly due to an increase in interest related to the advances with other funds. The fund balance is a deficit of \$174.67 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, 2010, amounts to \$1.50 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 1%.

See Independent Auditors' Report.

City of Irvine
Summary of Changes in Capital Assets
For the Year Ended June 30, 2010
(amounts expressed in thousands)

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 580,009	\$ 9,589	\$ -	\$ 589,598
Construction in progress	71,049	22,921	27,157	66,813
Total capital assets not being depreciated	<u>651,058</u>	<u>32,510</u>	<u>27,157</u>	<u>656,411</u>
Capital assets, being depreciated:				
Buildings and systems	80,512	27,716	-	108,228
Improvements other than buildings	70,792	92	-	70,884
Machinery and equipment	46,626	3,546	9,096	41,076
Infrastructure	1,278,009	35,439	-	1,313,448
Total capital assets being depreciated	<u>1,475,939</u>	<u>66,793</u>	<u>9,096</u>	<u>1,533,636</u>
Less accumulated depreciation for:				
Buildings and systems	(38,400)	(2,122)	-	(40,522)
Improvements other than buildings	(27,668)	(3,627)	-	(31,295)
Machinery and equipment	(33,611)	(4,722)	(9,063)	(29,270)
Infrastructure	(551,272)	(41,026)	-	(592,298)
Total accumulated depreciation	<u>(650,951)</u>	<u>(51,497)</u>	<u>(9,063)</u>	<u>(693,385)</u>
Total capital assets, being depreciated, net	<u>824,988</u>	<u>15,296</u>	<u>33</u>	<u>840,251</u>
Governmental activities capital assets, net	<u>\$ 1,476,046</u>	<u>\$ 47,806</u>	<u>\$ 27,190</u>	<u>\$ 1,496,662</u>

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

- Infrastructure additions for the year totaled \$35.44 million. Street additions accounted for \$30.24 million, traffic signal additions totaled \$3.56 million, bridge additions were \$0.18 million, trail additions totaled \$0.08 million, and landscaping additions were \$1.38 million.
- Machinery and Equipment acquisitions of \$3.55 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.

See Independent Auditors' Report.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$8.26 million. Bond principal retired during the year totaled \$7.53 million.

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

	Balance			Balance		
	June 30, 2009	Increases	Decreases	June 30, 2010	Long-Term	Due Within One Year
Lease Revenue Bonds:						
Series 1985 matures in 2010	\$ 14,700	\$ -	\$ 7,000	\$ 7,700	\$ -	\$ 7,700
Series 1987 matures in 2010	1,085	-	525	560	-	560
Total Lease Revenue Bonds	<u>15,785</u>	<u>-</u>	<u>7,525</u>	<u>8,260</u>	<u>-</u>	<u>8,260</u>
Other Debt:						
Compensated absences	10,134	2,242	2,147	10,229	8,870	1,359
Claims payable	7,503	2,946	1,865	8,584	6,134	2,450
Capital lease obligation	673	-	292	381	123	258
Long-term note	1,445	47	-	1,492	1,492	-
Total Other Debt	<u>19,755</u>	<u>5,235</u>	<u>4,304</u>	<u>20,686</u>	<u>16,619</u>	<u>4,067</u>
Total Long-Term Liabilities	<u>\$ 35,540</u>	<u>\$ 5,235</u>	<u>\$ 11,829</u>	<u>\$ 28,946</u>	<u>\$ 16,619</u>	<u>\$ 12,327</u>

Long-term debt-related events during the fiscal year ended June 30, 2010 included.

- Compensated absences liabilities increased by \$2.24 million and payouts to employees upon termination amounted to \$2.15 million.
- A net increase to claim liability of \$1.08 million.

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

Economic Factors and Next Year's Budgets and Rates

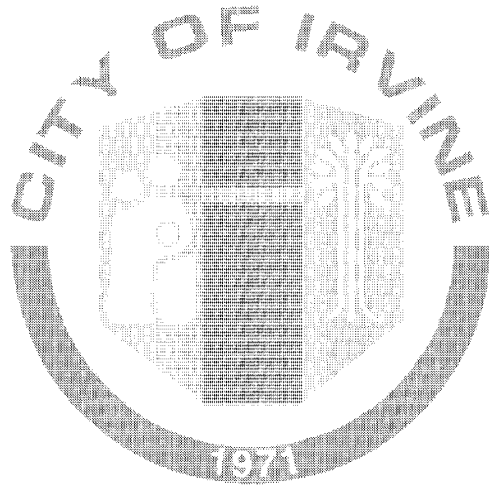
The City's economy is linked to the national and state economy. However, because the City is still developing, its local economy can experience departures from other local, state or national trends; with resultant recurring revenue fluctuations. Additionally, because the City's revenues are obtained from a limited number of sources, further revenue fluctuations may occur from year to year. To develop its budget model, the City uses the "Orange County Economic Forecast" prepared by Chapman University's Center for Economic Research, the UCLA Anderson Forecast, and the California State University at Fullerton Mihaylo College of Business and Economics as well as projections provided by City consultants. Detailed information about the economic analysis, revenue assumptions, and other budgetary process parameters utilized in the annual budget preparation, can be obtained from the City's fiscal year 2009-10 citywide budget, available through the City Manager's Office.

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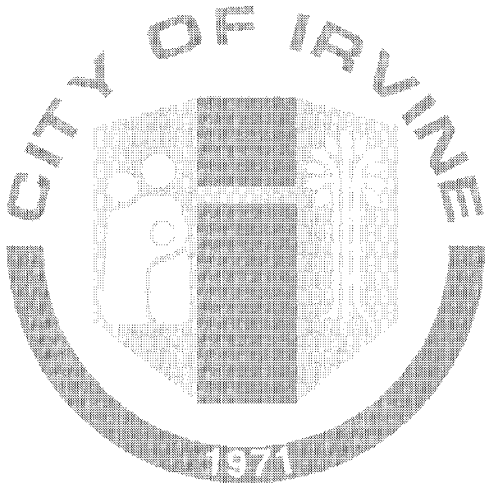
Requests for Information

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.

See Independent Auditors' Report.



BASIC FINANCIAL STATEMENTS



City of Irvine
Statement of Net Assets
June 30, 2010
(amounts expressed in thousands)

	Governmental Activities
ASSETS	
Cash and investments	\$ 411,507
Cash and investments held by trustee	206,866
Receivables, net of allowances:	
Taxes	13,852
Accounts	2,181
Accrued interest	1,688
Prepaid	805
Inventories	138
Due from other governments	13,965
Due from developers	18
Long-term note receivable	13,027
Net pension asset	1,819
Property held for resale	1,222
Capital assets, net of accumulated depreciation:	
Land	589,598
Buildings and systems	67,706
Improvements other than buildings	39,589
Machinery and equipment	11,806
Infrastructure	721,150
Construction in progress	66,813
Total Assets	2,163,750
LIABILITIES	
Accounts payable	25,090
Due to other governments	4,501
Deposits	3,765
Unearned revenue	18,421
Noncurrent liabilities:	
Due within one year	12,327
Due in more than one year	16,619
Net pension obligation	398
Total Liabilities	81,121
NET ASSETS	
Invested in capital assets, net of related debt	1,488,021
Restricted	
Expendable:	
Debt Service	3,402
Assessment in infrastructure and capital improvements	335,233
Other programs and activities	10,577
Nonexpendable:	
Senior Services Fund program	469
Unrestricted	244,927
Total Net Assets	\$ 2,082,629

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

City of Irvine
Statement of Activities
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities:					
General Government	\$ 23,199	\$ 7,354	\$ 11	\$ -	\$ (15,834)
Public Safety	57,891	4,163	1,296	-	(52,432)
Public Works	59,666	12,057	417	30,970	(16,222)
Health and Sanitation	1,475	1,536	1,251	-	1,312
Culture and Recreation	25,240	7,683	1,846	737	(14,974)
Community Development	25,447	6,896	4,259	-	(14,292)
Great Park	17,593	3,521	564	-	(13,508)
Interest on Long-Term Debt	14,803	-	-	-	(14,803)
Unallocated infrastructure depreciation	41,026	-	-	-	(41,026)
Total Governmental Activities	<u>\$ 266,340</u>	<u>\$ 43,210</u>	<u>\$ 9,644</u>	<u>\$ 31,707</u>	<u>(181,779)</u>
General Revenues					
Taxes:					
Property taxes					50,791
Sales taxes					42,209
Franchise taxes					11,223
Transient occupancy taxes					7,306
Document transfer taxes					1,626
Unrestricted motor vehicle in-lieu					628
Gain on sales of assets					62
Investment revenue					20,492
Other revenue					179
Total General Revenues					<u>134,516</u>
Change in Net Assets					<u>(47,263)</u>
Fund Balances, Beginning, as restated					2,129,892
Fund Balances, Ending					<u>\$ 2,082,629</u>

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

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2010
(amounts expressed in thousands)
Page 1 of 2

	General	Irvine Business Complex	Orange County Great Park	Capital Improvement Projects
ASSETS				
Cash and investments	\$ 99,630	\$ 55,218	\$ 39,991	\$ 13,852
Receivables, net of allowances:				
Taxes	8,017	-	-	-
Accounts	1,334	-	158	5
Accrued interest	216	107	224	24
Prepaid	40	-	461	304
Due from other funds	2,424	-	-	-
Due from other governments	421	1,954	-	8,929
Due from developers	17	-	-	1
Advances to other funds	8,974	-	171,146	-
Long-term note receivable	10,617	-	-	-
Property held for resale	-	-	-	-
Total Assets	<u>\$ 131,690</u>	<u>\$ 57,279</u>	<u>\$ 211,980</u>	<u>\$ 23,115</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 9,225	\$ 127	\$ 3,358	\$ 4,735
Due to other funds	-	-	-	1,388
Due to other governments	67	-	1	-
Deposits	2,982	-	-	427
Deferred revenue	15,467	1,957	37,146	6,217
Advances from other funds	-	-	-	-
Total Liabilities	<u>27,741</u>	<u>2,084</u>	<u>40,505</u>	<u>12,767</u>
Fund Balances:				
Nonspendable				
Advances to other funds	7,014	-	134,000	-
Endowment	-	-	-	-
Prepaid	40	-	461	304
Restricted				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	-	-
Community services activities	508	-	-	-
Contingency reserve	4,367	-	-	-
Debt service reserve	-	-	-	-
Development activities	359	-	-	-
Lighting, landscape, & park maintenance	-	-	-	-
Low-income housing activities	-	-	-	-
Pollution remediation	-	-	-	-
Public safety programs	-	-	-	-
Redevelopment activities	-	-	-	-
Committed				
Capital improvement projects	-	50,614	-	9,638
Circulation improvements	-	-	-	-
Community services activities	85	-	-	-
Contingency reserve	15,853	-	-	-
Great Park development and operations	-	-	37,014	-
Public facilities improvements	-	-	-	-
Assigned				
Capital improvement projects	-	4,581	-	406
Community services activities	2,022	-	-	-
Compensated absences	2,832	-	-	-
Debt service	-	-	-	-
Development activities	256	-	-	-
Education	1,093	-	-	-
Infrastructure and rehabilitation	69,208	-	-	-
Unassigned	312	-	-	-
Total Fund Balances	<u>103,949</u>	<u>55,195</u>	<u>171,475</u>	<u>10,348</u>
Total Liabilities and Fund Balances	<u>\$ 131,690</u>	<u>\$ 57,279</u>	<u>\$ 211,980</u>	<u>\$ 23,115</u>

- continued -

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

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2010
(amounts expressed in thousands)
Page 2 of 2

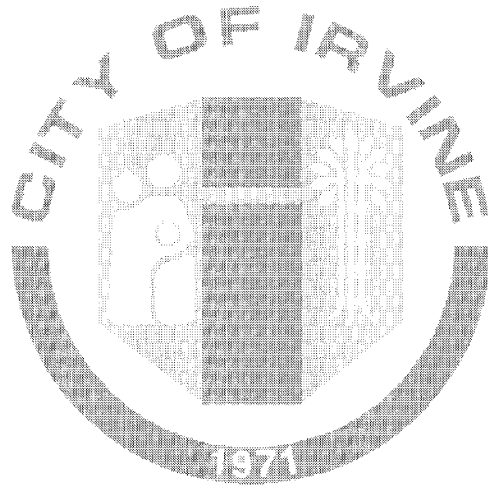
	Assessment Districts	RDA Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 166,136	\$ 5,440	\$ 211,720	\$ 591,987
Receivables, net of allowances:				
Taxes	-	2	1,302	9,321
Accounts	-	308	290	2,095
Accrued interest	6	11	288	876
Prepaid	-	-	-	805
Due from other funds	-	-	-	2,424
Due from other governments	-	-	2,659	13,963
Due from developers	-	-	-	18
Advances to other funds	-	-	1,350	181,470
Long-term note receivable	-	-	2,410	13,027
Property held for resale	-	-	1,222	1,222
Total Assets	<u>\$ 166,142</u>	<u>\$ 5,761</u>	<u>\$ 221,241</u>	<u>\$ 817,208</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5	\$ -	\$ 6,875	\$ 24,325
Due to other funds	-	-	1,036	2,424
Due to other governments	3,714	-	718	4,500
Deposits	-	-	356	3,765
Deferred revenue	-	308	5,802	66,897
Advances from other funds	-	180,120	1,350	181,470
Total Liabilities	<u>3,719</u>	<u>180,428</u>	<u>16,137</u>	<u>283,381</u>
Fund Balances:				
Nonspendable				
Advances to other funds	-	-	1,350	142,364
Endowment	-	-	469	469
Prepaid	-	-	-	805
Restricted				
Capital improvement projects	162,423	-	53,325	215,748
Circulation improvements	-	-	42,561	42,561
Community services activities	-	-	176	684
Contingency reserve	-	-	-	4,367
Debt service reserve	-	-	3,067	3,067
Development activities	-	-	-	359
Lighting, landscape, & park maintenance	-	-	3,108	3,108
Low-income housing activities	-	-	6,171	6,171
Pollution remediation	-	-	972	972
Public safety programs	-	-	923	923
Redevelopment activities	-	-	412	412
Committed				
Capital improvement projects	-	-	83,867	144,119
Circulation improvements	-	-	1,374	1,374
Community services activities	-	-	-	85
Contingency reserve	-	-	-	15,853
Great Park development and operations	-	-	-	37,014
Public facilities improvements	-	-	3,148	3,148
Assigned				
Capital improvement projects	-	-	9,700	14,687
Community services activities	-	-	-	2,022
Compensated absences	-	-	-	2,832
Debt service	-	-	335	335
Development activities	-	-	-	256
Education	-	-	-	1,093
Infrastructure and rehabilitation	-	-	-	69,208
Unassigned	-	(174,667)	(5,854)	(180,209)
Total Fund Balances	<u>162,423</u>	<u>(174,667)</u>	<u>205,104</u>	<u>533,827</u>
Total Liabilities and Fund Balances	<u>\$ 166,142</u>	<u>\$ 5,761</u>	<u>\$ 221,241</u>	<u>\$ 817,208</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, 2010
(amounts expressed in thousands)

Total Fund Balances of Governmental Funds	\$ 533,827
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.	1,488,338
Intergovernmental revenues are not collected within current period and are deferred in the funds.	48,531
Other revenues are not available to pay for current period expenditures and are not reported in the funds.	5,284
The net pension asset is not an available financial resources and is excluded from the funds.	1,819
The net other employment pension obligations are not due and payable in the current period and are not reported in the funds.	(398)
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.	24,983
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	<u>(19,755)</u>
Total Net Assets per Statement of Net Asset	<u>\$ 2,082,629</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, 2010
(amounts expressed in thousands)
Page 1 of 2

	<u>General</u>	<u>Irvine Business Complex</u>	<u>Orange County Great Park</u>	<u>Capital Improvement Projects</u>
REVENUES				
Taxes	\$ 102,591	\$ -	\$ -	\$ -
Licenses and permits	4,395	-	-	-
Fines and forfeitures	1,948	-	-	-
Investment income	4,228	1,020	2,122	219
Intergovernmental	1,363	4,094	9	15,688
Charges for services	15,624	-	3,555	103
Revenue from developers	34	175	-	16
Revenue from property owners	-	-	-	-
Donations	370	-	300	-
Other revenue	1,949	-	-	-
	<u>132,502</u>	<u>5,289</u>	<u>5,986</u>	<u>16,026</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	28,915	18	97	49
Public Safety	54,274	-	-	-
Public Works	28,663	4,042	-	1,427
Community Development	14,403	-	-	-
Community Services	31,166	-	-	-
Great Park	-	-	12,795	972
Street lighting	-	-	-	-
Capital outlay	-	10,843	-	24,442
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Administration	-	-	-	-
	<u>157,421</u>	<u>14,903</u>	<u>12,892</u>	<u>26,890</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,919)</u>	<u>(9,614)</u>	<u>(6,906)</u>	<u>(10,864)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	62	-	-	-
Transfers in	20,851	446	111	12,551
Transfers out	<u>(2,241)</u>	<u>(400)</u>	<u>(82,400)</u>	<u>(659)</u>
Total Other Financing Sources (Uses)	<u>18,672</u>	<u>46</u>	<u>(82,289)</u>	<u>11,892</u>
Net Change in Fund Balances	(6,247)	(9,568)	(89,195)	1,028
Fund Balances, Beginning, as restated	<u>110,196</u>	<u>64,763</u>	<u>260,670</u>	<u>9,320</u>
Fund Balances, Ending	<u>\$ 103,949</u>	<u>\$ 55,195</u>	<u>\$ 171,475</u>	<u>\$ 10,348</u>

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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

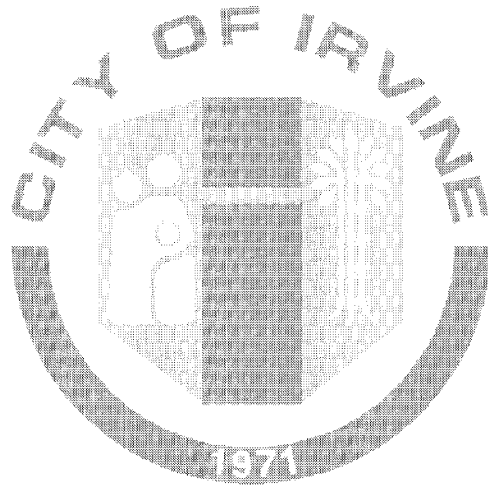
For the Fiscal Year Ended June 30, 2010

(amounts expressed in thousands)

Page 2 of 2

	Assessment Districts	RDA Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ 4,833	\$ 11,284	\$ 118,708
Licenses and permits	-	-	-	4,395
Fines and forfeitures	-	-	-	1,948
Investment income	182	97	2,977	10,845
Intergovernmental	-	1,658	12,555	35,367
Charges for services	-	-	15,123	34,405
Revenue from developers	-	-	111	336
Revenue from property owners	-	-	4,904	4,904
Donations	-	-	121	791
Other revenue	1,854	-	262	4,065
	<u>2,036</u>	<u>6,588</u>	<u>47,337</u>	<u>215,764</u>
Total Revenues	<u>2,036</u>	<u>6,588</u>	<u>47,337</u>	<u>215,764</u>
EXPENDITURES				
Current:				
General Government	55	-	323	29,457
Public Safety	-	-	1,891	56,165
Public Works	237	-	1,340	35,709
Community Development	-	6,362	5,123	25,888
Community Services	-	-	2,501	33,667
Great Park	-	-	3,976	17,743
Street lighting	-	-	5,658	5,658
Capital outlay	7,282	-	33,597	76,164
Debt service:				
Principal retirement	-	-	7,525	7,525
Interest and fiscal charges	-	14,665	25	14,690
Administration	-	-	43	43
	<u>7,574</u>	<u>21,027</u>	<u>62,002</u>	<u>302,709</u>
Total Expenditures	<u>7,574</u>	<u>21,027</u>	<u>62,002</u>	<u>302,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,538)</u>	<u>(14,439)</u>	<u>(14,665)</u>	<u>(86,945)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	62
Transfers in	205	60	90,332	124,556
Transfers out	(1,745)	(1,000)	(25,141)	(113,586)
	<u>(1,540)</u>	<u>(940)</u>	<u>65,191</u>	<u>11,032</u>
Total Other Financing Sources (Uses)	<u>(1,540)</u>	<u>(940)</u>	<u>65,191</u>	<u>11,032</u>
Net Change in Fund Balances	(7,078)	(15,379)	50,526	(75,913)
Fund Balances, Beginning, as restated	<u>169,501</u>	<u>(159,288)</u>	<u>154,578</u>	<u>609,740</u>
Fund Balances, Ending	<u>\$ 162,423</u>	<u>\$ (174,667)</u>	<u>\$ 205,104</u>	<u>\$ 533,827</u>

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



City of Irvine
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2010
(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	\$ (75,913)
<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	21,747
<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	761
<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	12,272
Grants	(3,009)
Sales taxes	2,009
Intergovernmental	308
<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	(60)
Other Post Employment Benefit Plans	(179)
<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>	
Principal repayments on long term debt	7,525
<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	(46)
Compensated absences	(133)
<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>(12,545)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (47,263)</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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 112,644	\$ 112,644	\$ 102,591	\$ (10,053)
Licenses and permits	3,751	3,751	4,395	644
Fines and forfeitures	1,603	1,603	1,948	345
Investment income	4,109	4,120	4,228	108
Intergovernmental	1,495	1,552	1,363	(189)
Charges for services	14,133	14,412	15,624	1,212
Revenue from developers	16	16	34	18
Donations	185	185	370	185
Other revenue	2,212	2,212	1,949	(263)
	140,148	140,495	132,502	(7,993)
EXPENDITURES				
Current:				
General Government:				
City Manager	7,981	8,207	7,969	238
Administrative Services	22,277	22,272	20,946	1,326
Public Safety	56,263	55,724	54,274	1,450
Public Works	30,511	30,575	28,663	1,912
Community Development	14,212	14,348	14,403	(55)
Community Services	33,978	35,021	31,166	3,855
	165,222	166,147	157,421	8,726
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,074)	(25,652)	(24,919)	733
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	10	10	62	52
Transfers in	15,854	19,555	20,851	1,296
Transfers out	(6,400)	(5,050)	(2,241)	2,809
	9,464	14,515	18,672	4,157
Net Change in Fund Balances	(15,610)	(11,137)	(6,247)	4,890
Fund Balances, Beginning	110,196	110,196	110,196	-
Fund Balances, Ending	\$ 94,586	\$ 99,059	\$ 103,949	\$ 4,890

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, 2010
(amounts expressed in thousands)

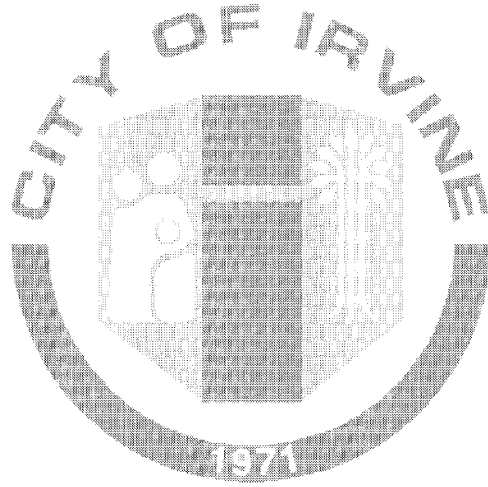
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 1,080	\$ 1,080	\$ 1,020	\$ (60)
Intergovernmental	3,641	3,639	4,094	455
Revenue from developers	200	200	175	(25)
 Total Revenues	 4,921	 4,919	 5,289	 370
EXPENDITURES				
Current:				
General Government	14	14	18	(4)
Public Works	450	4,100	4,042	58
Community Development	-	312	-	312
Capital outlay	12,061	12,059	10,843	1,216
 Total Expenditures	 12,525	 16,485	 14,903	 1,582
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (7,604)	 (11,566)	 (9,614)	 1,952
OTHER FINANCING SOURCES (USES)				
Transfers in	249	271	446	175
Transfers out	(400)	(400)	(400)	-
 Total Other Financing Sources (Uses)	 (151)	 (129)	 46	 175
 Net Change in Fund Balances	 (7,755)	 (11,695)	 (9,568)	 2,127
Fund Balances, Beginning, as restated	64,763	64,763	64,763	-
Fund Balances, Ending	<u>\$ 57,008</u>	<u>\$ 53,068</u>	<u>\$ 55,195</u>	<u>\$ 2,127</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, 2010
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 3,000	\$ 3,000	\$ 2,122	\$ (878)
Intergovernmental	-	568	9	(559)
Charges for services	3,654	3,467	3,555	88
Donations	300	300	300	-
	<u>6,954</u>	<u>7,335</u>	<u>5,986</u>	<u>(1,349)</u>
EXPENDITURES				
Current:				
General Government	100	100	97	3
Great Park	16,030	17,743	12,795	4,948
	<u>16,130</u>	<u>17,843</u>	<u>12,892</u>	<u>4,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,176)</u>	<u>(10,508)</u>	<u>(6,906)</u>	<u>3,602</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	111	111	-
Transfers out	(79,760)	(82,400)	(82,400)	-
	<u>(79,760)</u>	<u>(82,289)</u>	<u>(82,289)</u>	<u>-</u>
Net Change in Fund Balances	(88,936)	(92,797)	(89,195)	3,602
Fund Balances, Beginning	260,670	260,670	260,670	-
Fund Balances, Ending	<u>\$ 171,734</u>	<u>\$ 167,873</u>	<u>\$ 171,475</u>	<u>\$ 3,602</u>

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



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

City of Irvine
Statement of Net Assets
Proprietary Funds
June 30, 2010
(amounts expressed in thousands)

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 26,386
Receivables, net of allowances:	
Accounts	86
Accrued interest	55
Inventories	138
Due from other governments	2
Total Current Assets	<u>26,667</u>
Noncurrent Assets:	
Capital assets:	
Equipment	31,595
Less accumulated depreciation	<u>(23,271)</u>
Total Noncurrent Assets	<u>8,324</u>
Total Assets	<u>34,991</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	762
Due to other governments	1
Unearned revenue	54
Lease payable	258
Compensated absences	30
Claims payable	<u>2,450</u>
Total Current Liabilities	<u>3,555</u>
Noncurrent Liabilities:	
Lease payable	123
Compensated absences	196
Claims payable	<u>6,134</u>
Total Noncurrent Liabilities	<u>6,453</u>
Total Liabilities	<u>10,008</u>
NET ASSETS	
Invested in capital assets, net of related debt	7,943
Unrestricted	<u>17,040</u>
Total Net Assets	<u><u>\$ 24,983</u></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, 2010
(amounts expressed in thousands)

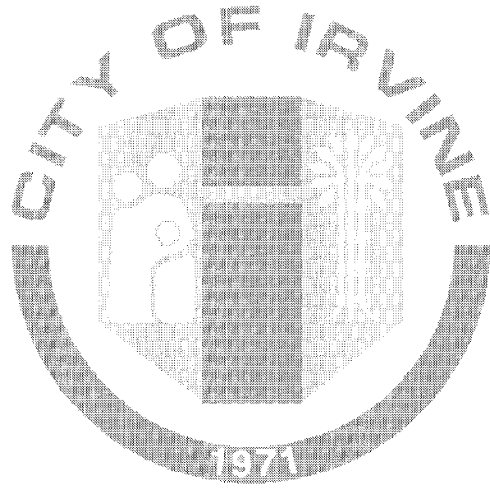
	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 18,483
Other	515
Total Operating Revenue	18,998
OPERATING EXPENSES	
Personal services	2,443
Supplies & equipment	3,718
Contract services	4,552
Administration	1,272
Self-insured losses	2,970
Insurance premiums	2,098
Depreciation	3,967
Total Operating Expenses	21,020
Operating Income (Loss)	(2,022)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	422
Interest expense	(25)
Gain/(Loss) on disposal of equipment	50
Total Nonoperating Revenues	447
Income (Loss) Before Transfers	(1,575)
Transfers in	30
Transfers out	(11,000)
Change in Net Assets	(12,545)
Total Net Assets, Beginning	37,528
Total Net Assets, Ending	\$ 24,983

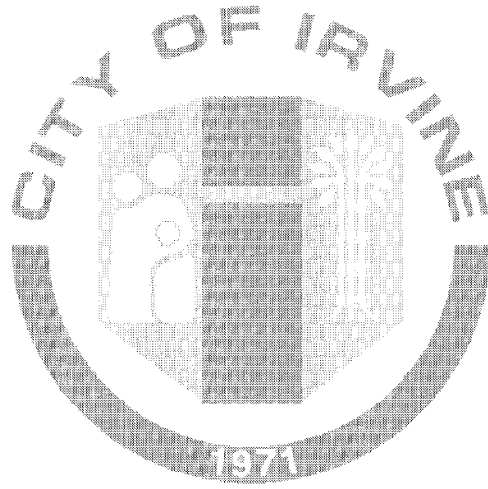
See Independent Auditors' Report and Notes to the Basic Financial Statements

City of Irvine
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers and users	\$ 344
Received from interfund services provided	18,676
Paid to suppliers	(983)
Paid for interfund services provided	(14,021)
Paid to employees	(2,482)
Net Cash Provided by Operating Activities	<u>1,534</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash paid to other funds	(11,000)
Net Cash Used by Non-Capital Financing Activities	<u>(11,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of equipment	78
Cash received from other funds	30
Interest paid	(25)
Equipment purchases	(2,103)
Net Cash Used by Capital and Related Financing Activities	<u>(2,020)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	457
Net Cash Provided by Investing Activities	<u>457</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,029)
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>37,415</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 26,386</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	<u>\$ (2,022)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	3,967
Changes in assets and liabilities:	
(Increase) decrease in receivables, net of allowances	25
(Increase) decrease in due from other governments	(2)
(Increase) decrease in inventories	12
Increase (decrease) in accounts payable	(1,197)
Increase (decrease) in accrued liabilities	16
Increase (decrease) in due to other governments	1
Increase (decrease) in deposits	(16)
Increase (decrease) in lease payable	(292)
Increase (decrease) in compensated absences	(39)
Increase (decrease) in claims payable	1,081
Total Adjustments	<u>3,556</u>
Net Cash Provided by Operating Activities	<u>\$ 1,534</u>

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





City of Irvine
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009 and June 30, 2010
(amounts expressed in thousands)

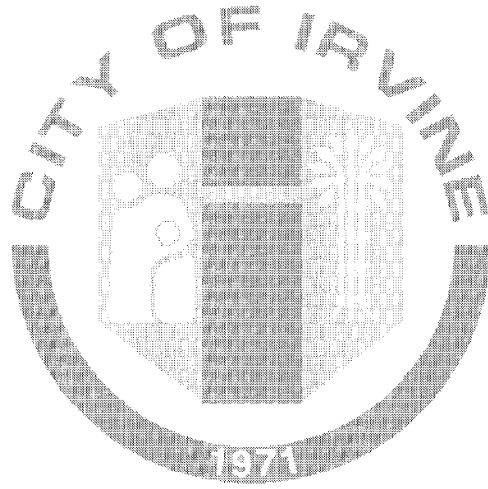
	Pension and Employee Benefit Trust Funds	Agency Funds
ASSETS		
Cash	\$ 2	\$ 92,141
Investments:		
Collective trust funds	16,776	-
Short-term investments	284	-
Participant-directed investments	10,070	-
Receivables, net of allowances:		
Taxes	-	1,412
Accrued interest	-	17
Contributions	10	-
Loans	120	-
Due from developers	-	391
Total Assets	27,262	93,961
LIABILITIES		
Accounts payable	188	28
Accrued liabilities	38	427
Due to bondholders	-	93,326
Due to other governments	-	180
Total Liabilities	226	93,961
NET ASSETS		
Held in trust for pension benefits	27,036	-
Total Net Assets	\$ 27,036	\$ -

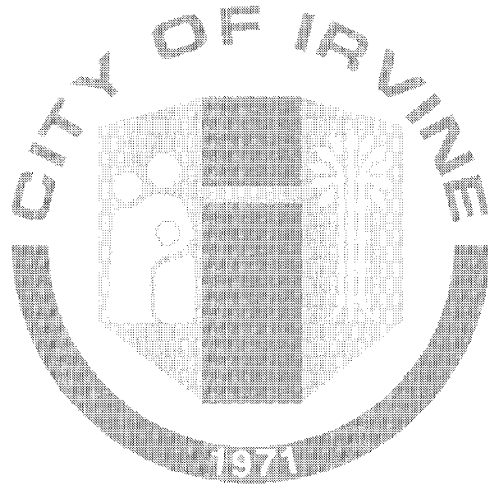
See Independent Auditors' Report and Notes to the Basic Financial Statements

City of Irvine
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended December 31, 2009
(amounts expressed in thousands)

	Pension and Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 441
Plan members	55
Interest from participants' loan	8
Total Contributions	504
Investment income (loss):	
Interest and dividends	61
Net appreciation (depreciation) in fair value of investments	3,526
Total Investment Income (Loss)	3,587
Less investment expense	(124)
Net Investment Income (Loss)	3,463
Total Additions	3,967
DEDUCTIONS	
Benefit payments	1,393
Administrative expenses	19
Forfeitures to the City of Irvine	33
Total Deductions	1,445
Change in Net Assets	2,522
Total Net Assets, Beginning	24,514
Total Net Assets, Ending	\$ 27,036

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, 2010

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) were used to finance the acquisition and construction of the City's civic center, operations support facility, animal services facilities, and other infrastructure improvements in the City. The Corporation and Authority are governed by boards comprised of appointed Finance Commissioners and the elected City Councilmembers, respectively. The transactions of the Corporation and the Authority are reported in the governmental fund financial statements as debt service funds. The Corporation's debt was retired in fiscal year 2001-02 and 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, a major debt service fund and other governmental special revenue funds. 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 not available for the OCGPC.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

I. Summary of significant accounting policies (continued)

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. 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.

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. Amounts are expressed in thousands unless otherwise stated.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

I. Summary of significant accounting policies (continued)

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, 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 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.

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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

I. Summary of significant accounting policies (continued)

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, Civic Center maintenance, telephone, mail and duplicating services, 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 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 needed.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

I. Summary of significant accounting policies (continued)

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.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

I. Summary of significant accounting policies (continued)

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 and adjusted for material expected variances. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate the compensated absences liabilities.

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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

I. Summary of significant accounting policies (continued)

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

Deferred revenues arise in governmental funds when revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise, in both governmental and proprietary funds, when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures/expenses (unearned). In subsequent periods when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized.

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 fund balance is made up of the following components:

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

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

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has the authority to establish, modify, or rescind a fund balance commitment.

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

Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

I. Summary of significant accounting policies (continued)

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

In the government-wide statements, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

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.

F. Implementation of new GASB pronouncement

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

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, provides guidance for accounting and financial reporting of intangible assets which are included as a type of capital asset as defined in GASB Statement No. 34.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

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

The details of this \$48,531 difference are as follows:

Orange County Great Park Fund	\$ 37,146
Capital Improvement Projects Fund	5,930
General Fund	2,583
Irvine Business Complex Fund	1,934
Park Development Fund	542
RDA Debt Service Fund	308
Grants Fund	<u>88</u>
Net adjustment to increase Fund Balances - Total Governmental Funds	<u><u>\$ 48,531</u></u>

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 \$19,755 difference are as follows:

Compensated absences	\$ 10,003
Lease revenue bonds	8,260
Long-term note	<u>1,492</u>
Net adjustment to decrease Fund Balances - Total Governmental Funds	<u><u>\$ 19,755</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 \$21,747 difference are as follows:

Expenditures for capital outlays	\$ 76,164
Expenditures for capital equipment purchases	1,443
Less amounts not capitalized	<u>(8,330)</u>
Expenditures for capital asset acquisitions	69,277
Less depreciation expense - governmental funds	<u>(47,530)</u>
Net adjustment to increase Net Change in Fund Balances - Total Governmental Funds	<u><u>\$ 21,747</u></u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

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 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. Amendments to the adopted General Fund budget for the fiscal year ended June 30, 2010, increased appropriations by \$925, to an amended total of \$166,147. 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.

B. Excess of expenditures over appropriations

Major Fund

For the year ended June 30, 2010, the Community Development department expenditures exceeded appropriations in the General Fund by \$55. These unanticipated expenditures resulted from additional attorney costs created by litigation in the Irvine Business Complex planning areas.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

III. Stewardship, compliance, and accountability (continued)

Nonmajor Fund

For the year ended June 30, 2010, the expenditures in the IBC Vision Plan Fund exceeded appropriation by \$375. The expenditures were in part to prepare an environmental impact report for the new capital improvement projects in the Irvine Business Complex planning area.

C. Deficit fund balances

Major Fund

The RDA Debt Service Fund has a deficit fund balance of \$174,667 at June 30, 2010, which is expected to be relieved from future tax increment revenues.

Nonmajor Funds

At June 30, 2010, the Major Special Events Fund had a deficit fund balance of \$25 primarily as a result of additional equipment expenditures, which is expected to be relieved from future fee revenues.

The IBC Vision Plan Fund has a deficit fund balance of \$756 at June 30, 2010, which is expected to be relieved from future development fees.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds

A. Deposits and investments

Cash and investments, as of June 30, 2010, are classified in the accompanying financial statements as follows (in thousands):

Statement of net assets:	
Cash and investments	\$ 411,507
Cash and investments held by trustee	206,866
Total	618,373
Fiduciary funds:	
Cash and investments	52,023
Cash and investments held by trustee	39,938
Agency deposits	180
Cash and investments - Pension trust funds	27,132
Total	119,273
Total Cash and Investments	\$ 737,646

Cash and investments, as of June 30, 2010, consist of the following (in thousands):

Cash on hand	\$ 22
Deposits with financial institutions	6,145
Investments	704,347
Total	710,514
Cash and investments - Pension trust funds	27,132
Total Cash and Investments	\$ 737,646

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 policy.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (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%	10%

Investments Authorized by Bond Indentures

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, 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 investment held by trustees) to market interest rate fluctuations is provided in the following table that shows the distribution of the City's investments by maturity (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	\$ 478,256	\$ 197,735	\$ 90,779	\$ 189,742
Local Agency Investment Fund (LAIF)	7,577	7,577	-	-
Money Market Mutual Funds	218,514	218,514	-	-
	<u>\$ 704,347</u>	<u>\$ 423,826</u>	<u>\$ 90,779</u>	<u>\$ 189,742</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (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, 2010 is \$235,680.

Disclosures Relating to Credit Risk

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

Investment Type	Total	Minimum Legal Rating	Rating Not Required	Rating as of June 30, 2010	
				AAA/Aaa	Unrated
U.S. Government Sponsored Enterprise Securities	\$ 478,256	N/A	\$ -	\$ 478,256	\$ -
Local Agency Investment Fund (LAIF)	7,577	N/A	-	-	7,577
Money Market Mutual Funds	218,514	AAA	-	218,514	-
	<u>\$ 704,347</u>		<u>\$ -</u>	<u>\$ 696,770</u>	<u>\$ 7,577</u>

Concentration of Credit Risk

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

Issuer	Investment Type	Market Value
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 108,543
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 127,392
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 108,696
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 78,752

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

Issuer	Investment Type	Market Value
Dreyfus Government Prime Cash Fund	Money Market Fund	\$ 163,873
Wells Fargo Advantage Government	Money Market Fund	\$ 16,162
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 28,471
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 26,402

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds (continued)

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. 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, 2010, \$4,655 of the bank value of the City's deposits with financial institutions was in excess of federal depository insurance limits and collateralized in accordance with California law.

As of June 30, 2010, the City's investments in the following uninsured and uncollateralized investment types were held by the City's safekeeping agent or trustee:

<u>Investment Type</u>	<u>Market Value</u>
U.S. Government Sponsored Enterprise Securities	\$ 423,383
Money Market Funds	\$ 38,479

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

<u>Investment Type</u>	<u>Market Value</u>
U.S. Government Sponsored Enterprise Securities	\$ 54,873
Money Market Funds	\$ 180,035

Investment in State Investment Pool

The City of Irvine 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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds (continued)

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 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, 2009. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2009.

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, 2009. 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, 2009.

Agency Deposits

The agency deposits are comprised of funds held by the City under terms of various assessment districts and 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 \$610,947 at June 30, 2010, 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, 2010 (Continued)

IV. Detailed notes on all funds (continued)

B. Capital assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 580,009	\$ 9,589	\$ -	\$ 589,598
Construction in progress	71,049	22,921	27,157	66,813
Total capital assets not being depreciated	<u>651,058</u>	<u>32,510</u>	<u>27,157</u>	<u>656,411</u>
Capital assets, being depreciated:				
Buildings and systems	80,512	27,716	-	108,228
Improvements other than buildings	70,792	92	-	70,884
Machinery and equipment	46,626	3,546	9,096	41,076
Infrastructure	1,278,009	35,439	-	1,313,448
Total capital assets being depreciated	<u>1,475,939</u>	<u>66,793</u>	<u>9,096</u>	<u>1,533,636</u>
Less accumulated depreciation for:				
Buildings and systems	(38,400)	(2,122)	-	(40,522)
Improvements other than buildings	(27,668)	(3,627)	-	(31,295)
Machinery and equipment	(33,611)	(4,722)	(9,063)	(29,270)
Infrastructure	(551,272)	(41,026)	-	(592,298)
Total accumulated depreciation	<u>(650,951)</u>	<u>(51,497)</u>	<u>(9,063)</u>	<u>(693,385)</u>
Total capital assets, being depreciated, net	<u>824,988</u>	<u>15,296</u>	<u>33</u>	<u>840,251</u>
Governmental activities capital assets, net	<u>\$ 1,476,046</u>	<u>\$ 47,806</u>	<u>\$ 27,190</u>	<u>\$ 1,496,662</u>

Museum Collections

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

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, 2010, property held for resale totaling \$1,222 consisted of five condominiums.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds (continued)

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

Public Works	\$ 2,979
General Government	1,546
Community Services	1,146
Public Safety	429
Great Park	390
Community Development	14
Internal Service Funds Depreciation-charged to programs based on asset usage	<u>3,967</u>
Allocated Depreciation	10,471
Unallocated Infrastructure Depreciation	<u>41,026</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 51,497</u></u>

Construction Commitments

The City has active construction projects as of June 30, 2010. 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:

	Spent-to-date	Remaining Commitment
Streets and drainage	\$ 39,583	\$ 18,123
Facilities and equipment	23,012	18,144
Traffic signal projects	1,819	203
Landscape	1,381	451
Trails	284	158
Bridges	<u>175</u>	<u>-</u>
Total	<u><u>\$ 66,254</u></u>	<u><u>\$ 37,079</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, 2010, was as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 1,036
General Fund	Capital Improvement Projects Funds	<u>1,388</u>
		<u><u>\$ 2,424</u></u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds (continued)

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Orange County Great Park Fund	RDA Debt Service Fund	\$ 171,146
General Fund	RDA Debt Service Fund	8,974
Other Governmental Funds	Other Governmental Funds	1,350
		<u>\$ 181,470</u>

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

The advances balance 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:

	<u>Transfers in:</u>								<u>Total</u>
	<u>General Fund</u>	<u>Irvine Business Complex</u>	<u>Orange County Great Park</u>	<u>Capital Improvement Projects</u>	<u>Assessment Districts</u>	<u>RDA Debt Service</u>	<u>Other Governmental Funds</u>	<u>Internal Service Funds</u>	
<u>Transfers out:</u>									
General Fund	\$ -	\$ 2	\$ -	\$ 581	\$ -	\$ -	\$ 1,658	\$ -	\$ 2,241
Irvine Business Complex	400	-	-	-	-	-	-	-	400
Orange County Great Park	100	-	-	-	-	-	82,300	-	82,400
Capital Improvement Projects	52	-	-	-	-	-	607	-	659
Assessment Districts	-	-	-	1,745	-	-	-	-	1,745
RDA Debt Service	-	-	-	-	-	-	1,000	-	1,000
Other Governmental Funds	9,299	444	111	10,225	205	60	4,767	30	25,141
Internal Service Funds	11,000	-	-	-	-	-	-	-	11,000
Total	<u>\$ 20,851</u>	<u>\$ 446</u>	<u>\$ 111</u>	<u>\$ 12,551</u>	<u>\$ 205</u>	<u>\$ 60</u>	<u>\$ 90,332</u>	<u>\$ 30</u>	<u>\$ 124,586</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, 2010 (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 was 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. On June 1, 2010, the lessee exercised a one year extension of the lease to June 30, 2011. The base monthly rent is \$4,327 (amounts not rounded). Rental revenue at June 30, 2010, was \$52. The Agency expects to receive the following future minimum lease payment:

Fiscal Year Ending June 30	Annual Rent
2011	\$ 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 March 2010, the City entered into its seventh amendment of the lease, amending the lease term to a month to month lease, with a monthly rent is \$121. Rental revenue for the fiscal year ended June 30, 2010, was \$1,642.

Tierra Verde Industries entered into a lease beginning in May 2006 and terminating May 2010. In May 2010, the City amended and restated the lease. The new lease term is for eight years with an option to renew the lease for three successive two year terms. The lease is for two parcels within the OCGP. The first parcel is approximately 60 acres of land for green waste recycling. Rent is paid quarterly in advance at \$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. 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, 2010, for parcels one and two was \$402 and Green Waste Host Fees was \$97.

The final lease in the OCGP fund is with El Toro Farms, LLC, for the use of approximately 65.8 acres of farming land for the purpose of cultivating, irrigation, raising, and harvesting of strawberry and vegetable crops. The original lease was a one-year lease beginning in July 2005. In July 2009, the City entered into its fourth amendment to the lease, extending the lease termination date to June 30, 2010, and reducing the acres usage to approximately 35.4 acres. In June 2010, the City entered into its fifth amendment, extending the lease termination date to June 30, 2011, and providing an option to renew the lease for one additional year. The base monthly rent is \$7,965 (amounts not rounded). Rental revenue at June 30, 2010, was \$96.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (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, 2010, is as follows:

Fiscal Year Ending June 30	Annual Rent
2011	\$ 442
2012	261
2013	160
2014	145
2015	140
2016-2018	277
	\$ 1,425

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, 2010, amounted to \$585. The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2010, is as follows:

Fiscal Year Ending June 30	Annual Rent
2011	\$ 603
2012	245
2013	241
2014	241
2015	270
2016-2020	787
2021-2025	706
2026-2030	466
2031	35
	\$ 3,594

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. 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 \$74 plus 3.5% of the facility's annual gross sales when that amount is in excess of the fixed minimum.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds (continued)

Rental revenue at June 30, 2010 was \$74. The City expects to receive the following future minimum lease payments:

Fiscal Year Ending June 30	Annual Rent
2011	\$ 74

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, 2010, were \$135. The City is obligated to pay the following future minimum lease payments:

Fiscal Year Ending June 30	Annual Rent
2011	\$ 112

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, 2010, were \$157. The City is obligated to pay the following future minimum lease payments:

Fiscal Year Ending June 30	Annual Rent
2011	\$ 143

Capital Leases

Total assets acquired through capital leases at June 30, 2010 were as follows:

Governmental Activities	
Machinery and equipment	\$ 2,277
Less: Accumulated depreciation	(51)
Total	\$ 2,226

In February 2008, the City entered into a lease agreement with Ford Motor Credit for patrol cars at a cost of \$536. 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:

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds (continued)

Fiscal Year Ending June 30	Principal	<u>Internal Service Fund</u> Interest	Total
2011	\$ 141	\$ 3	\$ 144

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

Fiscal Year Ending June 30	Principal	<u>Internal Service Fund</u> Interest	Total
2011	\$ 117	\$ 9	\$ 126
2012	123	4	127
	\$ 240	\$ 13	\$ 253

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 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 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 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 re-priced 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 (Bank), 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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds (continued)

Both Series 1985 and Series 1987 contain a variable rate of interest, which re-prices weekly. For disclosure purposes, the average rate at June 30, 2010 of 0.24% was utilized for both issues. Principal and interest amounts paid for the year ended June 30, 2010, were \$7,525 and \$26, respectively. The actual gross cost of debt (interest, 0.18%; remarketing agent, 0.06%; and letter of credit fees, 0.19%) incurred for the fiscal year ended June 30, 2010, was 0.43%.

Annual debt service requirements to maturity for lease revenue bonds are as follows:

Fiscal Year Ending June 30	Series 1985 Bonds			Series 1987 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 7,700	\$ 216	\$ 7,916	\$ 560	\$ 16	\$ 576

Long-Term Note

On May 2, 2007, the Agency received a \$1,350 HELP (Housing Enabled by Local Partnership) loan from the California Housing Finance Agency. The proceeds of the loan were loaned to the City for the purpose of developing an affordable housing rental project. The loan bears simple interest at a rate of 3.5% per annum. The term of the loan is 10 years. Payment of principal and interest on the loan is deferred until May 2, 2017. At June 30, 2010, principal and interest due were \$1,492.

F. Changes in long-term liabilities

For the fiscal year ended June 30, 2010, changes in long-term liabilities are as follows:

	Balance			Balance June 30, 2010	Long- Term	Due Within One Year
	June 30, 2009	Increases	Decreases			
Lease Revenue Bonds:						
Series 1985 matures in 2010	\$ 14,700	\$ -	\$ 7,000	\$ 7,700	\$ -	\$ 7,700
Series 1987 matures in 2010	1,085	-	525	560	-	560
Total Lease Revenue Bonds	<u>15,785</u>	<u>-</u>	<u>7,525</u>	<u>8,260</u>	<u>-</u>	<u>8,260</u>
Other Debt:						
Compensated absences	10,134	2,242	2,147	10,229	8,870	1,359
Claims payable	7,503	2,946	1,865	8,584	6,134	2,450
Capital lease obligation	673	-	292	381	123	258
Long-term note	1,445	47	-	1,492	1,492	-
Total Other Debt	<u>19,755</u>	<u>5,235</u>	<u>4,304</u>	<u>20,686</u>	<u>16,619</u>	<u>4,067</u>
Total Long-Term Liabilities	<u>\$ 35,540</u>	<u>\$ 5,235</u>	<u>\$ 11,829</u>	<u>\$ 28,946</u>	<u>\$ 16,619</u>	<u>\$ 12,327</u>

G. Conduit financing

The City has entered into conduit financing on behalf of Jamboree Housing Corporation to assist with the acquisition of a qualified residential rental project. In accordance with the loan documents, the City has no obligation for debt service payments and therefore, the debt is not reflected in the accompanying basic financial statements. These revenue bonds were issued on March 1, 1998, and final maturity is March 1, 2028. The outstanding amounts of this financing at June 30, 2010, was \$22,005.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds (continued)

H. 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 solely as an agent for those paying special tax and assessments and remits the amounts collected to the bondholders of these variable and fixed rate Improvement Bond Act of 1915 and Mello-Roos Community Facilities Act of 1982 issues outstanding at June 30, 2010. The City is acting as an agent and is in no way liable for the Special Assessment debt.

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

Non-committal debt amounts issued and outstanding at June 30, 2010, are as follows:

Variable Rate Issues:		Bonds Issued	Bonds Outstanding
07-22	Stonegatc	\$ 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	46,392
00-18	Shady Canyon/Turtle Ridge/Quail Hill	84,800	8,683
85-7	Irvine Spectrum	51,500	49,000
87-8	Spectrum 5	74,700	15,750
89-10	Westpark	43,640	20,750
93-14	Spectrum 6 & 7	72,400	54,537
94-13	Oak Creek	61,600	22,287
94-15	Westpark II	32,700	11,986
97-16	Northwest Irvine	60,000	27,695
97-17	Lower Peters Canyon East	95,000	32,754
Total Variable Rate Issues		932,940	488,082

-Continued-

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

IV. Detailed notes on all funds (continued)

Non-committal debt amounts issued and outstanding at June 30, 2010, are as follows:

Fixed Rate Issues:		Bonds Issued	Bonds Outstanding
00-18	Shady Canyon/Turtle Ridge/Quail Hill	46,755	37,965
00-18	Shady Canyon/Turtle Ridge/Quail Hill	27,220	22,465
00-18	Shady Canyon/Turtle Ridge/Quail Hill	18,040	15,270
00-18	Shady Canyon/Turtle Ridge/Quail Hill	6,705	5,755
04-20	Portola Springs	37,885	35,915
03-19	Northern Sphere	6,795	5,915
03-19	Northern Sphere	28,890	25,965
03-19	Northern Sphere	8,885	7,945
03-19	Northern Sphere	15,725	14,420
03-19	Northern Sphere	17,875	16,870
03-19	Northern Sphere	4,275	4,275
87-8	Spectrum 5	5,695	2,665
87-8	Spectrum 5	10,825	7,085
87-8	Spectrum 5	17,300	4,975
87-8	Spectrum 5	11,015	7,705
93-14	Spectrum 6 & 7	1,905	1,565
93-14	Spectrum 6 & 7	875	725
93-14	Spectrum 6 & 7	4,475	3,855
93-14	Spectrum 6 & 7	2,120	1,895
93-14	Spectrum 6 & 7	1,335	1,245
97-16	Northwest Irvine	1,320	1,045
97-17	Lower Peters Canyon East	3,040	2,475
97-17	Lower Peters Canyon East	1,650	1,385
IPFIA	Revenue Bonds, Series A	66,240	32,575
99-1	Reassessment District	15,465	1,995
99-2	Reassessment District	50,775	31,949
IPFIA	Revenue Bonds, Series B	57,575	42,460
01-1	Reassessment District	8,755	6,872
01-2	Reassessment District	48,814	37,143
IPFIA	Revenue Bonds, Series C	91,175	69,615
03-1	Reassessment District	9,665	7,753
03-2	Reassessment District	81,519	63,360
CFD 2005-2	Columbus Grove	24,375	23,190
Total Fixed Rate Issues		734,963	546,292
Total All Issues		\$ 1,667,903	\$ 1,034,374

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (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 per occurrence and a \$2,000 aggregate is provided through a risk-sharing pool, the California Insurance Pool Authority (CIPA). CIPA also purchases excess liability coverage up to a \$42,000 limit for the pool. Excess workers' compensation coverage above \$300 per occurrence and up to \$3,000 is provided through CIPA. Property risk is financed through insurance contracts and has various limits and deductibles.

The City is a member of CIPA in order to jointly purchase insurance coverage and to share costs for professional risk management, claim administration, and group purchasing of insurance products with ten other Orange County cities. Premiums paid during the fiscal year ended June 30, 2010, were \$1,991. 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, 2010. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2010, \$8,584 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 fiscal year 2009-10. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2008, resulted in the following:

	Workers' Compensation	General Liability	Total
Liability Balance, July 1, 2008	\$ 5,120	\$ 2,602	\$ 7,722
Claims and changes in estimates	2,062	(164)	1,898
Claim payments during 2008-2009	<u>(1,186)</u>	<u>(931)</u>	<u>(2,117)</u>
Liability Balance, June 30, 2009	<u>5,996</u>	<u>1,507</u>	<u>7,503</u>
Claims and changes in estimates	1,879	1,067	2,946
Claim payments during 2009-2010	<u>(1,369)</u>	<u>(496)</u>	<u>(1,865)</u>
Liability Balance, June 30, 2010	<u><u>\$ 6,506</u></u>	<u><u>\$ 2,078</u></u>	<u><u>\$ 8,584</u></u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (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.

Settlement Agreement with the City of Tustin: On July 13, 2010, the City entered into an agreement with the City of Tustin to release and achieve a full and complete resolution of all claims arising from or relating to the disputes concerning development in the Irvine Business Complex (IBC) and Irvine's certification of an environmental impact report in connection with these development projects. In lieu of Irvine's fair share of the estimated costs of the traffic and transportation improvements located within Tustin identified as mitigation measures in and arising from the IBC development, the City shall contribute 12% of the construction contract award amount or \$4.5 million, whichever is greater, up to a maximum of \$6.5 million, for the Tustin Ranch Road Extension roadway improvements. The City has committed \$4.5 million of future IBC Vision Plan fees for the Tustin Ranch Road Extension project in the IBC Vision Plan fund. This agreement expires July 1, 2025, if the project is not fully constructed and open to traffic.

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 each 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 contributions. Eligibility requires five years of active service and five years of mandatory contributions to the plan. The Plan is administered by Delta Health Systems under the provisions of IRS Code Section 501(c)(9).

Funding Policy Participants and the City are required to contribute to the plan at a percentage of base pay per the various employee associations' Memorandum of Understanding (MOU). The contribution requirements of plan members and the City are established and may be amended by the MOU with the various employee associations. For the year ended June 30, 2010, employer contributions were \$771 and participant contributions were \$816. Copies of the MOU may be obtained from City Hall.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

V. Other information (continued)

Retirement Health Savings

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

Funding Policy The City is required to contribute 2% or 3% of base salary depending on the employee association's MOU. For the year ended June 30, 2010, the City contributed \$260 to the RHS plan. The Plan is administered by Vantagecare Retiree Health Savings Plan.

Other Post Employment Benefits (OPEB)

Plan Description The City provides retirees the ability to purchase 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 MOUs between those entities. Copies of the MOUs may be obtained from City Hall. Employees who have attained age 50 and completed at least five years of service with the City, or who have attained age 60 regardless of years of service, or who 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 cost of premiums. As of June 30, 2010, there were 108 retired employees purchasing healthcare benefits. A separate financial statement is not issued.

Funding Policy The retired plan members receiving benefits make contributions at the premium rates identical to those charged for the City's active employees. Employers are 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 Governmental Accounting Standard Board (GASB) principles do not require that the unfunded liabilities actually be funded, only that employers account for the unfunded accrued liability and compliance in meeting the Annual Required Contribution (ARC). The ARC is the sum of the present value of future benefits being earned by current employees plus amortization of benefits already earned by current and former employees but not yet provided for. The amortization of benefits previously earned (unfunded actuarial liabilities) is being amortized over a period of thirty years on an open basis.

Annual OPEB Cost and Net OPEB Obligation The City's annual OPEB cost (expense) \$483, 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:

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

V. Other information (continued)

	June 30, 2010
Annual required contribution (ARC)	\$ 486
Interest adjustment	11
Amortization adjustment	(14)
Annual OPEB cost	483
Employer contribution	(304)
Net change in OPEB obligation	179
Net OPEB obligation - beginning of year	219
Net OPEB obligation - end of year	\$ 398

The percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year 2009-10 is as follows:

		Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
Fiscal Year	Annual OPEB Cost			
6/30/2009	\$ 486	55%	\$	219
6/30/2010	483	18%		398

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 \$3,869, the covered payroll (annual payroll of active employees covered by the plan) was \$59,728, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 6.5% as of June 30, 2009. The City is currently funding the program on a pay-as-you-go basis. The Net Pension Obligation is accrued in the amount of \$398 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 to be the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year 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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

V. Other information (continued)

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. As of December 31, 2009, there were 3 active plan participants and 33 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them. The Plan is now closed to new participants. An actuarial valuation is performed bi-annually to determine the actuarial implication of the Plan's funding policy. The last actuarial valuation date was January 1, 2010. 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 79.16% of annual covered payroll, which exceeds 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 2009, the City's annual required contributions of \$155 was less than the City's actual contributions, which totaled \$235. 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, 2009, are as follows:

Annual required contribution	\$	155
Interest on net pension obligation		(103)
Adjustment to annual required contribution		243
		295
Annual pension cost		295
Contributions made		(235)
		60
Increase (decrease) in net pension obligation		60
Net pension obligation (asset) - beginning of year, as restated		(1,879)
		(1,819)
Net pension obligation (asset) - end of year	\$	(1,819)

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

V. Other information (continued)

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

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

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/2007	\$ 212	108.5%	\$ (2,244)
12/31/2008	\$ 281	81.1%	\$ (1,879)
12/31/2009	\$ 295	79.7%	\$ (1,819)

The actuarial assumptions included a 5.5% investment rate of return, 3.5% 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, 2010, the most recent actuarial valuation date, the Plan was 93.5% funded. The actuarial accrued liability for benefits was \$19,423, and the actuarial value of assets was \$18,166, resulting in unfunded actuarial accrued liability (UAAL) of \$1,257. The covered payroll (annual payroll of active employees covered by the Plan) was \$313, and the ratio of the UAAL to the covered payroll was 401.6%. 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,

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

V. Other information (continued)

2009. 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.

At December 31, 2009, the Plan had a membership of 113, consisting of 16 active members, 76 terminated and 21 non-employee or other members. All 113 members are fully vested in the Plan. Total Plan assets were \$10,202. 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, 2009 were \$206 and participant contributions were \$55. 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, 2010, the City's annual pension cost of \$7,963 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, 2007. 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 3.55% 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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

V. Other information (continued)

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.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 6,710	100%	\$ -
6/30/2009	\$ 7,776	100%	\$ -
6/30/2010	\$ 7,963	100%	\$ -

Funding Status and Funding Progress As of June 30, 2009, the most recent actuarial valuation date, the Plan was 78.9% funded. The actuarial accrued liability for benefits was \$132,438 and the actuarial value of assets was \$104,470, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,969. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,907, and the ratio of the UAAL to the covered payroll was 140.5%. 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 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, 2010, the City's annual pension cost of \$9,732 for CalPERS was equal to the City's required and actual contributed pension costs. The required

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

V. Other information (continued)

contribution was determined by actuarial valuation as of June 30, 2007, 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 3.55% to 14.45%, (c) a 3% inflation rate, (d) a 3.25% payroll growth rate, (e) and 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. All changes in liability due to Plan amendments, changes in actuarial assumptions, or methodology will be amortized as a level percentage of pay over a 20 year period. Gains and losses that occur in the operation of the Plan are amortized over a 30 year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of Plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year period.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 9,713	100%	\$ -
6/30/2009	\$ 10,214	100%	\$ -
6/30/2010	\$ 9,732	100%	\$ -

Funding Status and Funding Progress As of June 30, 2009, the most recent actuarial valuation date, the Plan was 70.4% funded. The actuarial accrued liability for benefits was \$212,035 and the actuarial value of assets was \$149,267, resulting in an unfunded actuarial accrued liability (UAAL) of \$62,769. The covered payroll (annual payroll of active employees covered by the Plan) was \$48,127, and the ratio of the UAAL to the covered payroll was 130.4%. 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 PARS' annual financial report may be obtained from their executive office: P.O. Box 1291, Newport Beach, California 92658.

Funding Policy Effective June 30, 2003, eligible participants are required to contribute 1.75% of their base compensation into the Plan. The City shall contribute an amount equal to 5.75% of the base salary compensation. Plan participants have the right to 100% of their account balance upon their

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

V. Other information (continued)

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, 2009, the Plan had 525 members. Total Plan assets were \$1,782. Employer and employee contributions to the Plan during the calendar year ended December 31, 2009, were \$271.

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 which is reported as part of Restricted Net Assets. Expendable donations and accrued interest of \$138 are available for expenditure and are reflected as Restricted Net Assets, Expendable.

F. Subsequent events

On July 19, 2010, the Land Trust sold one of its properties held for resale for \$334 which is in excess of its reported net realizable value as of December 31, 2009. The Land Trust financed \$70 of this transaction. The note is secured by a junior lien on the property which is subordinate to three other notes.

G. Restatement

Fund Balance at July 1, 2009, has been restated to reflect the following changes:

Funds	Balance at July 1, 2009 as Previously Reported	Fund Restatements	Balance at July 1, 2009 as Adjusted
Fees and Exactions	\$ 3,179	\$ (746)	\$ 2,433

During the fiscal year ended June 30, 2010, additional information pertaining to fund balance and net assets for the previous year became available. This information necessitated certain changes to be made to those balances previously reported for the fiscal year ended June 30, 2009, to better conform with GAAP.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010 (Continued)

V. Other information (continued)

The Fees and Exactions Fund was adjusted \$746 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 reduced by \$333, to correct the Mitigation Measure 123 fee credit by (\$746) for credits given to University of Irvine (UCI) in exchange for right-of-way land used for an infrastructure project in the UCI area and by \$413 for a correction of an error in the calculation of the net pension asset.

H. Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Irvine was \$4,711.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2010 (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, 2009

Year	Actuarial Valuation Date	Annual Required Contributions (ARC)*	Percentage of ARC Contributed
2007	1/1/2006	\$ 186	123.65%
2008	1/1/2008	\$ 159	138.08%
2009	1/1/2010	\$ 155	152.58%

* 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, 2009

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
1/1/2006	\$ 17,367	\$ 17,367	\$ -	100.00%	\$ 335	0.0%
1/1/2008	\$ 19,071	\$ 18,792	\$ 279	98.54%	\$ 274	101.8%
1/1/2010	\$ 19,423	\$ 18,166	\$ 1,257	93.53%	\$ 313	401.6%

* The actuarial valuation is performed bi-annually.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2010 (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 June 30, 2010

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
6/30/2007	\$ 107,080	\$ 85,550	\$ 21,530	79.9%	\$ 14,975	143.8%
6/30/2008	\$ 117,823	\$ 95,371	\$ 22,452	80.9%	\$ 17,240	130.2%
6/30/2009	\$ 132,438	\$ 104,470	\$ 27,968	78.9%	\$ 19,907	140.5%

CalPERS Defined Benefit Pension Plan for Non-Sworn Employees

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

Schedule of Funding Progress
For the three years ended June 30, 2010

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
6/30/2007	\$ 155,487	\$ 113,591	\$ 41,896	73.1%	\$ 42,050	99.6%
6/30/2008	\$ 177,193	\$ 132,395	\$ 44,798	74.7%	\$ 47,141	95.0%
6/30/2009	\$ 212,035	\$ 149,267	\$ 62,768	70.4%	\$ 48,127	130.4%

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2010 (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 June 30, 2010

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

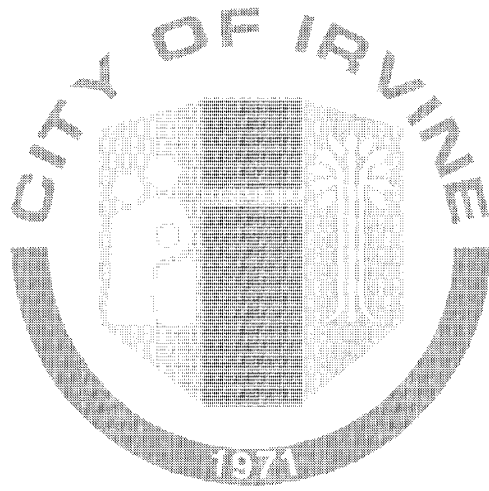
The combining statements for Other Governmental Funds represent a consolidation of the information for specific funds contained in the Supplementary Financial Statements. These statements summarize the financial information contained in Other Special Revenue Funds, Debt Service Funds, Other Capital Projects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

City of Irvine
Combining Balance Sheet
Other Governmental Funds
June 30, 2010
(amounts expressed in thousands)

	Other Special Revenuc Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanet Funds	Total Other Governmental Funds
ASSETS					
Cash and investments	\$ 96,610	\$ 3,381	\$ 111,118	\$ 611	\$ 211,720
Receivables, net of allowances:					
Taxes	1,302	-	-	-	1,302
Accounts	280	4	6	-	290
Accrued interest	206	17	64	1	288
Due from other governments	2,142	-	517	-	2,659
Advances to other funds	1,350	-	-	-	1,350
Long-term note receivable	2,410	-	-	-	2,410
Property held for resale	1,222	-	-	-	1,222
Total Assets	<u>\$ 105,522</u>	<u>\$ 3,402</u>	<u>\$ 111,705</u>	<u>\$ 612</u>	<u>\$ 221,241</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,390	\$ -	\$ 5,481	\$ 4	\$ 6,875
Due to other funds	1,036	-	-	-	1,036
Due to other governments	718	-	-	-	718
Deposits	106	-	250	-	356
Deferred revenue	5,112	-	690	-	5,802
Advances from other funds	1,350	-	-	-	1,350
Total Liabilities	<u>9,712</u>	<u>-</u>	<u>6,421</u>	<u>4</u>	<u>16,137</u>
Fund Balances:					
Nonspendable					
Advances to other funds	1,350	-	-	-	1,350
Endowment	-	-	-	469	469
Restricted					
Capital improvement projects	36,371	-	16,954	-	53,325
Circulation improvements	42,561	-	-	-	42,561
Community services activities	37	-	-	139	176
Debt service reserve	-	3,067	-	-	3,067
Lighting, landscape, & park maintenance	3,108	-	-	-	3,108
Low-income housing activities	6,171	-	-	-	6,171
Pollution remediation	972	-	-	-	972
Public safety programs	923	-	-	-	923
Redevelopment activities	412	-	-	-	412
Committed					
Capital improvement projects	5,237	-	78,630	-	83,867
Circulation improvements	1,374	-	-	-	1,374
Public facilities improvements	3,148	-	-	-	3,148
Assigned					
Capital improvement projects	-	-	9,700	-	9,700
Debt service	-	335	-	-	335
Unassigned	(5,854)	-	-	-	(5,854)
Total Fund Balances	<u>95,810</u>	<u>3,402</u>	<u>105,284</u>	<u>608</u>	<u>205,104</u>
Total Liabilities and Fund Balances	<u>\$ 105,522</u>	<u>\$ 3,402</u>	<u>\$ 111,705</u>	<u>\$ 612</u>	<u>\$ 221,241</u>

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
REVENUES					
Taxes	\$ 11,284	\$ -	\$ -	\$ -	\$ 11,284
Investment income	2,146	161	657	13	2,977
Intergovernmental	11,302	-	1,253	-	12,555
Charges for services	1,655	13,398	69	1	15,123
Revenue from developers	111	-	-	-	111
Revenue from property owners	4,904	-	-	-	4,904
Donations	121	-	-	-	121
Other revenue	238	-	-	24	262
	<u>31,761</u>	<u>13,559</u>	<u>1,979</u>	<u>38</u>	<u>47,337</u>
EXPENDITURES					
Current:					
General Government	282	13	28	-	323
Public Safety	1,891	-	-	-	1,891
Public Works	1,096	-	244	-	1,340
Community Development	5,114	-	9	-	5,123
Community Services	2,278	-	148	75	2,501
Great Park	-	-	3,976	-	3,976
Street lighting	5,658	-	-	-	5,658
Capital outlay	3,138	-	30,459	-	33,597
Debt service:					
Principal retirement	-	7,525	-	-	7,525
Interest and fiscal charges	-	25	-	-	25
Administration	-	43	-	-	43
	<u>19,457</u>	<u>7,606</u>	<u>34,864</u>	<u>75</u>	<u>62,002</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,304</u>	<u>5,953</u>	<u>(32,885)</u>	<u>(37)</u>	<u>(14,665)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	3,869	-	86,457	6	90,332
Transfers out	<u>(16,424)</u>	<u>(8,000)</u>	<u>(717)</u>	<u>-</u>	<u>(25,141)</u>
Total Other Financing Sources (Uses)	<u>(12,555)</u>	<u>(8,000)</u>	<u>85,740</u>	<u>6</u>	<u>65,191</u>
Net Change in Fund Balances	(251)	(2,047)	52,855	(31)	50,526
Fund Balances, Beginning, as restated	<u>96,061</u>	<u>5,449</u>	<u>52,429</u>	<u>639</u>	<u>154,578</u>
Fund Balances, Ending	<u>\$ 95,810</u>	<u>\$ 3,402</u>	<u>\$ 105,284</u>	<u>\$ 608</u>	<u>\$ 205,104</u>



OTHER SPECIAL REVENUE FUNDS

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

County Sales Tax Measure M - This fund accounts for the one-half percent sales tax authorized by the Measure M tax initiative within the County of Orange. Sales tax proceeds are distributed by formula to the cities for 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 must be utilized solely for street related purposes.

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

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

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

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

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

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

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

Irvine Redevelopment - This 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.

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 transactions related to the planning and implementation of circulation improvements necessary to accommodate the build-out of the City's Northern Sphere of Influence.

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.

IBC Vision Plan - This fund accounts for the the new capital improvement projects in the Irvine Business Complex planning area.

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

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2010
(amounts expressed in thousands)
Page 1 of 4

	<u>County Sales Tax Measure M</u>	<u>State Gasoline Tax</u>	<u>Systems Development</u>	<u>Local Park Fees</u>
ASSETS				
Cash and investments	\$ 3,850	\$ 11,817	\$ 4,513	\$ 32,211
Receivables, net of allowances:				
Taxes	441	861	-	-
Accounts	-	-	-	-
Accrued interest	10	25	9	68
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Long-term note receivable	-	-	-	-
Property held for resale	-	-	-	-
	<u>\$ 4,301</u>	<u>\$ 12,703</u>	<u>\$ 4,522</u>	<u>\$ 32,279</u>
Total Assets				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 95	\$ 177	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
	<u>95</u>	<u>177</u>	<u>-</u>	<u>-</u>
Total Liabilities				
Fund Balances:				
Nonspendable				
Advances to other funds	-	-	-	-
Restricted				
Capital improvement projects	-	-	-	32,279
Circulation improvements	4,206	12,526	-	-
Community services activities	-	-	-	-
Lighting, landscape, & park maintenance	-	-	-	-
Low-income housing activities	-	-	-	-
Pollution remediation	-	-	-	-
Public safety programs	-	-	-	-
Redevelopment activities	-	-	-	-
Committed				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	1,374	-
Public facilities improvements	-	-	3,148	-
Unassigned	-	-	-	-
	<u>4,206</u>	<u>12,526</u>	<u>4,522</u>	<u>32,279</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 4,301</u>	<u>\$ 12,703</u>	<u>\$ 4,522</u>	<u>\$ 32,279</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2010
(amounts expressed in thousands)
Page 2 of 4

	<u>Slurry Seal Fees</u>	<u>Maintenance District</u>	<u>Air Quality Improvement</u>	<u>Fees and Exactions</u>
ASSETS				
Cash and investments	\$ 1,537	\$ 3,685	\$ 906	\$ 6,784
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	6	-	-
Accrued interest	3	8	2	15
Due from other governments	-	-	64	-
Advances to other funds	-	-	-	-
Long-term note receivable	-	-	-	-
Property held for resale	-	-	-	-
	<u>\$ 1,540</u>	<u>\$ 3,699</u>	<u>\$ 972</u>	<u>\$ 6,799</u>
Total Assets				
	<u>\$ 1,540</u>	<u>\$ 3,699</u>	<u>\$ 972</u>	<u>\$ 6,799</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 286	\$ 463	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	128	-	-
Deposits	-	-	-	81
Deferred revenue	-	-	-	2,614
Advances from other funds	-	-	-	1,350
	<u>286</u>	<u>591</u>	<u>-</u>	<u>4,045</u>
Total Liabilities				
	<u>286</u>	<u>591</u>	<u>-</u>	<u>4,045</u>
Fund Balances:				
Nonspendable				
Advances to other funds	-	-	-	-
Restricted				
Capital improvement projects	-	-	-	2,393
Circulation improvements	1,254	-	-	-
Community services activities	-	-	-	-
Lighting, landscape, & park maintenance	-	3,108	-	-
Low-income housing activities	-	-	-	121
Pollution remediation	-	-	972	-
Public safety programs	-	-	-	-
Redevelopment activities	-	-	-	-
Committed				
Capital improvement projects	-	-	-	737
Circulation improvements	-	-	-	-
Public facilities improvements	-	-	-	-
Unassigned	-	-	-	(497)
	<u>1,254</u>	<u>3,108</u>	<u>972</u>	<u>2,754</u>
Total Fund Balances				
	<u>1,254</u>	<u>3,108</u>	<u>972</u>	<u>2,754</u>
Total Liabilities and Fund Balances	<u>\$ 1,540</u>	<u>\$ 3,699</u>	<u>\$ 972</u>	<u>\$ 6,799</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2010
(amounts expressed in thousands)
Page 3 of 4

	<u>Major Special Events</u>	<u>Irvine Redevelop- ment</u>	<u>RDA Housing</u>	<u>North Irvine Transportation Mitigation</u>
ASSETS				
Cash and investments	\$ -	\$ 458	\$ 4,519	\$ 24,617
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	113	-	-	-
Accrued interest	-	1	10	52
Due from other governments	-	-	-	-
Advances to other funds	-	-	1,350	-
Long-term note receivable	-	-	-	-
Property held for resale	-	-	-	-
Total Assets	<u>\$ 113</u>	<u>\$ 459</u>	<u>\$ 5,879</u>	<u>\$ 24,669</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7	\$ 47	\$ 5	\$ 94
Due to other funds	131	-	-	-
Due to other governments	-	-	-	-
Deposits	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>138</u>	<u>47</u>	<u>5</u>	<u>94</u>
Fund Balances:				
Nonspendable				
Advances to other funds	-	-	1,350	-
Restricted				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	-	24,575
Community services activities	-	-	-	-
Lighting, landscape, & park maintenance	-	-	-	-
Low-income housing activities	-	-	4,524	-
Pollution remediation	-	-	-	-
Public safety programs	-	-	-	-
Redevelopment activities	-	412	-	-
Committed				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	-	-
Public facilities improvements	-	-	-	-
Unassigned	(25)	-	-	-
Total Fund Balances	<u>(25)</u>	<u>412</u>	<u>5,874</u>	<u>24,575</u>
Total Liabilities and Fund Balances	<u>\$ 113</u>	<u>\$ 459</u>	<u>\$ 5,879</u>	<u>\$ 24,669</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2010
(amounts expressed in thousands)
Page 4 of 4

	<u>Shuttle Service</u>	<u>Irvine Community Land Trust</u>	<u>IBC Vision Plan</u>	<u>Grants</u>	<u>Total Other Special Revenue Funds</u>
ASSETS					
Cash and investments	\$ -	\$ 313	\$ -	\$ 1,400	\$ 96,610
Receivables, net of allowances:					
Taxes	-	-	-	-	1,302
Accounts	-	-	-	161	280
Accrued interest	-	1	-	2	206
Due from other governments	-	-	-	2,078	2,142
Advances to other funds	-	-	-	-	1,350
Long-term note receivable	-	-	-	2,410	2,410
Property held for resale	-	1,222	-	-	1,222
Total Assets	<u>\$ -</u>	<u>\$ 1,536</u>	<u>\$ -</u>	<u>\$ 6,051</u>	<u>\$ 105,522</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 10	\$ -	\$ 206	\$ 1,390
Due to other funds	-	-	756	149	1,036
Due to other governments	-	-	-	590	718
Deposits	-	-	-	25	106
Deferred revenue	-	-	-	2,498	5,112
Advances from other funds	-	-	-	-	1,350
Total Liabilities	<u>-</u>	<u>10</u>	<u>756</u>	<u>3,468</u>	<u>9,712</u>
Fund Balances:					
Nonspendable					
Advances to other funds	-	-	-	-	1,350
Restricted					
Capital improvement projects	-	-	-	1,699	36,371
Circulation improvements	-	-	-	-	42,561
Community services activities	-	-	-	37	37
Lighting, landscape, & park maintenance	-	-	-	-	3,108
Low-income housing activities	-	1,526	-	-	6,171
Pollution remediation	-	-	-	-	972
Public safety programs	-	-	-	923	923
Redevelopment activities	-	-	-	-	412
Committed					
Capital improvement projects	-	-	4,500	-	5,237
Circulation improvements	-	-	-	-	1,374
Public facilities improvements	-	-	-	-	3,148
Unassigned	-	-	(5,256)	(76)	(5,854)
Total Fund Balances	<u>-</u>	<u>1,526</u>	<u>(756)</u>	<u>2,583</u>	<u>95,810</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,536</u>	<u>\$ -</u>	<u>\$ 6,051</u>	<u>\$ 105,522</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, 2010
(amounts expressed in thousands)
Page 1 of 4

	<u>County Sales Tax Measure M</u>	<u>State Gasoline Tax</u>	<u>Systems Development</u>	<u>Local Park Fees</u>
REVENUES				
Taxes	\$ 2,474	\$ 3,452	\$ 1,824	\$ -
Investment income	82	232	96	690
Intergovernmental	-	4,941	-	-
Charges for services	-	-	-	-
Revenue from developers	-	-	-	29
Revenue from property owners	-	-	-	-
Donations	-	-	-	-
Other revenue	-	-	-	-
	<u>2,556</u>	<u>8,625</u>	<u>1,920</u>	<u>719</u>
EXPENDITURES				
Current:				
General Government	14	14	-	-
Public Safety	-	-	-	-
Public Works	184	527	-	-
Community Development	-	-	-	-
Community Services	-	-	-	-
Street lighting	-	-	-	-
Capital outlay	-	-	-	-
	<u>198</u>	<u>541</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,358</u>	<u>8,084</u>	<u>1,920</u>	<u>719</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,153	-
Transfers out	<u>(3,670)</u>	<u>(6,386)</u>	<u>(3,731)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,670)</u>	<u>(6,386)</u>	<u>(2,578)</u>	<u>-</u>
Net Change in Fund Balances	(1,312)	1,698	(658)	719
Fund Balances, Beginning, as restated	<u>5,518</u>	<u>10,828</u>	<u>5,180</u>	<u>31,560</u>
Fund Balances, Ending	<u>\$ 4,206</u>	<u>\$ 12,526</u>	<u>\$ 4,522</u>	<u>\$ 32,279</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, 2010
(amounts expressed in thousands)

Page 2 of 4

	<u>Slurry Seal Fees</u>	<u>Maintenance District</u>	<u>Air Quality Improvement</u>	<u>Fees and Exactions</u>
REVENUES				
Taxes	\$ -	\$ 2,326	\$ -	\$ -
Investment income	18	55	25	311
Intergovernmental	-	-	246	-
Charges for services	82	3	-	-
Revenue from developers	-	-	-	82
Revenue from property owners	-	4,904	-	-
Donations	-	-	-	-
Other revenue	-	5	-	233
	<u>100</u>	<u>7,293</u>	<u>271</u>	<u>626</u>
EXPENDITURES				
Current:				
General Government	2	66	1	-
Public Safety	-	-	-	-
Public Works	152	-	2	-
Community Development	-	-	-	100
Community Services	-	1,897	-	-
Street lighting	-	5,658	-	-
Capital outlay	1,739	-	-	-
	<u>1,893</u>	<u>7,621</u>	<u>3</u>	<u>100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,793)</u>	<u>(328)</u>	<u>268</u>	<u>526</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,306	-	-	-
Transfers out	-	-	(608)	(205)
	<u>1,306</u>	<u>-</u>	<u>(608)</u>	<u>(205)</u>
Net Change in Fund Balances	(487)	(328)	(340)	321
Fund Balances, Beginning, as restated	<u>1,741</u>	<u>3,436</u>	<u>1,312</u>	<u>2,433</u>
Fund Balances, Ending	<u>\$ 1,254</u>	<u>\$ 3,108</u>	<u>\$ 972</u>	<u>\$ 2,754</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, 2010
(amounts expressed in thousands)

Page 3 of 4

	<u>Major Special Events</u>	<u>Irvine Redevelop- ment</u>	<u>RDA Housing</u>	<u>North Irvine Transportation Mitigation</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 1,208	\$ -
Investment income	-	4	99	511
Intergovernmental	-	-	-	-
Charges for services	1,048	51	-	-
Revenue from developers	-	-	-	-
Revenue from property owners	-	-	-	-
Donations	-	-	-	-
Other revenue	-	-	-	-
	<u>1,048</u>	<u>55</u>	<u>1,307</u>	<u>511</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	-	162	-	8
Public Safety	1,064	-	-	-
Public Works	-	-	-	132
Community Development	-	1,238	517	-
Community Services	-	-	-	-
Street lighting	-	-	-	-
Capital outlay	-	-	-	1,383
	<u>1,064</u>	<u>1,400</u>	<u>517</u>	<u>1,523</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16)</u>	<u>(1,345)</u>	<u>790</u>	<u>(1,012)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,000	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(16)	(345)	790	(1,012)
Fund Balances, Beginning, as restated	<u>(9)</u>	<u>757</u>	<u>5,084</u>	<u>25,587</u>
Fund Balances, Ending	<u>\$ (25)</u>	<u>\$ 412</u>	<u>\$ 5,874</u>	<u>\$ 24,575</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, 2010
(amounts expressed in thousands)
Page 4 of 4

	<u>Shuttle Service</u>	<u>Irvine Community Land Trust</u>	<u>IBC Vision Plan</u>	<u>Grants</u>	<u>Total Other Special Revenue Funds</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 11,284
Investment income	-	7	-	16	2,146
Intergovernmental	-	516	-	5,599	11,302
Charges for services	-	100	-	371	1,655
Revenue from developers	-	-	-	-	111
Revenue from property owners	-	-	-	-	4,904
Donations	-	-	-	121	121
Other revenue	-	-	-	-	238
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	623	-	6,107	31,761
EXPENDITURES					
Current:					
General Government	-	-	-	15	282
Public Safety	-	-	-	827	1,891
Public Works	-	-	-	99	1,096
Community Development	-	516	375	2,368	5,114
Community Services	-	-	-	381	2,278
Street lighting	-	-	-	-	5,658
Capital outlay	-	-	-	16	3,138
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	516	375	3,706	19,457
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	107	(375)	2,401	12,304
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	410	3,869
Transfers out	(799)	-	(381)	(644)	(16,424)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(799)	-	(381)	(234)	(12,555)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(799)	107	(756)	2,167	(251)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances, Beginning, as restated	799	1,419	-	416	96,061
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances, Ending	\$ -	\$ 1,526	\$ (756)	\$ 2,583	\$ 95,810
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,767	\$ 2,767	\$ 2,474	\$ (293)
Investment income	68	68	82	14
Total Revenues	2,835	2,835	2,556	(279)
EXPENDITURES				
Current:				
General Government	23	23	14	9
Public Works	200	200	184	16
Total Expenditures	223	223	198	25
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,612	2,612	2,358	(254)
OTHER FINANCING SOURCES (USES)				
Transfers out	(8,865)	(7,231)	(3,670)	3,561
Total Other Financing Sources (Uses)	(8,865)	(7,231)	(3,670)	3,561
Net Change in Fund Balances	(6,253)	(4,619)	(1,312)	3,307
Fund Balances, Beginning	5,518	5,518	5,518	-
Fund Balances, Ending	\$ (735)	\$ 899	\$ 4,206	\$ 3,307

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,884	\$ 3,884	\$ 3,452	\$ (432)
Investment income	180	180	232	52
Intergovernmental	1,985	4,989	4,941	(48)
Total Revenues	6,049	9,053	8,625	(428)
EXPENDITURES				
Current:				
General Government	23	23	14	9
Public Works	665	665	527	138
Total Expenditures	688	688	541	147
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,361	8,365	8,084	(281)
OTHER FINANCING SOURCES (USES)				
Transfers out	(18,070)	(18,206)	(6,386)	11,820
Total Other Financing Sources (Uses)	(18,070)	(18,206)	(6,386)	11,820
Net Change in Fund Balances	(12,709)	(9,841)	1,698	11,539
Fund Balances, Beginning	10,828	10,828	10,828	-
Fund Balances, Ending	\$ (1,881)	\$ 987	\$ 12,526	\$ 11,539

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Systems Development
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,500	\$ 1,500	\$ 1,824	\$ 324
Investment income	31	31	96	65
Total Revenues	1,531	1,531	1,920	389
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,531	1,531	1,920	389
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,153	1,153	-
Transfers out	(3,731)	(3,731)	(3,731)	-
Total Other Financing Sources (Uses)	(3,731)	(2,578)	(2,578)	-
Net Change in Fund Balances	(2,200)	(1,047)	(658)	389
Fund Balances, Beginning	5,180	5,180	5,180	-
Fund Balances, Ending	\$ 2,980	\$ 4,133	\$ 4,522	\$ 389

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 620	\$ 620	\$ 690	\$ 70
Revenue from developers	-	-	29	29
Total Revenues	620	620	719	99
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	620	620	719	99
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	620	620	719	99
Fund Balances, Beginning	31,560	31,560	31,560	-
Fund Balances, Ending	\$ 32,180	\$ 32,180	\$ 32,279	\$ 99

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 28	\$ 28	\$ 18	\$ (10)
Charges for services	75	75	82	7
Total Revenues	103	103	100	(3)
EXPENDITURES				
Current:				
General Government	1	1	2	(1)
Public Works	118	118	152	(34)
Capital outlay	3,208	3,208	1,739	1,469
Total Expenditures	3,327	3,327	1,893	1,434
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,224)	(3,224)	(1,793)	1,431
OTHER FINANCING SOURCES (USES)				
Transfers in	2,960	3,313	1,306	(2,007)
Total Other Financing Sources (Uses)	2,960	3,313	1,306	(2,007)
Net Change in Fund Balances	(264)	89	(487)	(576)
Fund Balances, Beginning	1,741	1,741	1,741	-
Fund Balances, Ending	\$ 1,477	\$ 1,830	\$ 1,254	\$ (576)

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Maintenance District
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,372	\$ 2,372	\$ 2,326	\$ (46)
Investment income	40	40	55	15
Charges for services	-	-	3	3
Revenue from property owners	5,098	5,098	4,904	(194)
Other revenue	-	-	5	5
Total Revenues	7,510	7,510	7,293	(217)
EXPENDITURES				
Current:				
General Government	65	65	66	(1)
Community Services	1,897	1,897	1,897	-
Street lighting	5,660	5,660	5,658	2
Total Expenditures	7,622	7,622	7,621	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112)	(112)	(328)	(216)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(112)	(112)	(328)	(216)
Fund Balances, Beginning	3,436	3,436	3,436	-
Fund Balances, Ending	\$ 3,324	\$ 3,324	\$ 3,108	\$ (216)

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 21	\$ 21	\$ 25	\$ 4
Intergovernmental	235	235	246	11
Total Revenues	256	256	271	15
EXPENDITURES				
Current:				
General Government	-	-	1	(1)
Public Works	-	15	2	13
Total Expenditures	-	15	3	12
Excess (Deficiency) of Revenues Over (Under) Expenditures	256	241	268	27
OTHER FINANCING SOURCES (USES)				
Transfers out	(555)	(905)	(608)	297
Total Other Financing Sources (Uses)	(555)	(905)	(608)	297
Net Change in Fund Balances	(299)	(664)	(340)	324
Fund Balances, Beginning	1,312	1,312	1,312	-
Fund Balances, Ending	\$ 1,013	\$ 648	\$ 972	\$ 324

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 133	\$ 133	\$ 311	\$ 178
Intergovernmental	752	752	-	(752)
Revenue from developers	10	10	82	72
Other revenue	-	-	233	233
Total Revenues	895	895	626	(269)
EXPENDITURES				
Current:				
Community Development	952	952	100	852
Total Expenditures	952	952	100	852
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57)	(57)	526	583
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(205)	(205)
Total Other Financing Sources (Uses)	-	-	(205)	(205)
Net Change in Fund Balances	(57)	(57)	321	378
Fund Balances, Beginning, as restated	2,433	2,433	2,433	-
Fund Balances, Ending	\$ 2,376	\$ 2,376	\$ 2,754	\$ 378

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,126	\$ 1,126	\$ 1,048	\$ (78)
Total Revenues	1,126	1,126	1,048	(78)
EXPENDITURES				
Current:				
Public Safety	1,107	1,107	1,064	43
Total Expenditures	1,107	1,107	1,064	43
Excess (Deficiency) of Revenues Over (Under) Expenditures	19	19	(16)	(35)
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	19	19	(16)	(35)
Fund Balances, Beginning	(9)	(9)	(9)	-
Fund Balances, Ending	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ (25)</u>	<u>\$ (35)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Irvine Redevelopment
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 11	\$ 11	\$ 4	\$ (7)
Charges for services	62	62	51	(11)
Total Revenues	<u>73</u>	<u>73</u>	<u>55</u>	<u>(18)</u>
EXPENDITURES				
Current:				
General Government	1,897	1,897	162	1,735
Community Development	1,504	1,504	1,238	266
Total Expenditures	<u>3,401</u>	<u>3,401</u>	<u>1,400</u>	<u>2,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,328)</u>	<u>(3,328)</u>	<u>(1,345)</u>	<u>1,983</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000	1,000	1,000	-
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net Change in Fund Balances	(2,328)	(2,328)	(345)	1,983
Fund Balances, Beginning	<u>757</u>	<u>757</u>	<u>757</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (1,571)</u>	<u>\$ (1,571)</u>	<u>\$ 412</u>	<u>\$ 1,983</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
RDA Housing
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,740	\$ 1,740	\$ 1,208	\$ (532)
Investment income	104	104	99	(5)
Total Revenues	1,844	1,844	1,307	(537)
EXPENDITURES				
Current:				
Community Development	1,772	1,772	517	1,255
Total Expenditures	1,772	1,772	517	1,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	72	72	790	718
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	72	72	790	718
Fund Balances, Beginning	5,084	5,084	5,084	-
Fund Balances, Ending	\$ 5,156	\$ 5,156	\$ 5,874	\$ 718

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, 2010
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 449	\$ 449	\$ 511	\$ 62
Total Revenues	449	449	511	62
EXPENDITURES				
Current:				
General Government	10	10	8	2
Public Works	174	213	132	81
Capital outlay	4,710	4,675	1,383	3,292
Total Expenditures	4,894	4,898	1,523	3,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,445)	(4,449)	(1,012)	3,437
OTHER FINANCING SOURCES (USES)				
Transfers in	-	12	-	(12)
Total Other Financing Sources (Uses)	-	12	-	(12)
Net Change in Fund Balances	(4,445)	(4,437)	(1,012)	3,425
Fund Balances, Beginning	25,587	25,587	25,587	-
Fund Balances, Ending	<u>\$ 21,142</u>	<u>\$ 21,150</u>	<u>\$ 24,575</u>	<u>\$ 3,425</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, 2010
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(336)	(785)	(799)	(14)
Total Other Financing Sources (Uses)	(336)	(785)	(799)	(14)
Net Change in Fund Balances	(336)	(785)	(799)	(14)
Fund Balances, Beginning	799	799	799	-
Fund Balances, Ending	<u>\$ 463</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ (14)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Irvine Community Land Trust
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

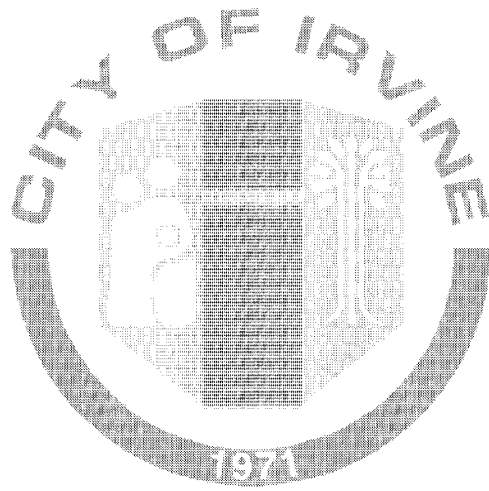
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ -	\$ 7	\$ 7
Intergovernmental	1,473	1,473	516	(957)
Charges for services	2	2	100	98
	<hr/>		<hr/>	
Total Revenues	1,475	1,475	623	(852)
EXPENDITURES				
Current:				
Community Development	1,473	1,473	516	957
	<hr/>		<hr/>	
Total Expenditures	1,473	1,473	516	957
	<hr/>		<hr/>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	2	2	107	105
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
	<hr/>		<hr/>	
Net Change in Fund Balances	2	2	107	105
	<hr/>		<hr/>	
Fund Balances, Beginning	1,419	1,419	1,419	-
	<hr/>		<hr/>	
Fund Balances, Ending	<u>\$ 1,421</u>	<u>\$ 1,421</u>	<u>\$ 1,526</u>	<u>\$ 105</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
IBC Vision Plan
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Community Development	-	-	375	(375)
Total Expenditures	-	-	375	(375)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(375)	(375)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(381)	(381)
Total Other Financing Sources (Uses)	-	-	(381)	(381)
Net Change in Fund Balances	-	-	(756)	(756)
Fund Balances, Beginning, as restated	(381)	(381)	-	381
Fund Balances, Ending	<u>\$ (381)</u>	<u>\$ (381)</u>	<u>\$ (756)</u>	<u>\$ (375)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Grants
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 5	\$ 5	\$ 16	\$ 11
Intergovernmental	4,701	11,881	5,599	(6,282)
Charges for services	34	341	371	30
Donations	131	131	121	(10)
	<hr/>		<hr/>	
Total Revenues	4,871	12,358	6,107	(6,251)
<hr/>				
EXPENDITURES				
Current:				
General Government	58	58	15	43
Public Safety	1,174	2,479	827	1,652
Public Works	-	436	99	337
Community Development	3,694	6,523	2,368	4,155
Community Services	313	388	381	7
Capital outlay	18	18	16	2
	<hr/>		<hr/>	
Total Expenditures	5,257	9,902	3,706	6,196
<hr/>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(386)	2,456	2,401	(55)
<hr/>				
OTHER FINANCING SOURCES (USES)				
Transfers in	-	22	410	388
Transfers out	(172)	(3,353)	(644)	2,709
	<hr/>		<hr/>	
Total Other Financing Sources (Uses)	(172)	(3,331)	(234)	3,097
<hr/>				
Net Change in Fund Balances	(558)	(875)	2,167	3,042
<hr/>				
Fund Balances, Beginning	416	416	416	-
<hr/>				
Fund Balances, Ending	\$ (142)	\$ (459)	\$ 2,583	\$ 3,042
<hr/> <hr/>				



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 funds 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, 2010
(amounts expressed in thousands)

	Irvine Public Facilities and Infrastructure Authority	Infrastructure Financing Plan	Total Other Debt Service Funds
ASSETS			
Cash and investments	\$ 3,262	\$ 119	\$ 3,381
Receivables, net of allowances:			
Accounts	4	-	4
Accrued interest	17	-	17
Total Assets	\$ 3,283	\$ 119	\$ 3,402
LIABILITIES AND FUND BALANCES			
Liabilities:			
Total Liabilities	-	-	-
Fund Balances:			
Restricted			
Debt service reserve	3,067	-	3,067
Assigned			
Debt service	216	119	335
Total Fund Balances	3,283	119	3,402
Total Liabilities and Fund Balances	\$ 3,283	\$ 119	\$ 3,402

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Debt Service Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Irvine Public Facilities and Infrastructure Authority	Infrastructure Financing Plan	Total Other Debt Service Funds
REVENUES			
Investment income	\$ 159	\$ 2	\$ 161
Charges for services	<u>13,398</u>	<u>-</u>	<u>13,398</u>
Total Revenues	<u>13,557</u>	<u>2</u>	<u>13,559</u>
EXPENDITURES			
Current:			
General Government	4	9	13
Debt service:			
Principal retirement	7,525	-	7,525
Interest and fiscal charges	25	-	25
Administration	<u>43</u>	<u>-</u>	<u>43</u>
Total Expenditures	<u>7,597</u>	<u>9</u>	<u>7,606</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,960</u>	<u>(7)</u>	<u>5,953</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(8,000)</u>	<u>-</u>	<u>(8,000)</u>
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>-</u>	<u>(8,000)</u>
Net Change in Fund Balances	(2,040)	(7)	(2,047)
Fund Balances, Beginning	<u>5,323</u>	<u>126</u>	<u>5,449</u>
Fund Balances, Ending	<u><u>\$ 3,283</u></u>	<u><u>\$ 119</u></u>	<u><u>\$ 3,402</u></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, 2010
(amounts expressed in thousands)

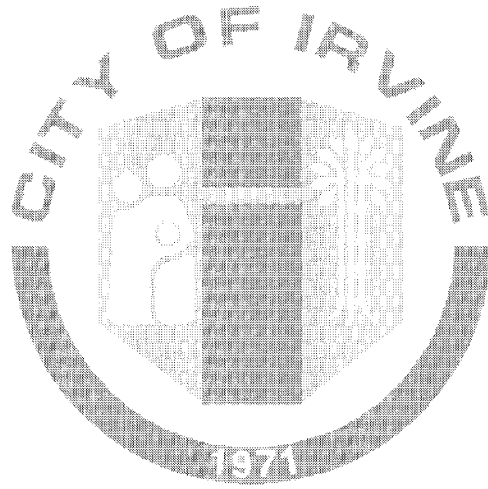
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 6,960	\$ 6,960	\$ 4,833	\$ (2,127)
Investment income	259	259	97	(162)
Intergovernmental	-	-	1,658	1,658
Total Revenues	7,219	7,219	6,588	(631)
EXPENDITURES				
Current:				
Community Development	3,858	9,193	6,362	2,831
Debt service:				
Interest and fiscal charges	14,973	14,973	14,665	308
Total Expenditures	18,831	24,166	21,027	3,139
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,612)	(16,947)	(14,439)	2,508
OTHER FINANCING SOURCES (USES)				
Transfers in	-	60	60	-
Transfers out	(1,000)	(1,000)	(1,000)	-
Total Other Financing Sources (Uses)	(1,000)	(940)	(940)	-
Net Change in Fund Balances	(12,612)	(17,887)	(15,379)	2,508
Fund Balances, Beginning	(159,288)	(159,288)	(159,288)	-
Fund Balances, Ending	\$ (171,900)	\$ (177,175)	\$ (174,667)	\$ 2,508

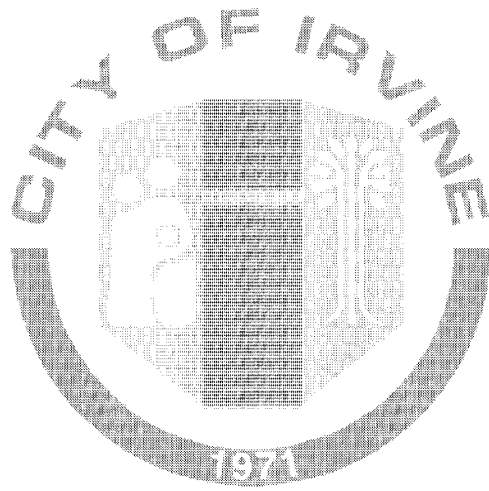
City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Irvine Public Facilities and Infrastructure Authority
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 54	\$ 54	\$ 159	\$ 105
Charges for services	13,398	13,398	13,398	-
Total Revenues	<u>13,452</u>	<u>13,452</u>	<u>13,557</u>	<u>105</u>
EXPENDITURES				
Current:				
General Government	4	4	4	-
Debt service:				
Principal retirement	7,525	7,525	7,525	-
Interest and fiscal charges	188	188	25	163
Administration	39	39	43	(4)
Total Expenditures	<u>7,756</u>	<u>7,756</u>	<u>7,597</u>	<u>159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,696</u>	<u>5,696</u>	<u>5,960</u>	<u>264</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(6,718)</u>	<u>(6,718)</u>	<u>(8,000)</u>	<u>(1,282)</u>
Total Other Financing Sources (Uses)	<u>(6,718)</u>	<u>(6,718)</u>	<u>(8,000)</u>	<u>(1,282)</u>
Net Change in Fund Balances	(1,022)	(1,022)	(2,040)	(1,018)
Fund Balances, Beginning	<u>5,323</u>	<u>5,323</u>	<u>5,323</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 4,301</u>	<u>\$ 4,301</u>	<u>\$ 3,283</u>	<u>\$ (1,018)</u>

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, 2010
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 2	\$ 2	\$ 2	\$ -
Total Revenues	2	2	2	-
EXPENDITURES				
Current:				
General Government	92	92	9	83
Total Expenditures	92	92	9	83
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90)	(90)	(7)	83
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(90)	(90)	(7)	83
Fund Balances, Beginning	126	126	126	-
Fund Balances, Ending	<u>\$ 36</u>	<u>\$ 36</u>	<u>\$ 119</u>	<u>\$ 83</u>





OTHER CAPITAL PROJECTS FUNDS

Other Capital Projects Funds are used for the construction of infrastructure and public facility improvements within the City and which, because of their complexity, typically require more than one budgetary cycle to complete. 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 funds or resources 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 potential 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 police 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, demolition, and construction of the Orange County Great Park.

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2010
(amounts expressed in thousands)
Page 1 of 2

	Community Facilities Districts	Park Development	Transit Guideway
ASSETS			
Cash and investments	\$ 14,770	\$ 17,965	\$ -
Receivables, net of allowances:			
Accounts	-	6	-
Accrued interest	-	37	-
Due from other governments	-	517	-
	<u>\$ 14,770</u>	<u>\$ 18,525</u>	<u>\$ -</u>
Total Assets	<u>\$ 14,770</u>	<u>\$ 18,525</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 1,299	\$ -
Deposits	250	-	-
Deferred revenue	-	690	-
Unearned revenue	-	-	-
	<u>250</u>	<u>1,989</u>	<u>-</u>
Total Liabilities	<u>250</u>	<u>1,989</u>	<u>-</u>
Fund Balances:			
Restricted			
Capital improvement projects	14,520	2,434	-
Committed			
Capital improvement projects	-	8,810	-
Assigned			
Capital improvement projects	-	5,292	-
	<u>14,520</u>	<u>16,536</u>	<u>-</u>
Total Fund Balances	<u>14,520</u>	<u>16,536</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 14,770</u>	<u>\$ 18,525</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2010
(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>
ASSETS				
Cash and investments	\$ 7,295	\$ 3,384	\$ 67,704	\$ 111,118
Receivables, net of allowances:				
Accounts	-	-	-	6
Accrued interest	16	7	4	64
Due from other governments	-	-	-	517
Total Assets	<u>\$ 7,311</u>	<u>\$ 3,391</u>	<u>\$ 67,708</u>	<u>\$ 111,705</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 10	\$ 4,172	\$ 5,481
Deposits	-	-	-	250
Deferred revenue	-	-	-	690
Unearned revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>10</u>	<u>4,172</u>	<u>6,421</u>
Fund Balances:				
Restricted				
Capital improvement projects	-	-	-	16,954
Committed				
Capital improvement projects	2,903	3,381	63,536	78,630
Assigned				
Capital improvement projects	4,408	-	-	9,700
Total Fund Balances	<u>7,311</u>	<u>3,381</u>	<u>63,536</u>	<u>105,284</u>
Total Liabilities and Fund Balances	<u>\$ 7,311</u>	<u>\$ 3,391</u>	<u>\$ 67,708</u>	<u>\$ 111,705</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, 2010
(amounts expressed in thousands)
Page 1 of 2

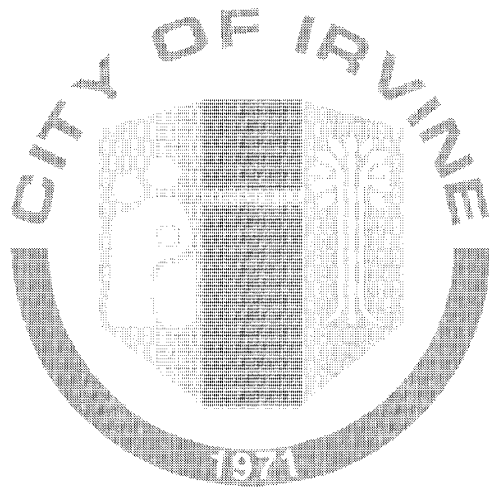
	Community Facilities Districts	Park Development	Transit Guideway
REVENUES			
Investment income	\$ -	\$ 355	\$ -
Intergovernmental	-	999	-
Charges for services	-	69	-
	<hr/>	<hr/>	<hr/>
Total Revenues	-	1,423	-
EXPENDITURES			
Current:			
General Government	-	25	-
Public Works	70	169	-
Community Development	-	7	-
Community Services	-	148	-
Great Park	-	-	-
Capital outlay	7,007	7,380	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	7,077	7,729	-
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,077)	(6,306)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4,157	-
Transfers out	-	(546)	(60)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	3,611	(60)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(7,077)	(2,695)	(60)
	<hr/>	<hr/>	<hr/>
Fund Balances, Beginning	21,597	19,231	60
	<hr/>	<hr/>	<hr/>
Fund Balances, Ending	\$ 14,520	\$ 16,536	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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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, 2010
(amounts expressed in thousands)

Page 2 of 2

	City Infrastructure	Orange County Great Park Infrastructure	Great Park Development	Total Other Capital Projects Funds
REVENUES				
Investment income	\$ 154	\$ 76	\$ 72	\$ 657
Intergovernmental	-	-	254	1,253
Charges for services	-	-	-	69
Total Revenues	154	76	326	1,979
EXPENDITURES				
Current:				
General Government	-	1	2	28
Public Works	5	-	-	244
Community Development	-	-	2	9
Community Services	-	-	-	148
Great Park	-	8	3,968	3,976
Capital outlay	1	127	15,944	30,459
Total Expenditures	6	136	19,916	34,864
Excess (Deficiency) of Revenues Over (Under) Expenditures	148	(60)	(19,590)	(32,885)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	82,300	86,457
Transfers out	-	(111)	-	(717)
Total Other Financing Sources (Uses)	-	(111)	82,300	85,740
Net Change in Fund Balances	148	(171)	62,710	52,855
Fund Balances, Beginning	7,163	3,552	826	52,429
Fund Balances, Ending	\$ 7,311	\$ 3,381	\$ 63,536	\$ 105,284



PERMANENT FUND

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

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

City of Irvine
Balance Sheet
Permanent Fund
June 30, 2010
 (amounts expressed in thousands)

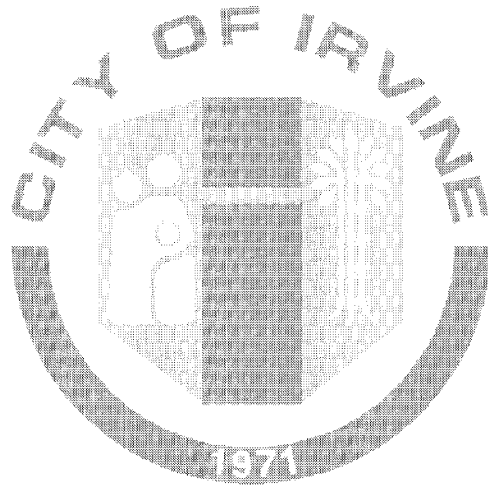
	Senior Services Fund
ASSETS	
Cash and investments	\$ 611
Receivables, net of allowances:	
Accrued interest	1
Total Assets	\$ 612
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 4
Total Liabilities	4
Fund Balances:	
Nonspendable	
Endowment	469
Restricted	
Community services activities	139
Total Fund Balances	608
Total Liabilities and Fund Balances	\$ 612

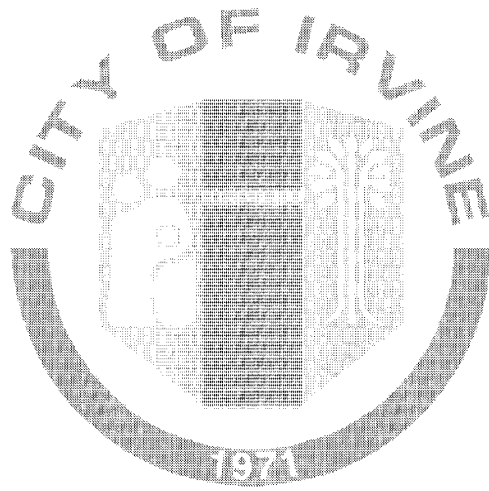
City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Permanent Fund
For the Fiscal Year Ended June 30, 2010
 (amounts expressed in thousands)

	<u>Senior Services Fund</u>
REVENUES	
Investment income	\$ 13
Charges for services	1
Other revenue	<u>24</u>
Total Revenues	<u>38</u>
EXPENDITURES	
Current:	
Community Services	<u>75</u>
Total Expenditures	<u>75</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(37)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>6</u>
Total Other Financing Sources (Uses)	<u>6</u>
Net Change in Fund Balances	(31)
Fund Balances, Beginning	<u>639</u>
Fund Balances, Ending	<u><u>\$ 608</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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 15	\$ 15	\$ 13	\$ (2)
Charges for services	-	-	1	1
Other revenue	12	12	24	12
Total Revenues	27	27	38	11
EXPENDITURES				
Current:				
Community Services	124	124	75	49
Total Expenditures	124	124	75	49
Excess (Deficiency) of Revenues Over (Under) Expenditures	(97)	(97)	(37)	60
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	6	6
Total Other Financing Sources (Uses)	-	-	6	6
Net Change in Fund Balances	(97)	(97)	(31)	66
Fund Balances, Beginning	639	639	639	-
Fund Balances, Ending	\$ 542	\$ 542	\$ 608	\$ 66





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, 2010
(amounts expressed in thousands)

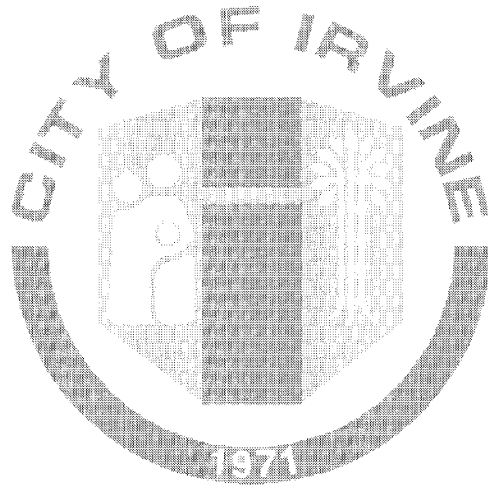
	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 13,241	\$ 13,125	\$ 20	\$ 26,386
Receivables, net of allowances:				
Accounts	55	31	-	86
Accrued interest	26	29	-	55
Inventories	-	-	138	138
Due from other governments	-	2	-	2
	<u>13,322</u>	<u>13,187</u>	<u>158</u>	<u>26,667</u>
Total Current Assets				
Noncurrent Assets:				
Capital assets:				
Equipment	20	31,575	-	31,595
Less accumulated depreciation	(17)	(23,254)	-	(23,271)
	<u>3</u>	<u>8,321</u>	<u>-</u>	<u>8,324</u>
Total Noncurrent Assets				
Total Assets				
	<u>13,325</u>	<u>21,508</u>	<u>158</u>	<u>34,991</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	134	614	14	762
Due to other governments	-	1	-	1
Unearned revenue	54	-	-	54
Lease payable	-	258	-	258
Compensated absences	9	21	-	30
Claims payable	2,450	-	-	2,450
	<u>2,647</u>	<u>894</u>	<u>14</u>	<u>3,555</u>
Total Current Liabilities				
Noncurrent Liabilities:				
Lease payable	-	123	-	123
Compensated absences	59	137	-	196
Claims payable	6,134	-	-	6,134
	<u>6,193</u>	<u>260</u>	<u>-</u>	<u>6,453</u>
Total Noncurrent Liabilities				
Total Liabilities				
	<u>8,840</u>	<u>1,154</u>	<u>14</u>	<u>10,008</u>
NET ASSETS				
Invested in capital assets, net of related debt	3	7,940	-	7,943
Unrestricted	4,482	12,414	144	17,040
	<u>4,485</u>	<u>20,354</u>	<u>144</u>	<u>24,983</u>
Total Net Assets				
	<u>\$ 4,485</u>	<u>\$ 20,354</u>	<u>\$ 144</u>	<u>\$ 24,983</u>

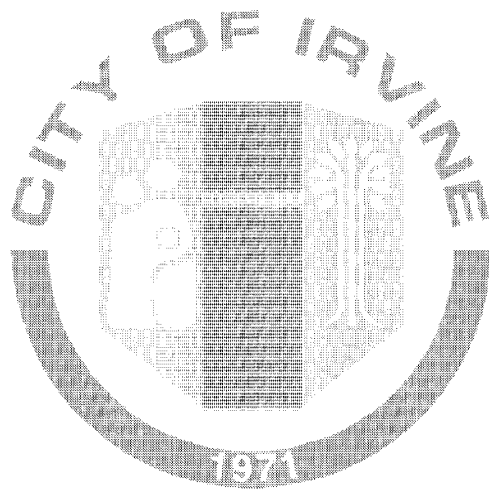
City of Irvine
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 4,823	\$ 13,660	\$ -	\$ 18,483
Other	7	184	324	515
Total Operating Revenue	<u>4,830</u>	<u>13,844</u>	<u>324</u>	<u>18,998</u>
OPERATING EXPENSES				
Personal services	761	1,682	-	2,443
Supplies & equipment	51	3,340	327	3,718
Contract services	333	4,219	-	4,552
Administration	117	1,155	-	1,272
Self-insured losses	2,970	-	-	2,970
Insurance premiums	2,098	-	-	2,098
Depreciation	3	3,964	-	3,967
Total Operating Expenses	<u>6,333</u>	<u>14,360</u>	<u>327</u>	<u>21,020</u>
Operating Income (Loss)	<u>(1,503)</u>	<u>(516)</u>	<u>(3)</u>	<u>(2,022)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	147	274	1	422
Interest expense	-	(25)	-	(25)
Gain/(Loss) on disposal of equipment	-	50	-	50
Total Nonoperating Revenues	<u>147</u>	<u>299</u>	<u>1</u>	<u>447</u>
(Loss) Before Transfers	<u>(1,356)</u>	<u>(217)</u>	<u>(2)</u>	<u>(1,575)</u>
Transfers in	-	30	-	30
Transfers out	<u>(10,800)</u>	<u>(200)</u>	<u>-</u>	<u>(11,000)</u>
Change in Net Assets	<u>(12,156)</u>	<u>(387)</u>	<u>(2)</u>	<u>(12,545)</u>
Total Net Assets, Beginning	<u>16,641</u>	<u>20,741</u>	<u>146</u>	<u>37,528</u>
Total Net Assets, Ending	<u>\$ 4,485</u>	<u>\$ 20,354</u>	<u>\$ 144</u>	<u>\$ 24,983</u>

City of Irvine
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Self- Insur- ance	Equip- ment and Services	Inven- tory	Total Internal Service Funds
Cash Flows From Operating Activities				
Received from customers and users	\$ 154	\$ 190	\$ -	\$ 344
Received from interfund services provided	4,692	13,660	324	18,676
Paid to suppliers	(51)	(619)	(313)	(983)
Paid for interfund services provided	(4,434)	(9,587)	-	(14,021)
Paid to employees	(790)	(1,692)	-	(2,482)
Net Cash Provided (Used) by Operating Activities	<u>(429)</u>	<u>1,952</u>	<u>11</u>	<u>1,534</u>
Cash Flows From Non-Capital Financing Activities				
Cash paid to other funds	(10,800)	(200)	-	(11,000)
Net Cash Used by Non-Capital Financing Activities	<u>(10,800)</u>	<u>(200)</u>	<u>-</u>	<u>(11,000)</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of equipment	-	78	-	78
Cash received from to other funds	-	30	-	30
Interest paid	-	(25)	-	(25)
Equipment purchases	-	(2,103)	-	(2,103)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(2,020)</u>	<u>-</u>	<u>(2,020)</u>
Cash Flows from Investing Activities				
Interest received on investments	178	278	1	457
Net Cash Provided by Investing Activities	<u>178</u>	<u>278</u>	<u>1</u>	<u>457</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,051)	10	12	(11,029)
Cash and Cash Equivalents, Beginning of Fiscal Year	24,292	13,115	8	37,415
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 13,241</u>	<u>\$ 13,125</u>	<u>\$ 20</u>	<u>\$ 26,386</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Cash Flows from Operating Activities				
Operating (loss)	\$ (1,503)	\$ (516)	\$ (3)	\$ (2,022)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	3	3,964	-	3,967
Changes in assets and liabilities:				
(Increase) decrease in receivables, net of allowances	16	9	-	25
(Increase) decrease in due from other governments	-	(2)	-	(2)
(Increase) decrease in inventories	-	-	12	12
Increase (decrease) in accounts payable	(5)	(1,194)	2	(1,197)
Increase (decrease) in accrued liabilities	8	8	-	16
Increase (decrease) in due to other governments	-	1	-	1
Increase (decrease) in deposits	-	(16)	-	(16)
Increase (decrease) in lease payable	-	(292)	-	(292)
Increase (decrease) in compensated absences	(29)	(10)	-	(39)
Increase (decrease) in claims payable	1,081	-	-	1,081
Total Adjustments	<u>1,074</u>	<u>2,468</u>	<u>14</u>	<u>3,556</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (429)</u>	<u>\$ 1,952</u>	<u>\$ 11</u>	<u>\$ 1,534</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 entity's 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 Interagency Custodial Fund is used to account for cash seized by Public Safety and held until final disposition of the cases. The other agency funds primarily reflect amounts collected and remitted under the terms of the various assessment districts.

City of Irvine
Combining Statement of Net Assets
Pension and Employee Benefit Trust Funds
June 30, 2010
(amounts expressed in thousands)

	PENSION TRUST		
	(December 31, 2009)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total Pension and Employee Benefit Trust Funds
	Plan	Plan	Funds
ASSETS			
Cash	\$ -	\$ 2	\$ 2
Investments:			
Collective trust funds	16,776	-	16,776
Short-term investments	284	-	284
Participant-directed investments	-	10,070	10,070
Receivables, net of allowances:			
Contributions	-	10	10
Loans	-	120	120
	<u>17,060</u>	<u>10,202</u>	<u>27,262</u>
Total Assets			
LIABILITIES			
Accounts payable	-	188	188
Accrued liabilities	38	-	38
	<u>38</u>	<u>188</u>	<u>226</u>
Total Liabilities			
NET ASSETS			
Held in trust for pension benefits	<u>17,022</u>	<u>10,014</u>	<u>27,036</u>
Total Net Assets	<u>\$ 17,022</u>	<u>\$ 10,014</u>	<u>\$ 27,036</u>

City of Irvine
Combining Statement of Changes in Net Assets
Pension and Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	PENSION TRUST		
	(December 31, 2009)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total Pension and Employee Benefit Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 235	\$ 206	\$ 441
Plan members	-	55	55
Interest from participants' loan	-	8	8
Total Contributions	<u>235</u>	<u>269</u>	<u>504</u>
Investment Income (Loss):			
Interest and dividends	3	58	61
Net appreciation (depreciation) in fair value of investments	2,480	1,046	3,526
Total Investment Income (Loss)	<u>2,483</u>	<u>1,104</u>	<u>3,587</u>
Less investment expense	(97)	(27)	(124)
Net Investment Income (Loss)	<u>2,386</u>	<u>1,077</u>	<u>3,463</u>
Total Additions	<u>2,621</u>	<u>1,346</u>	<u>3,967</u>
DEDUCTIONS			
Benefit payments	1,025	368	1,393
Administrative expenses	19	-	19
Forfeitures to the City of Irvine	-	33	33
Total Deductions	<u>1,044</u>	<u>401</u>	<u>1,445</u>
Change in Net Assets	1,577	945	2,522
Total Net Assets, Beginning	<u>15,445</u>	<u>9,069</u>	<u>24,514</u>
Total Net Assets, Ending	<u>\$ 17,022</u>	<u>\$ 10,014</u>	<u>\$ 27,036</u>

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2010
 (amounts expressed in thousands)
Page 1 of 6

	Proposed Assessment District 10-23	Stonegate Assessment District 07-22	Orchard Hills Assessment District 05-21	Portola Springs Assessment District 04-20
ASSETS				
Cash and investments	\$ -	\$ 3,008	\$ 2,872	\$ 6,478
Receivables, net of allowances:				
Taxes	-	-	-	54
Investment interest	-	-	-	1
Due from developers	2	-	-	-
Total Assets	<u>2</u>	<u>3,008</u>	<u>2,872</u>	<u>6,533</u>
LIABILITIES				
Accounts payable	2	2	-	1
Accrued liabilities	-	1	1	2
Due to bondholders	-	3,005	2,871	6,530
Due to other governments	-	-	-	-
Total Liabilities	<u>2</u>	<u>3,008</u>	<u>2,872</u>	<u>6,533</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2010
(amounts expressed in thousands)
Page 2 of 6

	Northern Sphere Assessment District 03-19	Shady Canyon Turtle Ridge Assessment District 00-18	Irvine Spectrum Reassessment District 85-7	Irvine Spectrum Assessment District 87-8
ASSETS				
Cash and investments	\$ 10,474	\$ 12,640	\$ 5,419	\$ 4,326
Receivables, net of allowances:				
Taxes	162	333	-	189
Investment interest	3	3	-	1
Due from developers	6	-	28	52
Total Assets	<u>10,645</u>	<u>12,976</u>	<u>5,447</u>	<u>4,568</u>
LIABILITIES				
Accounts payable	-	1	-	-
Accrued liabilities	19	7	30	57
Due to bondholders	10,626	12,968	5,417	4,511
Due to other governments	-	-	-	-
Total Liabilities	<u>10,645</u>	<u>12,976</u>	<u>5,447</u>	<u>4,568</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2010
 (amounts expressed in thousands)
Page 3 of 6

	Westpark Assessment District 89-10	Irvine Spectrum Assessment District 93-14	Oak Creek Assessment District 94-13	Westpark II Assessment District 94-15
ASSETS				
Cash and investments	\$ 546	\$ 8,033	\$ 260	\$ 1,874
Receivables, net of allowances:				
Taxes	-	158	-	-
Investment interest	-	1	-	-
Due from developers	5	66	32	43
Total Assets	<u>551</u>	<u>8,258</u>	<u>292</u>	<u>1,917</u>
LIABILITIES				
Accounts payable	4	11	-	2
Accrued liabilities	5	61	33	45
Due to bondholders	542	8,186	259	1,870
Due to other governments	-	-	-	-
Total Liabilities	<u>551</u>	<u>8,258</u>	<u>292</u>	<u>1,917</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2010
(amounts expressed in thousands)
Page 4 of 6

	Northwest Assessment District 97-16	Lower Peters Canyon Assessment District 97-17	Irvine Public Facilities and Infrastructure Authority Series A	Irvine Public Facilities and Infrastructure Authority Series B	Irvine Public Facilities and Infrastructure Authority Series C
ASSETS					
Cash and investments	\$ 688	\$ 1,200	\$ 4,208	\$ 2,903	\$ 5,119
Receivables, net of allowances:					
Taxes	-	12	-	-	-
Investment interest	-	-	-	-	-
Due from developers	39	118	-	-	-
Total Assets	<u>727</u>	<u>1,330</u>	<u>4,208</u>	<u>2,903</u>	<u>5,119</u>
LIABILITIES					
Accounts payable	-	2	1	1	1
Accrued liabilities	41	121	1	1	1
Due to bondholders	686	1,207	4,206	2,901	5,117
Due to other governments	-	-	-	-	-
Total Liabilities	<u>727</u>	<u>1,330</u>	<u>4,208</u>	<u>2,903</u>	<u>5,119</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2010
 (amounts expressed in thousands)
 Page 5 of 6

	Reassessment District <u>99-1</u>	Reassessment District <u>99-2</u>	Reassessment District <u>01-1</u>	Reassessment District <u>01-2</u>	Reassessment District <u>03-1</u>
ASSETS					
Cash and investments	\$ 1,093	\$ 5,089	\$ 615	\$ 3,964	\$ 742
Receivables, net of allowances:					
Taxes	-	65	20	109	83
Investment interest	-	2	-	1	-
Due from developers	-	-	-	-	-
Total Assets	<u>1,093</u>	<u>5,156</u>	<u>635</u>	<u>4,074</u>	<u>825</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Due to bondholders	1,093	5,156	635	4,074	825
Due to other governments	-	-	-	-	-
Total Liabilities	<u>1,093</u>	<u>5,156</u>	<u>635</u>	<u>4,074</u>	<u>825</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2010
(amounts expressed in thousands)
Page 6 of 6

	<u>Reassessment District 03-2</u>	<u>CFD - Central Park 04-1</u>	<u>CFD - Columbus Grove 05-2</u>	<u>Inter-Agency Custodial Fund</u>	<u>Total Agency Funds</u>
ASSETS					
Cash and investments	\$ 6,669	\$ 847	\$ 2,894	\$ 180	\$ 92,141
Receivables, net of allowances:					-
Taxes	171	-	56	-	1,412
Investment interest	3	1	1	-	17
Due from developers	-	-	-	-	391
Total Assets	<u>6,843</u>	<u>848</u>	<u>2,951</u>	<u>180</u>	<u>93,961</u>
LIABILITIES					
Accounts payable	-	-	-	-	28
Accrued liabilities	-	-	1	-	427
Due to bondholders	6,843	848	2,950	-	93,326
Due to other governments	-	-	-	180	180
Total Liabilities	<u>6,843</u>	<u>848</u>	<u>2,951</u>	<u>180</u>	<u>93,961</u>
NET ASSETS	<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, 2010
(amounts expressed in thousands)
Page 1 of 9

	June 30, 2009			June 30, 2010
	Balance	Additions	Deductions	Balance
Proposed Assessment District 10-23				
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	2	-	2
Total Assets	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2	\$ -	\$ 2
Accrued liabilities	-	-	-	-
Due to bondholders	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>
Stonegate Assessment District 07-22				
ASSETS				
Cash and investments	\$ 3,322	\$ 12	\$ 326	\$ 3,008
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	1	1	-
Total Assets	<u>\$ 3,322</u>	<u>\$ 13</u>	<u>\$ 327</u>	<u>\$ 3,008</u>
LIABILITIES				
Accounts payable	\$ -	\$ 4	\$ 2	\$ 2
Accrued liabilities	1	1	1	1
Due to bondholders	3,321	-	316	3,005
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 3,322</u>	<u>\$ 5</u>	<u>\$ 319</u>	<u>\$ 3,008</u>
Orchard Hills Assessment District 05-21				
ASSETS				
Cash and investments	\$ 3,508	\$ 11	\$ 647	\$ 2,872
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 3,508</u>	<u>\$ 11</u>	<u>\$ 647</u>	<u>\$ 2,872</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2	\$ 2	\$ -
Accrued liabilities	1	1	1	1
Due to bondholders	3,507	-	636	2,871
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 3,508</u>	<u>\$ 3</u>	<u>\$ 639</u>	<u>\$ 2,872</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)
Page 2 of 9

	<u>June 30, 2009</u>		<u>June 30, 2010</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
Portola Springs Assessment District 04-20				
ASSETS				
Cash and investments	\$ 7,209	\$ 5,523	\$ 6,254	\$ 6,478
Receivables, net of allowances:				
Taxes	72	54	72	54
Accrued interest	-	1	-	1
Due from developers	-	-	-	-
Total Assets	<u>\$ 7,281</u>	<u>\$ 5,578</u>	<u>\$ 6,326</u>	<u>\$ 6,533</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2,783	\$ 2,782	\$ 1
Accrued liabilities	3	2	3	2
Due to bondholders	7,278	-	748	6,530
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 7,281</u>	<u>\$ 2,785</u>	<u>\$ 3,533</u>	<u>\$ 6,533</u>
Northern Sphere Assessment District 03-19				
ASSETS				
Cash and investments	\$ 10,327	\$ 12,260	\$ 12,113	\$ 10,474
Receivables, net of allowances:				
Taxes	288	163	289	162
Accrued interest	1	3	1	3
Due from developers	-	201	195	6
Total Assets	<u>\$ 10,616</u>	<u>\$ 12,627</u>	<u>\$ 12,598</u>	<u>\$ 10,645</u>
LIABILITIES				
Accounts payable	\$ 12	\$ 6,168	\$ 6,180	\$ -
Accrued liabilities	5	19	5	19
Due to bondholders	10,599	482	455	10,626
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 10,616</u>	<u>\$ 6,669</u>	<u>\$ 6,640</u>	<u>\$ 10,645</u>
Shady Canyon/Turtle Ridge Assessment District 00-18				
ASSETS				
Cash and investments	\$ 12,628	\$ 14,871	\$ 14,859	\$ 12,640
Receivables, net of allowances:				
Taxes	500	333	500	333
Accrued interest	1	3	1	3
Due from developers	-	33	33	-
Total Assets	<u>\$ 13,129</u>	<u>\$ 15,240</u>	<u>\$ 15,393</u>	<u>\$ 12,976</u>
LIABILITIES				
Accounts payable	\$ 2	\$ 7,448	\$ 7,449	\$ 1
Accrued liabilities	5	7	5	7
Due to bondholders	13,122	-	154	12,968
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 13,129</u>	<u>\$ 7,455</u>	<u>\$ 7,608</u>	<u>\$ 12,976</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)
Page 3 of 9

	June 30, 2009			June 30, 2010
	Balance	Additions	Deductions	Balance
Irvine Spectrum Reassessment District 85-7				
ASSETS				
Cash and investments	\$ 5,409	\$ 198	\$ 188	\$ 5,419
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	206	178	28
Total Assets	<u>\$ 5,409</u>	<u>\$ 404</u>	<u>\$ 366</u>	<u>\$ 5,447</u>
LIABILITIES				
Accounts payable	\$ -	\$ 178	\$ 178	\$ -
Accrued liabilities	30	30	30	30
Due to bondholders	5,379	38	-	5,417
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,409</u>	<u>\$ 246</u>	<u>\$ 208</u>	<u>\$ 5,447</u>
Irvine Spectrum Assessment District 87-8				
ASSETS				
Cash and investments	\$ 4,410	\$ 4,535	\$ 4,619	\$ 4,326
Receivables, net of allowances:				
Taxes	240	189	240	189
Accrued interest	-	1	-	1
Due from developers	24	172	144	52
Total Assets	<u>\$ 4,674</u>	<u>\$ 4,897</u>	<u>\$ 5,003</u>	<u>\$ 4,568</u>
LIABILITIES				
Accounts payable	\$ 4	\$ 2,282	\$ 2,286	\$ -
Accrued liabilities	23	57	23	57
Due to bondholders	4,647	15	151	4,511
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,674</u>	<u>\$ 2,354</u>	<u>\$ 2,460</u>	<u>\$ 4,568</u>
Westpark Assessment District 89-10				
ASSETS				
Cash and investments	\$ 530	\$ 129	\$ 113	\$ 546
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	27	107	129	5
Total Assets	<u>\$ 557</u>	<u>\$ 236</u>	<u>\$ 242</u>	<u>\$ 551</u>
LIABILITIES				
Accounts payable	\$ 6	\$ 98	\$ 100	\$ 4
Accrued liabilities	10	5	10	5
Due to bondholders	541	1	-	542
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 557</u>	<u>\$ 104</u>	<u>\$ 110</u>	<u>\$ 551</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)
Page 4 of 9

	June 30, 2009		June 30, 2010	
	Balance	Additions	Deductions	Balance
Irvine Spectrum Assessment District 93-14				
ASSETS				
Cash and investments	\$ 8,070	\$ 1,982	\$ 2,019	\$ 8,033
Receivables, net of allowances:				
Taxes	114	158	114	158
Accrued interest	-	1	-	1
Due from developers	71	380	385	66
Total Assets	<u>\$ 8,255</u>	<u>\$ 2,521</u>	<u>\$ 2,518</u>	<u>\$ 8,258</u>
LIABILITIES				
Accounts payable	\$ 10	\$ 1,157	\$ 1,156	\$ 11
Accrued liabilities	61	61	61	61
Due to bondholders	8,184	70	68	8,186
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 8,255</u>	<u>\$ 1,288</u>	<u>\$ 1,285</u>	<u>\$ 8,258</u>
Oak Creek Assessment District 94-13				
ASSETS				
Cash and investments	\$ 305	\$ 101	\$ 146	\$ 260
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	133	101	32
Total Assets	<u>\$ 305</u>	<u>\$ 234</u>	<u>\$ 247</u>	<u>\$ 292</u>
LIABILITIES				
Accounts payable	\$ 5	\$ 129	\$ 134	\$ -
Accrued liabilities	34	33	34	33
Due to bondholders	266	-	7	259
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 305</u>	<u>\$ 162</u>	<u>\$ 175</u>	<u>\$ 292</u>
Westpark II Assessment District 94-15				
ASSETS				
Cash and investments	\$ 1,860	\$ 213	\$ 199	\$ 1,874
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	20	235	212	43
Total Assets	<u>\$ 1,880</u>	<u>\$ 448</u>	<u>\$ 411</u>	<u>\$ 1,917</u>
LIABILITIES				
Accounts payable	\$ 4	\$ 188	\$ 190	\$ 2
Accrued liabilities	45	44	44	45
Due to bondholders	1,831	39	-	1,870
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,880</u>	<u>\$ 271</u>	<u>\$ 234</u>	<u>\$ 1,917</u>

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)
Page 5 of 9

	June 30, 2009				June 30, 2010
	Balance	Additions	Deductions		Balance
Northwest Assessment District 97-16					
ASSETS					
Cash and investments	\$ 664	\$ 437	\$ 413		\$ 688
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	40	207	208		39
Total Assets	<u>\$ 704</u>	<u>\$ 644</u>	<u>\$ 621</u>		<u>\$ 727</u>
LIABILITIES					
Accounts payable	\$ 7	\$ 277	\$ 284		\$ -
Accrued liabilities	42	41	42		41
Due to bondholders	655	39	8		686
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 704</u>	<u>\$ 357</u>	<u>\$ 334</u>		<u>\$ 727</u>
Lower Peters Canyon Assessment District 97-17					
ASSETS					
Cash and investments	\$ 1,174	\$ 1,313	\$ 1,287		\$ 1,200
Receivables, net of allowances:					
Taxes	18	12	18		12
Accrued interest	-	-	-		-
Due from developers	48	612	542		118
Total Assets	<u>\$ 1,240</u>	<u>\$ 1,937</u>	<u>\$ 1,847</u>		<u>\$ 1,330</u>
LIABILITIES					
Accounts payable	\$ 8	\$ 873	\$ 879		\$ 2
Accrued liabilities	117	121	117		121
Due to bondholders	1,115	109	17		1,207
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 1,240</u>	<u>\$ 1,103</u>	<u>\$ 1,013</u>		<u>\$ 1,330</u>
Irvine Public Facilities and Infrastructure Authority Series A					
ASSETS					
Cash and investments	\$ 2,584	\$ 1,714	\$ 90		\$ 4,208
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	-	-	-		-
Total Assets	<u>\$ 2,584</u>	<u>\$ 1,714</u>	<u>\$ 90</u>		<u>\$ 4,208</u>
LIABILITIES					
Accounts payable	\$ -	\$ 31	\$ 30		\$ 1
Accrued liabilities	1	1	1		1
Due to bondholders	2,583	1,623	-		4,206
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 2,584</u>	<u>\$ 1,655</u>	<u>\$ 31</u>		<u>\$ 4,208</u>

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)
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	<u>June 30, 2009</u>				<u>June 30, 2010</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>		<u>Balance</u>	
Irvine Public Facilities and Infrastructure Authority Series B						
ASSETS						
Cash and investments	\$ 2,500	\$ 486	\$ 83		\$ 2,903	
Receivables, net of allowances:						
Taxes	-	-	-		-	
Accrued interest	-	-	-		-	
Due from developers	-	-	-		-	
Total Assets	<u>\$ 2,500</u>	<u>\$ 486</u>	<u>\$ 83</u>		<u>\$ 2,903</u>	
LIABILITIES						
Accounts payable	\$ -	\$ 28	\$ 27		\$ 1	
Accrued liabilities	1	1	1		1	
Due to bondholders	2,499	402	-		2,901	
Due to other governments	-	-	-		-	
Total Liabilities	<u>\$ 2,500</u>	<u>\$ 431</u>	<u>\$ 28</u>		<u>\$ 2,903</u>	
Irvine Public Facilities and Infrastructure Authority Series C						
ASSETS						
Cash and investments	\$ 6,086	\$ 412	\$ 1,379		\$ 5,119	
Receivables, net of allowances:						
Taxes	-	-	-		-	
Accrued interest	-	-	-		-	
Due from developers	-	-	-		-	
Total Assets	<u>\$ 6,086</u>	<u>\$ 412</u>	<u>\$ 1,379</u>		<u>\$ 5,119</u>	
LIABILITIES						
Accounts payable	\$ -	\$ 28	\$ 27		\$ 1	
Accrued liabilities	1	1	1		1	
Due to bondholders	6,085	-	968		5,117	
Due to other governments	-	-	-		-	
Total Liabilities	<u>\$ 6,086</u>	<u>\$ 29</u>	<u>\$ 996</u>		<u>\$ 5,119</u>	
Reassessment District 99-1						
ASSETS						
Cash and investments	\$ 1,006	\$ 1,989	\$ 1,902		\$ 1,093	
Receivables, net of allowances:						
Taxes	126	-	126		-	
Accrued interest	-	-	-		-	
Due from developers	-	-	-		-	
Total Assets	<u>\$ 1,132</u>	<u>\$ 1,989</u>	<u>\$ 2,028</u>		<u>\$ 1,093</u>	
LIABILITIES						
Accounts payable	\$ -	\$ 949	\$ 949		\$ -	
Accrued liabilities	-	-	-		-	
Due to bondholders	1,132	-	39		1,093	
Due to other governments	-	-	-		-	
Total Liabilities	<u>\$ 1,132</u>	<u>\$ 949</u>	<u>\$ 988</u>		<u>\$ 1,093</u>	

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)
Page 7 of 9

	June 30, 2009				June 30, 2010
	Balance	Additions	Deductions		Balance
Reassessment District 99-2					
ASSETS					
Cash and investments	\$ 5,253	\$ 8,118	\$ 8,282		\$ 5,089
Receivables, net of allowances:					
Taxes	104	64	103		65
Accrued interest	-	2	-		2
Due from developers	-	159	159		-
Total Assets	<u>\$ 5,357</u>	<u>\$ 8,343</u>	<u>\$ 8,544</u>		<u>\$ 5,156</u>
LIABILITIES					
Accounts payable	\$ -	\$ 4,138	\$ 4,138		\$ -
Accrued liabilities	-	-	-		-
Due to bondholders	5,357	-	201		5,156
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 5,357</u>	<u>\$ 4,138</u>	<u>\$ 4,339</u>		<u>\$ 5,156</u>
Reassessment District 01-1					
ASSETS					
Cash and investments	\$ 713	\$ 1,275	\$ 1,373		\$ 615
Receivables, net of allowances:					
Taxes	9	21	10		20
Accrued interest	-	-	-		-
Due from developers	-	-	-		-
Total Assets	<u>\$ 722</u>	<u>\$ 1,296</u>	<u>\$ 1,383</u>		<u>\$ 635</u>
LIABILITIES					
Accounts payable	\$ -	\$ 685	\$ 685		\$ -
Accrued liabilities	-	-	-		-
Due to bondholders	722	-	87		635
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 722</u>	<u>\$ 685</u>	<u>\$ 772</u>		<u>\$ 635</u>
Reassessment District 01-2					
ASSETS					
Cash and investments	\$ 4,340	\$ 7,670	\$ 8,046		\$ 3,964
Receivables, net of allowances:					
Taxes	157	109	157		109
Accrued interest	-	1	-		1
Due from developers	-	-	-		-
Total Assets	<u>\$ 4,497</u>	<u>\$ 7,780</u>	<u>\$ 8,203</u>		<u>\$ 4,074</u>
LIABILITIES					
Accounts payable	\$ -	\$ 4,019	\$ 4,019		\$ -
Accrued liabilities	-	-	-		-
Due to bondholders	4,497	-	423		4,074
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 4,497</u>	<u>\$ 4,019</u>	<u>\$ 4,442</u>		<u>\$ 4,074</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)
Page 8 of 9

	<u>June 30, 2009</u>		<u>June 30, 2010</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
Reassessment District 03-1				
ASSETS				
Cash and investments	\$ 804	\$ 1,483	\$ 1,545	\$ 742
Receivables, net of allowances:				
Taxes	62	83	62	83
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 866</u>	<u>\$ 1,566</u>	<u>\$ 1,607</u>	<u>\$ 825</u>
LIABILITIES				
Accounts payable	\$ -	\$ 771	\$ 771	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	866	-	41	825
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 866</u>	<u>\$ 771</u>	<u>\$ 812</u>	<u>\$ 825</u>
Reassessment District 03-2				
ASSETS				
Cash and investments	\$ 6,870	\$ 13,092	\$ 13,293	\$ 6,669
Receivables, net of allowances:				
Taxes	250	171	250	171
Accrued interest	1	3	1	3
Due from developers	-	4	4	-
Total Assets	<u>\$ 7,121</u>	<u>\$ 13,270</u>	<u>\$ 13,548</u>	<u>\$ 6,843</u>
LIABILITIES				
Accounts payable	\$ -	\$ 6,636	\$ 6,636	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	7,121	-	278	6,843
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 7,121</u>	<u>\$ 6,636</u>	<u>\$ 6,914</u>	<u>\$ 6,843</u>
CFD-Central Park 2004-1				
ASSETS				
Cash and investments	\$ 844	\$ 8	\$ 5	\$ 847
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	1	-	1
Due from developers	-	-	-	-
Total Assets	<u>\$ 844</u>	<u>\$ 9</u>	<u>\$ 5</u>	<u>\$ 848</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2	\$ 2	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	844	4	-	848
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 844</u>	<u>\$ 6</u>	<u>\$ 2</u>	<u>\$ 848</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)
Page 9 of 9

	June 30, 2009				June 30, 2010
	Balance	Additions	Deductions		Balance
CFD-Columbus Grove 2005-2					
ASSETS					
Cash and investments	\$ 2,784	\$ 3,353	\$ 3,243		\$ 2,894
Receivables, net of allowances:					
Taxes	135	56	135		56
Accrued interest	-	1	-		1
Due from developers	-	-	-		-
Total Assets	<u>\$ 2,919</u>	<u>\$ 3,410</u>	<u>\$ 3,378</u>		<u>\$ 2,951</u>
LIABILITIES					
Accounts payable	\$ -	\$ 1,611	\$ 1,611		\$ -
Accrued liabilities	1	1	1		1
Due to bondholders	2,918	32	-		2,950
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 2,919</u>	<u>\$ 1,644</u>	<u>\$ 1,612</u>		<u>\$ 2,951</u>
Inter-Agency Custodial Fund					
ASSETS					
Cash and investments	\$ 140	\$ 2,761	\$ 2,721		\$ 180
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	-	-	-		-
Total Assets	<u>\$ 140</u>	<u>\$ 2,761</u>	<u>\$ 2,721</u>		<u>\$ 180</u>
LIABILITIES					
Accounts payable	\$ -	\$ 2,664	\$ 2,664		\$ -
Accrued liabilities	-	4	4		-
Due to bondholders	-	-	-		-
Due to other governments	140	1,836	1,796		180
Total Liabilities	<u>\$ 140</u>	<u>\$ 4,504</u>	<u>\$ 4,464</u>		<u>\$ 180</u>
Total Agency Funds					
ASSETS					
Cash and investments	\$ 93,340	\$ 83,946	\$ 85,145		\$ 92,141
Receivables, net of allowances:					
Taxes	2,075	1,413	2,076		1,412
Accrued interest	3	17	3		17
Due from developers	230	2,452	2,291		391
Total Assets	<u>\$ 95,648</u>	<u>\$ 87,828</u>	<u>\$ 89,515</u>		<u>\$ 93,961</u>
LIABILITIES					
Accounts payable	\$ 58	\$ 43,151	\$ 43,181		\$ 28
Accrued liabilities	381	430	384		427
Due to bondholders	95,069	2,854	4,597		93,326
Due to other governments	140	1,836	1,796		180
Total Liabilities	<u>\$ 95,648</u>	<u>\$ 48,271</u>	<u>\$ 49,958</u>		<u>\$ 93,961</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 Nine Fiscal Years
(amounts expressed in thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities			
Invested in capital assets, net of related debt	\$ 1,488,021	\$ 1,459,815	\$ 1,425,432
Restricted	349,681	375,082	364,556
Unrestricted	244,927	294,354	371,340
Total Governmental Activities Net Assets	<u>\$ 2,082,629</u>	<u>\$ 2,129,251</u>	<u>\$ 2,161,328</u>
Primary Government			
Invested in capital assets, net of related debt	\$ 1,488,021	\$ 1,459,815	\$ 1,425,432
Restricted	349,681	375,082	364,556
Unrestricted	244,927	294,354	371,340
Total Primary Government Net Assets	<u>\$ 2,082,629</u>	<u>\$ 2,129,251</u>	<u>\$ 2,161,328</u>

Source: City Fiscal Services Division

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 1,275,007	\$ 1,180,580	\$ 883,853	\$ 810,255	\$ 741,460	\$ 684,510
430,022	410,792	351,994	343,352	285,379	312,353
313,186	213,578	144,889	124,419	111,001	103,862
<u>\$ 2,018,215</u>	<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>
\$ 1,275,007	\$ 1,180,580	\$ 883,853	\$ 810,255	\$ 741,460	\$ 684,510
430,022	410,792	351,994	343,352	285,379	312,353
313,186	213,578	144,889	124,419	111,001	103,862
<u>\$ 2,018,215</u>	<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 Nine Fiscal Years
(amounts expressed in thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
EXPENSES			
Governmental Activities			
General Government	\$ 23,199	\$ 20,495	\$ 47,848
Public Safety	57,891	57,693	52,292
Public Works	59,666	55,070	27,663
Health and Sanitation	1,475	375	314
Culture and Recreation	25,240	31,909	36,863
Community Development	25,447	32,453	18,488
Redevelopment ⁽¹⁾	-	-	10,468
Great Park ⁽²⁾	17,593	13,235	34,248
Interest on long-term debt	14,803	14,111	-
Unallocated infrastructure depreciation	41,026	38,928	33,172
Total Governmental Activities Expenses	<u>\$ 266,340</u>	<u>\$ 264,269</u>	<u>\$ 261,356</u>
PROGRAM REVENUES			
Governmental Activities			
Charges for services:			
General Government	\$ 7,354	\$ 681	\$ 10,738
Public Safety	4,163	4,273	3,950
Public Works	12,057	10,856	24,566
Health and Sanitation	1,536	-	25
Culture and Recreation	7,683	10,896	7,698
Community Development	6,896	4,828	13,479
Redevelopment ⁽¹⁾	-	-	319
Great Park ⁽²⁾	3,521	3,384	3,450
Operating grants and contributions	9,644	15,702	11,286
Capital grants and contributions	31,707	52,238	155,840
Total Governmental Activities Program Revenues	<u>84,561</u>	<u>102,858</u>	<u>231,351</u>
Total Net Revenues (Expenses)	<u>\$ (181,779)</u>	<u>\$ (161,411)</u>	<u>\$ (30,005)</u>
GENERAL REVENUES AND OTHER			
CHANGES IN NET ASSETS			
Governmental Activities			
Taxes:			
Property tax ⁽³⁾	\$ 50,791	\$ 54,168	\$ 52,155
Franchise taxes	11,223	11,704	11,553
Sales taxes	42,209	49,732	58,949
Document transfer taxes	1,626	996	1,328
Transient occupancy taxes	7,306	7,768	9,108
Motor vehicle in-lieu	628	715	820
Sale of assets	62	165	14
Unrestricted capital grants & contributions	-	-	-
Investment revenue	20,492	7,325	36,304
Other revenue	179	20	2,276
Total Governmental Activities	<u>134,516</u>	<u>132,593</u>	<u>172,507</u>
Changes in Net Assets	<u>\$ (47,263)</u>	<u>\$ (28,818)</u>	<u>\$ 142,502</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.

⁽¹⁾ Redevelopment department established in fiscal year 2005-06 and combined onto Community Development in fiscal year 2008-09.

⁽²⁾ Great Park department established in fiscal year 2006-07.

⁽³⁾ City amounts included the Redevelopment Agency's incremental valuation.

Source: City Fiscal Services Division

	2007	2006	2005	2004	2003	2002
S	18,211	\$ 22,587	S 18,732	\$ 20,967	S 17,305	\$ 15,684
	45,356	43,907	38,418	36,238	31,582	33,284
	90,318	60,461	61,121	51,849	29,731	36,984
	263	251	235	205	200	173
	34,126	29,617	26,743	22,783	20,531	20,195
	21,485	24,822	18,038	15,180	12,664	14,877
	16,628	1,400	-	-	-	-
	18,628	-	-	-	-	-
	1,239	1,250	979	746	961	1,426
	27,777	24,502	22,089	19,396	16,989	14,841
S	<u>274,031</u>	<u>\$ 208,797</u>	<u>S 186,355</u>	<u>\$ 167,364</u>	<u>S 129,963</u>	<u>\$ 137,464</u>
S	-	\$ 2,861	S 134	\$ 222	S 425	\$ 212
	3,429	3,610	3,365	3,329	3,624	2,453
	18,098	27,231	37,855	13,895	15,009	11,271
	-	-	-	-	-	-
	7,285	6,793	6,059	5,574	5,031	4,935
	12,983	16,355	13,164	11,683	9,887	10,055
	768	-	-	-	-	-
	2,785	-	-	-	-	-
	16,029	9,949	10,465	9,036	5,073	5,073
	245,498	434,218	110,554	165,605	31,850	79,850
	306,875	501,017	181,596	209,344	70,899	113,849
S	<u>32,844</u>	<u>\$ 292,220</u>	<u>S (4,759)</u>	<u>\$ 41,980</u>	<u>S (59,064)</u>	<u>\$ (23,615)</u>
S	54,566	\$ 33,094	S 27,530	\$ 17,372	S 16,189	\$ 15,269
	11,344	10,040	9,015	8,729	8,896	8,627
	58,041	53,688	49,335	48,547	41,763	40,986
	2,525	3,831	3,622	2,617	1,813	1,457
	9,396	8,708	7,295	6,688	6,112	6,009
	1,069	1,284	1,429	10,712	8,511	8,925
	21	78	74	-	49	28
	1	1	-	-	444	152
	43,458	21,270	9,169	3,541	10,721	15,109
	-	-	-	-	-	469
	180,421	131,994	107,469	98,206	94,498	97,031
S	<u>213,265</u>	<u>\$ 424,214</u>	<u>S 102,710</u>	<u>\$ 140,186</u>	<u>S 35,434</u>	<u>\$ 73,416</u>

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

	<u>2010 ⁽¹⁾</u>	<u>2009 ⁽²⁾</u>	<u>2008 ⁽²⁾</u>	<u>2007 ⁽²⁾</u>
GENERAL FUND				
Non Spendable	\$ 7,054			
Restricted	5,234			
Committed	15,938			
Assigned	75,411			
Unassigned	312			
Total General Fund	<u>\$ 103,949</u>			
 ALL OTHER GOVERNMENTAL FUNDS				
Non Spendable	\$ 136,584			
Restricted	273,138			
Committed	185,655			
Assigned	15,022			
Unassigned	(180,521)			
Total All Other Governmental Funds	<u>\$ 429,878</u>			
 ALL GOVERNMENTAL FUNDS	<u>\$ 533,827</u>			

	<u>2009</u>	<u>2008</u>	<u>2007</u>
GENERAL FUND			
Reserved	\$ 9,427	\$ 9,443	\$ 9,261
Unreserved	100,769	114,344	117,811
Total General Fund	<u>\$ 110,196</u>	<u>\$ 123,787</u>	<u>\$ 127,072</u>
 ALL OTHER GOVERNMENTAL FUNDS			
Reserved	\$ 320,395	\$ 335,939	\$ 293,983
Unreserved, reported in:			
Special Revenue Funds	127,296	187,750	262,416
Capital Project Funds	52,429	30,655	26,928
Permanent Funds	170	146	114
Total All Other Governmental Funds	<u>\$ 500,290</u>	<u>\$ 554,490</u>	<u>\$ 583,441</u>
 ALL GOVERNMENTAL FUNDS	<u>\$ 610,486</u>	<u>\$ 678,277</u>	<u>\$ 710,513</u>

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

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
REVENUES				
Taxes				
Sales and use taxes	\$ 42,209	\$ 49,732	\$ 58,949	\$ 58,041
Property taxes	51,106	54,168	52,155	54,566
All other taxes	25,393	25,402	31,353	33,261
Licenses & permits	4,395	4,592	7,528	7,166
Fines & forfeitures	1,948	1,936	2,192	1,985
Investment income	10,845	23,089	35,973	39,141
Intergovernmental	35,367	43,610	35,885	20,647
Charges for services	34,405	34,202	43,572	35,241
Assessment districts contributions	-	498	-	108,131
Revenue from developers	336	1,103	83,975	89,669
Revenue from property owners	4,904	5,203	4,863	7,782
Donations	791	537	1,003	-
Other revenue	4,065	2,936	2,563	4,253
Total Revenues	<u>215,764</u>	<u>247,008</u>	<u>360,011</u>	<u>459,883</u>
EXPENDITURES				
Current:				
General Government	29,457	30,572	31,331	28,662
Public Safety	56,165	56,404	52,481	47,830
Public Works	35,709	33,833	35,803	39,613
Community Development	25,888	33,985	18,576	17,818
Community Services	33,667	34,240	35,264	34,524
Redevelopment	-	-	9,737	15,537
Great Park	17,743	13,073	12,128	18,636
Street lighting	5,658	6,226	5,069	4,589
Capital Outlay	76,164	84,770	169,594	137,511
Debt Services:				
Principal retirement	7,525	6,990	8,170	6,225
Interest & fiscal charges	14,690	14,038	11,853	1,240
Administration	43	75	106	108
Total Expenditures	<u>302,709</u>	<u>314,206</u>	<u>390,112</u>	<u>352,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(86,945)</u>	<u>(67,198)</u>	<u>(30,101)</u>	<u>107,590</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term note	62	48	47	1,350
Proceeds from sale of capital assets	-	-	14	-
Transfers in	124,556	65,542	476,218	97,956
Transfers out	(113,586)	(64,308)	(477,803)	(101,266)
Total Other Financing Sources (Uses)	<u>11,032</u>	<u>1,282</u>	<u>(1,524)</u>	<u>(1,960)</u>
Net Change in Fund Balances	<u>\$ (75,913)</u>	<u>\$ (65,916)</u>	<u>\$ (31,625)</u>	<u>\$ 105,630</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	7.4%	6.7%	8.9%	2.8%

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

Source: City Fiscal Services Division

	2006	2005	2004	2003	2002	2001
\$	53,688	\$ 49,335	\$ 48,547	\$ 41,763	\$ 40,986	\$ 46,529
	33,094	27,530	17,372	16,189	15,269	12,864
	42,340	32,566	28,814	27,758	24,152	25,744
	8,996	6,943	6,646	5,859	5,780	6,104
	2,151	2,059	1,829	1,921	1,796	2,338
	20,201	8,774	3,510	9,662	13,734	28,346
	13,315	10,801	15,883	17,261	14,780	16,340
	34,178	28,450	25,152	22,943	20,786	20,660
	101,067	47,421	104,061	-	69,476	60,949
	76,410	36,051	15,985	4,619	5,097	-
	6,372	5,859	8,529	4,365	2,937	2,792
	-	-	-	-	-	-
	6,326	2,582	1,909	453	1,158	5,627
	<u>398,138</u>	<u>258,371</u>	<u>278,237</u>	<u>152,793</u>	<u>215,951</u>	<u>228,293</u>
	34,308	28,780	30,118	24,576	21,941	63,582
	44,100	39,130	36,640	33,724	33,286	31,730
	29,946	32,409	30,673	21,365	20,012	18,894
	24,947	18,078	15,002	12,825	14,643	12,699
	29,613	26,621	22,436	20,540	19,038	17,662
	1,270	-	-	-	-	-
	-	-	-	-	-	-
	4,137	4,190	3,771	3,687	3,618	3,391
	93,798	73,914	68,271	54,440	56,711	59,405
	5,770	5,330	4,885	4,550	6,635	5,780
	1,202	911	706	892	1,251	2,427
	179	156	166	195	148	223
	<u>269,270</u>	<u>229,519</u>	<u>212,668</u>	<u>176,794</u>	<u>177,283</u>	<u>215,793</u>
	<u>128,868</u>	<u>28,852</u>	<u>65,569</u>	<u>(24,001)</u>	<u>38,668</u>	<u>12,500</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	83,297	22,244	22,393	26,627	13,677	34,290
	(86,950)	(22,919)	(22,352)	(27,745)	(14,867)	(37,030)
	<u>(3,653)</u>	<u>(675)</u>	<u>41</u>	<u>(1,118)</u>	<u>(1,190)</u>	<u>(2,740)</u>
\$	<u>125,215</u>	<u>\$ 28,177</u>	<u>\$ 65,610</u>	<u>\$ (25,119)</u>	<u>\$ 37,478</u>	<u>\$ 9,760</u>

3.6%

3.6%

3.6%

4.5% ⁽¹⁾6.0% ⁽¹⁾5.4% ⁽¹⁾

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Apparel stores	\$ *	\$ 165,975	\$ 151,277	\$ 160,900
General merchandise	*	313,425	382,044	426,465
Food stores	*	118,234	135,395	125,231
Eating & drinking places	*	437,188	455,804	455,127
Home furnishings & appliances	*	238,432	172,600	214,469
Building material & farm tools	*	70,540	94,565	103,877
Auto dealers & supplies	*	467,329	660,418	726,047
Service stations	*	182,025	212,969	183,978
Other retail stores	*	372,985	748,933	925,451
All other outlets	*	1,574,474	1,635,329	1,610,630
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ -</u>	<u>\$ 3,940,607</u>	<u>\$ 4,649,334</u>	<u>\$ 4,932,175</u>
City Direct Sales Tax Rate	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 2009-10 is unavailable at the present time.

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	134,828	\$ 107,968	\$ 93,733	\$ 74,095	\$ 73,043	\$ 71,139
	381,271	334,891	316,770	298,023	270,510	241,725
	121,971	112,236	89,630	84,524	77,627	74,035
	429,805	395,191	374,066	337,082	311,470	297,177
	212,144	213,146	204,504	181,005	163,123	169,808
	85,475	91,439	88,095	76,730	83,749	83,662
	722,744	782,031	829,419	702,634	587,821	471,822
	160,051	134,092	117,033	101,927	89,816	99,995
	838,667	754,319	759,285	595,802	557,940	863,996
	<u>1,647,566</u>	<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>4,734,522</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>
	0.75% ⁽¹⁾	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)

Fiscal Year	Property Tax		Sales Tax	Transient	Franchise Tax	Document	Other	Total
	City	Redevelopment Agency ⁽¹⁾		Occupancy Tax		Transfer Tax		
2010	\$ 45,065	\$ 6,041	\$ 42,209	\$ 7,268	\$ 11,223	\$ 1,626	\$ 5,276	\$ 118,708
2009	45,395	8,773	49,732	7,768	11,704	996	4,934	129,302
2008	45,309	6,846	58,949	9,108	11,553	1,328	9,364	142,457
2007	42,013	12,553	58,041	9,396	11,344	2,525	9,996	145,868
2006	33,094	-	53,688	8,708	10,040	3,831	19,761	129,122
2005	27,530	-	49,335	7,295	9,015	3,622	12,634	109,431
2004	17,372	-	48,547	6,688	8,729	2,617	10,780	94,733
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

⁽¹⁾ Redevelopment Agency tax increment began in fiscal year 2006-07.

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 ⁽²⁾				Total Direct Tax Rate
	Secured	Public Utility	Unsecured	Taxable Assessed Value ⁽¹⁾	Secured	Public Utility	Unsecured	Incremental Valuation	
2010	\$ 43,654,448	\$ 2,009	\$ 3,555,544	\$ 47,212,001	\$ 597,735	\$ 335	\$ 4,229	\$ 602,299	0.107%
2009	43,636,021	2,060	3,619,528	47,257,609	864,151	335	7,657	872,143	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%

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

⁽¹⁾ City amounts include the Redevelopment Agency's incremental valuation.

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

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

	<u>2010</u>	<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>
City Direct Rates	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992
Overlapping Rates:										
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 (OC7111SMD)	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	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610	0.00670	0.00770	0.00880
Irvine City-Bond Fund 1974	-	-	-	-	-	-	-	-	0.00130	0.00590
Tustin Unified SFID 2002 Bond SR 2003A	0.00300	0.00292	0.00001	-	-	0.05541	0.03036	-	-	-
Tustin Unified SFID 2001-2, Series C	0.01241	0.00735	-	-	-	-	-	-	-	-
Tustin Unified SFID 2002 Bond SR 2006B	0.02256	0.02075	0.03172	0.00232	0.03105	-	-	-	-	-
Total Direct and Overlapping Rate	<u>1.04227</u>	<u>1.03532</u>	<u>1.03623</u>	<u>1.00702</u>	<u>1.03625</u>	<u>1.06121</u>	<u>1.03646</u>	<u>1.00670</u>	<u>1.00900</u>	<u>1.01470</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 IXXXA 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.

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Irvine Company	\$ 5,585,580,023	1	13.05%	\$ 2,155,589,158	1	10.31%
Irvine Apartment Communities	683,751,512	2	1.60%	1,004,351,243	2	4.80%
Heritage Fields El Toro	615,680,641	3	1.44%	-	-	-
Koll Center Irvine	-	-	-	169,062,989	3	0.81%
Central Park West	377,153,522	4	0.88%	-	-	-
LBA IV-PPI LLC	324,024,710	5	0.76%	-	-	-
Maguire Properties	247,929,312	7	0.58%	-	-	-
B Braun Medical Inc	247,283,593	8	0.58%	-	-	-
Allergan	265,397,918	6	0.62%	-	-	-
Lakeshore Properties LLC	178,043,004	9	0.42%	149,075,350	4	0.71%
Capital Research Company	166,250,000	10	0.39%	-	-	-
Spieker Properties LP	-	-	-	140,613,355	5	0.67%
Jamboree LLC	-	-	-	112,643,833	6	0.54%
OIR	-	-	-	104,216,052	7	0.50%
Metropolitan Life	-	-	-	93,862,431	8	0.45%
AXA Advisors	-	-	-	93,570,885	9	0.45%
ERP Operating Limited	-	-	-	88,455,500	10	0.42%
Totals	<u>\$ 8,691,094,235</u>		<u>20.32%</u>	<u>\$ 4,111,440,796</u>		<u>19.66%</u>

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

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

Fiscal Year	Total Tax Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 77,549,644	\$ 63,080,086	81.34%	\$ 1,670,155	\$ 64,440,381	83.10%
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%

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

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

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

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Lease Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Total Governmental Activities</u>	<u>Percentage of Personal Income ⁽¹⁾</u>	<u>% of Actual Assessed Value of Property ⁽²⁾</u>	<u>Per Capita ⁽¹⁾</u>
2010	\$ -	\$ 8,260	\$ -	\$ 381	8,641	0.11%	0.02%	40
2009	-	15,785	-	673	16,458	0.19%	0.03%	77
2008	-	22,775	-	631	23,406	0.27%	0.05%	113
2007	-	29,135	1,810	425	31,370	0.41%	0.08%	157
2006	-	34,965	2,205	648	37,818	0.51%	0.11%	197
2005	-	40,365	2,575	801	43,741	0.60%	0.15%	239
2004	-	45,340	2,930	939	49,209	-	0.18%	287
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%	438

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

⁽²⁾ Assessed value used because actual value of taxable property not readily available in the State of California

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

Fiscal Year	Population ⁽⁴⁾	Total General Obligation Bonds ⁽¹⁾	Less Debt Service Fund ⁽²⁾	Net Bonded Debt	Percent of Debt to Assessed Value⁽³⁾	Debt per Capita
2010	218	-	-	-	0.00%	-
2009	213	-	-	-	0.00%	-
2008	208	-	-	-	0.00%	-
2007	199	-	-	-	0.00%	-
2006	192	-	-	-	0.00%	-
2005	183	-	-	-	0.00%	-
2004	172	-	-	-	0.00%	-
2003	165	-	-	-	0.00%	-
2002	158	-	-	-	0.00%	-
2001	148	720	412	308	0.00%	2.08

⁽¹⁾ Amounts exclude lease revenue bonds.

⁽²⁾ Amounts available for repayment of general obligation bonds.

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

⁽⁴⁾ California Department of Finance at January 1, est.

City of Irvine
Schedule of Direct and Overlapping Bonded Debt
June 30, 2010

2009-10 Assessed valuation:	\$ 47,212,001,153
Redevelopment incremental valuation:	<u>602,299,070</u>
Adjusted assessed valuation	\$ 46,609,702,083

	Total	% Applicable ⁽¹⁾	City's Share of
	Debt 6/30/10		Debt 6/30/10
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 264,220,000	2.577 %	\$ 6,808,949
Rancho Santiago Community College District	313,655,747	14.587	45,752,964
Irvine Unified School District Community Facilities Districts	349,021,797	99.607-100.	348,642,297
Laguna Unified School District	33,600,000	0.00001	3
Saddleback Valley Unified School District	137,690,000	3.949	5,437,378
Santa Ana Unified School District	272,698,366	34.027	92,791,073
Santa Ana Unified School District Community Facilities District No. 2004-1	11,660,000	100.	11,660,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	62,704,295	9.692	6,077,300
Tustin Unified School District School Facilities Improvement District No. 2008-1	25,000,000	9.617	2,404,250
Tustin Unified School District Community Facilities District No. 97-1	99,472,675	100.	99,472,675
Tustin Unified School District Community Facilities District No. 2007-1	74,677,670	100.	74,677,670
Irvine Ranch Water District Improvement Districts	331,871,609	44.728-100.	238,083,192
City of Irvine Community Facilities District No. 2005-2	23,190,000	100.	23,190,000
City of Irvine 1915 Act Bonds	866,534,968	100.	<u>866,534,968</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			1,821,532,719
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Orange County General Fund Obligations	\$ 391,027,000	12.448 %	\$ 48,675,041
Orange County Pension Obligations	59,333,382	12.448	7,385,819
Orange County Board of Education Certificates of Participation	19,230,000	12.448	2,393,750
Municipal Water District of Orange County Water Facilities Corporation	15,965,000	14.721	2,350,208
South Orange County Community College District Certificates of Participation	18,845,000	24.428	4,603,457
Orange Unified School District Certificates of Participation	142,660,000	0.0003	428
Santa Ana Unified School District Certificates of Participation	53,953,747	34.027	18,358,841
Tustin Unified School District Certificates of Participation	5,390,000	26.172	1,410,671
Irvine Ranch Water District Certificates of Participation	85,145,000	63.85	54,365,083
City of Irvine General Fund Obligations	8,260,000	100.	8,260,000
Orange County Fire Authority	3,590,000	24.271	<u>871,329</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 148,674,627
Less: MWDOC Water Facilities Corporation (paid from water charges)			<u>2,350,208</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 146,324,419
GROSS COMBINED TOTAL DEBT			\$ 1,970,207,346 ⁽²⁾
NET COMBINED TOTAL DEBT			\$ 1,967,857,138

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

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

Ratios to 2009-10 Assessed Valuation:

Total overlapping tax and assessment debt..... 3.86%

Ratios to Adjusted Assessed Valuation:

Combined direct debt (\$8,260,000)..... 0.02%

Gross combined total debt..... 4.23%

Net combined total debt..... 4.22%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: \$0

Source: California Municipal Statistics, Inc.

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assessed valuation	\$ 47,212,001,153	\$ 47,257,608,206	\$ 44,382,983,056	\$ 39,280,255,615
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 11,803,000,288	\$ 11,814,402,052	\$ 11,095,745,764	\$ 9,820,063,904
Debit limit percentage	15%	15%	15%	15%
Debt limit	1,770,450,043	1,772,160,308	1,664,361,865	1,473,009,586
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 1,770,450,043</u>	<u>\$ 1,772,160,308</u>	<u>\$ 1,664,361,865</u>	<u>\$ 1,473,009,586</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 33,764,042,231	\$ 29,634,708,495	\$ 26,799,740,692	\$ 24,858,631,527	\$ 22,710,140,394	\$ 20,405,359,320
25%	25%	25%	25%	25%	25%
\$ 8,441,010,558	\$ 7,408,677,124	\$ 6,699,935,173	\$ 6,214,657,882	\$ 5,677,535,099	\$ 5,101,339,830
15%	15%	15%	15%	15%	15%
1,266,151,584	1,111,301,569	1,004,990,276	932,198,682	851,630,265	765,200,975
-	-	-	-	-	308,513
<u>\$ 1,266,151,584</u>	<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>
0.00%	0.00%	0.00%	0.00%	0.00%	0.04%

City of Irvine
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ⁽²⁾	Personal Income ⁽¹⁾ (in thousands)	Per Capita Personal Income	Income per Median Household	Median Age	School Enrollment	Unemployment Rate
2010	217,686	\$ 8,090,372	\$ 57,165	\$ 94,903	33.3	26,812	7.4%
2009	212,541	8,723,320	41,043	91,101	33.3	26,323	7.0%
2008	207,646	8,601,736	41,425	98,923	32.9	26,097	4.0%
2007	199,400	7,667,079	37,941	85,624	33.4	25,781	2.6%
2006	192,167	7,352,397	37,941	84,270	32.1	25,459	3.8%
2005	183,218	7,267,978 ⁽³⁾	42,211 ⁽³⁾	82,827	36.0	25,163	3.9%
2004	171,708	*	*	71,200	34.5	24,833	2.4%
2003	164,917	*	*	71,200	33.1	24,714	2.8%
2002	157,488	*	*	75,985	33.1	24,360	2.9%
2001	148,737	*	*	72,605	33.1	23,784	2.1%

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

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

⁽²⁾ California Department of Finance at January 1.

⁽³⁾ 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**

Employer	2010			2001		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	14,767	1	7.50%	13,457	1	7.80%
Irvine Unified School District	2,495	2	1.27%	2,350	4	1.36%
Cellco Partnership / Verizon Wireless	2,350	3	1.19%	2,042	5	1.01%
Broadcom	2,290	4	1.16%	-	-	-
Edwards Lifesciences	1,934	5	0.98%	1,577	9	0.91%
Allergan	1,922	6	0.98%	1,850	6	1.07%
Parker Hannifin	1,650	7	0.84%	1,741	7	1.01%
St John Knits	1,619	8	0.83%	2,600	3	1.51%
B Braun Medical	1,400	9	0.71%	1,700	8	0.99%
Glidewell Laboratories	1,230	10	0.63%	-	-	-
Toshiba	-	-	-	2,750	2	1.60%
Lucky Stores	-	-	-	1,000	10	0.58%

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Full-time	89.00	91.00	94.00	87.20	82.10	73.00	80.00	80.00	79.00	72.00
Part-time	10.40	25.65	24.40	22.80	35.34	40.22	33.40	35.08	34.03	32.08
Non-hourly	10.00	10.00	10.00	-	-	-	-	-	-	-
Public Safety										
Full-time	295.00	295.00	283.00	263.00	242.00	236.00	233.00	232.00	233.50	226.50
Part-time	33.80	29.31	29.30	43.10	54.43	49.07	40.40	45.42	45.40	57.10
Non-hourly	30.40	30.40	30.40	-	-	-	-	-	-	-
Public Works										
Full-time	134.00	152.00	154.00	148.00	135.00	129.00	120.00	118.50	118.00	115.00
Part-time	4.00	5.88	5.00	7.00	11.68	11.99	10.60	12.95	18.05	18.45
Community Development										
Full-time	104.00	109.00	96.30	90.00	84.90	84.00	77.50	79.50	79.00	81.00
Part-time	2.60	7.14	-	12.40	17.45	15.15	16.07	15.97	15.17	15.47
Non-hourly	11.00	11.00	10.60	-	-	-	-	-	-	-
Community Services										
Full-time	118.00	113.00	114.00	92.00	83.00	83.00	83.00	84.00	84.00	81.00
Part-time	178.20	194.63	197.90	217.50	209.79	208.96	188.32	194.31	205.88	198.44
Non-hourly	12.00	12.00	12.00	-	-	-	-	-	-	-
Redevelopment										
Full-time	-	-	15.70	14.90	9.00	-	-	-	-	-
Part-time	-	-	6.90	5.80	5.00	-	-	-	-	-
Great Park										
Full-time	23.00	23.00	21.00	15.00	15.00	10.00	-	-	-	-
Part-time	4.70	2.20	0.60	9.20	9.00	-	-	-	-	-
Non-hourly	39.00	39.00	9.00	-	-	-	-	-	-	-
Total	1,099.10	1,150.21	1,114.10	1,027.90	993.69	940.39	882.29	897.73	912.03	897.04

Note:

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

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

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

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

FUNCTION	Fiscal Years as of June 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Police safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	44	44	44	43	39	37	37	37	37	37
Fire stations ⁽¹⁾	11	9	9	9	9	8	7	7	7	7
Public Works										
Streets (miles)	1,757	1,742	1,742	1,704	1,645	1,612	1,612	1,532	1,495	1,477
Traffic signals	327	317	295	295	295	282	274	273	260	253
Streetscape (acres)	773	749	716	702	670	670	599	557	542	526
Open space/greenbelts (acres)	5,250	4,100	3,500	2,340	2,144	2,136	2,136	300	300	300
Bicycle trails (miles)	147	147	147	148	141	132	132	132	126	126
Off-street bicycle trails (miles)	44	43	43	43	43	42	42	42	32	32
Culture and Recreation										
Community athletic parks	18	13	13	11	11	9	7	7	7	7
Community centers	12	11	11	11	9	9	9	9	6	6
Dog parks	1	1	1	1	1	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Soccer fields	36	36	35	35	31	31	27	27	27	*
Swimming pools	4	4	4	4	4	3	3	3	3	3
Batting cages	14	14	14	14	14	14	14	14	14	*
Basketball courts	29	29	25	25	19	19	15	15	15	*
Racquetball/handball courts	10	10	10	10	9	9	9	9	9	*
Tennis courts	59	59	57	57	55	53	53	47	39	48
Volleyball courts	15	15	14	14	14	14	12	12	12	*

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

* Data not readily available.

City of Irvine
Operating Indicators by Function
Last Ten Fiscal Years

FUNCTION	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Government				
Checks/wire transfers	47,252	47,918	47,837	46,004
Number of purchase orders placed	2,172	2,065	1,898	2,290
Police				
Animal control service calls	8,510	8,669	7,247	7,068
Physical arrests	2,819	2,846	2,855	3,377
Parking citations	6,639	6,830	9,465	9,135
Traffic citations	29,707	26,325	26,452	27,281
Highways and Streets				
Arterial street resurfacing (centerline miles)	49	15	6	3
Arterial street sweeping (curb miles)	38,204	37,940	37,939	37,939
Community Development				
Building inspections completed	63,363	98,538	117,000	155,000
Building permits issued	8,030	8,132	11,500	12,800
Culture and Recreation				
Recreational & instructional classes offered	7,546	6,845	6,763	7,000
Recreational & instructional enrollees	70,998	65,153	61,804	56,848
Recreational & internet registrants for classes	56	58	56	54
Youth services participation units	75,240	68,251	74,152	74,000
Redevelopment ⁽¹⁾				
Number of discretionary applications processed	10	17	7	3
Number of demolition permits issued	8	11	15	8
Number of grading/building permits issued	44	7	16	15

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

* Data not readily available.

Source: Various City departments

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
55,056	47,000	41,641	40,472	*	44,078
2,100	2,098	2,121	1,600	*	3,000
9,750	9,718	9,718	10,415	9,392	7,750
3,512	2,288	2,314	2,209	5,487	2,355
8,076	8,117	8,042	11,242	10,627	7,856
25,179	20,441	18,167	32,300	30,805	22,259
1	1	6	5	2	5
36,834	35,762	34,059	33,617	33,050	33,400
130,100	124,591	156,835	125,000	110,000	144,900
14,930	13,424	14,137	13,100	9,500	11,100
7,000	6,687	5,819	3,500	3,500	3,300
54,982	44,851	32,409	25,793	24,594	21,325
48	41	35	22	-	-
73,869	72,978	72,978	61,649	58,000	57,085
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

**City of Irvine
Miscellaneous Statistical Information
June 30, 2010**

<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, 2010</u>	-	111,263
<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	-	326.1
Neighborhood Parks	-	156.5
Sports Field	-	129
<u>Facilities and Services Excluded in the Reporting Entity</u>		<u>Number</u>
Education:		
Elementary Schools	-	22
Middle Schools	-	5
High Schools	-	4
Continuation/Independent Study High School	-	1

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, 2010
(continued)**

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

<u>Year</u>	<u>Commercial</u>	<u>Residential</u>
2010	\$ 79,329,191	\$168,054,166
2009	64,419,150	79,699,317
2008	251,269,260	363,333,294
2007	445,600,704	392,766,606
2006	818,840,474	539,959,491
2005	139,306,324	511,012,501
2004	140,099,477	457,438,697
2003	97,793,649	481,207,054
2002	169,520,522	288,402,025
2001	134,375,635	279,701,813

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

<u>Year</u>	<u>Authorized</u>
2010	1,520
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

Housing Units

<u>Year</u>	<u>Unit</u>
2010	79,414
2009	77,729
2008	75,159
2007	73,815
2006	70,389
2005	68,564
2004	65,892
2003	62,579
2002	59,825
2001	57,859

Sources: City Community Development Department

City of Irvine
Miscellaneous Statistical Information
June 30, 2010
(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 2,700-acre Irvine Business Complex (IBC) is located adjacent to John Wayne Airport. A variety of professional and technical businesses, as well as residential properties, are located in this area. In 2010, the City Council adopted the IBC Vision Plan, a planning framework to facilitate the transition of the IBC to a mixed use neighborhood.

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 10,000 acres in the City are available for business uses: 1,462 acres are designated for multi-use such as office, retail, institutional, and residential land uses; 1,759 acres for commercial uses, including retail, office, and commercial recreational land uses; and 6,900 acres in areas such as the Irvine Business Complex and Spectrum for office, manufacturing, and retail land uses. As of June 30, 2010, Irvine was home to over 15,000 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, 2010
(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 45 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 30 California Distinguished Schools and 13 National Blue Ribbon Schools, the Irvine Unified School District (IUSD) includes twenty-two elementary schools (with two K-8 schools), five middle schools, four comprehensive high schools, and a continuation/independent study high school. 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, twelve public facilities (which include a Fine Arts Center, an Aquatics Complex and two Senior Centers), over 40 miles of off-street trails and over 5,200 acres of protected open space with recreational trails for pedestrians, mountain bikers, and equestrians. 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, 2010
(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

On March 20, 2010, the City of Irvine, the Irvine Company, and the Irvine Ranch Conservancy marked the opening and completion of another piece of the City's open access trail network, connecting the Irvine Open Space Preserve to the Laguna Coast Wilderness Park and Crystal Cove Park trail systems.

The ribbon-cutting ceremony was held at the Quail Hill Loop Trailhead, located at the end of Sand Canyon Road.

The City's commitment to preserving open space began in June 1988, when Irvine voters overwhelmingly approved the historic Open Space Initiative, which protects the plants and animals in Irvine's Open Space Preserve. This vision created a unique quality of life for Irvine residents that enable them to easily explore and enjoy Irvine's natural resources and open spaces.

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