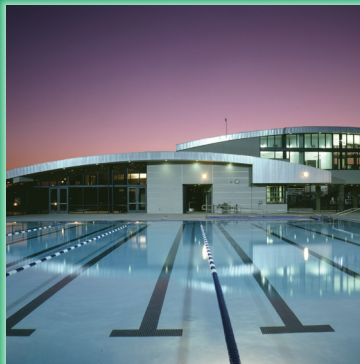


CITY OF IRVINE, CALIFORNIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2011





City of Irvine

Incorporation: December 28, 1971
 Population: 219,156 (Jan. 1, 2011, 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, 2011



Prepared by Fiscal Services



City of Irvine

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

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

November 7, 2011

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, 2011. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

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

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

Lance, Soll & Lunghard, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended June 30, 2011 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, 2011, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

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

applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The report of the Single Audit is published separately from this CAFR and may be obtained upon request from the City's 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 219,156 in 2011.

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 nonprofit public benefit entities, Orange County Great Park Corporation, City of Irvine Public Facilities Corporation, and Irvine Community Land Trust, as well as the Irvine Redevelopment Agency formed pursuant to State of California Health and Safety code, Section 33000 et seq., and the Irvine Public Facilities and Infrastructure Authority, a public body corporate and politic duly created by the City for the construction, acquisition, maintenance, and improvements of public facilities and infrastructure within the City.

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

ECONOMIC CONDITION

Local economy. Irvine is renowned as the nation's most successful master-planned community. In 2010, Money Magazine ranked Irvine as one of the United States' 25 best places to live and the top city in California. It is home to over 13,000 businesses, many of which are headquarters for well-known national corporations. These businesses represent a wide range of industries such as, manufacturing, legal, finance, software, accounting, scientific, and medical research firms

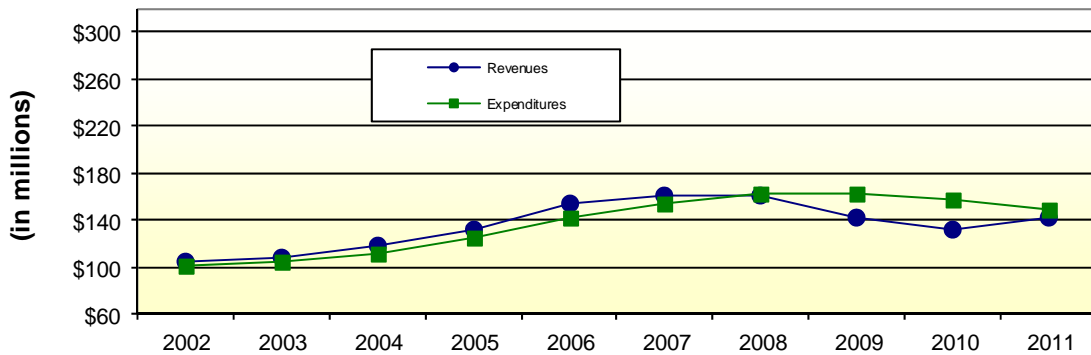
Orange County's (County) economy, which benefited during the real estate boom from an abundance of high-paying financial services and real estate industry jobs, has been significantly impacted by job losses resulting from the real estate downturn. As a result, the unemployment rate in the County has increased from an average annual rate of 3.4% in 2006 to 9.2% in June 2011 (Bureau of Labor Statistics), which is down slightly from 9.6% in June 2010. Like the County, the City's unemployment rate has increased sharply in the last four years. Irvine's unemployment rate is reported at 6.9% for June 2011, according to the Bureau of Labor Statistics, up from a low of 2.5% enjoyed five years earlier and already exceeding the high of 4.0% experienced in the midst of the 2001 recession. The City's unemployment rate has also realized a slight improvement from the June 2010 rate of 7.2%. 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 is the area's high-quality schools, including the University of California at Irvine (UCI). 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 public university and the 46th best university overall in the United States. According to the ranking, UCI "...combines the strengths of a major research university with the bounty of an incomparable Southern California location."

As businesses move to Irvine they build on each other's efforts in research and innovation resulting in compounding growth and an expanding circle of productivity and wealth. With the City's entrepreneurial and technological orientation, Irvine is a center of innovation not unlike Silicon Valley. The Irvine Chamber of Commerce's website describes the City as "...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 2010-11 increased 7.5% from prior fiscal year, while related expenditures decreased 5.5%. The economic recovery is predicted to be less robust and slower than historic recoveries from recession; however, general fund revenues are forecasted to increase at a moderate pace of 3.1%. The City continues the tradition of effectively utilizing available resources to provide the services and staff necessary to accomplish the City Council’s top priorities: public safety, enhanced public transit, development of the Orange County Great Park Western Sector, public school support, outstanding and aesthetically pleasing facilities, environmental stewardship, and excellent services, including health and human services.

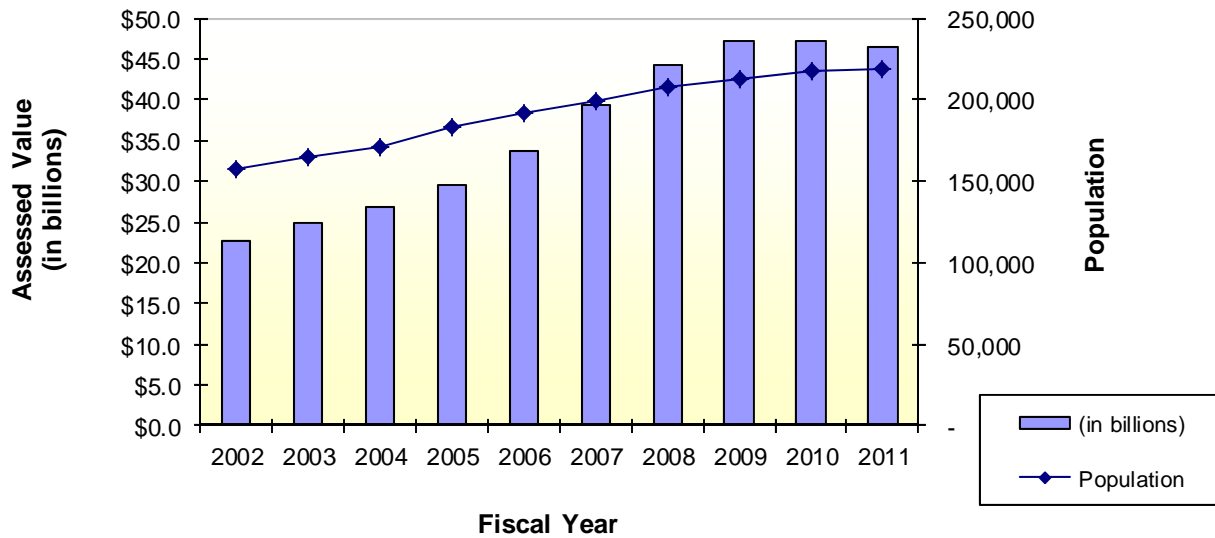
**City of Irvine
General Fund Revenues and Expenditures
Last Ten Years**



Property taxes have become a more significant revenue source since 2004, when the State swapped cities’ motor vehicle license fee (VLF) allocations for additional property tax revenue (property tax in-lieu of VLF revenues). The property tax and property tax in-lieu of VLF revenues received in fiscal year 2010-11 totaled \$41.9 million. The increasing importance of property tax revenue to the City is a concern in the short term given the difficult conditions currently gripping the nation’s residential real estate market. However, as median home prices plummeted 22% during the recession, Irvine’s assessed value remained flat in 2009 and only dropped 1.4 % in 2010. 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. As the City’s population has increased, the assessed valuation of property has outpaced the population increase, demonstrating the stability of property tax revenue.

**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 2010-11 of \$45.8 million. Projections for next year, estimate sales tax revenue increasing 2.0% to \$46.6 million in the general fund. The five year outlook predicts sales tax revenues will not return to fiscal year 2007-08 levels until after fiscal year 2015-16.

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 City's Strategic Business Plan (SBP) is updated, published and adopted by the City Council annually in the beginning of each calendar year, it 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 \$68.8 million as of June 30, 2011 and continues to make annual contributions to meet the City's infrastructure needs. During fiscal year 2010-11, the AMP's contribution for City infrastructure rehabilitation was \$2.1 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 decreases in revenues, in the event of an economic downturn while expenditure reductions are implemented, or to provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslides, or other natural disasters. At June 30, 2011 the fund balance is \$13.4 million; of which, \$1.6 million has been set aside to maintain social services programs for Irvine residents in the face of county budget cuts, and \$4.0 million has been set aside for the 3% minimum reserve.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This was the thirty-second 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 2010-11 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be

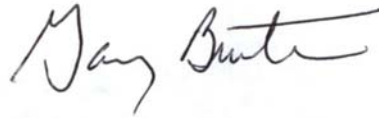
proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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



Gary Burton
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, 2010

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



BETH KROM
Mayor Pro Tem



LARRY AGRAN
Councilmember



STEVEN CHOI
Councilmember

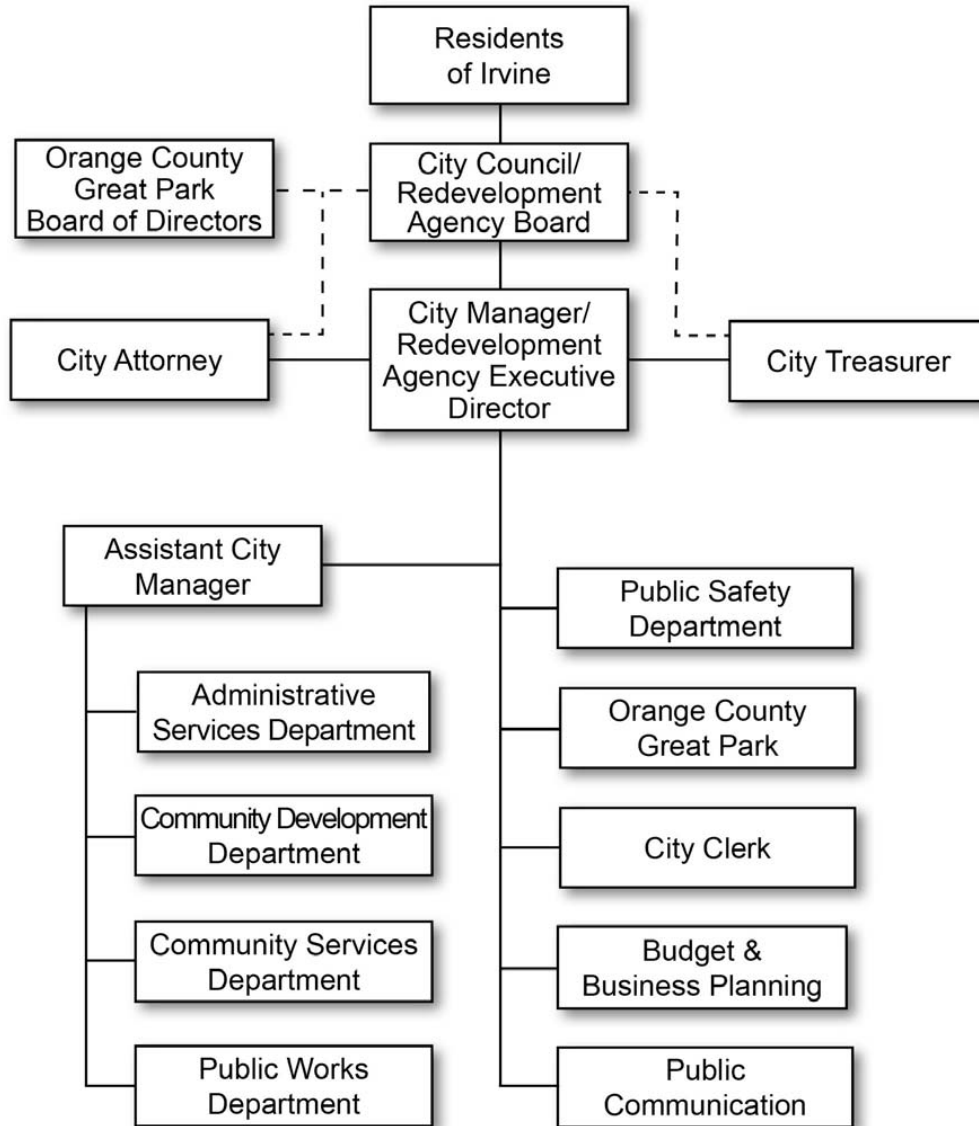


JEFFREY LALLOWAY
Councilmember

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	Gary Burton
Director of Community Development	Eric Tolles
Director of Community Services	Brian Fisk
Director of Public Affairs & Communications	Craig Reem
Director of Public Safety	Dave Maggard
Director of Public Works	Manuel Gomez

City of Irvine Organizational Chart









CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Irvine, California, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Irvine, California's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension and Employee Benefit Trust Funds for the period ending December 31, 2010 as noted in the Fiduciary Funds Statements. The Pension and Employee Benefit Trust Fund was audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension and Employee Benefit Trust Fund, is based on the report of the other auditors.

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

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, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Irvine Business Complex, Orange County Great Park, and Irvine Redevelopment Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note IV-F – "California Redevelopment Agency Uncertainty". The note provides information on two bills passed, AB1X26 and 27 which dissolve redevelopment agencies effective October 1, 2011 and provide an option to avoid dissolution by making certain defined payments.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2011, on our consideration of the City of Irvine, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Irvine, California's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements 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 financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lance, Soll & Lingham, LLP

Brea, California
October 31, 2011

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, 2011. 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, community services, community development, and great park.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also 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, Irvine Business Complex Fund, Orange County Great Park Fund, Irvine Redevelopment Fund, Capital Improvement Projects Fund, 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, Irvine Business Complex Fund, Orange County Great Park Fund, and the Irvine Redevelopment 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.

See Independent Auditors' Report.

Proprietary funds. The City maintains various *internal service funds*. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, vehicle fleet operations, miscellaneous equipment maintenance, duplication and telecommunications services, and information technology systems. Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

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

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

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

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 Plan. 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.

See Independent Auditors' Report.

Financial Highlights

- The assets of the City exceeded its liabilities, at June 30, 2011, by \$2.11 billion (*net assets*). Of this amount, \$287.84 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 \$79.75 million for capital improvement projects, \$69.00 million for future infrastructure and rehabilitation, and \$79.05 million for the development of various non-circulation projects such as parks and public facilities.
- At the fiscal year ended June 30, 2011, the government's total net assets increased by \$9.64 million. The increase in net assets is attributable to an increase in capital grants and contributions, while expenditures and general revenues decreased.
- As of June 30, 2011, the City's governmental funds reported combined ending fund balances of \$500 million, a decrease of \$33.87 million in comparison with the prior year. Approximately 6% of this total amount, \$30.40 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, 2011, committed, assigned, and unassigned fund balance for the general fund was \$96.01 million or 65% of total general fund expenditures. This represents an increase of \$4.35 million or 5% 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 \$6.98 million, 24%, during the current fiscal year. The key factor in this decrease was the retirement of lease revenue bonds in November 2010.

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, 72%, 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, 2011 and 2010
(amounts expressed in thousands)

	Governmental	
	Activities	
	<u>2011</u>	<u>2010</u>
Assets		
Current and other assets	\$ 650,587	\$ 667,088
Capital assets	<u>1,524,119</u>	<u>1,496,662</u>
Total Assets	<u>2,174,706</u>	<u>2,163,750</u>
Liabilities		
Other liabilities	52,198	50,903
Long-term liabilities	<u>16,642</u>	<u>16,619</u>
Total Liabilities	<u>68,840</u>	<u>67,522</u>
Net Assets		
Invested in capital assets, net of related debt	1,523,430	1,488,021
Restricted	294,596	349,681
Unrestricted	<u>287,840</u>	<u>258,526</u>
Total Net Assets	<u>\$ 2,105,866</u>	<u>\$ 2,096,228</u>

During the fiscal year ended June 30, 2011, net assets of the City increased to \$2.11 billion, of which \$1.52 billion is invested in capital assets such as equipment, buildings and infrastructure. Of the remaining total, \$294.60 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties. The remaining \$287.84 million is subject to designation for specific purposes as approved by the City Council. Of that amount, \$79.05 million is designated for non-circulation projects such as the Orange County Great Park, various neighborhood parks, and public facilities, \$69.00 million for future infrastructure and rehabilitations, and \$79.75 million for capital improvement projects.

See Independent Auditors' Report.

City of Irvine
Summary of Changes in Net Assets
For the Years Ended June 30, 2011 and 2010
(amounts expressed in thousands)

	Governmental Activities	
	2011	2010
Revenues		
Program revenues:		
Charges for services	\$ 43,981	\$ 43,210
Operating grants and contributions	16,570	9,644
Capital grants and contributions	71,731	31,707
General revenues:		
Property taxes	48,370	50,791
Sales taxes	48,694	42,209
Investment revenue	4,786	20,492
Other taxes	23,821	20,783
Other revenues	91	241
Total Revenues	258,044	219,077
Expenses		
General Government	20,281	23,199
Public Safety	57,091	57,891
Public Works	58,688	59,666
Community Services	33,006	26,715
Community Development	21,747	25,447
Great Park	14,747	17,593
Interest on long-term debt	68	14,803
Unallocated infrastructure depreciation	42,778	41,026
Total Expenses	248,406	266,340
Change in Net Assets	9,638	(47,263)
Beginning Net Assets, as restated	2,096,228	2,143,491
Ending Net Assets	\$ 2,105,866	\$ 2,096,228

See Independent Auditors' Report.

Overall, Citywide revenues for the fiscal year ended June 30, 2011 increased by \$38.97 million, an 18% increase from the prior year. The majority of the increase was attributed to program revenue, capital grants and contributions. In addition:

- Total program revenues of \$132.28 million were 51% of total revenues. Capital grants and contributions related to infrastructure and capital improvements accounted for 28% of total revenues.
- Total general revenues of \$125.76 million were 49% of total revenues. The largest general revenue, sales tax, accounted for 19% of total revenues.

Total expenses decreased by \$17.93 million, a 7% decrease from the prior year. Public Safety and Public Works expenses accounted for 23% and 24% of the total expenses respectively and, Community Services accounted for 13% 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, 2011, the City's governmental funds reported total combined ending fund balances of \$500 million, a decrease of \$33.87 million from the prior year. Approximately 6% of the City's governmental funds ending fund balances, or \$30.40 million, constitutes *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, \$469.56 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 \$182.93 million consists of an endowment to generate income to pay for senior citizen services programs of \$0.47 million, \$176.84 million of long-term advances to other funds, and \$5.62 million of prepaid expenditures. The remaining restricted funds totaling \$286.63 million are comprised of \$278.25 million for capital improvement projects, circulation improvement and maintenance, \$1.17 million for community service activities, a contingency reserve of \$3.97 million, \$0.69 million for low-income housing and redevelopment activities, \$0.85 million for development activities, \$0.70 for pollution remediation, and for law enforcement purposes \$1.00 million.

General Fund Financial Highlights

The general fund is the chief operating fund of the City. At June 30, 2011, committed, assigned, and unassigned fund balance of the general fund was \$96.01 million, while total fund balance was \$108.75 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 65% 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, 2011, the cash and investments balance in the general fund was \$102.58 million, an increase of \$2.95 million from the prior fiscal year. Long-term notes receivable in the amount of \$10.71 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, 2011 and 2010
(amounts expressed in thousands)

	<u>2011</u>	<u>2010</u>
Revenues		
Taxes:		
Sales	\$ 45,788	\$ 39,735
Property	41,884	42,739
Other	<u>21,377</u>	<u>20,117</u>
Total Taxes	109,049	102,591
Charges for services	18,422	15,624
Intergovernmental	2,617	1,363
Investment revenue	1,661	4,228
Other	<u>10,694</u>	<u>8,696</u>
Total Revenues	<u>142,443</u>	<u>132,502</u>
 Expenditures		
General Government	25,968	28,915
Public Safety	53,847	54,274
Public Works	24,180	28,663
Community Development	15,891	14,403
Community Services	<u>28,865</u>	<u>31,166</u>
Total Expenditures	<u>148,751</u>	<u>157,421</u>
 Deficiency of Revenues Under Expenditures	(6,308)	(24,919)
Proceeds from sale of capital assets	11	62
Net transfers	<u>11,102</u>	<u>18,610</u>
 Net Change in Fund Balance	<u><u>\$ 4,805</u></u>	<u><u>\$ (6,247)</u></u>

See Independent Auditors' Report.

Overall, General Fund revenues for the fiscal year ended June 30, 2011 increased by \$9.94 million, or 8%, over the prior year. The majority of this increase is attributable to higher tax revenues, charges for service, and intergovernmental revenues.

Total related General Fund expenditures decreased by \$8.67 million, or 6%, from the prior year. Changes in expenditures, by function, occurred as follows during the fiscal year ended June 30, 2011:

- General Government expenditures decreased by \$2.95 million, to \$25.97 million due to decreased staffing costs.
- Public Safety expenditures decreased by \$0.43 million to \$53.85 million, due to expenditure controls for supplies and outside services, also no increase to the patrol car fleet this fiscal year.
- Public Works expenditures decreased by \$4.48 million, to \$24.18 million, due to expenditure controls and decreased staffing costs.
- Community Development expenditures increased by \$1.49 million, to \$15.89 million, due to an increase in staffing and consultant costs as a result of an increase in development.
- Community Services expenditures decreased by \$2.30 million, to \$28.87 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 \$1.44 million and can be briefly summarized as follows:

Increases for activities

- \$0.30 million for community services.
- \$1.05 million for community development.
- \$0.64 million for public works.

Decreases for activities

- \$3.42 million for general government.
- \$0.01 million for public safety.

In each of the functional expenditure categories actual expenditures were less than final budgeted amounts, totaling \$148.75 million, and \$155.55 million, respectively. Additionally, for the year ended June 30, 2011, actual revenues exceeded budgetary estimates, at \$142.44 million and \$133.20 million respectively. Since expenditures exceeded revenues, there was a need to draw upon existing fund balance of \$6.31 million. Furthermore, actual net transfers to the general fund were more than final budget amounts by \$2.48 million, as a result of the closure of capital projects and programs with savings. These savings were transferred back to the original funding sources.

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, 2011, developer fees of \$0.17 million were received. Actual expenditures were less than budgeted amounts because project delays have resulted in the postponement of capital outlay expenditures to future fiscal years. The ending fund balance of \$49.54 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, operations, and programs for the Orange County Great Park amounted to \$12.37 million. The ending fund balance of \$206.15 million is designated for the future development of the Orange County Great Park.

The Irvine Redevelopment Fund accounts for the operational activities of the Irvine Redevelopment Agency (Agency) to enable and facilitate the redevelopment of the project area located on the site of the former MCAS El Toro. Transfers in and revenues were less than expenditures by \$0.32 million; therefore, fund balance was used to meet current obligations. The ending fund balance of \$0.92 million is designated for future operations of the Agency.

The Capital Improvement Projects Fund accounts for street, bridge, traffic signal and other circulation related capital projects funded by grants, fees, gas tax, sales tax, and interest revenue. The fund balance increased by \$2.92 million due to a delay in expenditures in capital outlay for circulation capital projects. The fund balance of \$13.26 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 \$13.94 million for improvements related to new development in the City. The ending fund balance of \$183.53 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 \$49.31 million mainly due to an increase in interest related to the advances with other funds and new agreements to fund certain improvement in the Orange County Great Park redevelopment project area with future tax increment. The fund balance is a deficit of \$223.98 million. Future tax increment revenues from the development in the project area are expected to alleviate this deficit.

See Independent Auditors' Report.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$1.52 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, park facilities, roads, highways, and bridges. The total increase over prior fiscal year in the City's investment in capital assets was \$27.46 million, or a 2% increase.

City of Irvine
Summary of Changes in Capital Assets
For the Year Ended June 30, 2011
(amounts expressed in thousands)

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 589,598	\$ 8,912	\$ -	\$ 598,510
Construction in progress	66,813	31,049	2,172	95,690
Total capital assets not being depreciated	<u>656,411</u>	<u>39,961</u>	<u>2,172</u>	<u>694,200</u>
Capital assets, being depreciated:				
Buildings	108,228	1,583	-	109,811
Improvements other than buildings	70,884	2,013	-	72,897
Machinery and equipment	41,076	2,400	1,352	42,124
Infrastructure	1,313,448	37,122	-	1,350,570
Total capital assets being depreciated	<u>1,533,636</u>	<u>43,118</u>	<u>1,352</u>	<u>1,575,402</u>
Less accumulated depreciation for:				
Buildings	(40,522)	(2,798)	-	(43,320)
Improvements other than buildings	(31,295)	(3,625)	-	(34,920)
Machinery and equipment	(29,270)	(4,145)	(1,248)	(32,167)
Infrastructure	(592,298)	(42,778)	-	(635,076)
Total accumulated depreciation	<u>(693,385)</u>	<u>(53,346)</u>	<u>(1,248)</u>	<u>(745,483)</u>
Total capital assets, being depreciated, net	<u>840,251</u>	<u>(10,228)</u>	<u>104</u>	<u>829,919</u>
Governmental activities capital assets, net	<u>\$ 1,496,662</u>	<u>\$ 29,733</u>	<u>\$ 2,276</u>	<u>\$ 1,524,119</u>

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

- Infrastructure additions were \$37.12 million. Street additions accounted for \$35.08 million, traffic signal additions totaled \$1.32 million, bridge additions were \$0.03 million, trail additions totaled \$0.51 million, and landscaping additions were \$0.18 million.
- Machinery and equipment acquisitions of \$2.40 million included vehicles, telephone equipment, and hardware and software per the Strategic Technology Plan.

See Independent Auditors' Report.

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

Long-term Debt

Total outstanding long-term debt at June 30, 2011 is \$21.97, a decrease of \$6.78 from the prior year. In November 2010, the City made the final principal payment on the lease revenue bonds of \$8.26, retiring the bond debt.

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

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011	Long- Term	Due Within One Year
Lease Revenue Bonds:						
Series 1985 matures in 2010	\$ 7,700	\$ -	\$ 7,700	\$ -	\$ -	\$ -
Series 1987 matures in 2010	560	-	560	-	-	-
Total Lease Revenue Bonds	<u>8,260</u>	<u>-</u>	<u>8,260</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Debt:						
Compensated absences	10,229	2,690	3,017	9,902	7,946	1,956
Claims payable	8,584	4,095	2,838	9,841	6,771	3,070
Capital lease obligation	381	566	258	689	386	303
Long-term note	1,492	47	-	1,539	1,539	-
Total Other Debt	<u>20,686</u>	<u>7,398</u>	<u>6,113</u>	<u>21,971</u>	<u>16,642</u>	<u>5,329</u>
Total Long-Term Liabilities	<u>\$ 28,946</u>	<u>\$ 7,398</u>	<u>\$ 14,373</u>	<u>\$ 21,971</u>	<u>\$ 16,642</u>	<u>\$ 5,329</u>

Long-term debt-related events during the fiscal year ended June 30, 2011 included.

- Compensated absences liabilities decreased by \$0.33 million and payouts to employees upon termination amounted to \$3.02 million.
- A net increase to claim liability of \$1.26 million to adjustment for possible future general liability and worker’s compensation claims.
- The City entered into a new capital lease obligation of \$.057 million to replace twenty-six patrol cars.

Additional information on the City’s long-term debt can be found under Section III. 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

See Independent Auditors’ Report.

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 2010-11 citywide budget, available through the City Manager’s Office.

Requests for Information

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



BASIC FINANCIAL STATEMENTS



City of Irvine
Statement of Net Assets
June 30, 2011
(amounts expressed in thousands)

	Governmental Activities
ASSETS	
Cash and investments	\$ 404,642
Cash and investments held by trustee	196,162
Receivables, net of allowances:	
Taxes	14,495
Accounts	3,893
Accrued interest	2,086
Prepaid	1,475
Inventories	115
Due from other governments	10,715
Due from developers	36
Long-term note receivable	15,357
Net pension asset	1,611
Capital assets, net of accumulated depreciation:	
Land	598,510
Buildings and systems	66,491
Improvements other than buildings	37,977
Machinery and equipment	9,957
Infrastructure	715,494
Construction in progress	95,690
Total Assets	2,174,706
LIABILITIES	
Accounts payable	32,037
Due to other governments	3,173
Deposits	4,392
Unearned revenue	6,659
Noncurrent liabilities:	
Due within one year	5,329
Due in more than one year	16,642
Net pension obligation	608
Total Liabilities	68,840
NET ASSETS	
Invested in capital assets, net of related debt	1,523,430
Restricted	
Expendable:	
Assessment infrastructure and capital improvements	285,354
Housing programs and redevelopment	4,828
Public safety programs	1,044
Other programs and activities	2,901
Nonexpendable:	
Senior Services Fund program	469
Unrestricted	287,840
Total Net Assets	\$ 2,105,866

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

City of Irvine
Statement of Activities
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government					
Governmental Activities:					
General Government	\$ 20,267	\$ 462	\$ 2,167	\$ -	\$ (17,638)
Public Safety	57,091	3,460	1,221	-	(52,410)
Public Works	58,702	10,465	6,469	68,904	27,136
Community Services	33,006	9,069	1,615	262	(22,060)
Community Development	21,747	17,579	2,946	2,056	834
Great Park	14,747	2,946	2,152	509	(9,140)
Interest on Long-Term Debt	68	-	-	-	(68)
Unallocated infrastructure deprecation	42,778	-	-	-	(42,778)
Total Governmental Activities	<u>\$ 248,406</u>	<u>\$ 43,981</u>	<u>\$ 16,570</u>	<u>\$ 71,731</u>	<u>(116,124)</u>
General Revenues					
Taxes:					
Property taxes					48,370
Sales taxes					48,694
Franchise taxes					12,099
Transient occupancy taxes					8,294
Document transfer taxes					1,536
Business license taxes					911
Unrestricted motor vehicle in-lieu					981
Gain on sales of assets					64
Investment revenue					4,786
Other revenue					27
Total General Revenues					<u>125,762</u>
Change in Net Assets					9,638
Fund Balances, Beginning, as restated					<u>2,096,228</u>
Fund Balances, Ending					<u>\$ 2,105,866</u>

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

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2011
(amounts expressed in thousands)
Page 1 of 2

	General	Irvine Business Complex	Orange County Great Park	Irvine Redevelopment
ASSETS				
Cash and investments	\$ 102,575	\$ 52,432	\$ 37,758	\$ 131
Receivables, net of allowances:				
Taxes	8,487	-	-	-
Accounts	2,054	-	26	-
Accrued interest	144	60	44	-
Prepaid	1,100	-	375	-
Due from other funds	1,109	-	-	-
Due from other governments	967	1,503	567	-
Due from developers	26	-	-	-
Advances to other funds	9,392	-	216,334	-
Long-term note receivable	10,711	-	-	-
Total Assets	<u>\$ 136,565</u>	<u>\$ 53,995</u>	<u>\$ 255,104</u>	<u>\$ 131</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,008	\$ 2,185	\$ 1,244	\$ 39
Due to other funds	-	766	-	-
Due to other governments	20	-	6	-
Deposits	3,535	-	-	-
Deferred revenue	17,248	1,503	47,703	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>27,811</u>	<u>4,454</u>	<u>48,953</u>	<u>39</u>
Fund Balances:				
Nonspendable				
Prepaid	1,100	-	375	-
Advances to other funds	6,716	-	168,779	-
Endowment	-	-	-	-
Restricted				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	-	-
Community services activities	100	-	-	-
Contingency reserve	3,973	-	-	-
Development activities	854	-	-	-
Lighting, landscape, & park maintenance	-	-	-	-
Low-income housing activities	-	-	-	-
Pollution remediation	-	-	-	-
Public safety programs	-	-	-	-
Redevelopment activities	-	-	-	92
Committed				
Capital improvement projects	-	49,541	-	-
Circulation improvements	-	-	-	-
Contingency reserve	7,863	-	-	-
Public facilities improvements	-	-	36,997	-
Assigned				
Capital improvement projects	-	-	-	-
Community services activities	1,600	-	-	-
Compensated absences	1,284	-	-	-
Debt service	-	-	-	-
Development activities	1,785	-	-	-
Education	999	-	-	-
Infrastructure and rehabilitation	69,006	-	-	-
Unassigned	13,474	-	-	-
Total Fund Balances	<u>108,754</u>	<u>49,541</u>	<u>206,151</u>	<u>92</u>
Total Liabilities and Fund Balances	<u>\$ 136,565</u>	<u>\$ 53,995</u>	<u>\$ 255,104</u>	<u>\$ 131</u>

- continued -

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

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2011
(amounts expressed in thousands)
Page 2 of 2

	Capital Improvement Projects	Assessment Districts	RDA Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 17,899	\$ 186,212	\$ 3,230	\$ 175,687	\$ 575,924
Receivables, net of allowances:					
Taxes	-	-	-	1,270	9,757
Accounts	1,547	-	-	194	3,821
Accrued interest	13	-	4	187	452
Prepaid	-	-	-	4,143	5,618
Due from other funds	-	-	-	-	1,109
Due from other governments	6,073	-	-	1,592	10,702
Due from developers	10	-	-	-	36
Advances to other funds	-	-	-	1,350	227,076
Long-term note receivable	-	-	-	4,646	15,357
Total Assets	<u>\$ 25,542</u>	<u>\$ 186,212</u>	<u>\$ 3,234</u>	<u>\$ 189,069</u>	<u>\$ 849,852</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,156	\$ 970	\$ -	\$ 12,229	\$ 30,831
Due to other funds	-	-	-	343	1,109
Due to other governments	1	1,648	1,487	6	3,168
Deposits	427	65	-	365	4,392
Deferred revenue	4,695	-	-	12,172	83,321
Advances from other funds	-	-	225,726	1,350	227,076
Total Liabilities	<u>12,279</u>	<u>2,683</u>	<u>227,213</u>	<u>26,465</u>	<u>349,897</u>
Fund Balances:					
Nonspendable					
Prepaid	-	-	-	4,143	5,618
Advances to other funds	-	-	-	1,350	176,845
Endowment	-	-	-	469	469
Restricted					
Capital improvement projects	-	183,529	-	50,196	233,725
Circulation improvements	-	-	-	42,938	42,938
Community services activities	-	-	-	1,067	1,167
Contingency reserve	-	-	-	-	3,973
Development activities	-	-	-	-	854
Lighting, landscape, & park maintenance	-	-	-	1,583	1,583
Low-income housing activities	-	-	-	593	593
Pollution remediation	-	-	-	700	700
Public safety programs	-	-	-	1,001	1,001
Redevelopment activities	-	-	-	-	92
Committed					
Capital improvement projects	9,349	-	-	42,582	101,472
Circulation improvements	-	-	-	2,985	2,985
Contingency reserve	-	-	-	-	7,863
Public facilities improvements	-	-	-	6,762	43,759
Assigned					
Capital improvement projects	3,914	-	-	6,677	10,591
Community services activities	-	-	-	-	1,600
Compensated absences	-	-	-	-	1,284
Debt service	-	-	-	121	121
Development activities	-	-	-	-	1,785
Education	-	-	-	-	999
Infrastructure and rehabilitation	-	-	-	-	69,006
Unassigned	-	-	(223,979)	(563)	(211,068)
Total Fund Balances	<u>13,263</u>	<u>183,529</u>	<u>(223,979)</u>	<u>162,604</u>	<u>499,955</u>
Total Liabilities and Fund Balances	<u>\$ 25,542</u>	<u>\$ 186,212</u>	<u>\$ 3,234</u>	<u>\$ 189,069</u>	<u>\$ 849,852</u>

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

City of Irvine
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Activities
June 30, 2011
(amounts expressed in thousands)

Total Fund Balances of Governmental Funds		\$ 499,955
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. The following is net of the Internal Service Funds of \$6,863.		
Governmental capital assets	2,237,074	
Less: accumulated depreciation	<u>(719,818)</u>	1,517,256
Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.		16,625
Intergovernmental revenues are not collected within current period and are deferred in the funds. However, on an accrual basis revenues are included in the government-wide statements. These revenues include:		
Orange County Great Park Fund	47,703	
Capital Improvement Projects Funds	4,284	
General Fund	3,131	
Irvine Business Complex Fund	1,503	
Park Development Fund	352	
Grant Fund	<u>189</u>	57,162
Other revenues are not available to pay for current period expenditures and are not reported in the funds.		375
The net pension asset is not an available financial resources and is excluded from the funds.		1,611
The net other employment pension obligations are not due and payable in the current period and are not reported in the funds.		(608)
A portion of sales tax receivable is not reported in the fund financial statements.		4,738
Internal service funds are used by management to charge the cost of activities involved in rendering services to departments within the City. The assets and liabilities of the internal services funds are included in the Statement of Net Assets.		19,993
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Compensated absences	(9,699)	
Long-term note	<u>(1,539)</u>	(11,238)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(3)
Total Net Assets per Statement of Net Assets		<u><u>\$2,105,866</u></u>

See Independent Auditors' Reports 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, 2011
(amounts expressed in thousands)

Page 1 of 2

	<u>General</u>	<u>Irvine Business Complex</u>	<u>Orange County Great Park</u>	<u>Irvine Redevelopment</u>
REVENUES				
Taxes	\$ 109,049	\$ -	\$ -	\$ -
Licenses and permits	6,122	-	-	-
Fines and forfeitures	1,916	-	-	-
Investment income	1,661	681	5,247	-
Intergovernmental	2,617	2,205	503	-
Charges for services	18,422	-	2,946	35
Assessment districts contributions	-	-	-	-
Revenue from developers	26	173	2,150	-
Revenue from property owners	-	-	-	-
Donations	448	-	2	-
Other revenue	2,182	-	-	-
	<u>142,443</u>	<u>3,059</u>	<u>10,848</u>	<u>35</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	25,968	16	151	193
Public Safety	53,847	-	-	-
Public Works	24,180	328	23	-
Community Development	15,891	28	-	962
Community Services	28,865	-	-	-
Great Park	-	-	12,192	-
Street lighting	-	-	-	-
Capital outlay	-	7,455	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Administration	-	-	-	-
	<u>148,751</u>	<u>7,827</u>	<u>12,366</u>	<u>1,155</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,308)</u>	<u>(4,768)</u>	<u>(1,518)</u>	<u>(1,120)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	11	-	50	-
Transfers in	14,477	103	98,617	800
Transfers out	(3,375)	(989)	(62,473)	-
	<u>11,113</u>	<u>(886)</u>	<u>36,194</u>	<u>800</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	4,805	(5,654)	34,676	(320)
Fund Balances, Beginning	<u>103,949</u>	<u>55,195</u>	<u>171,475</u>	<u>412</u>
Fund Balances, Ending	<u>\$ 108,754</u>	<u>\$ 49,541</u>	<u>\$ 206,151</u>	<u>\$ 92</u>

- continued -

See Independent Auditors' Reports 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, 2011
(amounts expressed in thousands)
Page 2 of 2

	Capital Improvement Projects	Assessment Districts	RDA Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ -	\$ -	\$ 5,189	\$ 18,228	\$ 132,466
Licenses and permits	-	-	-	-	6,122
Fines and forfeitures	-	-	-	-	1,916
Investment income	154	117	39	2,589	10,488
Intergovernmental	21,009	-	-	9,085	35,419
Charges for services	975	-	-	11,118	33,496
Assessment districts contributions	-	38,318	-	-	38,318
Revenue from developers	2,951	-	-	2,341	7,641
Revenue from property owners	-	-	-	5,372	5,372
Donations	-	-	-	124	574
Other revenue	2,193	-	-	17	4,392
Total Revenues	27,282	38,435	5,228	48,874	276,204
EXPENDITURES					
Current:					
General Government	51	1,792	-	175	28,346
Public Safety	-	-	-	1,739	55,586
Public Works	1,078	270	-	1,309	27,188
Community Development	5	-	2,634	7,714	27,234
Community Services	-	-	-	3,189	32,054
Great Park	-	-	-	2,587	14,779
Street lighting	-	-	-	6,892	6,892
Capital outlay	35,556	13,942	-	39,033	95,986
Debt service:					
Principal retirement	-	-	-	8,260	8,260
Interest and fiscal charges	-	-	16,327	9	16,336
Administration	-	-	-	11	11
Total Expenditures	36,690	16,004	18,961	70,918	312,672
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,408)	22,431	(13,733)	(22,044)	(36,468)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	-	-	-	261	322
Transfers in	12,323	-	61,417	27,678	215,415
Transfers out	-	(1,325)	(96,996)	(47,983)	(213,141)
Total Other Financing Sources (Uses)	12,323	(1,325)	(35,579)	(20,044)	2,596
Net Change in Fund Balances	2,915	21,106	(49,312)	(42,088)	(33,872)
Fund Balances, Beginning	10,348	162,423	(174,667)	204,692	533,827
Fund Balances, Ending	<u>\$ 13,263</u>	<u>\$ 183,529</u>	<u>\$ (223,979)</u>	<u>\$ 162,604</u>	<u>\$ 499,955</u>

See Independent Auditors' Reports 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, 2011
(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 \$ (33,872)

Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital outlays	95,986	
Expenditures for capital equipment purchases	2,096	
Less amounts not capitalized	(19,964)	
Depreciation expense	<u>(49,704)</u>	28,414

Governmental funds do not report the donation of capital assets not held for resale. Such transactions are included as revenue on the Statement of Activities.

Donation of capital infrastructure assets	504
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Interest	(5,435)	
Grants	(2,166)	
Sales taxes	207	
Charges for services	195	
Other revenue	<u>25</u>	(7,174)

Long-term receivables and related deferred revenues are recognized as expenditures in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. However, these payments reduce the deferred revenue in the Statement of Net Assets and do not result in an expense in the Statement of Activities.

18,657

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.

Defined Benefit Pension Plan	(208)
Other Post Employment Benefit Plans	(210)

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.

Principal repayments on long term debt	8,260
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.

Accrued interest	(47)	
Compensated absences	<u>304</u>	257

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.

(4,990)

Change in Net Assets of Governmental Activities	<u><u>\$ 9,638</u></u>
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See Independent Auditors' Reports 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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 103,517	\$ 103,517	\$ 109,049	\$ 5,532
Licenses and permits	5,512	5,912	6,122	210
Fines and forfeitures	1,607	1,607	1,916	309
Investment income	2,095	2,095	1,661	(434)
Intergovernmental	1,225	2,030	2,617	587
Charges for services	14,449	15,904	18,422	2,518
Revenue from developers	16	16	26	10
Donations	200	243	448	205
Other revenue	1,870	1,878	2,182	304
Total Revenues	130,491	133,202	142,443	9,241
EXPENDITURES				
Current:				
General Government:				
City Manager	8,142	8,208	7,474	734
Administrative Services	22,610	19,111	18,494	617
Public Safety	54,656	54,649	53,847	802
Public Works	24,723	25,365	24,180	1,185
Community Development	15,559	16,609	15,891	718
Community Services	31,308	31,612	28,865	2,747
Total Expenditures	156,998	155,554	148,751	6,803
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,507)	(22,352)	(6,308)	16,044
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	11	11
Transfers in	11,396	14,422	14,477	55
Transfers out	(4,973)	(5,800)	(3,375)	2,425
Total Other Financing Sources (Uses)	6,423	8,622	11,113	2,491
Net Change in Fund Balances	(20,084)	(13,730)	4,805	18,535
Fund Balances, Beginning	103,949	103,949	103,949	-
Fund Balances, Ending	\$ 83,865	\$ 90,219	\$ 108,754	\$ 18,535

See Independent Auditors' Reports 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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 933	\$ 933	\$ 681	\$ (252)
Intergovernmental	3,285	3,285	2,205	(1,080)
Revenue from developers	500	500	173	(327)
Total Revenues	4,718	4,718	3,059	(1,659)
EXPENDITURES				
Current:				
General Government	15	15	16	(1)
Public Works	307	307	328	(21)
Community Development	72	72	28	44
Capital outlay	18,250	18,250	7,455	10,795
Total Expenditures	18,644	18,644	7,827	10,817
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,926)	(13,926)	(4,768)	9,158
OTHER FINANCING SOURCES (USES)				
Transfers in	82	185	103	(82)
Transfers out	(350)	(350)	(989)	(639)
Total Other Financing Sources (Uses)	(268)	(165)	(886)	(721)
Net Change in Fund Balances	(14,194)	(14,091)	(5,654)	8,437
Fund Balances, Beginning	55,195	55,195	55,195	-
Fund Balances, Ending	\$ 41,001	\$ 41,104	\$ 49,541	\$ 8,437

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

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and
Orange County Great Park
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 941	\$ 6,321	\$ 5,247	\$ (1,074)
Intergovernmental	-	706	503	(203)
Charges for services	2,976	2,826	2,946	120
Revenue from developers	-	2,150	2,150	-
Donations	-	29	2	(27)
Total Revenues	3,917	12,032	10,848	(1,184)
EXPENDITURES				
Current:				
General Government	148	148	151	(3)
Public Works	-	10	23	(13)
Great Park	15,997	16,685	12,192	4,493
Total Expenditures	16,145	16,843	12,366	4,477
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,228)	(4,811)	(1,518)	3,293
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	50	50	-
Transfers in	-	98,617	98,617	-
Transfers out	(100)	(62,489)	(62,473)	16
Total Other Financing Sources (Uses)	(100)	36,178	36,194	16
Net Change in Fund Balances	(12,328)	31,367	34,676	3,309
Fund Balances, Beginning	171,475	171,475	171,475	-
Fund Balances, Ending	\$ 159,147	\$ 202,842	\$ 206,151	\$ 3,309

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

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and
Irvine Redevelopment
For the Fiscal Year Ended June 30, 2011
(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	\$ -	\$ (7)
Charges for services	62	62	35	(27)
Total Revenues	69	69	35	(34)
EXPENDITURES				
Current:				
General Government	203	203	193	10
Community Development	1,383	1,383	962	421
Total Expenditures	1,586	1,586	1,155	431
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,517)	(1,517)	(1,120)	397
OTHER FINANCING SOURCES (USES)				
Transfers in	1,200	1,200	800	(400)
Total Other Financing Sources (Uses)	1,200	1,200	800	(400)
Net Change in Fund Balances	(317)	(317)	(320)	(3)
Fund Balances, Beginning	412	412	412	-
Fund Balances, Ending	<u>\$ 95</u>	<u>\$ 95</u>	<u>\$ 92</u>	<u>\$ (3)</u>

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



City of Irvine
Statement of Net Assets
Proprietary Funds
June 30, 2011
(amounts expressed in thousands)

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 24,880
Receivables, net of allowances:	
Accounts	34
Accrued interest	29
Inventories	115
Due from other governments	<u>13</u>
Total Current Assets	<u>25,071</u>
Noncurrent Assets:	
Capital assets:	
Equipment	32,528
Less accumulated depreciation	<u>(25,665)</u>
Total Noncurrent Assets	<u>6,863</u>
Total Assets	<u>31,934</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	1,203
Due to other governments	5
Lease payable	303
Compensated absences	40
Claims payable	<u>3,070</u>
Total Current Liabilities	<u>4,621</u>
Noncurrent Liabilities:	
Lease payable	386
Compensated absences	163
Claims payable	<u>6,771</u>
Total Noncurrent Liabilities	<u>7,320</u>
Total Liabilities	<u>11,941</u>
NET ASSETS	
Invested in capital assets, net of related debt	6,174
Unrestricted	<u>13,819</u>
Total Net Assets	<u><u>\$ 19,993</u></u>

See Independent Auditors' Reports and 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, 2011
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 18,158
Other	623
Total Operating Revenues	18,781
OPERATING EXPENSES	
Personal services	2,415
Supplies & equipment	4,471
Contract services	4,488
Administration	1,285
Self-insured losses	3,978
Insurance premiums	1,939
Depreciation	3,345
Total Operating Expenses	21,921
Operating Loss	(3,140)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	297
Interest expense	(12)
Gain on disposal of equipment	54
Total Nonoperating Revenues	339
Loss Before Transfers	(2,801)
Transfers in	111
Transfers out	(2,300)
Change in Net Assets	(4,990)
Total Net Assets, Beginning	24,983
Total Net Assets, Ending	\$ 19,993

See Independent Auditors' Reports and the Basic Financial Statements

City of Irvine
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers and users	\$ 431
Received from interfund services provided	18,337
Paid to suppliers	(892)
Paid for interfund services provided	(13,246)
Paid to employees	(2,428)
Net Cash Provided by Operating Activities	<u>2,202</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash paid to other funds	(2,300)
Net Cash Used by Non-Capital Financing Activities	<u>(2,300)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of equipment	109
Cash received from other funds	25
Interest paid	(12)
Equipment purchases	(1,856)
Net Cash Used by Capital and Related Financing Activities	<u>(1,734)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	326
Net Cash Provided by Investing Activities	<u>326</u>
Net Decrease in Cash and Cash Equivalents	(1,506)
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>26,386</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 24,880</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	<u>\$ (3,140)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	3,345
Changes in assets and liabilities:	
(Increase) decrease in receivables, net of allowances	52
(Increase) decrease in due from other governments	(11)
(Increase) decrease in inventories	23
Increase (decrease) in accounts payable	441
Increase (decrease) in due to other governments	4
Increase (decrease) in deferred revenue	(54)
Increase (decrease) in lease payable	308
Increase (decrease) in compensated absences	(23)
Increase (decrease) in claims payable	1,257
Total Adjustments	<u>5,342</u>
Net Cash Provided by Operating Activities	<u>\$ 2,202</u>
Non Cash Capital Financing Activities - Capital Lease Borrowings	<u>\$ 566</u>

See Independent Auditors' Reports and the Basic Financial Statements





City of Irvine
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010 and June 30, 2011
(amounts expressed in thousands)

	Pension and Employee Benefit Trust Funds	Agency Funds
ASSETS		
Cash	\$ -	\$ 93,409
Investments:		
Collective trust funds	17,491	-
Short-term investments	505	-
Participant-directed investments	10,798	-
Receivables, net of allowances:		
Taxes	-	855
Accounts	2	-
Loans	77	-
Due from developers	-	947
Total Assets	28,873	95,211
LIABILITIES		
Accounts payable	151	67
Accrued liabilities	27	946
Due to bondholders	-	94,019
Due to other governments	-	179
Total Liabilities	178	95,211
NET ASSETS		
Held in trust for pension benefits	28,695	-
Total Net Assets	\$ 28,695	\$ -

See Independent Auditors' Reports 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, 2010
(amounts expressed in thousands)

	Pension and Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 441
Plan members	54
Interest from participants' loan	5
Total Contributions	500
Investment income (loss):	
Interest and dividends	53
Net appreciation (depreciation) in fair value of investments	2,664
Total Investment Income	2,717
Less investment expenses	(133)
Net Investment Income	2,584
Total Additions	3,084
DEDUCTIONS	
Benefit payments	1,401
Administrative expenses	8
Forfeitures to the City of Irvine	2
Transfer to other defined benefit plan	14
Total Deductions	1,425
Change in Net Assets	1,659
Total Net Assets, Beginning	27,036
Total Net Assets, Ending	\$ 28,695

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





City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

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 the Authority's debt was retired in fiscal year 2010-11; no additional activity has occurred in these funds. Separate financial statements are not available for the Corporation and the Authority.

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 Councilmembers governs the Agency. The transactions of the Agency are reported in the governmental fund financial statements; a major debt service fund, a major special revenue fund, and other governmental special revenue fund. Copies of separate financial statements for the Agency may be obtained from the City of Irvine City Hall, One Civic Center Plaza, Irvine, California, 92606.

The Orange County Great Park Corporation (OCGPC) was established by the Irvine City Council on July 7, 2003, as a support agency to the City, for the specific purpose of managing and effecting the development, operation, and maintenance of the Orange County Great Park on the site of the former MCAS El Toro. A board of directors comprised of the elected City Councilmembers 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. Copies of separate financial statements for the OCGPC may be obtained from the City of Irvine City Hall, One Civic Center Plaza, Irvine, California, 92606.

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

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

I. Summary of significant accounting policies (continued)

transactions of the ICLT are reported in the governmental fund financial statements as an other governmental special revenue fund. Copies of separate financial statements for the ICLT may be obtained from the City of Irvine City Hall, One Civic Center Plaza, Irvine, California, 92606.

B. Government-wide and fund financial statements

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.

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

I. Summary of significant accounting policies (continued)

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

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, 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 funds used for the specific purpose of managing, developing, operating, and maintaining the Orange County Great Park.

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

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

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

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

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

I. Summary of significant accounting policies (continued)

Additionally, the City reports the following fund types:

Governmental Funds

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

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

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

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

Proprietary Funds

Internal Service Funds account for operations that provide services to other departments of the City on a cost reimbursement basis. These services include self-insurance, acquisition, replacement and maintenance of the City's vehicle fleet, other major equipment, 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

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

I. Summary of significant accounting policies (continued)

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.

D. Use of restricted and unrestricted resources

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

E. Assets, liabilities, and net assets or equity

Cash and investments

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

The City maintains a cash and investment pool that is available for use by all funds except the Pension 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.

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

Inventories and prepaid costs

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

Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.

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

I. Summary of significant accounting policies (continued)

Capital assets

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

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

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

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

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

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.

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

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

I. Summary of significant accounting policies (continued)

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

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.

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.

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

I. Summary of significant accounting policies (continued)

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

In the 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.

F. Estimates

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

G. Implementation of new GASB pronouncement

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

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. 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.

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

II. Stewardship, compliance, and accountability (continued)

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 (amount not rounded) and do not expand or add to city programs or services, except for the General Fund that has no limit if the amendments do not expand or add to the City's programs or services. The legal level of control in the General Fund is considered to be at the department level. The City departments are: City Manager, Administrative Services, Community Development, Community Services, Public Safety, Public Works, and Great Park. The first two departments are classified together for reporting purposes as General Government, but City Manager and Administrative Services operate separately as departments for budgetary control purposes. Review by the Finance Commission and approval by the City Council are required if an amendment is in excess of \$50,000 (amount not rounded). Amendments to the adopted General Fund budget for the fiscal year ended June 30, 2011, decreased appropriations by \$1,444, to an amended total of \$155,554. 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, 2011, the RDA Debt Service Fund exceeded appropriations by \$628. These unanticipated expenditures were additional interest expenditures on advances to the City and pass-through payments of tax increment to other agencies.

Nonmajor Funds

For the year-ended June 30, 2011, the expenditures in the Irvine Community Land Trust Fund exceeded appropriations by \$3,215. The expenditures were in part a reclass of assets held for resale to the capital asset group.

The Irvine Vision Plan Fund exceeded appropriations by \$14. The additional interest expenditures were realized due to negative cash in the fund.

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

II. Stewardship, compliance, and accountability (continued)

C. Deficit fund balances

Major Fund

The RDA Debt Service Fund has a deficit fund balance of \$223,979 at June 30, 2011, which is expected to be relieved from future tax increment revenues.

Nonmajor Funds

At June 30, 2011, the Major Special Events Fund had a deficit fund balance of \$38 primarily as a result of additional equipment expenditures, which is expected to be relieved from future fee revenues.

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

III. Detailed notes on all funds

A. Cash and investments

Cash and investments, as of June 30, 2011, are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 404,642
Cash and investments held by trustee	196,162
Total	600,804
Fiduciary funds:	
Cash and investments	25,410
Cash and investments held by trustee	67,820
Agency deposits	179
Cash and investments - Pension trust funds	28,794
Total	122,203
Total Cash and Investments	\$ 723,007

Cash and investments, as of June 30, 2011, consist of the following:

Cash on hand	\$ 22
Deposits with financial institutions	4,577
Investments	689,614
Total	694,213
Cash and investments - Pension trust funds	28,794
Total Cash and Investments	\$ 723,007

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, 2011 (Continued)
(amounts expressed in thousands)

III. Detailed notes on all funds (continued)

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

Investments Authorized by Bond Indentures

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

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Government Sponsored Enterprise Securities	\$ 425,331	\$ 105,713	\$ 56,100	\$ 263,518
Local Agency Investment Fund (LAIF)	11,017	11,017	-	-
Money Market Mutual Funds	253,266	253,266	-	-
	<u>\$ 689,614</u>	<u>\$ 369,996</u>	<u>\$ 56,100</u>	<u>\$ 263,518</u>

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

III. Detailed notes on all funds (continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments (including investments held by trustees) in callable federal agency securities are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2011 is \$259,022.

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	Rating	Rating as of June 30, 2011	
		Legal Rating	Not Required	AAA/Aaa	Unrated
U.S. Government Sponsored Enterprise Securities	\$425,331	N/A	\$ -	\$ 425,331	\$ -
Local Agency Investment Fund (LAIF)	11,017	N/A	-	-	11,017
Money Market Mutual Funds	253,266	AAA	-	253,266	-
	<u>\$689,614</u>		<u>\$ -</u>	<u>\$ 678,597</u>	<u>\$ 11,017</u>

On August 5, 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to AA+ from AAA. As a result, on August 8, 2011, Standard & Poor's Ratings Services lowered its issuer credit ratings and related issue ratings on various Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac to AA+ from AAA. The City also invests in LAIF which invests in various underlying securities, including the federal agency securities listed above. While LAIF is not rated, the federal agency securities are, and these have been affected by this rating change as well.

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	\$ 83,456
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 111,072
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 107,129
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 87,186
Federal Government Obligations Money Market Fund	Money Market Mutual Fund	\$ 29,361

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

III. Detailed notes on all funds (continued)

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
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 18,496
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 17,993
Dreyfus Government Prime Cash Fund	Money Market Mutual Fund	\$ 218,765

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. All securities owned by the City with the exception of LAIF and money market mutual funds are deposited in trust for safekeeping with a custodial bank different from the City's primary bank. Securities are not held in broker accounts. Funds held by LAIF and money market mutual funds are held in the City's name. The City's investment policy requires all demand deposits, time deposits, and repurchase agreements are to be fully collateralized with securities authorized by the California Government Code and the City. The City's noninterest-bearing account is fully secured until January 1, 2013 under the Dodd-Frank Act effective July 21, 2010.

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

As of June 30, 2011, the City's investments in the following uninsured and uncollateralized investment types were held by the City's safekeeping agent or trustee:

Investment Type	Market Value
U.S. Government Sponsored Enterprise Securities	\$ 388,842
Local Agency Investment Fund (LAIF)	\$ 11,017
Money Market Funds	\$ 29,361

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

III. Detailed notes on all funds (continued)

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

Investment Type	Market Value
U.S. Government Sponsored Enterprise Securities	\$ 36,489
Money Market Funds	\$ 223,905

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.

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, 2010. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2010.

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, 2010. 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, 2010.

Agency Deposits

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

Restricted Cash

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$602 at June 30, 2011, 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, 2011 (Continued)
(amounts expressed in thousands)

III. Detailed notes on all funds (continued)

B. Capital assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 589,598	\$ 8,912	\$ -	\$ 598,510
Construction in progress	66,813	31,049	2,172	95,690
Total capital assets not being depreciated	<u>656,411</u>	<u>39,961</u>	<u>2,172</u>	<u>694,200</u>
Capital assets, being depreciated:				
Buildings and systems	108,228	1,583	-	109,811
Improvements other than buildings	70,884	2,013	-	72,897
Machinery and equipment	41,076	2,400	1,352	42,124
Infrastructure	1,313,448	37,122	-	1,350,570
Total capital assets being depreciated	<u>1,533,636</u>	<u>43,118</u>	<u>1,352</u>	<u>1,575,402</u>
Less accumulated depreciation for:				
Buildings and systems	(40,522)	(2,798)	-	(43,320)
Improvements other than buildings	(31,295)	(3,625)	-	(34,920)
Machinery and equipment	(29,270)	(4,145)	(1,248)	(32,167)
Infrastructure	(592,298)	(42,778)	-	(635,076)
Total accumulated depreciation	<u>(693,385)</u>	<u>(53,346)</u>	<u>(1,248)</u>	<u>(745,483)</u>
Total capital assets, being depreciated, net	<u>840,251</u>	<u>(10,228)</u>	<u>104</u>	<u>829,919</u>
Governmental activities capital assets, net	<u>\$ 1,496,662</u>	<u>\$ 29,733</u>	<u>\$ 2,276</u>	<u>\$ 1,524,119</u>

Museum Collections

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

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

III. Detailed notes on all funds (continued)

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

Public Works	\$ 3,627
General Government	1,530
Community Services	1,132
Public Safety	456
Great Park	465
Community Development	13
Internal Service Funds Depreciation-charged to programs based on asset usage	3,345
Allocated Depreciation	10,568
Unallocated Infrastructure Depreciation	42,778
Total Depreciation Expense - Governmental Activities	\$ 53,346

Construction Commitments

The City has active construction projects as of June 30, 2011. The projects include signals, streets and drainage, bridges, trails, landscape, and facilities. At fiscal year-end the City's encumbrances with contractors were as follows:

	Spent-to-date	Remaining Commitment
Streets and drainage	\$ 47,439	\$ 17,209
Facilities and equipment	33,380	8,728
Traffic signal projects	2,986	162
Landscape	1,947	81
Trails	1,112	218
Bridges	291	6
Total	\$ 87,155	\$ 26,404

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, 2011, was as follows:

Due to/from other funds:		
Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 343
General Fund	Irvine Business Complex Funds	766
		\$ 1,109

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

III. Detailed notes on all funds (continued)

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Orange County Great Park Fund	RDA Debt Service Fund	\$ 216,334
General Fund	RDA Debt Service Fund	9,392
Other Governmental Funds	Other Governmental Funds	1,350
		<u>\$ 227,076</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:

	Transfers in:								Total
	General Fund	Irvine Business Complex	Orange County Great Park	Capital Improvement Projects	Irvine Redevelopment	RDA Debt Service	Other Governmental Funds	Internal Service Funds	
Transfers out:									
General Fund	\$ -	\$ -	\$ -	\$ 765	\$ -	\$ -	\$ 2,610	\$ -	\$ 3,375
Irvine Business Complex	219	-	-	-	-	-	770	-	989
Orange County Great Park	100	-	-	-	-	61,417	956	-	62,473
Assessment Districts	-	-	-	1,325	-	-	-	-	1,325
RDA Debt Service	-	-	96,196	-	800	-	-	-	96,996
Other Governmental Funds	11,858	103	2,421	10,233	-	-	23,342	26	47,983
Internal Service Funds	2,300	-	-	-	-	-	-	-	2,300
Total	<u>\$ 14,477</u>	<u>\$ 103</u>	<u>\$ 98,617</u>	<u>\$ 12,323</u>	<u>\$ 800</u>	<u>\$ 61,417</u>	<u>\$ 27,678</u>	<u>\$ 26</u>	<u>\$ 215,441</u>
Contribution of equipment - General Fund								17	
Contribution of equipment - Orange County Great Park								68	
Total Transfers - Internal Service Funds								<u>\$ 111</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, 2011 (Continued)
(amounts expressed in thousands)

III. 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. The base monthly rent is \$4,327 (amount not rounded). On March 8, 2011, the agency conveyed the land El Toro Farm, LLC, is leasing to the City. The lease with El Toro Farms has been transferred to the City. Rental revenue at June 30, 2011, was \$35.

Orange County Great Park

The Orange County Great Park (OCGP) fund receives revenue for three operating leases for sites within the former MCAS El Toro. The first lease is with All Star Services Corporation for recreational vehicle storage. The original lease was a five-month lease beginning in July 2005. In March 2010, the City entered into its seventh amendment of the lease, amending the lease term to a month-to-month lease, with a monthly rent of \$121. Rental revenue for the fiscal year ended June 30, 2011, was \$1,447.

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 \$91,057 (amount not rounded) per quarter. The rent for parcel one is adjusted at the end of each lease year and shall be increased by the percentage increase in the consumer price index during the lease year. Parcel two, is for an office and warehouse building within the OCGP, used for general office, light maintenance, and manufacturing. The lessee also pays additional rent for Green Waste Host Fees at \$0.60 per ton. Rental revenue for the fiscal year ended June 30, 2011, for parcels one and two was \$446 and Green Waste Host Fees was \$79.

The final lease in the OCGP fund is with El Toro Farms, LLC, for the use of approximately 65.8 acres of farming land for the purpose of cultivating, irrigation, raising, and harvesting of strawberry and vegetable crops. The original lease was a one-year lease beginning in July 2005. In July 2009, the City entered into its fourth amendment to the lease, extending the lease termination date to June 30, 2010, and reducing the acres usage to approximately 35.4 acres. In July 2011, the City entered into its sixth amendment, extending the lease termination date to June 30, 2012, and providing an option to renew the lease for three one-year periods. The base monthly rent is \$7,965 (amount not rounded). Rental revenue at June 30, 2011, was \$96.

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

III. Detailed notes on all funds (continued)

The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2011, is as follows:

Fiscal Year Ending June 30	Annual Rent
2012	\$ 537
2013	320
2014	304
2015	302
2016	254
2017-2021	625
	\$ 2,342

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, 2011, amounted to \$683. The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2011, is as follows:

Fiscal Year Ending June 30	Annual Rent
2012	\$ 381
2013	331
2014	334
2015	252
2016	269
2017-2021	1,390
2022-2026	1,142
2027-2033	572
	\$ 4,671

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, 2011, were \$115. The lease agreement was completed in April 2011 and will not be renewed.

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, 2011, were \$172. The lease agreement was completed in April 2011 and the OCGP is currently without a lease agreement. OCGP is leasing on a month-to-month basis while the City is in negotiation to enter into a new lease.

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

III. Detailed notes on all funds (continued)

Capital Leases

Total assets acquired through capital leases at June 30, 2011 were as follows:

Governmental Activities	
Machinery and equipment	\$ 2,030
Less: Accumulated depreciation	(1,317)
Total	\$ 713

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. The remaining balance was paid in full during fiscal year 2010-11.

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	Internal Service Fund		
	Principal	Interest	Total
2012	\$ 123	\$ 4	\$ 127

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

Fiscal Year Ending June 30	Internal Service Fund		
	Principal	Interest	Total
2012	\$ 180	\$ 24	\$ 204
2013	188	15	203
2014	198	6	204
	\$ 566	\$ 45	\$ 611

E. Long-term debt

Lease Revenue Bonds Payable

Lease Revenue Bonds, which were issued by the Irvine Public Facilities and Infrastructure Authority, consisted 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 paid a variable rate of interest and matured 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

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

III. Detailed notes on all funds (continued)

issued on April 30, 1987, as parity bonds to the original Series 1985 issue. The Series 1987 bonds also paid a variable rate of interest and matured 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 financed the site acquisition and construction of a new civic center, a childcare center, and other capital improvements within the City. On November 1, 2010, the City paid off both of the Series.

Series 1985 and Series 1987 bonds were 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 was 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 was anticipated that the bonds would continue to be re-priced weekly. The Authority's bonds were secured by an irrevocable Letter of Credit (LOC) issued by the State Street Bank and Trust Company (Bank), rated Aa3 by Moody's. The trustee was 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) was valid until November 1, 2010. The City agreed 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 were not subject to federal arbitrage regulations.

Principal and interest amounts paid for the year ended June 30, 2011, were \$8,260 and \$9, respectively. The actual gross cost of debt (interest, 0.26%; remarketing agent, 0.07%; and letter of credit fees, 0.19%) incurred for the fiscal year ended June 30, 2011, was 0.52%.

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, 2011, principal and interest due were \$1,539.

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

III. Detailed notes on all funds (continued)

F. Changes in long-term liabilities

For the fiscal year ended June 30, 2011, changes in long-term liabilities are as follows:

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011	Long- Term	Due Within One Year
Lease Revenue Bonds:						
Series 1985 matures in 2010	\$ 7,700	\$ -	\$ 7,700	\$ -	\$ -	\$ -
Series 1987 matures in 2010	560	-	560	-	-	-
Total Lease Revenue Bonds	<u>8,260</u>	<u>-</u>	<u>8,260</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Debt:						
Compensated absences	10,229	2,690	3,017	9,902	7,946	1,956
Claims payable	8,584	4,095	2,838	9,841	6,771	3,070
Capital lease obligation	381	566	258	689	386	303
Long-term note	1,492	47	-	1,539	1,539	-
Total Other Debt	<u>20,686</u>	<u>7,398</u>	<u>6,113</u>	<u>21,971</u>	<u>16,642</u>	<u>5,329</u>
Total Long-Term Liabilities	<u>\$ 28,946</u>	<u>\$ 7,398</u>	<u>\$ 14,373</u>	<u>\$ 21,971</u>	<u>\$ 16,642</u>	<u>\$ 5,329</u>

G. Conduit financing

The City 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 the final maturity is March 1, 2028. The outstanding amount of this financing at June 30, 2011, was \$21,160.

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. 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

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

III. Detailed notes on all funds (continued)

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, 2011, are as follows:

Variable Rate Issues:		Bonds Issued	Bonds Outstanding
07-22	Stonegate	\$ 40,000	\$ 35,995
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	47,700
87-8	Spectrum 5	74,700	15,750
89-10	Westpark	43,640	18,060
93-14	Spectrum 6 & 7	72,400	54,537
94-13	Oak Creek	61,600	22,287
94-15	Westpark II	32,700	11,269
97-16	Northwest Irvine	60,000	27,695
97-17	Lower Peters Canyon East	95,000	32,754
	Total Variable Rate Issues	<u>932,940</u>	<u>479,370</u>

-Continued-

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

III. Detailed notes on all funds (continued)

Non-committal debt amounts issued and outstanding at June 30, 2011, are as follows:

Fixed Rate Issues:		Bonds Issued	Bonds Outstanding
00-18	Shady Canyon/Turtle Ridge/Quail Hill	46,755	36,500
00-18	Shady Canyon/Turtle Ridge/Quail Hill	27,220	21,575
00-18	Shady Canyon/Turtle Ridge/Quail Hill	18,040	14,660
00-18	Shady Canyon/Turtle Ridge/Quail Hill	6,705	5,520
04-20	Portola Springs	37,885	34,870
03-19	Northern Sphere	6,795	5,725
03-19	Northern Sphere	28,890	25,170
03-19	Northern Sphere	8,885	7,690
03-19	Northern Sphere	15,725	13,930
03-19	Northern Sphere	17,875	16,340
03-19	Northern Sphere	4,275	4,275
87-8	Spectrum 5	5,695	2,540
87-8	Spectrum 5	10,825	6,750
87-8	Spectrum 5	17,300	4,485
87-8	Spectrum 5	11,015	7,165
93-14	Spectrum 6 & 7	1,905	1,500
93-14	Spectrum 6 & 7	875	695
93-14	Spectrum 6 & 7	4,475	3,685
93-14	Spectrum 6 & 7	2,120	1,815
93-14	Spectrum 6 & 7	1,335	1,190
97-16	Northwest Irvine	1,320	985
97-17	Lower Peters Canyon East	3,040	2,345
97-17	Lower Peters Canyon East	1,650	1,290
IPFIA	Revenue Bonds, Series A	66,240	27,320
99-1	Reassessment District	15,465	680
99-2	Reassessment District	50,775	27,961
IPFIA	Revenue Bonds, Series B	57,575	39,070
01-1	Reassessment District	8,755	6,415
01-2	Reassessment District	48,814	34,283
IPFIA	Revenue Bonds, Series C	91,175	65,775
03-1	Reassessment District	9,665	7,398
03-2	Reassessment District	81,519	60,065
CFD 2005-2	Columbus Grove	24,375	22,765
10-23	Laguna Altura	25,855	25,855
07-22	Stonegate	20,415	20,415
07-22	Stonegate	3,095	3,095
	Total Fixed Rate Issues	<u>784,328</u>	<u>561,797</u>
	Total All Issues	<u>\$ 1,717,268</u>	<u>\$ 1,041,167</u>

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

IV. Other information

A. Risk management

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

The City is a member of CIPA in order to jointly purchase insurance coverage and to share costs for professional risk management, claim administration, and group purchasing of insurance products with ten other Orange County cities. Premiums paid during the fiscal year ended June 30, 2011, were \$1,773. 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, 2011. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2011, \$9,891 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 2010-11. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2009, resulted in the following:

	Workers' Compensation	General Liability	Total
Liability Balance, July 1, 2009	\$ 5,996	\$ 1,507	\$ 7,503
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>6,506</u>	<u>2,078</u>	<u>8,584</u>
Changes in estimates	3,251	688	3,939
Claim payments during 2010-2011	<u>(1,464)</u>	<u>(1,218)</u>	<u>(2,682)</u>
Liability Balance, June 30, 2011	<u><u>\$ 8,293</u></u>	<u><u>\$ 1,548</u></u>	<u><u>\$ 9,841</u></u>

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

IV. Other information (continued)

B. Contingent liabilities

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

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

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 \$6.0 million of future Irvine Business Complex Vision Plan fees for the Tustin Ranch Road Extension project in the Irvine Business Complex 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 benefit 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 and eligible expenses 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, 2011, employer contributions were \$734 and participant contributions were \$804. 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, 2011 (Continued)
(amounts expressed in thousands)

IV. 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, 2011, the City contributed \$243 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 medically retire and have coverage immediately prior to retirement, are eligible to retire and participate in the City's healthcare plans by paying the full cost of premiums. As of June 30, 2011, there were 129 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 on a thirty-year level dollar, open period.

Annual OPEB Cost and Net OPEB Obligation The City's annual OPEB cost (expense) \$521, is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed a thirty-year period. The following table shows the components of the City's annual OPEB cost for the year:

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

IV. Other information (continued)

	June 30, 2011
Annual required contribution (ARC)	\$ 527
Interest adjustment	20
Amortization adjustment	(26)
Annual OPEB cost	521
Employer contribution	(311)
Net change in OPEB obligation	210
Net OPEB obligation - beginning of year	398
Net OPEB obligation - end of year	\$ 608

The percentage of annual OPEB cost contributed to the plan (implicit subsidy), and the net OPEB obligation for the fiscal year 2010-11 is as follows:

		Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Fiscal Year	Annual OPEB Cost		
6/30/2009	\$ 486	54.9%	\$ 219
6/30/2010	483	62.9%	398
6/30/2011	521	59.5%	608

Funded Status and Funding Progress As of July 1, 2010, the date of the latest actuarial valuation, there were 675 active employees and 107 retirees. The actuarial accrued liability for benefits was \$4,031, the covered payroll (annual payroll of active employees covered by the plan) was \$59,615, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 6.8% as of June 30, 2011. The City is currently funding the program on a pay-as-you-go basis. The Net OPEB Obligation is accrued in the amount of \$608 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, 2011 (Continued)
(amounts expressed in thousands)

IV. Other information (continued)

The actuarial cost method used for determining the benefit obligations is the projected unit credit method. The actuarial assumptions included a discount rate of 5% and a medical trend assumption of 8% for fiscal year 2010-11, graded down by 1% per year to an ultimate rate of 5% per year beginning in 2013.

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, 2010, 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; the current rate is 79.16% of annual covered payroll, which is less than the actuarial determined rate of 96.81%. Beginning July 1, 2011, the City will contribute a minimum of \$415, which will meet or exceed the actuarial determined rate of 96.81%. The contribution requirement of the City is established and may be amended by Defined Benefit Pension Plan Trustees.

Annual Pension Cost and Net Pension Obligation For 2010, the City's annual required contributions of \$303 was more than the City's actual contributions, which totaled \$237. The method of valuation used to calculate the costs of the Plan is the Entry Age Normal. This method allows more flexibility in the spreading of future costs. The components of the annual pension cost for the fiscal year ended December 31, 2010, are as follows:

Annual required contribution	\$ 303
Interest on net pension obligation	(100)
Adjustment to annual required contribution	242
Annual pension cost	445
Contributions made	(237)
Increase (decrease) in net pension obligation	208
Net pension obligation (asset) - beginning of year	(1,819)
Net pension obligation (asset) - end of year	<u>\$ (1,611)</u>

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

IV. 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:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
12/31/2008	\$ 281	81.1%	\$ (1,879)
12/31/2009	295	79.7%	(1,819)
12/31/2010	445	53.3%	(1,611)

The actuarial assumptions included a 5.5% investment rate of return, 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, 2003, 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

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

IV. Other information (continued)

contributions were 15% of the participants' basic compensation for the fiscal year ended December 31, 2010. 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, 2010, the Plan had a membership of 102, consisting of 14 active members, 67 terminated and 21 non-employee or other members. All 102 members are fully vested in the Plan. Total Plan assets were \$10,875. 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 fiscal year ended December 31, 2010 were \$204 and participant contributions were \$54. 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, 2011, the City's annual pension cost of \$7,998 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, 2008. The amortization method used is a level percentage of payroll. The actuarial assumptions included: (a) a 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by age, length of service and type of employment from 3.25% to 13.15%, (c) a 3.00% 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 3.00% and an annual production growth of 0.25%. Initial unfunded liabilities are amortized over a closed period that depends on the

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

IV. Other information (continued)

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

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
6/30/2009	\$ 7,776	100%	\$ -
6/30/2010	7,963	100%	-
6/30/2011	7,998	100%	-

Funding Status and Funding Progress As of June 30, 2010, the most recent actuarial valuation date, the Plan was 81.8% funded. The actuarial accrued liability for benefits was \$139,868 and the actuarial value of assets was \$114,403, resulting in an unfunded actuarial accrued liability (UAAL) of \$25,465. The covered payroll (annual payroll of active employees covered by the Plan) was \$20,232, and the ratio of the UAAL to the covered payroll was 125.9%. 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.

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

IV. Other information (continued)

Annual Pension Cost For the fiscal year ended June 30, 2011, the City's annual pension cost of \$9,136 for CalPERS was equal to the City's required and actual contributed pension costs. The required contribution was determined by actuarial valuation as of June 30, 2008, using the entry age normal actuarial cost method. The amortization method used is a level percentage of payroll. The actuarial assumptions included: (a) a 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by age, length of service and type of employment from 3.25% to 14.45%, (c) a 3.00% 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 3.00% 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:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2009	\$ 10,214	100%	\$ -
6/30/2010	9,732	100%	-
6/30/2011	9,136	100%	-

Funding Status and Funding Progress As of June 30, 2010, the most recent actuarial valuation date, the Plan was 73.1% funded. The actuarial accrued liability for benefits was \$226,607 and the actuarial value of assets was \$165,709, resulting in an unfunded actuarial accrued liability (UAAL) of \$60,898. The covered payroll (annual payroll of active employees covered by the Plan) was \$44,960, and the ratio of the UAAL to the covered payroll was 135.5%. 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.

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, 2011 (Continued)
(amounts expressed in thousands)

IV. 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, 2010, the Plan had 500 members. Total Plan assets were \$1,862. Employer and employee contributions to the Plan during the fiscal year ended December 31, 2010, were \$256.

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 \$123 are available for expenditure and are reflected as Restricted Net Assets, Expendable.

F. California Redevelopment Agency Uncertainty

On July 18, 2011, the California Redevelopment Association (“CRA”) and the League of California Cities (“League”) filed a petition for writ of mandate with the California Supreme Court, requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB1X 26 and 27. AB1X 26 dissolves redevelopment agencies effective October 1, 2011. AB1X 27 gives redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts. In 2011-12, these payments amount to a state-wide total of \$1.7 billion. In 2012-13 and subsequent years, the payments total \$400 million, annually. Each city or county’s share of these payments is determined based on its proportionate share of state-wide tax increment.

CRA and the League contend that AB1X 26 and 27 are unconstitutional because they violate Proposition 22 which was passed by the voters in November, 2010. The intent of the lawsuit is to find the use of redevelopment agencies' tax increment funds to benefit the State and other units of local government unconstitutional.

Therefore, the CRA and the League have requested that the Court issue a stay, suspending the effectiveness of AB1X 26 and 27 until the Court can rule on its constitutionality. CRA and the League also asked the Court to expedite the briefing and hearing of the case so that a decision can be rendered by the Court before January 15, 2012, when the first payments are due. On August 11th, the California Supreme Court agreed to hear the case and granted a partial stay which was subsequently clarified.

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

IV. Other information (continued)

As of the time of the issuance of this report, the outcome of AB1X 26 and 27 upon the Agency is unknown and consequently the status and even future existence of the Agency is uncertain as such. In accordance with AB1X 27, the Agency has passed a resolution of intent to continue and will be required to make a payment to the State by January 15, 2012, to avoid dissolution. The Department of Finance issued their estimated payments amounts and the Agency filed an appeal regarding the calculation. The Department of Finance reviewed the Agency's appeal regarding the calculation and on October 15, 2011, determined the estimated payment stands without revision, resulting in a payment amount of \$2,611.

G. SERAF Shift for fiscal year 2009-2010 and 2010-2011

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Prop 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010 the Sacramento Superior Court upheld the legislation.

The payment of the SERAF was due on May 10, 2011, for fiscal year 2010-2011 and it was made in the amount of \$1,098. The legislation allowed this payment to be made from any available monies present in any project area(s). Subsequent legislation was passed which even allowed the funding for this payment to be borrowed from the Low and Moderate Income Housing Fund with appropriate findings from its legislative body. Any amounts borrowed from Low and Moderate Income Housing (including any suspended set-aside amounts) are to be repaid by June 30, 2015. If those amounts are not repaid, by that date, then the set-aside percentage to Low and Moderate Income Housing will increase from 20% to 25% for the remainder of the life of the Agency.

To accomplish the payment, the Agency utilized its non-housing funds. In the accompanying financial statements, the amount paid to the County has been reported as a use of current year resources. As of June 30, 2011, the SERAF payment was made in full.

H. Subsequent events

On August 1, 2011, the City issued Reassessment District No. 11-1 Limited Obligation Improvement Bonds in the amount of \$34,855 for the purpose of refunding Assessment District (AD) No. 00-18 Group 2 Limited Obligation Improvement Bonds. The decline of interest rates allowed the City to refinance AD No. 00-18 Group 2 bonds and provided savings to the property owners located in this district which includes Shady Canyon, Quail Hill, and Turtle Ridge.

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

IV. Other information (continued)

I. Restatement

During the fiscal year ended June 30, 2011, additional information pertaining to 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, 2010, to better conform with GAAP.

During the year, the beginning net asset balance of the Statement of Activities, a government-wide statement, was increased by \$13,599, to correct recording of long-term receivables. In prior years, long-term receivables were off-set by deferred revenues in the Statement of Net Assets. The practice of deferring long-term receivables is only required in the Balance Sheet of the governmental funds.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2011 (Continued)
(amounts expressed in thousands)

Schedule of Employer Contributions and Funding Progress – Defined Benefit Pension Plan

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

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

Schedule of Employer Contributions
For the three years ended December 31, 2010

Year	Actuarial Valuation Date	Annual Required Contributions (ARC)*	Percentage of ARC Contributed
2008	1/1/2008	\$ 159	138.1%
2009	1/1/2008	170	138.1%
2010	1/1/2010	295	80.3%

* 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, 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
1/1/2006	\$ 17,367	\$ 17,367	\$ -	100.0%	\$ 335	0.0%
1/1/2008	19,071	18,792	279	98.5%	274	101.8%
1/1/2010	19,423	18,166	1,257	93.5%	313	401.6%

* The actuarial valuation is performed bi-annually.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2011 (Continued)
(amounts expressed in thousands)

Schedules of Funding Progress – CalPERS Defined Benefit Pension Plans

CalPERS Defined Benefit Pension Plan for Sworn Employees

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

Schedule of Funding Progress
For the three years ended June 30, 2011

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
6/30/2008	\$ 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%
6/30/2010	139,868	114,403	25,465	81.8%	20,232	125.9%

* Most recent information available.

CalPERS Defined Benefit Pension Plan for Non-Sworn Employees

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

Schedule of Funding Progress
For the three years ended June 30, 2011

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
6/30/2008	\$ 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%
6/30/2010	226,607	165,709	60,898	73.1%	44,960	135.5%

* Most recent information available.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2011 (Continued)
(amounts expressed in thousands)

Schedule of Funding Progress – Other Post Employment Benefit Plan

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

Schedule of Funding Progress
For the three years ended June 30, 2011

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

* 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, 2011
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS					
Cash and investments	\$ 97,880	\$ 121	\$ 77,084	\$ 602	\$ 175,687
Receivables, net of allowances:					
Taxes	1,270	-	-	-	1,270
Accounts	194	-	-	-	194
Accrued interest	116	-	70	1	187
Prepaid	4,143	-	-	-	4,143
Due from other governments	1,239	-	353	-	1,592
Advances to other funds	1,350	-	-	-	1,350
Long-term note receivable	4,646	-	-	-	4,646
Total Assets	<u>\$ 110,838</u>	<u>\$ 121</u>	<u>\$ 77,507</u>	<u>\$ 603</u>	<u>\$ 189,069</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,658	\$ -	\$ 10,560	\$ 11	\$ 12,229
Due to other funds	343	-	-	-	343
Due to other governments	6	-	-	-	6
Deposits	115	-	250	-	365
Deferred revenue	11,624	-	548	-	12,172
Advances from other funds	1,350	-	-	-	1,350
Total Liabilities	<u>15,096</u>	<u>-</u>	<u>11,358</u>	<u>11</u>	<u>26,465</u>
Fund Balances:					
Nonspendable					
Prepaid	4,143	-	-	-	4,143
Advances to other funds	1,350	-	-	-	1,350
Endowment	-	-	-	469	469
Restricted					
Capital improvement projects	32,550	-	17,646	-	50,196
Circulation improvements	42,938	-	-	-	42,938
Community services activities	944	-	-	123	1,067
Lighting, landscape, & park maintenance	1,583	-	-	-	1,583
Low-income housing activities	593	-	-	-	593
Pollution remediation	700	-	-	-	700
Public safety programs	1,001	-	-	-	1,001
Committed					
Capital improvement projects	756	-	41,826	-	42,582
Circulation improvements	2,985	-	-	-	2,985
Public facilities improvements	6,762	-	-	-	6,762
Assigned					
Capital improvement projects	-	-	6,677	-	6,677
Debt service	-	121	-	-	121
Unassigned	(563)	-	-	-	(563)
Total Fund Balances	<u>95,742</u>	<u>121</u>	<u>66,149</u>	<u>592</u>	<u>162,604</u>
Total Liabilities and Fund Balances	<u>\$ 110,838</u>	<u>\$ 121</u>	<u>\$ 77,507</u>	<u>\$ 603</u>	<u>\$ 189,069</u>

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
REVENUES					
Taxes	\$ 18,228	\$ -	\$ -	\$ -	\$ 18,228
Investment income	1,199	15	1,368	7	2,589
Intergovernmental	8,549	-	536	-	9,085
Charges for services	1,307	9,810	-	1	11,118
Revenue from developers	2,341	-	-	-	2,341
Revenue from property owners	5,372	-	-	-	5,372
Donations	118	-	6	-	124
Other revenue	1	-	-	16	17
	<u>37,115</u>	<u>9,825</u>	<u>1,910</u>	<u>24</u>	<u>48,874</u>
EXPENDITURES					
Current:					
General Government	134	4	37	-	175
Public Safety	1,739	-	-	-	1,739
Public Works	1,157	-	152	-	1,309
Community Development	7,690	-	24	-	7,714
Community Services	3,023	-	126	40	3,189
Great Park	-	-	2,587	-	2,587
Street lighting	6,892	-	-	-	6,892
Capital outlay	3,014	-	36,019	-	39,033
Debt service:					
Principal retirement	-	8,260	-	-	8,260
Interest and fiscal charges	-	9	-	-	9
Administration	-	11	-	-	11
	<u>23,649</u>	<u>8,284</u>	<u>38,945</u>	<u>40</u>	<u>70,918</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,466</u>	<u>1,541</u>	<u>(37,035)</u>	<u>(16)</u>	<u>(22,044)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	261	-	-	-	261
Transfers in	12,792	4,500	10,386	-	27,678
Transfers out	(26,175)	(9,322)	(12,486)	-	(47,983)
	<u>(13,122)</u>	<u>(4,822)</u>	<u>(2,100)</u>	<u>-</u>	<u>(20,044)</u>
Net Change in Fund Balances	344	(3,281)	(39,135)	(16)	(42,088)
Fund Balances, Beginning	<u>95,398</u>	<u>3,402</u>	<u>105,284</u>	<u>608</u>	<u>204,692</u>
Fund Balances, Ending	<u>\$ 95,742</u>	<u>\$ 121</u>	<u>\$ 66,149</u>	<u>\$ 592</u>	<u>\$ 162,604</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 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 are utilized solely for street related purposes.

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

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

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

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

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

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

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

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

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

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 new capital improvement projects in the Irvine Business Complex planning area.

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

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2011
(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	\$ 3,988	\$ 10,235	\$ 9,736	\$ 30,049
Receivables, net of allowances:				
Taxes	512	635	-	-
Accounts	-	-	-	-
Accrued interest	5	12	11	34
Prepaid	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Long-term note receivable	-	-	-	-
Total Assets	<u>\$ 4,505</u>	<u>\$ 10,882</u>	<u>\$ 9,747</u>	<u>\$ 30,083</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 11	\$ 13	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>11</u>	<u>13</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable				
Prepaid	-	-	-	-
Advances to other funds	-	-	-	-
Restricted				
Capital improvement projects	-	-	-	30,083
Circulation improvements	4,494	10,869	-	-
Community services activities	-	-	-	-
Lighting, landscape, & park maintenance	-	-	-	-
Low-income housing activities	-	-	-	-
Pollution remediation	-	-	-	-
Public safety programs	-	-	-	-
Committed				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	2,985	-
Public facilities improvements	-	-	6,762	-
Unassigned	-	-	-	-
Total Fund Balances	<u>4,494</u>	<u>10,869</u>	<u>9,747</u>	<u>30,083</u>
Total Liabilities and Fund Balances	<u>\$ 4,505</u>	<u>\$ 10,882</u>	<u>\$ 9,747</u>	<u>\$ 30,083</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2011
(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	\$ 610	\$ 2,294	\$ 647	\$ 6,853
Receivables, net of allowances:				
Taxes	-	123	-	-
Accounts	-	5	-	-
Accrued interest	1	3	1	11
Prepaid	-	-	-	-
Due from other governments	-	4	53	-
Advances to other funds	-	-	-	-
Long-term note receivable	-	-	-	-
	<u>\$ 611</u>	<u>\$ 2,429</u>	<u>\$ 701</u>	<u>\$ 6,864</u>
Total Assets				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 846	\$ 1	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits	-	-	-	80
Deferred revenue	-	-	-	2,614
Advances from other funds	-	-	-	1,350
	<u>-</u>	<u>846</u>	<u>1</u>	<u>4,044</u>
Total Liabilities				
Fund Balances:				
Nonspendable				
Prepaid	-	-	-	-
Advances to other funds	-	-	-	-
Restricted				
Capital improvement projects	-	-	-	2,465
Circulation improvements	611	-	-	-
Community services activities	-	-	-	-
Lighting, landscape, & park maintenance	-	1,583	-	-
Low-income housing activities	-	-	-	124
Pollution remediation	-	-	700	-
Public safety programs	-	-	-	-
Committed				
Capital improvement projects	-	-	-	756
Circulation improvements	-	-	-	-
Public facilities improvements	-	-	-	-
Unassigned	-	-	-	(525)
	<u>611</u>	<u>1,583</u>	<u>700</u>	<u>2,820</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 611</u>	<u>\$ 2,429</u>	<u>\$ 701</u>	<u>\$ 6,864</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2011
(amounts expressed in thousands)
Page 3 of 4

	Major Special Events	RDA Housing	North Irvine Transportation Mitigation
ASSETS			
Cash and investments	\$ -	\$ 205	\$ 26,935
Receivables, net of allowances:			
Taxes	-	-	-
Accounts	145	-	-
Accrued interest	-	4	30
Prepaid	-	4,143	-
Due from other governments	-	-	-
Advances to other funds	-	1,350	-
Long-term note receivable	-	-	-
	<u>145</u>	<u>5,702</u>	<u>26,965</u>
Total Assets	<u>\$ 145</u>	<u>\$ 5,702</u>	<u>\$ 26,965</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 18	\$ 2	\$ 1
Due to other funds	132	-	-
Due to other governments	-	-	-
Deposits	-	-	-
Deferred revenue	33	-	-
Advances from other funds	-	-	-
	<u>183</u>	<u>2</u>	<u>1</u>
Total Liabilities	<u>183</u>	<u>2</u>	<u>1</u>
Fund Balances:			
Nonspendable			
Prepaid	-	4,143	-
Advances to other funds	-	1,350	-
Restricted			
Capital improvement projects	-	-	-
Circulation improvements	-	-	26,964
Community services activities	-	-	-
Lighting, landscape, & park maintenance	-	-	-
Low-income housing activities	-	207	-
Pollution remediation	-	-	-
Public safety programs	-	-	-
Committed			
Capital improvement projects	-	-	-
Circulation improvements	-	-	-
Public facilities improvements	-	-	-
Unassigned	(38)	-	-
	<u>(38)</u>	<u>5,700</u>	<u>26,964</u>
Total Fund Balances	<u>(38)</u>	<u>5,700</u>	<u>26,964</u>
Total Liabilities and Fund Balances	<u>\$ 145</u>	<u>\$ 5,702</u>	<u>\$ 26,965</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2011
(amounts expressed in thousands)
Page 4 of 4

	Irvine Community Land Trust	IBC Vision Plan	Grants	Total Other Special Revenue Funds
ASSETS				
Cash and investments	\$ 4,419	\$ -	\$ 1,909	\$ 97,880
Receivables, net of allowances:				
Taxes	-	-	-	1,270
Accounts	-	-	44	194
Accrued interest	2	-	2	116
Prepaid	-	-	-	4,143
Due from other governments	-	-	1,182	1,239
Advances to other funds	-	-	-	1,350
Long-term note receivable	1,672	-	2,974	4,646
	<u>\$ 6,093</u>	<u>\$ -</u>	<u>\$ 6,111</u>	<u>\$ 110,838</u>
Total Assets				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 17	\$ -	\$ 749	\$ 1,658
Due to other funds	-	-	211	343
Due to other governments	-	-	6	6
Deposits	-	-	35	115
Deferred revenue	5,814	-	3,163	11,624
Advances from other funds	-	-	-	1,350
	<u>5,831</u>	<u>-</u>	<u>4,164</u>	<u>15,096</u>
Total Liabilities				
Fund Balances:				
Nonspendable				
Prepaid	-	-	-	4,143
Advances to other funds	-	-	-	1,350
Restricted				
Capital improvement projects	-	-	2	32,550
Circulation improvements	-	-	-	42,938
Community services activities	-	-	944	944
Lighting, landscape, & park maintenance	-	-	-	1,583
Low-income housing activities	262	-	-	593
Pollution remediation	-	-	-	700
Public safety programs	-	-	1,001	1,001
Committed				
Capital improvement projects	-	-	-	756
Circulation improvements	-	-	-	2,985
Public facilities improvements	-	-	-	6,762
Unassigned	-	-	-	(563)
	<u>262</u>	<u>-</u>	<u>1,947</u>	<u>95,742</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 6,093</u>	<u>\$ -</u>	<u>\$ 6,111</u>	<u>\$ 110,838</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, 2011
(amounts expressed in thousands)

Page 1 of 4

	County Sales Tax Measure M	State Gasoline Tax	Systems Development	Local Park Fees
REVENUES				
Taxes	\$ 2,699	\$ 5,876	\$ 6,118	\$ -
Investment income	42	110	132	357
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Revenue from developers	-	-	-	-
Revenue from property owners	-	-	-	-
Donations	-	-	-	-
Other revenue	-	-	-	-
	<u>2,741</u>	<u>5,986</u>	<u>6,250</u>	<u>357</u>
EXPENDITURES				
Current:				
General Government	10	12	-	-
Public Safety	-	-	-	-
Public Works	200	662	-	-
Community Development	-	-	-	-
Community Services	-	-	-	-
Street lighting	-	-	-	-
Capital outlay	-	-	-	-
	<u>210</u>	<u>674</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,531</u>	<u>5,312</u>	<u>6,250</u>	<u>357</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	19	51	4,950	-
Transfers out	<u>(2,262)</u>	<u>(7,020)</u>	<u>(5,975)</u>	<u>(2,553)</u>
Total Other Financing Sources (Uses)	<u>(2,243)</u>	<u>(6,969)</u>	<u>(1,025)</u>	<u>(2,553)</u>
Net Change in Fund Balances	288	(1,657)	5,225	(2,196)
Fund Balances, Beginning	<u>4,206</u>	<u>12,526</u>	<u>4,522</u>	<u>32,279</u>
Fund Balances, Ending	<u>\$ 4,494</u>	<u>\$ 10,869</u>	<u>\$ 9,747</u>	<u>\$ 30,083</u>

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City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2011
(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	\$ -	\$ 2,238	\$ -	\$ -
Investment income	1	6	7	175
Intergovernmental	-	-	240	-
Charges for services	238	11	-	10
Revenue from developers	-	-	-	-
Revenue from property owners	-	5,372	-	-
Donations	-	-	-	-
Other revenue	-	-	-	1
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	239	7,627	247	186
EXPENDITURES				
Current:				
General Government	3	65	1	-
Public Safety	-	-	-	-
Public Works	32	-	1	-
Community Development	-	-	-	-
Community Services	-	2,195	-	-
Street lighting	-	6,892	-	-
Capital outlay	2,855	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	2,890	9,152	2	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(2,651)	(1,525)	245	186
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	2,008	-	9	4,080
Transfers out	-	-	(526)	(4,200)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	2,008	-	(517)	(120)
Net Change in Fund Balances	(643)	(1,525)	(272)	66
Fund Balances, Beginning	<hr/>	<hr/>	<hr/>	<hr/>
	1,254	3,108	972	2,754
Fund Balances, Ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 611	\$ 1,583	\$ 700	\$ 2,820

- 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, 2011
(amounts expressed in thousands)
Page 3 of 4

	<u>Major Special Events</u>	<u>RDA Housing</u>	<u>North Irvine Transportation Mitigation</u>
REVENUES			
Taxes	\$ -	\$ 1,297	\$ -
Investment income	-	24	308
Intergovernmental	-	-	-
Charges for services	957	-	-
Revenue from developers	-	-	2,341
Revenue from property owners	-	-	-
Donations	-	-	-
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	957	1,321	2,649
EXPENDITURES			
Current:			
General Government	-	-	12
Public Safety	970	-	-
Public Works	-	-	86
Community Development	-	1,495	3
Community Services	-	-	-
Street lighting	-	-	-
Capital outlay	-	-	159
	<hr/>	<hr/>	<hr/>
Total Expenditures	970	1,495	260
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/> (13)	<hr/> (174)	<hr/> 2,389
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(13)	(174)	2,389
Fund Balances, Beginning	<hr/> (25)	<hr/> 5,874	<hr/> 24,575
Fund Balances, Ending	<hr/> <hr/> \$ (38)	<hr/> <hr/> \$ 5,700	<hr/> <hr/> \$ 26,964

- 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, 2011
(amounts expressed in thousands)
Page 4 of 4

	Irvine Community Land Trust	IBC Vision Plan	Grants	Total Other Special Revenue Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 18,228
Investment income	25	-	12	1,199
Intergovernmental	1,783	-	6,526	8,549
Charges for services	1	-	90	1,307
Revenue from developers	-	-	-	2,341
Revenue from property owners	-	-	-	5,372
Donations	-	-	118	118
Other revenue	-	-	-	1
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,809	-	6,746	37,115
EXPENDITURES				
Current:				
General Government	-	14	17	134
Public Safety	-	-	769	1,739
Public Works	-	-	176	1,157
Community Development	3,334	-	2,858	7,690
Community Services	-	-	828	3,023
Street lighting	-	-	-	6,892
Capital outlay	-	-	-	3,014
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	3,334	14	4,648	23,649
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(1,525)	(14)	2,098	13,466
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	261	-	-	261
Transfers in	-	770	905	12,792
Transfers out	-	-	(3,639)	(26,175)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	261	770	(2,734)	(13,122)
Net Change in Fund Balances	(1,264)	756	(636)	344
Fund Balances, Beginning	<hr/>	<hr/>	<hr/>	<hr/>
	1,526	(756)	2,583	95,398
Fund Balances, Ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 262	\$ -	\$ 1,947	\$ 95,742

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, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,483	\$ 2,483	\$ 2,699	\$ 216
Investment income	42	42	42	-
Total Revenues	<u>2,525</u>	<u>2,525</u>	<u>2,741</u>	<u>216</u>
EXPENDITURES				
Current:				
General Government	24	24	10	14
Public Works	200	200	200	-
Total Expenditures	<u>224</u>	<u>224</u>	<u>210</u>	<u>14</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,301</u>	<u>2,301</u>	<u>2,531</u>	<u>230</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	19	19
Transfers out	<u>(6,522)</u>	<u>(5,786)</u>	<u>(2,262)</u>	<u>3,524</u>
Total Other Financing Sources (Uses)	<u>(6,522)</u>	<u>(5,786)</u>	<u>(2,243)</u>	<u>3,543</u>
Net Change in Fund Balances	(4,221)	(3,485)	288	3,773
Fund Balances, Beginning	<u>4,206</u>	<u>4,206</u>	<u>4,206</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (15)</u>	<u>\$ 721</u>	<u>\$ 4,494</u>	<u>\$ 3,773</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
State Gasoline Tax
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,792	\$ 5,881	\$ 5,876	\$ (5)
Investment income	43	43	110	67
Intergovernmental	2,089	-	-	-
	<u>5,924</u>	<u>5,924</u>	<u>5,986</u>	<u>62</u>
EXPENDITURES				
Current:				
General Government	24	24	12	12
Public Works	665	695	662	33
	<u>689</u>	<u>719</u>	<u>674</u>	<u>45</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,235</u>	<u>5,205</u>	<u>5,312</u>	<u>107</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	51	51
Transfers out	(11,892)	(15,444)	(7,020)	8,424
	<u>(11,892)</u>	<u>(15,444)</u>	<u>(6,969)</u>	<u>8,475</u>
Total Other Financing Sources (Uses)	<u>(11,892)</u>	<u>(15,444)</u>	<u>(6,969)</u>	<u>8,475</u>
Net Change in Fund Balances	(6,657)	(10,239)	(1,657)	8,582
Fund Balances, Beginning	<u>12,526</u>	<u>12,526</u>	<u>12,526</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 5,869</u>	<u>\$ 2,287</u>	<u>\$ 10,869</u>	<u>\$ 8,582</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Systems Development
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,500	\$ 1,500	\$ 6,118	\$ 4,618
Investment income	43	43	132	89
Total Revenues	<u>1,543</u>	<u>1,543</u>	<u>6,250</u>	<u>4,707</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,543</u>	<u>1,543</u>	<u>6,250</u>	<u>4,707</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	4,579	4,950	371
Transfers out	<u>(4,995)</u>	<u>(5,975)</u>	<u>(5,975)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,995)</u>	<u>(1,396)</u>	<u>(1,025)</u>	<u>371</u>
Net Change in Fund Balances	(3,452)	147	5,225	5,078
Fund Balances, Beginning	<u>4,522</u>	<u>4,522</u>	<u>4,522</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 1,070</u></u>	<u><u>\$ 4,669</u></u>	<u><u>\$ 9,747</u></u>	<u><u>\$ 5,078</u></u>

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, 2011
(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	\$ 643	\$ 643	\$ 357	\$ (286)
Total Revenues	<u>643</u>	<u>643</u>	<u>357</u>	<u>(286)</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>643</u>	<u>643</u>	<u>357</u>	<u>(286)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>(2,553)</u>	<u>(2,553)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,553)</u>	<u>(2,553)</u>	<u>-</u>
Net Change in Fund Balances	643	(1,910)	(2,196)	(286)
Fund Balances, Beginning	<u>32,279</u>	<u>32,279</u>	<u>32,279</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 32,922</u>	<u>\$ 30,369</u>	<u>\$ 30,083</u>	<u>\$ (286)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Slurry Seal Fees
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 23	\$ 23	\$ 1	\$ (22)
Charges for services	60	266	238	(28)
Total Revenues	83	289	239	(50)
EXPENDITURES				
Current:				
General Government	1	1	3	(2)
Public Works	112	318	32	286
Capital outlay	3,357	3,832	2,855	977
Total Expenditures	3,470	4,151	2,890	1,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,387)	(3,862)	(2,651)	1,211
OTHER FINANCING SOURCES (USES)				
Transfers in	3,241	3,646	2,008	(1,638)
Total Other Financing Sources (Uses)	3,241	3,646	2,008	(1,638)
Net Change in Fund Balances	(146)	(216)	(643)	(427)
Fund Balances, Beginning	1,254	1,254	1,254	-
Fund Balances, Ending	\$ 1,108	\$ 1,038	\$ 611	\$ (427)

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Maintenance District
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,373	\$ 2,373	\$ 2,238	\$ (135)
Investment income	30	30	6	(24)
Charges for services	-	-	11	11
Revenue from property owners	5,322	5,322	5,372	50
	<u>7,725</u>	<u>7,725</u>	<u>7,627</u>	<u>(98)</u>
EXPENDITURES				
Current:				
General Government	66	66	65	1
Community Services	2,195	2,195	2,195	-
Street lighting	6,897	6,897	6,892	5
	<u>9,158</u>	<u>9,158</u>	<u>9,152</u>	<u>6</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,433)</u>	<u>(1,433)</u>	<u>(1,525)</u>	<u>(92)</u>
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,433)	(1,433)	(1,525)	(92)
Fund Balances, Beginning	<u>3,108</u>	<u>3,108</u>	<u>3,108</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,675</u>	<u>\$ 1,675</u>	<u>\$ 1,583</u>	<u>\$ (92)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Air Quality Improvement
For the Fiscal Year Ended June 30, 2011
(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	\$ 15	\$ 15	\$ 7	\$ (8)
Intergovernmental	235	235	240	5
Total Revenues	<u>250</u>	<u>250</u>	<u>247</u>	<u>(3)</u>
EXPENDITURES				
Current:				
General Government	1	1	1	-
Public Safety	-	-	1	(1)
Public Works	15	15	-	15
Total Expenditures	<u>16</u>	<u>16</u>	<u>2</u>	<u>14</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>234</u>	<u>234</u>	<u>245</u>	<u>11</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	9	9	-
Transfers out	(790)	(530)	(526)	4
Total Other Financing Sources (Uses)	<u>(790)</u>	<u>(521)</u>	<u>(517)</u>	<u>4</u>
Net Change in Fund Balances	(556)	(287)	(272)	15
Fund Balances, Beginning	<u>972</u>	<u>972</u>	<u>972</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 416</u>	<u>\$ 685</u>	<u>\$ 700</u>	<u>\$ 15</u>

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, 2011
(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	\$ 121	\$ 121	\$ 175	\$ 54
Charges for services	-	-	10	10
Other revenue	-	-	1	1
	<hr/>		<hr/>	
Total Revenues	121	121	186	65
<hr/>				
EXPENDITURES				
Total Expenditures	-	-	-	-
<hr/>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	121	121	186	65
<hr/>				
OTHER FINANCING SOURCES (USES)				
Transfers in	2,200	4,042	4,080	38
Transfers out	(4,200)	(4,200)	(4,200)	-
	<hr/>		<hr/>	
Total Other Financing Sources (Uses)	(2,000)	(158)	(120)	38
<hr/>				
Net Change in Fund Balances	(1,879)	(37)	66	103
<hr/>				
Fund Balances, Beginning	2,754	2,754	2,754	-
<hr/>				
Fund Balances, Ending	<u>\$ 875</u>	<u>\$ 2,717</u>	<u>\$ 2,820</u>	<u>\$ 103</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Events
For the Fiscal Year Ended June 30, 2011
(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				
Charges for services	\$ 1,115	\$ 1,115	\$ 957	\$ (158)
Total Revenues	<u>1,115</u>	<u>1,115</u>	<u>957</u>	<u>(158)</u>
EXPENDITURES				
Current:				
Public Safety	<u>1,113</u>	<u>1,113</u>	<u>970</u>	<u>143</u>
Total Expenditures	<u>1,113</u>	<u>1,113</u>	<u>970</u>	<u>143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2</u>	<u>2</u>	<u>(13)</u>	<u>(15)</u>
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2	2	(13)	(15)
Fund Balances, Beginning	<u>(25)</u>	<u>(25)</u>	<u>(25)</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (23)</u>	<u>\$ (23)</u>	<u>\$ (38)</u>	<u>\$ (15)</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,209	\$ 1,209	\$ 1,297	\$ 88
Investment income	92	92	24	(68)
Total Revenues	1,301	1,301	1,321	20
EXPENDITURES				
Current:				
Community Development	1,077	6,105	1,495	4,610
Total Expenditures	1,077	6,105	1,495	4,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	224	(4,804)	(174)	4,630
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	224	(4,804)	(174)	4,630
Fund Balances, Beginning	5,874	5,874	5,874	-
Fund Balances, Ending	\$ 6,098	\$ 1,070	\$ 5,700	\$ 4,630

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, 2011
(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	\$ 378	\$ 378	\$ 308	\$ (70)
Revenue from developers	-	-	2,341	2,341
Total Revenues	<u>378</u>	<u>378</u>	<u>2,649</u>	<u>2,271</u>
EXPENDITURES				
Current:				
General Government	10	10	12	(2)
Public Works	204	204	86	118
Community Development	-	-	3	(3)
Capital outlay	<u>8,893</u>	<u>8,893</u>	<u>159</u>	<u>8,734</u>
Total Expenditures	<u>9,107</u>	<u>9,107</u>	<u>260</u>	<u>8,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,729)</u>	<u>(8,729)</u>	<u>2,389</u>	<u>11,118</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>12</u>	<u>12</u>	<u>-</u>	<u>(12)</u>
Total Other Financing Sources (Uses)	<u>12</u>	<u>12</u>	<u>-</u>	<u>(12)</u>
Net Change in Fund Balances	(8,717)	(8,717)	2,389	11,106
Fund Balances, Beginning	<u>24,575</u>	<u>24,575</u>	<u>24,575</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 15,858</u></u>	<u><u>\$ 15,858</u></u>	<u><u>\$ 26,964</u></u>	<u><u>\$ 11,106</u></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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 12	\$ 12	\$ 25	\$ 13
Intergovernmental	125	5,153	1,783	(3,370)
Charges for services	-	-	1	1
Total Revenues	137	5,165	1,809	(3,356)
EXPENDITURES				
Current:				
Community Development	119	119	3,334	(3,215)
Total Expenditures	119	119	3,334	(3,215)
Excess (Deficiency) of Revenues Over (Under) Expenditures	18	5,046	(1,525)	(6,571)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	261	
Total Other Financing Sources (Uses)	-	-	261	261
Net Change in Fund Balances	18	5,046	(1,264)	(6,310)
Fund Balances, Beginning	1,526	1,526	1,526	-
Fund Balances, Ending	\$ 1,544	\$ 6,572	\$ 262	\$ (6,310)

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, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
General Government	-	-	14	(14)
Total Expenditures	-	-	14	(14)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(14)	(14)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	770	770
Total Other Financing Sources (Uses)	-	-	770	770
Net Change in Fund Balances	-	-	756	756
Fund Balances, Beginning	(756)	(756)	(756)	-
Fund Balances, Ending	<u>\$ (756)</u>	<u>\$ (756)</u>	<u>\$ -</u>	<u>\$ 756</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Grants
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 11	\$ 11	\$ 12	\$ 1
Intergovernmental	6,835	8,544	6,526	(2,018)
Charges for services	72	94	90	(4)
Donations	95	99	118	19
Total Revenues	7,013	8,748	6,746	(2,002)
EXPENDITURES				
Current:				
General Government	40	40	17	23
Public Safety	2,368	3,352	769	2,583
Public Works	323	323	176	147
Community Development	2,088	2,377	2,858	(481)
Community Services	988	1,017	828	189
Capital outlay	18	404	-	404
Total Expenditures	5,825	7,513	4,648	2,865
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,188	1,235	2,098	863
OTHER FINANCING SOURCES (USES)				
Transfers in	4	4	905	901
Transfers out	(2,103)	(3,802)	(3,639)	163
Total Other Financing Sources (Uses)	(2,099)	(3,798)	(2,734)	1,064
Net Change in Fund Balances	(911)	(2,563)	(636)	1,927
Fund Balances, Beginning	2,583	2,583	2,583	-
Fund Balances, Ending	\$ 1,672	\$ 20	\$ 1,947	\$ 1,927



DEBT SERVICE FUNDS

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

Major Fund

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

Other Debt Service Funds

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

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

**City of Irvine
Combining Balance Sheet
Other Debt Service Funds
June 30, 2011**

(amounts expressed in thousands)

	Irvine Public Facilities and Infrastructure Authority	Infrastructure Financing Plan	Total Other Debt Service Funds
ASSETS			
Cash and investments	\$ -	\$ 121	\$ 121
Total Assets	\$ -	\$ 121	\$ 121
LIABILITIES AND FUND BALANCES			
Liabilities:			
Total Liabilities	-	-	-
Fund Balances:			
Assigned			
Debt service	-	121	121
Total Fund Balances	-	121	121
Total Liabilities and Fund Balances	\$ -	\$ 121	\$ 121

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Debt Service Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	<u>Irvine Public Facilities and Infrastructure Authority</u>	<u>Infrastructure Financing Plan</u>	<u>Total Other Debt Service Funds</u>
REVENUES			
Investment income	\$ 13	\$ 2	\$ 15
Charges for services	9,810	-	9,810
Total Revenues	<u>9,823</u>	<u>2</u>	<u>9,825</u>
EXPENDITURES			
Current:			
General Government	4	-	4
Debt service:			
Principal retirement	8,260	-	8,260
Interest and fiscal charges	9	-	9
Administration	11	-	11
Total Expenditures	<u>8,284</u>	<u>-</u>	<u>8,284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,539</u>	<u>2</u>	<u>1,541</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,500	-	4,500
Transfers out	<u>(9,322)</u>	<u>-</u>	<u>(9,322)</u>
Total Other Financing Sources (Uses)	<u>(4,822)</u>	<u>-</u>	<u>(4,822)</u>
Net Change in Fund Balances	(3,283)	2	(3,281)
Fund Balances, Beginning	<u>3,283</u>	<u>119</u>	<u>3,402</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ 121</u>	<u>\$ 121</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, 2011
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 4,835	\$ 4,835	\$ 5,189	\$ 354
Investment income	83	83	39	(44)
Total Revenues	<u>4,918</u>	<u>4,918</u>	<u>5,228</u>	<u>310</u>
EXPENDITURES				
Current:				
Community Development	2,482	2,482	2,634	(152)
Debt service:				
Interest and fiscal charges	<u>15,851</u>	<u>15,851</u>	<u>16,327</u>	<u>(476)</u>
Total Expenditures	<u>18,333</u>	<u>18,333</u>	<u>18,961</u>	<u>(628)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,415)</u>	<u>(13,415)</u>	<u>(13,733)</u>	<u>(318)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	61,417	61,417	-
Transfers out	<u>(1,200)</u>	<u>(97,396)</u>	<u>(96,996)</u>	<u>400</u>
Total Other Financing Sources (Uses)	<u>(1,200)</u>	<u>(35,979)</u>	<u>(35,579)</u>	<u>400</u>
Net Change in Fund Balances	(14,615)	(49,394)	(49,312)	82
Fund Balances, Beginning	<u>(174,667)</u>	<u>(174,667)</u>	<u>(174,667)</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (189,282)</u>	<u>\$ (224,061)</u>	<u>\$ (223,979)</u>	<u>\$ 82</u>

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 74	\$ 74	\$ 13	\$ (61)
Charges for services	13,310	9,810	9,810	-
Total Revenues	13,384	9,884	9,823	(61)
EXPENDITURES				
Current:				
General Government	4	4	4	-
Debt service:				
Principal retirement	8,260	8,260	8,260	-
Interest and fiscal charges	9	9	9	-
Administration	12	12	11	1
Total Expenditures	8,285	8,285	8,284	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,099	1,599	1,539	(60)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000	4,500	4,500	-
Transfers out	(9,198)	(9,198)	(9,322)	(124)
Total Other Financing Sources (Uses)	(8,198)	(4,698)	(4,822)	(124)
Net Change in Fund Balances	(3,099)	(3,099)	(3,283)	(184)
Fund Balances, Beginning	3,283	3,283	3,283	-
Fund Balances, Ending	\$ 184	\$ 184	\$ -	\$ (184)

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 2	\$ 2	\$ 2	\$ -
Total Revenues	2	2	2	-
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2	2	2	-
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	2	2	2	-
Fund Balances, Beginning	119	119	119	-
Fund Balances, Ending	\$ 121	\$ 121	\$ 121	\$ -





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 monies used for development and construction of non-circulation projects such as parks and public facilities within the City.

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, 2011
(amounts expressed in thousands)
Page 1 of 2

	Community Facilities Districts	Park Development	City Infrastructure
ASSETS			
Cash and investments	\$ 13,910	\$ 17,105	\$ -
Receivables, net of allowances:			
Accrued interest	4	16	-
Due from other governments	-	353	-
Total Assets	\$ 13,914	\$ 17,474	\$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 701	\$ -
Deposits	250	-	-
Deferred revenue	-	548	-
Total Liabilities	250	1,249	-
Fund Balances:			
Restricted			
Capital improvement projects	13,664	3,982	-
Committed			
Capital improvement projects	-	5,566	-
Assigned			
Capital improvement projects	-	6,677	-
Total Fund Balances	13,664	16,225	-
Total Liabilities and Fund Balances	\$ 13,914	\$ 17,474	\$ -

- continued -

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2011
(amounts expressed in thousands)
Page 2 of 2

	Orange County Great Park Infrastructure	Great Park Development	Total Other Capital Projects Funds
ASSETS			
Cash and investments	\$ 965	\$ 45,104	\$ 77,084
Receivables, net of allowances:			
Accrued interest	1	49	70
Due from other governments	-	-	353
Total Assets	\$ 966	\$ 45,153	\$ 77,507
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 9,859	\$ 10,560
Deposits	-	-	250
Deferred revenue	-	-	548
Total Liabilities	-	9,859	11,358
Fund Balances:			
Restricted			
Capital improvement projects	-	-	17,646
Committed			
Capital improvement projects	966	35,294	41,826
Assigned			
Capital improvement projects	-	-	6,677
Total Fund Balances	966	35,294	66,149
Total Liabilities and Fund Balances	\$ 966	\$ 45,153	\$ 77,507

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Capital Projects Funds
For the Fiscal Year Ended June 30, 2011
 (amounts expressed in thousands)
Page 1 of 2

	<u>Community Facilities Districts</u>	<u>Park Development</u>	<u>City Infrastructure</u>
REVENUES			
Investment income	\$ 24	\$ 153	\$ 44
Intergovernmental	-	536	-
Donations	-	6	-
	<hr/>	<hr/>	<hr/>
Total Revenues	24	695	44
EXPENDITURES			
Current:			
General Government	-	33	-
Public Works	1	151	-
Community Development	-	13	-
Community Services	-	126	-
Great Park	-	-	-
Capital outlay	879	7,403	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	880	7,726	-
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(856)	(7,031)	44
OTHER FINANCING SOURCES (USES)			
Transfers in	-	9,430	-
Transfers out	-	(2,710)	(7,355)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	6,720	(7,355)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(856)	(311)	(7,311)
	<hr/>	<hr/>	<hr/>
Fund Balances, Beginning	14,520	16,536	7,311
	<hr/>	<hr/>	<hr/>
Fund Balances, Ending	\$ 13,664	\$ 16,225	\$ -
	<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, 2011
(amounts expressed in thousands)

Page 2 of 2

	Orange County Great Park Infrastructure	Great Park Development	Total Other Capital Projects Funds
REVENUES			
Investment income	\$ 9	\$ 1,138	\$ 1,368
Intergovernmental	-	-	536
Donations	-	-	6
	9	1,138	1,910
EXPENDITURES			
Current:			
General Government	2	2	37
Public Works	-	-	152
Community Development	-	11	24
Community Services	-	-	126
Great Park	1	2,586	2,587
Capital outlay	-	27,737	36,019
	3	30,336	38,945
Excess (Deficiency) of Revenues Over (Under) Expenditures	6	(29,198)	(37,035)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	956	10,386
Transfers out	(2,421)	-	(12,486)
	(2,421)	956	(2,100)
Total Other Financing Sources (Uses)	(2,421)	956	(2,100)
Net Change in Fund Balances	(2,415)	(28,242)	(39,135)
Fund Balances, Beginning	3,381	63,536	105,284
Fund Balances, Ending	\$ 966	\$ 35,294	\$ 66,149



PERMANENT FUNDS

Permanent funds 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, 2011
(amounts expressed in thousands)

	Senior Services Fund
ASSETS	
Cash and investments	\$ 602
Receivables, net of allowances:	
Accrued interest	1
Total Assets	\$ 603
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 11
Total Liabilities	11
Fund Balances:	
Nonspendable	
Endowment	469
Restricted	
Community services activities	123
Total Fund Balances	592
Total Liabilities and Fund Balances	\$ 603

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Permanent Fund
For the Fiscal Year Ended June 30, 2011
 (amounts expressed in thousands)

	<u>Senior Services Fund</u>
REVENUES	
Investment income	\$ 7
Charges for services	1
Other revenue	<u>16</u>
Total Revenues	<u>24</u>
EXPENDITURES	
Current:	
Community Services	<u>40</u>
Total Expenditures	<u>40</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16)</u>
OTHER FINANCING SOURCES (USES)	
Total Other Financing Sources (Uses)	<u>-</u>
Net Change in Fund Balances	(16)
Fund Balances, Beginning	<u>608</u>
Fund Balances, Ending	<u><u>\$ 592</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 3	\$ 3	\$ 7	\$ 4
Charges for services	-	-	1	1
Other revenue	14	14	16	2
Total Revenues	17	17	24	7
EXPENDITURES				
Current:				
Community Services	97	97	40	57
Total Expenditures	97	97	40	57
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80)	(80)	(16)	64
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(80)	(80)	(16)	64
Fund Balances, Beginning	608	608	608	-
Fund Balances, Ending	\$ 528	\$ 528	\$ 592	\$ 64





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, 2011
(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	\$ 12,287	\$ 12,530	\$ 63	\$ 24,880
Receivables, net of allowances:				
Accounts	10	24	-	34
Accrued interest	14	15	-	29
Inventories	-	-	115	115
Due from other governments	2	11	-	13
	<u>12,313</u>	<u>12,580</u>	<u>178</u>	<u>25,071</u>
Total Current Assets				
Noncurrent Assets:				
Capital assets:				
Equipment	20	32,508	-	32,528
Less accumulated depreciation	(20)	(25,645)	-	(25,665)
	<u>-</u>	<u>6,863</u>	<u>-</u>	<u>6,863</u>
Total Noncurrent Assets				
	<u>12,313</u>	<u>19,443</u>	<u>178</u>	<u>31,934</u>
Total Assets				
LIABILITIES				
Current Liabilities:				
Accounts payable	96	1,067	40	1,203
Due to other governments	-	5	-	5
Lease payable	-	303	-	303
Compensated absences	11	29	-	40
Claims payable	3,070	-	-	3,070
	<u>3,177</u>	<u>1,404</u>	<u>40</u>	<u>4,621</u>
Total Current Liabilities				
Noncurrent Liabilities:				
Lease payable	-	386	-	386
Compensated absences	45	118	-	163
Claims payable	6,771	-	-	6,771
	<u>6,816</u>	<u>504</u>	<u>-</u>	<u>7,320</u>
Total Noncurrent Liabilities				
	<u>9,993</u>	<u>1,908</u>	<u>40</u>	<u>11,941</u>
Total Liabilities				
NET ASSETS				
Invested in capital assets, net of related debt	-	6,174	-	6,174
Unrestricted	2,320	11,361	138	13,819
	<u>\$ 2,320</u>	<u>\$ 17,535</u>	<u>\$ 138</u>	<u>\$ 19,993</u>
Total Net Assets				

City of Irvine
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2011
(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	\$ 4,745	\$ 13,413	\$ -	\$ 18,158
Other	84	222	317	623
Total Operating Revenues	<u>4,829</u>	<u>13,635</u>	<u>317</u>	<u>18,781</u>
OPERATING EXPENSES				
Personal services	678	1,737	-	2,415
Supplies & equipment	37	4,111	323	4,471
Contract services	407	4,081	-	4,488
Administration	92	1,193	-	1,285
Self-insured losses	3,978	-	-	3,978
Insurance premiums	1,939	-	-	1,939
Depreciation	2	3,343	-	3,345
Total Operating Expenses	<u>7,133</u>	<u>14,465</u>	<u>323</u>	<u>21,921</u>
Operating Loss	<u>(2,304)</u>	<u>(830)</u>	<u>(6)</u>	<u>(3,140)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	139	158	-	297
Interest expense	-	(12)	-	(12)
Gain on disposal of equipment	-	54	-	54
Total Nonoperating Revenues	<u>139</u>	<u>200</u>	<u>-</u>	<u>339</u>
Loss Before Transfers	(2,165)	(630)	(6)	(2,801)
Transfers in	-	111	-	111
Transfers out	<u>-</u>	<u>(2,300)</u>	<u>-</u>	<u>(2,300)</u>
Change in Net Assets	(2,165)	(2,819)	(6)	(4,990)
Total Net Assets, Beginning	<u>4,485</u>	<u>20,354</u>	<u>144</u>	<u>24,983</u>
Total Net Assets, Ending	<u>\$ 2,320</u>	<u>\$ 17,535</u>	<u>\$ 138</u>	<u>\$ 19,993</u>

City of Irvine
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	<u>Self- Insur- ance</u>	<u>Equip- ment and Services</u>	<u>Inven- tory</u>	<u>Total Internal Service Funds</u>
Cash Flows From Operating Activities				
Received from customers and users	\$ 211	220	\$ -	\$ 431
Received from interfund services provided	4,607	13,413	317	18,337
Paid to suppliers	(82)	(536)	(274)	(892)
Paid for interfund services provided	(5,152)	(8,094)	-	(13,246)
Paid to employees	(690)	(1,738)	-	(2,428)
Net Cash Provided (Used) by Operating Activities	<u>(1,106)</u>	<u>3,265</u>	<u>43</u>	<u>2,202</u>
Cash Flows From Non-Capital Financing Activities				
Cash paid to other funds	-	(2,300)	-	(2,300)
Net Cash Used by Non-Capital Financing Activities	<u>-</u>	<u>(2,300)</u>	<u>-</u>	<u>(2,300)</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of equipment	-	109	-	109
Cash received from to other funds	-	25	-	25
Interest paid	-	(12)	-	(12)
Equipment purchases	-	(1,856)	-	(1,856)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(1,734)</u>	<u>-</u>	<u>(1,734)</u>
Cash Flows from Investing Activities				
Interest received on investments	152	174	-	326
Net Cash Provided by Investing Activities	<u>152</u>	<u>174</u>	<u>-</u>	<u>326</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(954)	(595)	43	(1,506)
Cash and Cash Equivalents, Beginning of Fiscal Year	13,241	13,125	20	26,386
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 12,287</u>	<u>\$ 12,530</u>	<u>\$ 63</u>	<u>\$ 24,880</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Cash Flows from Operating Activities				
Operating loss	\$ (2,304)	\$ (830)	\$ (6)	\$ (3,140)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	2	3,343	-	3,345
Changes in assets and liabilities:				
(Increase) decrease in receivables, net of allowances	45	7	-	52
(Increase) decrease in due from other governments	(2)	(9)	-	(11)
(Increase) decrease in inventories	-	-	23	23
Increase (decrease) in accounts payable	(38)	453	26	441
Increase (decrease) in due to other governments	-	4	-	4
Increase (decrease) in deferred revenue	(54)	-	-	(54)
Increase (decrease) in lease payable	-	308	-	308
Increase (decrease) in compensated absences	(12)	(11)	-	(23)
Increase (decrease) in claims payable	1,257	-	-	1,257
Total Adjustments	<u>1,198</u>	<u>4,095</u>	<u>49</u>	<u>5,342</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,106)</u>	<u>\$ 3,265</u>	<u>\$ 43</u>	<u>\$ 2,202</u>
Noncash Capital Financing Activities - Capital Lease Borrowings	<u>\$ -</u>	<u>\$ 566</u>	<u>\$ -</u>	<u>\$ 566</u>





FIDUCIARY FUNDS

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

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

Agency Funds - These funds account for assets that are held in a custodial relationship. As assets are received, they may be temporarily invested, and then remitted to individuals, private organizations, or other governments. One of these funds, the 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, 2011
(amounts expressed in thousands)

	PENSION TRUST (December 31, 2010)		Total Pension and Employee Benefit Trust Funds
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	
ASSETS			
Investments:			
Collective trust funds	\$ 17,491	\$ -	\$ 17,491
Short-term investments	505	-	505
Participant-directed investments	-	10,798	10,798
Receivables, net of allowances:			
Accounts	2	-	2
Loans	-	77	77
Total Assets	<u>17,998</u>	<u>10,875</u>	<u>28,873</u>
LIABILITIES			
Accounts payable	-	151	151
Accrued liabilities	<u>27</u>	<u>-</u>	<u>27</u>
Total Liabilities	<u>27</u>	<u>151</u>	<u>178</u>
NET ASSETS			
Held in trust for pension benefits	<u>17,971</u>	<u>10,724</u>	<u>28,695</u>
Total Net Assets	<u><u>\$ 17,971</u></u>	<u><u>\$ 10,724</u></u>	<u><u>\$ 28,695</u></u>

City of Irvine
Combining Statement of Changes in Net Assets
Pension and Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)

	PENSION TRUST		
	(December 31, 2010)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total Pension and Employee Benefit Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 237	\$ 204	\$ 441
Plan members	-	54	54
Interest from participants' loan	-	5	5
Total Contributions	<u>237</u>	<u>263</u>	<u>500</u>
Investment income (loss):			
Interest and dividends	4	49	53
Net appreciation (depreciation) in fair value of investments	1,869	795	2,664
Total Investment Income	<u>1,873</u>	<u>844</u>	<u>2,717</u>
Less investment expenses	<u>(105)</u>	<u>(28)</u>	<u>(133)</u>
Net Investment Income	<u>1,768</u>	<u>816</u>	<u>2,584</u>
Total Additions	<u>2,005</u>	<u>1,079</u>	<u>3,084</u>
DEDUCTIONS			
Benefit payments	1,048	353	1,401
Administrative expenses	8	-	8
Forfeitures to the City of Irvine	-	2	2
Transfers to other defined benefit plan	-	14	14
Total Deductions	<u>1,056</u>	<u>369</u>	<u>1,425</u>
Change in Net Assets	949	710	1,659
Total Net Assets, Beginning	<u>17,022</u>	<u>10,014</u>	<u>27,036</u>
Total Net Assets, Ending	<u>\$ 17,971</u>	<u>\$ 10,724</u>	<u>\$ 28,695</u>

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2011
(amounts expressed in thousands)

Page 1 of 6

	Proposed Assessment District 11-24	Laguna Altura 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	\$ 34	\$ 5,224	\$ 5,651	\$ 1,622	\$ 5,135
Receivables, net of allowances:					
Taxes	-	-	-	-	30
Due from developers	-	-	1	-	142
Total Assets	<u>34</u>	<u>5,224</u>	<u>5,652</u>	<u>1,622</u>	<u>5,307</u>
LIABILITIES					
Accounts payable	1	3	-	2	-
Accrued liabilities	-	10	8	10	144
Due to bondholders	33	5,211	5,644	1,610	5,163
Due to other governments	-	-	-	-	-
Total Liabilities	<u>34</u>	<u>5,224</u>	<u>5,652</u>	<u>1,622</u>	<u>5,307</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, 2011
 (amounts expressed in thousands)
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	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	\$ 10,384	\$ 12,871	\$ 5,435	\$ 4,002
Receivables, net of allowances:				
Taxes	154	172	-	99
Due from developers	179	32	30	62
Total Assets	<u>10,717</u>	<u>13,075</u>	<u>5,465</u>	<u>4,163</u>
LIABILITIES				
Accounts payable	12	3	-	4
Accrued liabilities	191	32	29	52
Due to bondholders	10,514	13,040	5,436	4,107
Due to other governments	-	-	-	-
Total Liabilities	<u>10,717</u>	<u>13,075</u>	<u>5,465</u>	<u>4,163</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2011
 (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	\$ 547	\$ 8,146	\$ 260	\$ 1,876
Receivables, net of allowances:				
Taxes	-	71	-	-
Due from developers	66	201	33	42
Total Assets	<u>613</u>	<u>8,418</u>	<u>293</u>	<u>1,918</u>
LIABILITIES				
Accounts payable	4	11	6	3
Accrued liabilities	61	194	27	39
Due to bondholders	548	8,213	260	1,876
Due to other governments	-	-	-	-
Total Liabilities	<u>613</u>	<u>8,418</u>	<u>293</u>	<u>1,918</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2011
(amounts expressed in thousands)

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	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	\$ 693	\$ 1,177	\$ 2,512	\$ 2,207	\$ 5,556
Receivables, net of allowances:					
Taxes	-	8	-	-	-
Due from developers	40	119	-	-	-
Total Assets	<u>733</u>	<u>1,304</u>	<u>2,512</u>	<u>2,207</u>	<u>5,556</u>
LIABILITIES					
Accounts payable	7	8	1	1	1
Accrued liabilities	34	113	1	-	1
Due to bondholders	692	1,183	2,510	2,206	5,554
Due to other governments	-	-	-	-	-
Total Liabilities	<u>733</u>	<u>1,304</u>	<u>2,512</u>	<u>2,207</u>	<u>5,556</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, 2011
 (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	\$ 317	\$ 4,525	\$ 539	\$ 3,601	\$ 765
Receivables, net of allowances:					
Taxes	-	38	30	82	20
Due from developers	-	-	-	-	-
Total Assets	<u>317</u>	<u>4,563</u>	<u>569</u>	<u>3,683</u>	<u>785</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Due to bondholders	317	4,563	569	3,683	785
Due to other governments	-	-	-	-	-
Total Liabilities	<u>317</u>	<u>4,563</u>	<u>569</u>	<u>3,683</u>	<u>785</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, 2011
(amounts expressed in thousands)
Page 6 of 6

	Reassessment District 03-2	CFD - Central Park 04-1	CFD - Columbus Grove 05-2	Inter-Agency Custodial Fund	Total Agency Funds
ASSETS					
Cash and investments	\$ 6,346	\$ 849	\$ 2,956	\$ 179	\$ 93,409
Receivables, net of allowances:					
Taxes	122	-	29	-	855
Due from developers	-	-	-	-	947
Total Assets	<u>6,468</u>	<u>849</u>	<u>2,985</u>	<u>179</u>	<u>95,211</u>
LIABILITIES					
Accounts payable	-	-	-	-	67
Accrued liabilities	-	-	-	-	946
Due to bondholders	6,468	849	2,985	-	94,019
Due to other governments	-	-	-	179	179
Total Liabilities	<u>6,468</u>	<u>849</u>	<u>2,985</u>	<u>179</u>	<u>95,211</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, 2011
(amounts expressed in thousands)
Page 1 of 10

	June 30, 2010		June 30, 2011	
	Balance	Additions	Deductions	Balance
Proposed Assessment District 11-24				
ASSETS				
Cash and investments	\$ -	\$ 37	\$ 3	\$ 34
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	1	1	-
Total Assets	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 4</u>	<u>\$ 34</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2	\$ 1	\$ 1
Accrued liabilities	-	-	-	-
Due to bondholders	-	35	2	33
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 37</u>	<u>\$ 3</u>	<u>\$ 34</u>
Laguna Altura Assessment District 10-23				
ASSETS				
Cash and investments	\$ -	\$ 25,993	\$ 20,769	\$ 5,224
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	2	-	2	-
Total Assets	<u>\$ 2</u>	<u>\$ 25,993</u>	<u>\$ 20,771</u>	<u>\$ 5,224</u>
LIABILITIES				
Accounts payable	\$ 2	\$ 31	\$ 30	\$ 3
Accrued liabilities	-	10	-	10
Due to bondholders	-	5,213	2	5,211
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 2</u>	<u>\$ 5,254</u>	<u>\$ 32</u>	<u>\$ 5,224</u>
Stonegate Assessment District 07-22				
ASSETS				
Cash and investments	\$ 3,008	\$ 25,222	\$ 22,579	\$ 5,651
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	32	31	1
Total Assets	<u>\$ 3,008</u>	<u>\$ 25,254</u>	<u>\$ 22,610</u>	<u>\$ 5,652</u>
LIABILITIES				
Accounts payable	\$ 2	\$ 1,275	\$ 1,277	\$ -
Accrued liabilities	1	8	1	8
Due to bondholders	3,005	2,639	-	5,644
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 3,008</u>	<u>\$ 3,922</u>	<u>\$ 1,278</u>	<u>\$ 5,652</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, 2011
(amounts expressed in thousands)
Page 2 of 10

	June 30, 2010			June 30, 2011
	Balance	Additions	Deductions	Balance
Orchard Hills Assessment District 05-21				
ASSETS				
Cash and investments	\$ 2,872	\$ 62	\$ 1,312	\$ 1,622
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	20	20	-
Total Assets	<u>\$ 2,872</u>	<u>\$ 82</u>	<u>\$ 1,332</u>	<u>\$ 1,622</u>
LIABILITIES				
Accounts payable	\$ -	\$ 217	\$ 215	\$ 2
Accrued liabilities	1	10	1	10
Due to bondholders	2,871	-	1,261	1,610
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 2,872</u>	<u>\$ 227</u>	<u>\$ 1,477</u>	<u>\$ 1,622</u>
Portola Springs Assessment District 04-20				
ASSETS				
Cash and investments	\$ 6,478	\$ 5,647	\$ 6,990	\$ 5,135
Receivables, net of allowances:				
Taxes	54	30	54	30
Accrued interest	1	-	1	-
Due from developers	-	151	9	142
Total Assets	<u>\$ 6,533</u>	<u>\$ 5,828</u>	<u>\$ 7,054</u>	<u>\$ 5,307</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 2,778	\$ 2,779	\$ -
Accrued liabilities	2	144	2	144
Due to bondholders	6,530	27	1,394	5,163
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 6,533</u>	<u>\$ 2,949</u>	<u>\$ 4,175</u>	<u>\$ 5,307</u>
Northern Sphere Assessment District 03-19				
ASSETS				
Cash and investments	\$ 10,474	\$ 12,531	\$ 12,621	\$ 10,384
Receivables, net of allowances:				
Taxes	162	154	162	154
Accrued interest	3	-	3	-
Due from developers	6	541	368	179
Total Assets	<u>\$ 10,645</u>	<u>\$ 13,226</u>	<u>\$ 13,154</u>	<u>\$ 10,717</u>
LIABILITIES				
Accounts payable	\$ -	\$ 6,558	\$ 6,546	\$ 12
Accrued liabilities	19	190	18	191
Due to bondholders	10,626	133	245	10,514
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 10,645</u>	<u>\$ 6,881</u>	<u>\$ 6,809</u>	<u>\$ 10,717</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, 2011
(amounts expressed in thousands)
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	June 30, 2010			June 30, 2011
	Balance	Additions	Deductions	Balance
Shady Canyon/Turtle Ridge Assessment District 00-18				
ASSETS				
Cash and investments	\$ 12,640	\$ 15,221	\$ 14,990	\$ 12,871
Receivables, net of allowances:				
Taxes	333	172	333	172
Accrued interest	3	-	3	-
Due from developers	-	275	243	32
Total Assets	<u>\$ 12,976</u>	<u>\$ 15,668</u>	<u>\$ 15,569</u>	<u>\$ 13,075</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 7,596	\$ 7,594	\$ 3
Accrued liabilities	7	32	7	32
Due to bondholders	12,968	82	10	13,040
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 12,976</u>	<u>\$ 7,710</u>	<u>\$ 7,611</u>	<u>\$ 13,075</u>
Irvine Spectrum Reassessment District 85-7				
ASSETS				
Cash and investments	\$ 5,419	\$ 202	\$ 186	\$ 5,435
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	28	181	179	30
Total Assets	<u>\$ 5,447</u>	<u>\$ 383</u>	<u>\$ 365</u>	<u>\$ 5,465</u>
LIABILITIES				
Accounts payable	\$ -	\$ 174	\$ 174	\$ -
Accrued liabilities	30	29	30	29
Due to bondholders	5,417	19	-	5,436
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,447</u>	<u>\$ 222</u>	<u>\$ 204</u>	<u>\$ 5,465</u>
Irvine Spectrum Assessment District 87-8				
ASSETS				
Cash and investments	\$ 4,326	\$ 5,099	\$ 5,423	\$ 4,002
Receivables, net of allowances:				
Taxes	189	99	189	99
Accrued interest	1	-	1	-
Due from developers	52	323	313	62
Total Assets	<u>\$ 4,568</u>	<u>\$ 5,521</u>	<u>\$ 5,926</u>	<u>\$ 4,163</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2,824	\$ 2,820	\$ 4
Accrued liabilities	57	52	57	52
Due to bondholders	4,511	20	424	4,107
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,568</u>	<u>\$ 2,896</u>	<u>\$ 3,301</u>	<u>\$ 4,163</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, 2011
(amounts expressed in thousands)
Page 4 of 10

	June 30, 2010				June 30, 2011
	Balance	Additions	Deductions		Balance
Westpark Assessment District 89-10					
ASSETS					
Cash and investments	\$ 546	\$ 309	\$ 308		\$ 547
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	5	392	331		66
Total Assets	<u>\$ 551</u>	<u>\$ 701</u>	<u>\$ 639</u>		<u>\$ 613</u>
LIABILITIES					
Accounts payable	\$ 4	\$ 303	\$ 303		\$ 4
Accrued liabilities	5	61	5		61
Due to bondholders	542	6	-		548
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 551</u>	<u>\$ 370</u>	<u>\$ 308</u>		<u>\$ 613</u>
Irvine Spectrum Assessment District 93-14					
ASSETS					
Cash and investments	\$ 8,033	\$ 2,458	\$ 2,345		\$ 8,146
Receivables, net of allowances:					
Taxes	158	71	158		71
Accrued interest	1	-	1		-
Due from developers	66	778	643		201
Total Assets	<u>\$ 8,258</u>	<u>\$ 3,307</u>	<u>\$ 3,147</u>		<u>\$ 8,418</u>
LIABILITIES					
Accounts payable	\$ 11	\$ 1,481	\$ 1,481		\$ 11
Accrued liabilities	61	194	61		194
Due to bondholders	8,186	27	-		8,213
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 8,258</u>	<u>\$ 1,702</u>	<u>\$ 1,542</u>		<u>\$ 8,418</u>
Oak Creek Assessment District 94-13					
ASSETS					
Cash and investments	\$ 260	\$ 140	\$ 140		\$ 260
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	32	141	140		33
Total Assets	<u>\$ 292</u>	<u>\$ 281</u>	<u>\$ 280</u>		<u>\$ 293</u>
LIABILITIES					
Accounts payable	\$ -	\$ 141	\$ 135		\$ 6
Accrued liabilities	33	27	33		27
Due to bondholders	259	1	-		260
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 292</u>	<u>\$ 169</u>	<u>\$ 168</u>		<u>\$ 293</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, 2011
(amounts expressed in thousands)
Page 5 of 10

	June 30, 2010				June 30, 2011
	Balance	Additions	Deductions		Balance
Westpark II Assessment District 94-15					
ASSETS					
Cash and investments	\$ 1,874	\$ 214	\$ 212		\$ 1,876
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	43	233	234		42
Total Assets	<u>\$ 1,917</u>	<u>\$ 447</u>	<u>\$ 446</u>		<u>\$ 1,918</u>
LIABILITIES					
Accounts payable	\$ 2	\$ 207	\$ 206		\$ 3
Accrued liabilities	45	38	44		39
Due to bondholders	1,870	6	-		1,876
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 1,917</u>	<u>\$ 251</u>	<u>\$ 250</u>		<u>\$ 1,918</u>
Northwest Assessment District 97-16					
ASSETS					
Cash and investments	\$ 688	\$ 405	\$ 400		\$ 693
Receivables, net of allowances:					
Taxes	-	-	-		-
Accrued interest	-	-	-		-
Due from developers	39	171	170		40
Total Assets	<u>\$ 727</u>	<u>\$ 576</u>	<u>\$ 570</u>		<u>\$ 733</u>
LIABILITIES					
Accounts payable	\$ -	\$ 289	\$ 282		\$ 7
Accrued liabilities	41	34	41		34
Due to bondholders	686	6	-		692
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 727</u>	<u>\$ 329</u>	<u>\$ 323</u>		<u>\$ 733</u>
Lower Peters Canyon Assessment District 97-17					
ASSETS					
Cash and investments	\$ 1,200	\$ 1,428	\$ 1,451		\$ 1,177
Receivables, net of allowances:					
Taxes	12	8	12		8
Accrued interest	-	-	-		-
Due from developers	118	645	644		119
Total Assets	<u>\$ 1,330</u>	<u>\$ 2,081</u>	<u>\$ 2,107</u>		<u>\$ 1,304</u>
LIABILITIES					
Accounts payable	\$ 2	\$ 1,038	\$ 1,032		\$ 8
Accrued liabilities	121	113	121		113
Due to bondholders	1,207	7	31		1,183
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 1,330</u>	<u>\$ 1,158</u>	<u>\$ 1,184</u>		<u>\$ 1,304</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, 2011
(amounts expressed in thousands)
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	June 30, 2010			June 30, 2011
	Balance	Additions	Deductions	Balance
Irvine Public Facilities and Infrastructure Authority Series A				
ASSETS				
Cash and investments	\$ 4,208	\$ 391	\$ 2,087	\$ 2,512
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 4,208</u>	<u>\$ 391</u>	<u>\$ 2,087</u>	<u>\$ 2,512</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 20	\$ 20	\$ 1
Accrued liabilities	1	1	1	1
Due to bondholders	4,206	-	1,696	2,510
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,208</u>	<u>\$ 21</u>	<u>\$ 1,717</u>	<u>\$ 2,512</u>
Irvine Public Facilities and Infrastructure Authority Series B				
ASSETS				
Cash and investments	\$ 2,903	\$ 385	\$ 1,081	\$ 2,207
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 2,903</u>	<u>\$ 385</u>	<u>\$ 1,081</u>	<u>\$ 2,207</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 16	\$ 16	\$ 1
Accrued liabilities	1	-	1	-
Due to bondholders	2,901	-	695	2,206
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 2,903</u>	<u>\$ 16</u>	<u>\$ 712</u>	<u>\$ 2,207</u>
Irvine Public Facilities and Infrastructure Authority Series C				
ASSETS				
Cash and investments	\$ 5,119	\$ 517	\$ 80	\$ 5,556
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 5,119</u>	<u>\$ 517</u>	<u>\$ 80</u>	<u>\$ 5,556</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 16	\$ 16	\$ 1
Accrued liabilities	1	1	1	1
Due to bondholders	5,117	437	-	5,554
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,119</u>	<u>\$ 454</u>	<u>\$ 17</u>	<u>\$ 5,556</u>

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2011
 (amounts expressed in thousands)
Page 7 of 10

	June 30, 2010			June 30, 2011
	Balance	Additions	Deductions	Balance
Reassessment District 99-1				
ASSETS				
Cash and investments	\$ 1,093	\$ 1,549	\$ 2,325	\$ 317
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 1,093</u>	<u>\$ 1,549</u>	<u>\$ 2,325</u>	<u>\$ 317</u>
LIABILITIES				
Accounts payable	\$ -	\$ 919	\$ 919	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	1,093	-	776	317
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,093</u>	<u>\$ 919</u>	<u>\$ 1,695</u>	<u>\$ 317</u>
Reassessment District 99-2				
ASSETS				
Cash and investments	\$ 5,089	\$ 9,186	\$ 9,750	\$ 4,525
Receivables, net of allowances:				
Taxes	65	38	65	38
Accrued interest	2	-	2	-
Due from developers	-	76	76	-
Total Assets	<u>\$ 5,156</u>	<u>\$ 9,300</u>	<u>\$ 9,893</u>	<u>\$ 4,563</u>
LIABILITIES				
Accounts payable	\$ -	\$ 4,063	\$ 4,063	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	5,156	-	593	4,563
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,156</u>	<u>\$ 4,063</u>	<u>\$ 4,656</u>	<u>\$ 4,563</u>
Reassessment District 01-1				
ASSETS				
Cash and investments	\$ 615	\$ 1,434	\$ 1,510	\$ 539
Receivables, net of allowances:				
Taxes	20	30	20	30
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 635</u>	<u>\$ 1,464</u>	<u>\$ 1,530</u>	<u>\$ 569</u>
LIABILITIES				
Accounts payable	\$ -	\$ 675	\$ 675	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	635	-	66	569
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 635</u>	<u>\$ 675</u>	<u>\$ 741</u>	<u>\$ 569</u>

-continued-

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2011
(amounts expressed in thousands)
Page 8 of 10

	June 30, 2010				June 30, 2011
	Balance	Additions	Deductions		Balance
Reassessment District 01-2					
ASSETS					
Cash and investments	\$ 3,964	\$ 8,491	\$ 8,854		\$ 3,601
Receivables, net of allowances:					
Taxes	109	82	109		82
Accrued interest	1	-	1		-
Due from developers	-	-	-		-
Total Assets	<u>\$ 4,074</u>	<u>\$ 8,573</u>	<u>\$ 8,964</u>		<u>\$ 3,683</u>
LIABILITIES					
Accounts payable	\$ -	\$ 3,980	\$ 3,980		\$ -
Accrued liabilities	-	-	-		-
Due to bondholders	4,074	-	391		3,683
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 4,074</u>	<u>\$ 3,980</u>	<u>\$ 4,371</u>		<u>\$ 3,683</u>
Reassessment District 03-1					
ASSETS					
Cash and investments	\$ 742	\$ 1,555	\$ 1,532		\$ 765
Receivables, net of allowances:					
Taxes	83	20	83		20
Accrued interest	-	-	-		-
Due from developers	-	-	-		-
Total Assets	<u>\$ 825</u>	<u>\$ 1,575</u>	<u>\$ 1,615</u>		<u>\$ 785</u>
LIABILITIES					
Accounts payable	\$ -	\$ 766	\$ 766		\$ -
Accrued liabilities	-	-	-		-
Due to bondholders	825	-	40		785
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 825</u>	<u>\$ 766</u>	<u>\$ 806</u>		<u>\$ 785</u>
Reassessment District 03-2					
ASSETS					
Cash and investments	\$ 6,669	\$ 12,957	\$ 13,280		\$ 6,346
Receivables, net of allowances:					
Taxes	171	122	171		122
Accrued interest	3	-	3		-
Due from developers	-	3	3		-
Total Assets	<u>\$ 6,843</u>	<u>\$ 13,082</u>	<u>\$ 13,457</u>		<u>\$ 6,468</u>
LIABILITIES					
Accounts payable	\$ -	\$ 6,640	\$ 6,640		\$ -
Accrued liabilities	-	-	-		-
Due to bondholders	6,843	-	375		6,468
Due to other governments	-	-	-		-
Total Liabilities	<u>\$ 6,843</u>	<u>\$ 6,640</u>	<u>\$ 7,015</u>		<u>\$ 6,468</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, 2011
 (amounts expressed in thousands)
Page 9 of 10

	June 30, 2010			June 30, 2011
	Balance	Additions	Deductions	Balance
CFD-Central Park 2004-1				
ASSETS				
Cash and investments	\$ 847	\$ 4	\$ 2	\$ 849
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	1	-	1	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 848</u>	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 849</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	848	1	-	849
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 848</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 849</u>
CFD-Columbus Grove 2005-2				
ASSETS				
Cash and investments	\$ 2,894	\$ 3,294	\$ 3,232	\$ 2,956
Receivables, net of allowances:				
Taxes	56	29	56	29
Accrued interest	1	-	1	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 2,951</u>	<u>\$ 3,323</u>	<u>\$ 3,289</u>	<u>\$ 2,985</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,608	\$ 1,608	\$ -
Accrued liabilities	1	-	1	-
Due to bondholders	2,950	35	-	2,985
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 2,951</u>	<u>\$ 1,643</u>	<u>\$ 1,609</u>	<u>\$ 2,985</u>
Inter-Agency Custodial Fund				
ASSETS				
Cash and investments	\$ 180	\$ 41	\$ 42	\$ 179
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 180</u>	<u>\$ 41</u>	<u>\$ 42</u>	<u>\$ 179</u>
LIABILITIES				
Accounts payable	\$ -	\$ 21	\$ 21	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	-	-	-	-
Due to other governments	180	19	20	179
Total Liabilities	<u>\$ 180</u>	<u>\$ 40</u>	<u>\$ 41</u>	<u>\$ 179</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, 2011
 (amounts expressed in thousands)
Page 10 of 10

	June 30, 2010			June 30, 2011
	Balance	Additions	Deductions	Balance
Total Agency Funds				
ASSETS				
Cash and investments	\$ 92,141	\$ 134,772	\$ 133,504	\$ 93,409
Receivables, net of allowances:				
Taxes	1,412	855	1,412	855
Accrued interest	17	-	17	-
Due from developers	391	3,963	3,407	947
Total Assets	<u>\$ 93,961</u>	<u>\$ 139,590</u>	<u>\$ 138,340</u>	<u>\$ 95,211</u>
LIABILITIES				
Accounts payable	\$ 28	\$ 43,638	\$ 43,599	\$ 67
Accrued liabilities	427	944	425	946
Due to bondholders	93,326	8,694	8,001	94,019
Due to other governments	180	19	20	179
Total Liabilities	<u>\$ 93,961</u>	<u>\$ 53,295</u>	<u>\$ 52,045</u>	<u>\$ 95,211</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 Ten Fiscal Years
(amounts expressed in thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 1,523,430	\$ 1,488,021	\$ 1,459,815	\$ 1,425,432
Restricted	294,596	349,681	375,082	364,556
Unrestricted	<u>287,840</u>	<u>244,927</u>	<u>294,354</u>	<u>371,340</u>
Total Governmental Activities Net Assets	<u>\$ 2,105,866</u>	<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	\$ 1,523,430	\$ 1,488,021	\$ 1,459,815	\$ 1,425,432
Restricted	294,596	349,681	375,082	364,556
Unrestricted	<u>287,840</u>	<u>244,927</u>	<u>294,354</u>	<u>371,340</u>
Total Primary Government Net Assets	<u>\$ 2,105,866</u>	<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 Ten Fiscal Years
(amounts expressed in thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
EXPENSES				
Governmental Activities				
General Government	\$ 20,281	\$ 23,199	\$ 20,495	\$ 47,848
Public Safety	57,091	57,891	57,693	52,292
Public Works	58,688	59,666	55,070	27,663
Community Services	33,006	26,715	32,284	37,177
Community Development	21,747	25,447	32,453	18,488
Redevelopment ⁽¹⁾	-	-	-	10,468
Great Park ⁽²⁾	14,747	17,593	13,235	34,248
Interest on long-term debt	68	14,803	14,111	-
Unallocated infrastructure depreciation	42,778	41,026	38,928	33,172
Total Governmental Activities Expenses	<u>\$ 248,406</u>	<u>\$ 266,340</u>	<u>\$ 264,269</u>	<u>\$ 261,356</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for services:				
General Government	\$ 462	\$ 7,354	\$ 681	\$ 10,738
Public Safety	3,460	4,163	4,273	3,950
Public Works	10,465	12,057	10,856	24,566
Community Services	9,069	9,219	10,896	7,723
Community Development	17,579	6,896	4,828	13,479
Redevelopment ⁽¹⁾	-	-	-	319
Great Park ⁽²⁾	2,946	3,521	3,384	3,450
Operating grants and contributions	16,570	9,644	15,702	11,286
Capital grants and contributions	71,731	31,707	52,238	155,840
Total Governmental Activities Program Revenues	<u>132,282</u>	<u>84,561</u>	<u>102,858</u>	<u>231,351</u>
Total Net Revenues (Expenses)	<u>\$ (116,124)</u>	<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⁾	\$ 48,370	\$ 50,791	\$ 54,168	\$ 52,155
Sales taxes	48,694	42,209	49,732	58,949
Franchise taxes	12,099	11,223	11,704	11,553
Transient occupancy taxes	8,294	7,306	7,768	9,108
Document transfer taxes	1,536	1,626	996	1,328
Business license taxes	911	-	-	-
Motor vehicle in-lieu	981	628	715	820
Sale of assets	64	62	165	14
Unrestricted capital grants & contributions	-	-	-	-
Investment revenue	4,786	20,492	7,325	36,304
Other revenue	27	179	20	2,276
Total Governmental Activities	<u>125,762</u>	<u>134,516</u>	<u>132,593</u>	<u>172,507</u>
Changes in Net Assets	<u>\$ 9,638</u>	<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.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 18,211	\$ 22,587	\$ 18,732	\$ 20,967	\$ 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
34,389	29,868	26,978	22,988	20,731	20,368
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
<u>\$ 274,031</u>	<u>\$ 208,797</u>	<u>\$ 186,355</u>	<u>\$ 167,364</u>	<u>\$ 129,963</u>	<u>\$ 137,464</u>
\$ -	\$ 2,861	\$ 134	\$ 222	\$ 425	\$ 212
3,429	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
<u>\$ 32,844</u>	<u>\$ 292,220</u>	<u>\$ (4,759)</u>	<u>\$ 41,980</u>	<u>\$ (59,064)</u>	<u>\$ (23,615)</u>
\$ 54,566	\$ 33,094	\$ 27,530	\$ 17,372	\$ 16,189	\$ 15,269
58,041	53,688	49,335	48,547	41,763	40,986
11,344	10,040	9,015	8,729	8,896	8,627
9,396	8,708	7,295	6,688	6,112	6,009
2,525	3,831	3,622	2,617	1,813	1,457
-	-	-	-	-	-
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
<u>\$ 213,265</u>	<u>\$ 424,214</u>	<u>\$ 102,710</u>	<u>\$ 140,186</u>	<u>\$ 35,434</u>	<u>\$ 73,416</u>

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

	<u>2011⁽¹⁾</u>	<u>2010⁽¹⁾</u>	<u>2009⁽²⁾</u>	<u>2008⁽²⁾</u>
GENERAL FUND				
Non Spendable	\$ 7,816	\$ 7,054		
Restricted	4,927	5,234		
Committed	7,863	15,938		
Assigned	74,674	75,411		
Unassigned	13,474	312		
Total General Fund	<u>\$ 108,754</u>	<u>\$ 103,949</u>		
 ALL OTHER GOVERNMENTAL FUNDS				
Non Spendable	\$ 175,116	\$ 136,584		
Restricted	281,699	273,138		
Committed	148,216	185,655		
Assigned	10,712	15,022		
Unassigned	(224,542)	(180,521)		
Total All Other Governmental Funds	<u>\$ 391,201</u>	<u>\$ 429,878</u>		
 ALL GOVERNMENTAL FUNDS	<u>\$ 499,955</u>	<u>\$ 533,827</u>		

	<u>2009</u>	<u>2008</u>
GENERAL FUND		
Reserved	\$ 9,427	\$ 9,443
Unreserved	100,769	114,344
Total General Fund	<u>\$ 110,196</u>	<u>\$ 123,787</u>
 ALL OTHER GOVERNMENTAL FUNDS		
Reserved	\$ 335,955	\$ 293,801
Unreserved, reported in:		
Special Revenue Funds	127,296	266,337
Capital Project Funds	52,429	23,007
Permanent Funds	170	146
Total All Other Governmental Funds	<u>\$ 515,850</u>	<u>\$ 583,291</u>
 ALL GOVERNMENTAL FUNDS	<u>\$ 626,046</u>	<u>\$ 707,078</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.

<u>2007</u> ⁽²⁾	<u>2006</u> ⁽²⁾	<u>2005</u> ⁽²⁾	<u>2004</u> ⁽²⁾	<u>2003</u> ⁽²⁾	<u>2002</u> ⁽²⁾
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<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 9,261	\$ 9,142	\$ 2,745	\$ 2,200	\$ 616	\$ 736
117,811	120,750	111,696	102,262	99,104	96,626
<u>\$ 127,072</u>	<u>\$ 129,892</u>	<u>\$ 114,441</u>	<u>\$ 104,462</u>	<u>\$ 99,720</u>	<u>\$ 97,362</u>
\$ 289,638	\$ 243,321	\$ 264,762	\$ 215,868	\$ 244,407	\$ 216,724
262,416	185,171	115,520	81,008	67,967	68,615
26,928	(9)	(67)	(13)	-	-
114	72	56	97	112	106
<u>\$ 583,441</u>	<u>\$ 474,991</u>	<u>\$ 365,227</u>	<u>\$ 346,399</u>	<u>\$ 285,531</u>	<u>\$ 313,008</u>
<u>\$ 710,513</u>	<u>\$ 604,883</u>	<u>\$ 479,668</u>	<u>\$ 450,861</u>	<u>\$ 385,251</u>	<u>\$ 410,370</u>

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
REVENUES				
Taxes				
Sales and use taxes	\$ 48,487	\$ 42,209	\$ 49,732	\$ 58,949
Property taxes	50,608	51,106	54,168	52,155
All other taxes	33,371	25,393	25,402	31,353
Licenses & permits	6,122	4,395	4,592	7,528
Fines & forfeitures	1,916	1,948	1,936	2,192
Investment income	10,488	10,845	23,089	35,973
Intergovernmental	35,419	35,367	43,610	35,885
Charges for services	33,496	34,405	34,202	43,572
Assessment districts contributions	38,318	-	498	-
Revenue from developers	7,641	336	1,103	83,975
Revenue from property owners	5,372	4,904	5,203	4,863
Donations	574	791	537	1,003
Other revenue	4,392	4,065	2,936	2,563
Total Revenues	<u>276,204</u>	<u>215,764</u>	<u>247,008</u>	<u>360,011</u>
EXPENDITURES				
Current:				
General Government	28,346	29,457	30,572	31,331
Public Safety	55,586	56,165	56,404	52,481
Public Works	27,188	35,709	33,833	35,803
Community Development	27,234	25,888	33,985	18,576
Community Services	32,054	33,667	34,240	35,264
Redevelopment	-	-	-	9,737
Great Park	14,779	17,743	13,073	12,128
Street lighting	6,892	5,658	6,226	5,069
Capital Outlay	95,986	76,164	84,770	169,594
Debt Services:				
Principal retirement	8,260	7,525	6,990	8,170
Interest & fiscal charges	16,336	14,690	14,038	11,853
Administration	11	43	75	106
Total Expenditures	<u>312,672</u>	<u>302,709</u>	<u>314,206</u>	<u>390,112</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,468)</u>	<u>(86,945)</u>	<u>(67,198)</u>	<u>(30,101)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term note	-	62	48	47
Proceeds from sale of capital assets	322	-	-	14
Transfers in	215,415	124,556	65,542	476,218
Transfers out	(213,141)	(113,586)	(64,308)	(477,803)
Total Other Financing Sources (Uses)	<u>2,596</u>	<u>11,032</u>	<u>1,282</u>	<u>(1,524)</u>
Net Change in Fund Balances	<u>\$ (33,872)</u>	<u>\$ (75,913)</u>	<u>\$ (65,916)</u>	<u>\$ (31,625)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	11.4%	9.8%	9.2%	9.1%

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

Source: City Fiscal Services Division

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	58,041	\$ 53,688	\$ 49,335	\$ 48,547	\$ 41,763	\$ 40,986
	54,566	33,094	27,530	17,372	16,189	15,269
	33,261	42,340	32,566	28,814	27,758	24,152
	7,166	8,996	6,943	6,646	5,859	5,780
	1,985	2,151	2,059	1,829	1,921	1,796
	39,141	20,201	8,774	3,510	9,662	13,734
	20,647	13,315	10,801	15,883	17,261	14,780
	35,241	34,178	28,450	25,152	22,943	20,786
	108,131	101,067	47,421	104,061	-	69,476
	89,669	76,410	36,051	15,985	4,619	5,097
	7,782	6,372	5,859	8,529	4,365	2,937
	-	-	-	-	-	-
	4,253	6,326	2,582	1,909	453	1,158
	<u>459,883</u>	<u>398,138</u>	<u>258,371</u>	<u>278,237</u>	<u>152,793</u>	<u>215,951</u>
	28,662	34,308	28,780	30,118	24,576	21,941
	47,830	44,100	39,130	36,640	33,724	33,286
	39,613	29,946	32,409	30,673	21,365	20,012
	17,818	24,947	18,078	15,002	12,825	14,643
	34,524	29,613	26,621	22,436	20,540	19,038
	15,537	1,270	-	-	-	-
	18,636	-	-	-	-	-
	4,589	4,137	4,190	3,771	3,687	3,618
	137,511	93,798	73,914	68,271	54,440	56,711
	6,225	5,770	5,330	4,885	4,550	6,635
	1,240	1,202	911	706	892	1,251
	108	179	156	166	195	148
	<u>352,293</u>	<u>269,270</u>	<u>229,519</u>	<u>212,668</u>	<u>176,794</u>	<u>177,283</u>
	<u>107,590</u>	<u>128,868</u>	<u>28,852</u>	<u>65,569</u>	<u>(24,001)</u>	<u>38,668</u>
	1,350	-	-	-	-	-
	-	-	-	-	-	-
	97,956	83,297	22,244	22,393	26,627	13,677
	<u>(101,266)</u>	<u>(86,950)</u>	<u>(22,919)</u>	<u>(22,352)</u>	<u>(27,745)</u>	<u>(14,867)</u>
	<u>(1,960)</u>	<u>(3,653)</u>	<u>(675)</u>	<u>41</u>	<u>(1,118)</u>	<u>(1,190)</u>
\$	<u>105,630</u>	<u>\$ 125,215</u>	<u>\$ 28,177</u>	<u>\$ 65,610</u>	<u>\$ (25,119)</u>	<u>\$ 37,478</u>
	3.5%	4.1%	4.1%	4.0%	4.6% ⁽¹⁾	6.7%

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Apparel stores	\$ *	\$ 172,603	\$ 165,975	\$ 151,277
General merchandise	*	278,703	313,425	382,044
Food stores	*	125,234	118,234	135,395
Eating & drinking places	*	445,344	437,188	455,804
Home furnishings & appliances	*	283,000	238,432	172,600
Building material & farm tools	*	73,915	70,540	94,565
Auto dealers & supplies	*	474,807	467,329	660,418
Service stations	*	197,404	182,025	212,969
Other retail stores	*	285,369	372,985	748,933
All other outlets	*	1,472,038	1,574,474	1,635,329
	<u>\$ -</u>	<u>\$ 3,808,417</u>	<u>\$ 3,940,607</u>	<u>\$ 4,649,334</u>
City Direct Sales Tax Rate	0.75%	0.75%	0.75%	0.75%

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

* Statistics for fiscal year 2010-11 is unavailable at the present time.

Source: California State Board of Equalization.

2007	2006	2005	2004	2003	2002
\$ 160,900	\$ 134,828	\$ 107,968	\$ 93,733	\$ 74,095	\$ 73,043
426,465	381,271	334,891	316,770	298,023	270,510
125,231	121,971	112,236	89,630	84,524	77,627
455,127	429,805	395,191	374,066	337,082	311,470
214,469	212,144	213,146	204,504	181,005	163,123
103,877	85,475	91,439	88,095	76,730	83,749
726,047	722,744	782,031	829,419	702,634	587,821
183,978	160,051	134,092	117,033	101,927	89,816
925,451	838,667	754,319	759,285	595,802	557,940
<u>1,610,630</u>	<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>\$ 4,932,175</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>
0.75%	0.75% ⁽¹⁾	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 Occupancy Tax	Franchise Tax	Document Transfer Tax		Other	Total
	City	Redevelopment Agency ⁽¹⁾							
2011	\$ 44,122	\$ 6,486	\$ 48,487	\$ 8,294	\$ 11,548	\$ 1,536	\$ 11,993	\$ 132,466	
2010	45,065	6,041	42,209	7,268	11,223	1,626	5,276	118,708	
2009	45,395	8,773	49,732	7,768	11,704	996	4,934	129,302	
2008	45,309	6,846	58,949	9,108	11,553	1,328	9,364	142,457	
2007	42,013	12,553	58,041	9,396	11,344	2,525	9,996	145,868	
2006	33,094	-	53,688	8,708	10,040	3,831	19,761	129,122	
2005	27,530	-	49,335	7,295	9,015	3,622	12,634	109,431	
2004	17,372	-	48,547	6,688	8,729	2,617	10,780	94,733	
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	

⁽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	
2011	\$ 43,012,659	\$ 1,811	\$ 3,524,106	\$ 46,538,576	\$ 615,136	\$ 335	\$ 6,958	\$ 622,429	0.107%
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%

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.

Source: Orange County Auditor-Controller, MuniServices LLC

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

	<u>2011</u>	<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>
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 (OC 7TH SMD)	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159
Tustin Unified General Fund	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154
South Orange County Community College District	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104
Orange County Department of Education	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649
Orange County General Fund	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339
Orange County Public Library	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715
Orange County Flood Control District	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034
Orange County Harbors Beaches & Parks CSA	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572
Educational Revenue Augmentation Fund	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673
Orange County Cemetery Fund	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051
Orange County Vector Control District	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	0.00370	0.00430	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610	0.00670	0.00770
Irvine City-Bond Fund 1974	-	-	-	-	-	-	-	-	-	0.00130
Tustin Unified SFID 2002 Bond SR 2003A	0.00311	0.00300	0.00292	0.00001	-	-	0.05541	0.03036	-	-
Tustin Unified SFID 2002-2 Series C	0.01301	0.01241	0.00735	-	-	-	-	-	-	-
Tustin Unified SFID 2002-2 Series D & Sub Series D-1	0.00568	-	-	-	-	-	-	-	-	-
Tustin Unified SFID 2002 Bond SR 2006B	0.02221	0.02256	0.02075	0.03172	0.00232	0.03105	-	-	-	-
Tustin Unified SFID 2008-1 Series A & Sub Series A-1	0.01561	-	-	-	-	-	-	-	-	-
Total Direct and Overlapping Rate	<u>1.06332</u>	<u>1.04227</u>	<u>1.03532</u>	<u>1.03623</u>	<u>1.00702</u>	<u>1.03625</u>	<u>1.06121</u>	<u>1.03646</u>	<u>1.00670</u>	<u>1.00900</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.

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

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

<u>Taxpayer</u>	<u>2011</u>			<u>2002</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Irvine Company	\$ 5,654,582,848	1	13.05%	\$ 2,425,083,470	1	10.26%
Irvine Apartment Communities	713,571,672	2	1.60%	1,080,158,482	2	4.57%
Heritage Fields El Toro	634,826,440	3	1.44%	-		-
LBA IV-PPI LLC	471,281,277	4	1.08%	-		-
B Braun Medical Inc	299,112,522	5	0.69%	210,049,339	3	0.89%
Allergan	291,140,446	6	0.67%	-		-
Lakeshore Properties LLC	178,972,092	7	0.41%	158,589,334	4	0.67%
Capital Research Company	156,735,000	8	0.36%	-		-
Central Park West	147,774,648	9	0.34%	-		-
Kilroy Realty	135,513,812	10	0.31%	-		-
Koll Center Irvine	-		-	121,666,070	5	0.51%
Jamboree LLC	-		-	115,283,298	6	0.49%
OTR	-		-	106,465,310	7	0.45%
Equitable Life Assurance	-		-	96,927,704	8	0.41%
Metropolitan Life	-		-	95,739,678	9	0.41%
Maruchan Inc	-		-	95,314,501	10	0.40%
Totals	<u>\$ 8,683,510,757</u>		<u>19.95%</u>	<u>\$ 4,505,277,186</u>		<u>19.06%</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
2011	\$ 77,520,820	\$ 75,332,973	97.18%	\$ 1,137,627	\$ 76,470,600	98.55%
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	97.39%	768,707	56,706,318	98.73%
2005	49,012,241	50,247,731	102.52%	629,321	50,877,052	103.80%
2004	47,447,593	46,459,312	97.92%	425,152	46,884,464	98.81%
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%

⁽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.

Source: Orange County Auditor-Controller

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

Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Certificates of Participation	Capital Leases	Total Governmental Activities	Percentage of Personal Income ⁽¹⁾	% of Actual Assessed Value of Property ⁽²⁾	Per Capita ⁽¹⁾
2011	\$ -	\$ -	\$ -	\$ 689	689	0.01%	0.00%	3
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

⁽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.

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

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

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
2011	219	-	-	-	0.00%	-
2010	218	-	-	-	0.00%	-
2009	213	-	-	-	0.00%	-
2008	208	-	-	-	0.00%	-
2007	199	-	-	-	0.00%	-
2006	192	-	-	-	0.00%	-
2005	183	-	-	-	0.00%	-
2004	172	-	-	-	0.00%	-
2003	165	-	-	-	0.00%	-
2002	158	-	-	-	0.00%	-

⁽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.

Source: City Fiscal Services Division

City of Irvine
Schedule of Direct and Overlapping Bonded Debt
June 30, 2011

2010-11 Assessed valuation:	\$ 46,538,576,173
Redevelopment incremental valuation:	<u>618,454,588</u>
Adjusted assessed valuation	\$ 45,920,121,585

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/11	%Applicable ⁽¹⁾	City's Share of Debt 6/30/11
Metropolitan Water District	\$ 227,670,000	2.574 %	\$ 5,860,226
Rancho Santiago Community College District	309,908,025	13.777	42,696,029
Irvine Unified School District Community Facilities Districts	340,375,117	99.681-100.	340,092,993
Laguna Unified School District	31,365,000	0.00001	3
Saddleback Valley Unified School District	134,935,000	3.816	5,149,120
Santa Ana Unified School District	310,984,745	32.928	102,401,057
Santa Ana Unified School District Community Facilities District No. 2004-1	11,575,000	100	11,575,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	60,148,766	9.944	5,981,193
Tustin Unified School District School Facilities Improvement District No. 2008-1	50,000,000	9.864	4,932,000
Tustin Unified School District Community Facilities District No. 97-1	98,642,675	100	98,642,675
Tustin Unified School District Community Facilities District No. 2007-1	90,500,000	100	90,500,000
Irvine Ranch Water District Improvement Districts	484,989,170	44.442-100.	367,063,408
City of Irvine Community Facilities District No. 2005-2	22,765,000	100	22,765,000
City of Irvine 1915 Act Bonds	886,236,799	100	<u>886,236,799</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			1,983,895,503
 <u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 316,898,000	12.292 %	\$ 38,953,102
Orange County Pension Obligations	54,682,497	12.292	6,721,573
Orange County Board of Education Certificates of Participation	19,000,000	12.292	2,335,480
Municipal Water District of Orange County Water Facilities Corporation	14,120,000	14.532	2,051,918
South Orange County Community College District Certificates of Participation	17,375,000	24.457	4,249,404
Orange Unified School District Certificates of Participation and Benefit Obligation	140,715,000	0.0002	281
Santa Ana Unified School District Certificates of Participation	52,212,863	32.928	17,192,652
Tustin Unified School District Certificates of Participation	5,005,000	26.631	1,332,882
Irvine Ranch Water District Certificates of Participation	81,400,000	63.700	<u>51,851,800</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 124,689,092
Less: MWDOC Water Facilities Corporation (paid from water charges)			<u>2,051,918</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 122,637,174
 TOTAL DIRECT DEBT			 \$0
GROSS OVERLAPPING DEBT			\$ 2,108,584,595
NET OVERLAPPING DEBT			\$ 2,106,532,677
 GROSS COMBINED TOTAL DEBT			 \$ 2,108,584,595 ⁽²⁾
NET COMBINED TOTAL DEBT			\$ 2,106,532,677

⁽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.

<u>Ratios to 2010-11 Assessed Valuation:</u>	
Total Overlapping Tax and Assessment Debt.....	4.26%

<u>Ratios to Adjusted Assessed Valuation:</u>	
Total Direct Debt	0.00%
Gross Combined Total Debt.....	4.59%
Net Combined Total Debt.....	4.59%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: \$0

Source: California Municipal Statistics, Inc.

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assessed valuation	\$ 46,538,576,173	\$ 47,212,001,153	\$ 47,257,608,206	\$ 44,382,983,056
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$11,634,644,043	\$11,803,000,288	\$11,814,402,052	\$11,095,745,764
Debit limit percentage	15%	15%	15%	15%
Debt limit	1,745,196,606	1,770,450,043	1,772,160,308	1,664,361,865
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 1,745,196,606</u>	<u>\$ 1,770,450,043</u>	<u>\$ 1,772,160,308</u>	<u>\$ 1,664,361,865</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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 39,280,255,615	\$ 33,764,042,231	\$ 29,634,708,495	\$ 26,799,740,692	\$ 24,858,631,527	\$ 22,710,140,394
25%	25%	25%	25%	25%	25%
\$ 9,820,063,904	\$ 8,441,010,558	\$ 7,408,677,124	\$ 6,699,935,173	\$ 6,214,657,882	\$ 5,677,535,099
15%	15%	15%	15%	15%	15%
1,473,009,586	1,266,151,584	1,111,301,569	1,004,990,276	932,198,682	851,630,265
-	-	-	-	-	-
<u>\$ 1,473,009,586</u>	<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>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year	Population ⁽²⁾	Personal Income ⁽¹⁾ (in thousands)	Per Capita Personal Income	Income per Median Household	Median Age	School Enrollment	Unemployment Rate
2011	219,156	\$ 8,481,794	\$ 41,759	\$ 93,258	33.2	27,202	6.9%
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%

* 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	2011			2002		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	14,227	1	7.46%	13,981	1	8.11%
Irvine Unified School District	2,706	2	1.42%	2,251	3	1.31%
Broadcom	2,604	3	1.37%	-	-	-
Edwards Lifesciences	2,337	4	1.23%	1,300	8	0.75%
Cellco Partnership / Verizon Wireless	2,305	5	1.21%	1,731	6	1.00%
Allergan	1,922	6	1.01%	1,995	4	1.16%
Blizzard Entertainment Inc	1,695	7	0.89%	-	-	-
Parker Hannifin	1,650	8	0.87%	1,923	5	1.12%
St John Knits	1,517	9	0.80%	2,650	2	1.54%
B Braun Medical	1,400	10	0.73%	1,221	9	-
Option One	-	-	-	1,500	7	0.87%
Toshiba	-	-	-	1,123	10	0.65%

Source: City Public Safety Department

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

FUNCTION	Fiscal Years as of June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Full-time	80.00	89.00	91.00	94.00	87.20	82.10	73.00	80.00	80.00	79.00
Part-time	9.06	10.40	25.65	24.40	22.80	35.34	40.22	33.40	35.08	34.03
Non-hourly	10.00	10.00	10.00	10.00	-	-	-	-	-	-
Public Safety										
Full-time	291.00	295.00	295.00	283.00	263.00	242.00	236.00	233.00	232.00	233.50
Part-time	31.38	33.80	29.31	29.30	43.10	54.43	49.07	40.40	45.42	45.40
Non-hourly	30.40	30.40	30.40	30.40	-	-	-	-	-	-
Public Works										
Full-time	123.00	134.00	152.00	154.00	148.00	135.00	129.00	120.00	118.50	118.00
Part-time	3.50	4.00	5.88	5.00	7.00	11.68	11.99	10.60	12.95	18.05
Community Development										
Full-time	101.00	104.00	109.00	96.30	90.00	84.90	84.00	77.50	79.50	79.00
Part-time	2.60	2.60	7.14	-	12.40	17.45	15.15	16.07	15.97	15.17
Non-hourly	11.00	11.00	11.00	10.60	-	-	-	-	-	-
Community Services										
Full-time	114.50	118.00	113.00	114.00	92.00	83.00	83.00	83.00	84.00	84.00
Part-time	177.54	178.20	194.63	197.90	217.50	209.79	208.96	188.32	194.31	205.88
Non-hourly	12.00	12.00	12.00	12.00						
Redevelopment										
Full-time	-	-	-	15.70	14.90	9.00	-	-	-	-
Part-time	-	-	-	6.90	5.80	5.00	-	-	-	-
Great Park										
Full-time	29.50	23.00	23.00	21.00	15.00	15.00	10.00	-	-	-
Part-time	4.68	4.70	2.20	0.60	9.20	9.00	-	-	-	-
Non-hourly	9.00	39.00	39.00	9.00	-	-	-	-	-	-
Total	1,040.16	1,099.10	1,150.21	1,114.10	1,027.90	993.69	940.39	882.29	897.73	912.03

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.

Source: City Budget Office, City Human Resources Division

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

FUNCTION	Fiscal Years as of June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	44	44	44	44	43	39	37	37	37	37
Fire stations ⁽¹⁾	12	11	9	9	9	9	8	7	7	7
Public Works										
Streets (miles)	1,827	1,757	1,742	1,742	1,704	1,645	1,612	1,612	1,532	1,495
Traffic signals	330	327	317	295	295	295	282	274	273	260
Streetscape (acres)	781	773	749	716	702	670	670	599	557	542
Open space/greenbelts (acres)	5,250	5,250	4,100	3,500	2,340	2,144	2,136	2,136	300	300
Bicycle trails (miles)	151	147	147	147	148	141	132	132	132	126
Off-street bicycle trails (miles)	45	44	43	43	43	43	42	42	42	32
Culture and Recreation										
Community athletic parks	18	18	13	13	11	11	9	7	7	7
Multi use centers	12	12	11	11	11	9	9	9	9	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	38	36	36	35	35	31	31	27	27	27
Swimming pools	4	4	4	4	4	4	3	3	3	3
Batting cages	14	14	14	14	14	14	14	14	14	14
Basketball courts	29	29	29	25	25	19	19	15	15	15
Racquetball/handball courts	14	10	10	10	10	9	9	9	9	9
Tennis courts	61	59	59	57	57	55	53	53	47	39
Volleyball courts	16	15	15	14	14	14	14	12	12	12

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

* Data not readily available.

Source: City Budget Office

City of Irvine
Operating Indicators by Function
Last Ten Fiscal Years

FUNCTION	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Government				
Checks/wire transfers	44,422	47,252	47,918	47,837
Number of purchase orders placed	2,211	2,172	2,065	1,898
Police				
Animal control service calls	8,639	8,510	8,669	7,247
Physical arrests	2,579	2,819	2,846	2,855
Parking citations	4,793	6,639	6,830	9,465
Traffic citations	19,426	29,707	26,325	26,452
Highways and Streets				
Arterial street resurfacing (centerline miles)	7	9	15	6
Arterial street sweeping (curb miles)	38,204	38,204	37,940	37,939
Community Development				
Building inspections completed	87,563	63,363	98,538	117,000
Building permits issued	10,582	8,030	8,132	11,500
Culture and Recreation				
Recreational & instructional classes offered	7,671	7,546	6,845	6,763
Recreational & instructional enrollees	71,853	70,998	65,153	61,804
Recreational & internet registrants for classes	56	56	58	56
Youth services participation units	87,517	75,240	68,251	74,152
Redevelopment ⁽¹⁾				
Number of discretionary applications processed	231	10	17	7
Number of demolition permits issued	9	8	11	15
Number of grading/building permits issued	47	44	7	16

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

* Data not readily available.

Source: Various City departments

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
46,004	55,056	47,000	41,641	40,472	*
2,290	2,100	2,098	2,121	1,600	*
7,068	9,750	9,718	9,718	10,415	9,392
3,377	3,512	2,288	2,314	2,209	5,487
9,135	8,076	8,117	8,042	11,242	10,627
27,281	25,179	20,441	18,167	32,300	30,805
3	1	1	6	5	2
37,939	36,834	35,762	34,059	33,617	33,050
155,000	130,100	124,591	156,835	125,000	110,000
12,800	14,930	13,424	14,137	13,100	9,500
7,000	7,000	6,687	5,819	3,500	3,500
56,848	54,982	44,851	32,409	25,793	24,594
54	48	41	35	22	-
74,000	73,869	72,978	72,978	61,649	58,000
3	-	-	-	-	-
8	-	-	-	-	-
15	-	-	-	-	-

City of Irvine
Miscellaneous Statistical Information
June 30, 2011

<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>	-	113,981
<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	-	781
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, 2011
(continued)

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

<u>Year</u>	<u>Commercial</u>	<u>Residential</u>
2011	\$305,411,655	\$643,421,544
2010	79,329,191	168,054,166
2009	64,419,150	79,699,317
2008	251,269,260	363,333,294
2007	445,600,704	392,766,606
2006	818,840,474	539,959,491
2005	139,306,324	511,012,501
2004	140,099,477	457,438,697
2003	97,793,649	481,207,054
2002	169,520,522	288,402,025

Building Permits
(number of units authorized)

<u>Year</u>	<u>Authorized</u>
2011	1,829
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

Housing Units
(number of units in the City)

<u>Year</u>	<u>Unit</u>
2011	81,560
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

City of Irvine
Miscellaneous Statistical Information
June 30, 2011
(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, 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, 2011, Irvine was home to over 13,000 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, and City Public Works Department

City of Irvine
Miscellaneous Statistical Information
June 30, 2011
(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. The Irvine Spectrum Center is one of Southern California's most popular shopping and dining destinations, visited by 13 million people each year featuring more than 120 stores, restaurants and entertainment venues.

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

City of Irvine
Miscellaneous Statistical Information
June 30, 2011
(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 Cover

This year, on December 28, Irvine turns 40! This year's cover features images celebrating Irvine's unique and diverse community, including the Orange County Great Park Balloon, performers at the Irvine Global Village Festival, Woodbridge Village Lake, Jamboree Center, Irvine City Hall, Irvine's parks and open space, and William Woollett Jr. Aquatics Center.

To celebrate Irvine's vibrant history and promising future, we have incorporated 40th Anniversary festivities into many of the City's existing events throughout 2011. Please visit the City's website at www.cityofirvine.org for the most current information on Irvine's 40th Anniversary Celebration.

The authors wish to thank Brian Flynn, Media Services Coordinator, in the Irvine Public Information Office, for his design of the cover. The covers and report were printed by the Irvine Duplicating Center, with thanks to Jon Williams and Duplicating staff.