



CITY OF IRVINE, CALIFORNIA
**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

FOR FISCAL YEAR
JUNE 30, 2019





City of Irvine

Incorporation: December 28, 1971
 Population: 280,202
 Size: 66 square miles
 Sphere of Influence: 74 square miles (approx.)



City of Irvine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019



Prepared by Fiscal Services



City of Irvine

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS	PAGE
 INTRODUCTORY SECTION	
Letter of Transmittal	1
Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting	8
Irvine City Officials	9
Organizational Chart	10
 FINANCIAL SECTION	
Independent Auditors' Report	11
Management's Discussion and Analysis	14
 <i>Basic Financial Statements</i>	
Government-wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Orange County Great Park	40
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Local Park Fees	42
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Grants	43
Statement of Net Position – Proprietary Funds	44
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	45
Statement of Cash Flows – Proprietary Funds	47
Statement of Fiduciary Net Position – Fiduciary Funds	48
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	49
 Notes to the Basic Financial Statements	 51

City of Irvine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS (CONTINUED)	PAGE
FINANCIAL SECTION (CONTINUED)	
<i>Required Supplementary Information</i>	
Schedule of Changes in Net Pension Liability and Related Ratios - Defined Benefit Pension Plan for Sworn Employees	100
Schedule of Plan Contributions – Defined Benefit Pension Plan for Sworn Employees	101
Schedule of Changes in Net Pension Liability and Related Ratios - CalPERS Defined Benefit Pension Plan for Sworn Employees	102
Schedule of Plan Contributions – CalPERS Defined Benefit Pension Plan for Sworn Employees	103
Schedule of Changes in Net Pension Liability and Related Ratios - CalPERS Defined Benefit Pension Plan for Miscellaneous Employees	104
Schedule of Plan Contributions – CalPERS Defined Benefit Pension Plan for Miscellaneous Employees	105
Schedule of Changes in Total OPEB Liability and Related Ratios - Other Post Employment Plan	106
 SUPPLEMENTAL STATEMENTS AND SCHEDULES	
<i>Combining and Individual Fund Financial Statements and Schedules</i>	
Other Governmental Funds:	107
Combining Balance Sheet	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	109
 Other Special Revenue Funds:	111
Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	116
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County Sales Tax Measure M	120
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – State Gasoline Tax	121
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Systems Development	122
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Maintenance District	123
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Air Quality Improvement	124
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Fees and Exactions	125
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Special Events	126

City of Irvine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS (CONTINUED)	PAGE
SUPPLEMENTAL STATEMENTS AND SCHEDULES (CONTINUED)	
<i>Combining and Individual Fund Financial Statements and Schedules (continued)</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Shuttle	127
Other Capital Projects Funds:	129
Combining Balance Sheet	130
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	132
Permanent Fund:	135
Balance Sheet	136
Statement of Revenues, Expenditures, and Changes in Fund Balances	137
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Senior Services	138
Internal Service Funds:	141
Combining Statement of Net Position	142
Combining Statement of Revenues, Expenses, and Changes in Net Position	143
Combining Statement of Cash Flows	144
Fiduciary Funds:	147
Combining Statement of Fiduciary Net Position – Pension and Employee Benefit Trust Funds	148
Combining Statement of Changes in Fiduciary Net Position – Pension and Employee Benefit Trust Funds	149
Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds	150
Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds	151
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	152
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	159
 STATISTICAL SECTION	
Statistical Section:	169
Net Position by Component – Last Ten Fiscal Years	170
Changes in Net Position – Last Ten Fiscal Years	172
Fund Balances of Governmental Funds – Last Ten Fiscal Years	174
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	176
Tax Revenues by Source – Governmental Funds – Last Ten Fiscal Years	178
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	179

City of Irvine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS (CONTINUED)	PAGE
STATISTICAL SECTION (CONTINUED)	
Taxable Sales by Category – Last Ten Fiscal Years	180
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	182
Principal Property Taxpayers – Current Year and Nine Years Ago	183
Property Tax Levies and Collections – Last Ten Fiscal Years	184
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	185
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	186
Schedule of Direct and Overlapping Bonded Debt	187
Legal Debt Margin – Last Ten Fiscal Years	188
Demographic and Economic Statistics – Last Ten Fiscal Years	190
Principal Employers – Current Year and Nine Years Ago	191
Budgeted Full-Time, Part-Time, and Non-Hourly Positions by Function – Last Ten Fiscal Years	192
Capital Assets Statistics – Last Ten Fiscal Years	193
Operating Indicators by Function – Last Ten Fiscal Years	194
Miscellaneous Statistical Information	196





November 18, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Irvine (City) for the fiscal year ended June 30, 2019. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

This report contains management's representations concerning the City's finances. Management assumes full responsibility for the completeness and reliability of all of the information presented and that it is reported in a manner that fairly presents the financial position and operations of the various funds and component units of the City. To provide a reasonable basis for making these representations, and assurance that the financial statements will be free from material misstatement, City management has established a comprehensive internal control framework designed both to protect its assets and to compile sufficient reliable information to prepare the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh its benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

White Nelson Diehl Evans, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the City's financial statements for the fiscal year ended June 30, 2019 are free of material misstatement. The independent auditor concluded it was reasonable to render an unmodified opinion and that the City's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. Their report is presented in the beginning of the financial section of this report.

In addition, White Nelson Diehl Evans, LLP audited the City's major program expenditures of federal funds for compliance with Title 2 of the United States Code of Federal Regulations Part 200 (Uniform Guidance), and the standards applicable to financial audits contained in Government Auditing Standards. The report of the Single Audit is published separately from the CAFR and may be obtained upon request from the City's Financial Planning and Strategic Management Department.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative overview and analysis of the basic financial statements. This

letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

CITY OF IRVINE PROFILE

The City, incorporated in 1971, is located in Orange County, California, approximately 40 miles southeast of Los Angeles and six miles from the ocean. As one of the nation's largest master-planned communities, the City encompasses 66 square miles and is the largest city by land area in Orange County. The City includes residential communities, commercial retail centers, several industrial and office complexes, a 1,500-acre University of California campus, as well as civic, cultural, and recreational facilities. The City's residential population has grown from 10,081 in 1971 to 280,202 in 2019.

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 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, as well as many other related duties. In November 2014 Measure W was approved amending the Irvine City Charter and setting lifetime term limits for City Council of two four-year terms and the office of mayor for two two-year terms. 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 executive management. The City Council is elected on a nonpartisan basis. Councilmembers are elected to four-year staggered terms and the Mayor is elected to a two-year term.

The City provides a wide range of municipal services with core services consisting of public safety, infrastructure maintenance, community services, financial support of our K-12 public schools, preservation of the City's aesthetics and beauty, recruitment and retention of employees, management of the City's finances, and many other services. The City is proud of the life-affirming programs and services it provides to the City's youngest, oldest and most vulnerable populations. The City contracts with the Orange County Fire Authority (OCFA) for fire protection and emergency medical aid services. The Orange County Transportation Authority (OCTA) provides transit services in the City alongside the City managed TRIPS transportation program. There are various County and special district agencies that provide educational, library, water, and sewer services to Irvine residents.

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

The budget serves as the foundation for the City's financial planning and budgetary control. The City Council recently approved the move to a two-year budget model. The 2019-21 budget adopted in June, 2019 represents the first two-year budget. The City Council is required to adopt a budget by the start of the fiscal year (i.e., July 1). The budget is prepared by fund, department (e.g. Community Services) and program (e.g. senior services).

After adoption, the City Manager may amend the adopted General Fund budget provided that the change does not decrease overall fund balance. Departmental requests for budget amendments for all funds, except the Great Park fund, over \$50,000, or amendments that decrease fund balance, or expand or add to City programs or services require review of the Finance Commission and approval by the City Council. The City's budgetary procedures are further discussed in section II.A. of the notes to the basic financial statements.

ECONOMIC CONDITION

Irvine is renowned as one of the largest, most culturally diverse and successful master-planned communities in the nation. The diligent efforts of its elected officials in creating a safe and fiscally sound community have been recognized by countless organizations over the years.

For example, Irvine was voted “Best City to Live In” for the fourth consecutive year by “Orange County Register” readers in the 26th annual “Best of Orange County” publication. Irvine ranked number three “Best Place to Raise a Family” by the personal finance website WalletHub based on scores for family fun, health and safety, education and child care, affordability, and socio-economic criteria. For the third straight year, “Truth in Accounting” ranked the City of Irvine number one in fiscal strength, highlighting the City's commitment to sound fiscal management. Irvine remains the Safest City of 250,000 or more in the nation for the fourteenth consecutive year, based upon FBI statistics for violent crime.

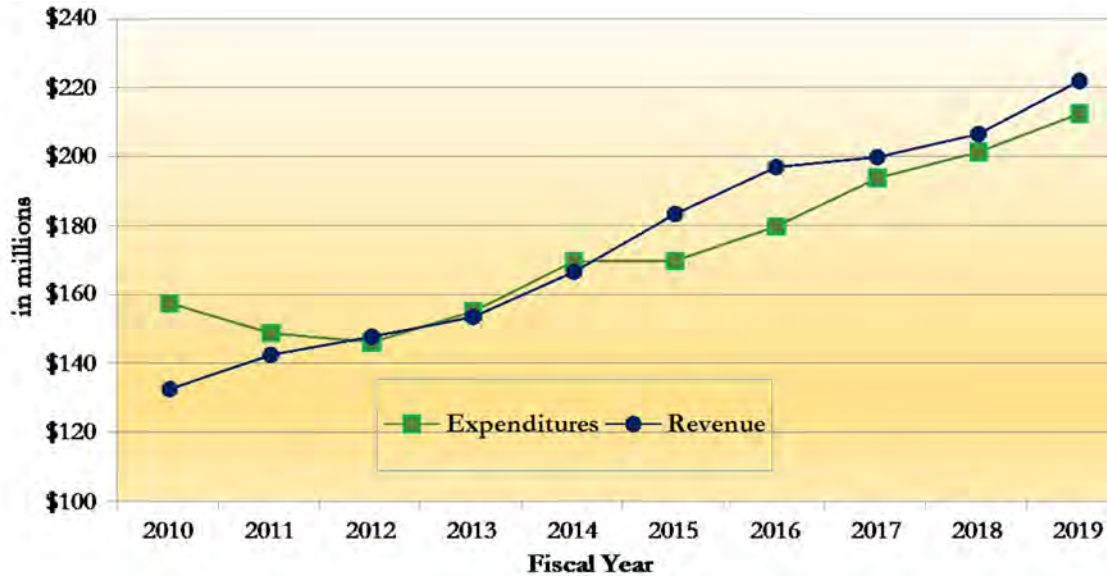
The national nonprofit “The Trust for Public Land” ranked Irvine's park system sixth best in the United States. The methodology used for 2019 includes the park access, park size and investment, and popular amenities. The University of California, Irvine has been ranked by “Money” as number one on its 2019-2020 list of the nation's “Best Colleges.”

In addition to the many awards the City has received for its safety, livability, and fiscal strength, the local economy continues to prove resilient. The California Economic Development Department (EDD) reports the Anaheim-Santa Ana-Irvine metropolitan division of Orange County gained 12,500 jobs over the past year (as of August, 2019). The unemployment rate in Orange County as of August, 2019 was 3.0 percent, down slightly from 3.1 percent from a year-ago. This rate compares favorably to the 4.2 percent unemployment rate for the State of California for the same period.

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

Overall, the City's General Fund revenue for the fiscal year 2018-19 increased 7.5 percent from the prior fiscal year. Expenditures increased by 5.6 percent. Chart 1 displays revenue and expenditure trends for the last 10 years.

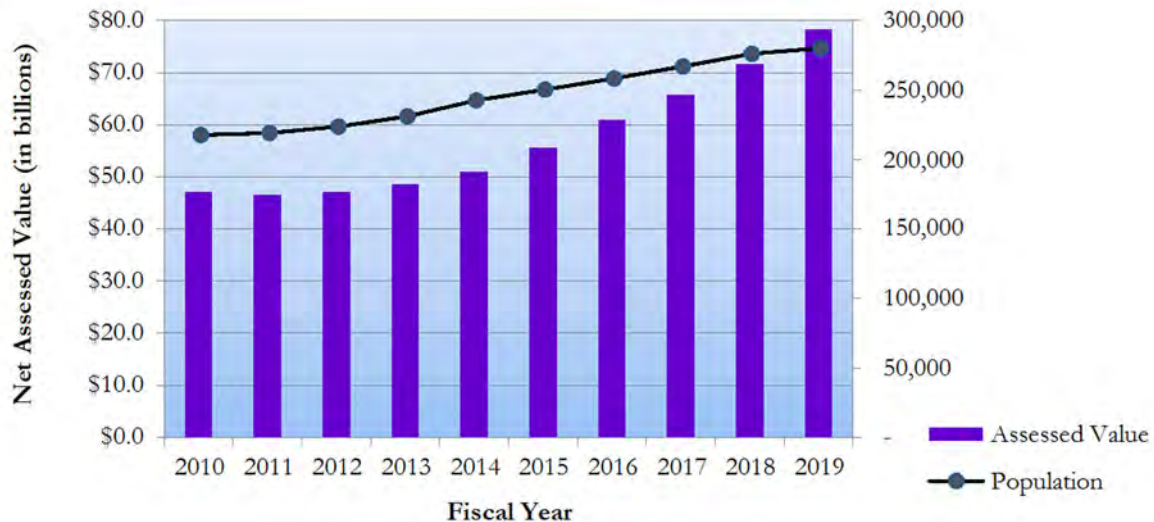
Chart 1
City of Irvine
General Fund Revenue and Expenditures
 Last Ten Years



Property tax is the City's largest General Fund revenue source with revenues of \$71.2 million, an increase of 9.5 percent over the prior fiscal year. Sales tax is the second largest General Fund revenue source with revenues of \$69.6 million, an increase of 9.0 percent over the prior fiscal year. In addition, hotel taxes finished 10.6 percent over the prior year. In total, General Fund revenues are forecasted to increase 2.5 percent in the 2019-20 fiscal year.

Since 2004, when the State swapped cities' motor vehicle license fee (VLF) allocations for additional property tax revenue, property tax continues to be a more significant revenue source for the City of Irvine. Property tax growth reflects both new development and increasing property values in Irvine. In fiscal year 2018-19, the City's net assessed property value grew 9.4 percent from the previous fiscal year, to \$78.4 billion. In June, the Orange County Assessor reported Irvine's net assessed property valuation will increase 8.4 percent for the fiscal year 2019-20, leading the county with an assessed value of \$85.0 billion. Chart 2 compares the total assessed valuation of property located in Irvine against the annual population for the past 10 fiscal years. The City's population has climbed steadily over the last 10 years, surpassing 280,000 in 2019.

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



Strategic Priorities. The City effectively utilizes its resources to provide quality services to the community, grow its contingency reserve, and provide financial support to Irvine public schools through the “Support Our Schools Initiative.” The following strategic priorities – as presented in the adopted 2019-2021 budget are:

- Maintain high quality essential City services
- Enhance City-wide mobility through transportation improvements
- Maintain the City's Contingency Reserve at 25 percent
- Reduce the City's unfunded pension liability
- Appropriately fund the City's key infrastructure
- Promote innovation through the effective use of Information Technology solutions
- Recruit and retain high quality employees

Long-term financial planning. The City recently adopted a two-year budget model for fiscal years 2019-21. In addition, the City continues to produce the strategic business plan (SBP). This plan is adopted by the City Council as a component of the budget. It evaluates the City's financial capability to achieve its goals, helps set priorities for City operations and the budget, and guides the City's capital improvement and rehabilitation program. The SBP establishes the foundation and framework for guiding policy and financial management decisions. This long-term perspective integrates strategic planning and budgeting in order to forecast and identify challenges and opportunities before they arise.

The SBP projects five years into the future to provide a long-term operating budget projection for the City's General Fund revenues and expenditures. The purpose of the operating forecast is to prepare for the upcoming budget cycle and also to identify long-term financial trends that can be addressed in future budgets. The SBP also presents the five-year Capital Improvement Project program, which guides staff in pursuing funding for future projects.

In June 2013, the Irvine City Council adopted a 10-year plan to reduce its unfunded pension liability. The goal is to attain a level of 98 percent pension funding status within 10 years. This goal will be accomplished by making accelerated payments to pay-down the unfunded liability utilizing funds from the City's Asset Management Plan. As of June 30, 2019, the City has paid down an additional \$48.2 million towards the unfunded pension liability. In addition, as of the last valuation report, June 30, 2018, the pension funding status was 77.3 percent funded for the Miscellaneous Plan and 77.5 percent funded for the Safety (Sworn) Plan.

Financial policies. The City maintains a host of policies designed to foster a culture of long-term fiscal sustainability. These policies were updated in June 2019 as part of the 2019-21 budget development process. The policies cover long-term financial planning, infrastructure funding, debt management policy, and other related financial areas. An important policy deals with minimum reserves.

The City Council adopted a General Fund Contingency Reserve policy which seeks to maintain the reserve at a level between 20 to 25 percent of the General Fund adopted appropriations. The contingency reserve may be used at the discretion of the City Council to provide resources during temporary decreases in revenues, in the event of an economic downturn while expenditure reductions are implemented, or to provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslides, or other natural disasters. At June 30, 2019 the contingency reserve balance is \$43.8 million or 22.5 percent of fiscal year 2019-20 General Fund operating budget.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the 40th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published a CAFR that goes beyond the minimum requirement of GAAP and demonstrates the spirit of transparency and full disclosure that ensures users of the financial statements have the necessary information to assess the City's financial health. A Certificate of Achievement is valid for one year only and management believes that the current CAFR continues to meet the program's requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

The City's budget was also recognized for excellence when it received both the GFOA Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers (CSMFO) Excellence in Operational Budget Award for the fiscal year 2017-18 budget document. These award programs judge a government's budget document for compliance with national (GFOA) and statewide (CSMFO) budgeting best practices.

The CAFR reflects the hard work, talent, and commitment of the Fiscal Services Division staff in particular, and the cooperation of the entire Financial Management and Strategic Planning Department. This document could not have been completed without their efforts and assistance and we express our appreciation to all members of the department who assisted and contributed to the preparation of the CAFR. Appreciation is also expressed to the Finance Commission, Investment Advisory Committee, the City Manager, and the entire executive team for their

support of the financial operations of the City during this past fiscal year, and to the Mayor and Councilmembers for their steadfastness in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "K. Griffith". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Kristin Griffith
Director of Financial Management and Strategic Planning



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Irvine
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

IRVINE CITY OFFICIALS

June 30, 2019



Christina L. Shea
Mayor



Anthony Kuo
Mayor Pro Tem



Michael C. Carroll
Councilmember



Melissa Fox
Councilmember

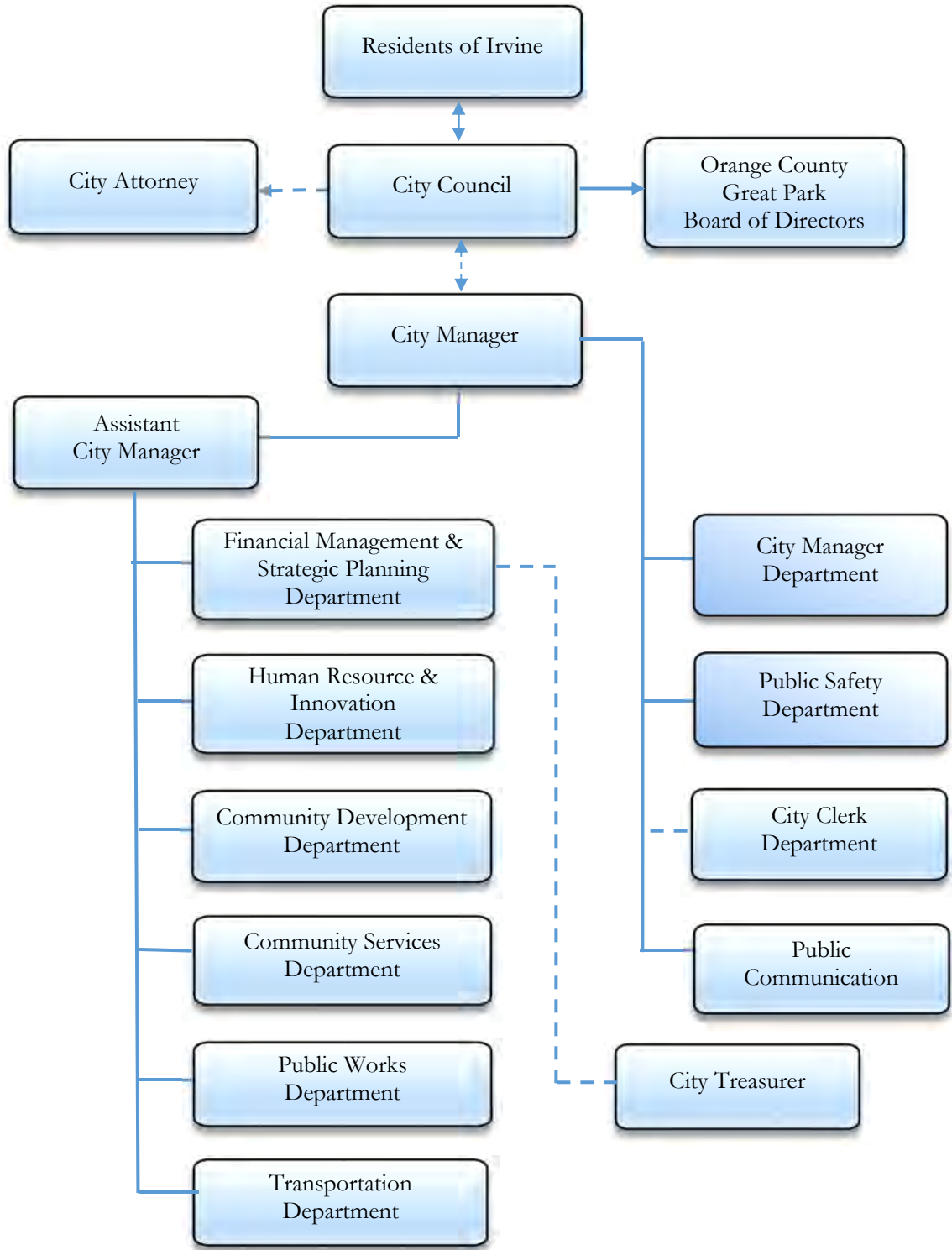


Farrah N. Khan
Councilmember

City Manager
John A. Russo

Assistant City Manager.....	Marianna Marysheva
City Attorney.....	Jeff Melching
City Clerk	Molly M. Perry
Director of Community Development	Pete Carmichael
Director of Community Services.....	Laurie Hoffman
Director of Financial Management & Strategic Planning.....	Kristin Griffith
Director of Human Resources & Innovation	Jimnee Medina
Director of Public Safety	Mike Hamel
Director of Public Works.....	Mark Steuer
Director of Transportation.....	Vacant

City of Irvine Organizational Chart June 30, 2019



----- Appointed by City Council



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Irvine (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Irvine Community Land Trust, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Irvine Community Land Trust, is based solely on the report of the other auditors. The financial statements of the Irvine Community Land Trust were not audited in accordance with *Government Auditing Standards*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditors' Responsibility (Continued)

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Irvine as of June 30, 2019, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Orange County Great Park special revenue fund, Grants special revenue fund, and the Local Park Fees special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in net pension liability and related ratios, the schedules of pension plan contributions, and the schedule of changes in OPEB liability and related ratios, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Continued)

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2019, on our consideration of the City of Irvine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Irvine's internal control over financial reporting and compliance.

White Nelson Dick Evans LLP

Irvine, California
November 1, 2019

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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

The *Statement of Activities* presents information illustrating how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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, Irvine Public Facility Infrastructure Authority, and the Irvine Community Land Trust for which the City is financially accountable. The financial information for the Irvine Community Land Trust is reported separately from the financial information presented for the primary government itself. The Orange County Great Park Corporation and Irvine Public Facility Infrastructure Authority although also legally separate, function for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government. The government-wide financial statements immediately follow this discussion and analysis.

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provides a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet, and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, Orange County Great Park Fund, Orange County Great Park Development Fund, Capital Improvement Projects Fund, Local Park Fees Fund, Community Facilities Districts Fund, Assessment District Fund, and Grant Funds; 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, Orange County Great Park Fund, Local Park Fees Fund, and Grant Funds to demonstrate compliance with the annual budget as adopted (original) and amended (final).

The basic governmental fund financial statements immediately follow the government-wide financial statements.

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

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not included 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 immediately follow 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 immediately follows 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 immediately follow the notes to the basic financial statements.

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

[Balance of page intentionally left blank]

Financial Highlights

- At the fiscal year ended June 30, 2019, the government's total net position increased by \$394.92 million. The increase stems from a 56 percent increase in total revenue and less than a 1 percent decrease in expenses. A majority of the revenue increase is derived from capital grants and contributions with a revenue increase of \$247.46 million over the previous fiscal year. Most of this revenue is restricted for the expansion of infrastructure within the new development areas of the City.
- As of June 30, 2019, the City's governmental funds reported a combined ending fund balance of \$1.11 billion, an increase of \$101.52 million in comparison with the prior year. Revenues increased by 35 percent while expenditures decreased by 9 percent. The greatest growth of revenue was from the bonds sold in the various community facility districts and assessment districts. These districts fund the various capital infrastructure projects. The bonds are sold prior to the capital outlay of these infrastructure projects, which may take several years to complete. The City also observed an improvement in investment revenue, there are three fundamental explanations for the improvement; the portfolio size has increased, higher interest rates during the fiscal year, and a change in the market value.
- At June 30, 2019, committed, assigned, and unassigned fund balance for the general fund was \$124.90 million or 59 percent of total general fund expenditures. This represents an increase of \$5.70 million, or 5 percent, from the prior year. The City Council has designated all of the committed and assigned fund balance for specified purposes, in accordance with City policies and budgetary guidelines. The unassigned fund balance, which is unrestricted, is anticipated to be designated by City Council at a future City Council meeting.
- The City's total long-term liabilities increased by \$1.42 million during the current fiscal year, due to an increase of \$0.76 million of compensated absences (vacation and sick time) and \$0.66 million of claims payable (worker's compensation and general liability).

Government-wide Financial Analysis

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

The largest portion of the City's net position, 66 percent, reflects its net investment in capital assets (e.g., land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress); less any related outstanding debt used to acquire those assets. The City 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.

City of Irvine
Summary of Net Position
June 30, 2019 and 2018
(amounts expressed in thousands)

	Governmental Activities	
	2019	2018
Assets		
Current and other assets	\$1,238,971	\$1,138,323
Capital assets	2,028,242	1,745,962
Total Assets	3,267,213	2,884,285
Deferred Outflow of Resources		
Pension and OPEB related items	77,219	72,582
Liabilities		
Other liabilities	80,122	79,983
Long-term liabilities	179,506	187,374
Total Liabilities	259,628	267,357
Deferred Inflows of Resources		
Pension related items	8,256	7,885
Net Positions		
Net investment in capital assets	2,028,242	1,745,962
Restricted	613,872	493,547
Unrestricted	434,434	442,116
Total Net Positions	\$3,076,548	\$2,681,625

During the fiscal year ended June 30, 2019, the net position of the City increased to \$3.08 billion, of which \$2.03 billion was the net investment in capital assets such as equipment, buildings, and infrastructure. Of the remaining total, \$613.87 million, which is an increase of \$120.33 million over the previous fiscal year, is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties. The remaining \$434.43 million is unrestricted but subject to designation for specific purposes as approved by the City Council. Some of the City Council's significant designations are park development and the City's infrastructure such as streets, roads, and signals.

City of Irvine
Summary of Changes in Net Position
For the Years Ended June 30, 2019 and 2018
(amounts expressed in thousands)

	Governmental Activities	
	2019	2018
Revenues		
Program revenues:		
Charges for services	\$ 82,383	\$ 84,375
Operating grants and contributions	40,146	36,550
Capital grants and contributions	432,784	185,320
General revenues:		
Property taxes	74,492	68,135
Sales taxes	69,597	62,834
Transient occupancy taxes	16,463	14,883
Franchise taxes	13,098	13,217
Document transfer taxes	4,385	4,631
Other taxes	5,095	4,775
Investment revenue	17,135	4,441
Other revenues	418	4,238
Total Revenues	755,996	483,399
Expenses		
General Government	37,912	46,151
Public Safety	80,988	77,266
Public Works	98,899	99,067
Community Services	41,163	46,104
Community Development	32,720	31,993
Transportation	6,320	3,408
Unallocated infrastructure depreciation	63,071	58,997
Total Expenses	361,073	362,986
Change in Net Positions	394,923	120,413
Beginning Net Positions	2,681,625	2,561,212
Ending Net Positions	\$ 3,076,548	\$ 2,681,625

Overall, Citywide revenues for the fiscal year ended June 30, 2019, increased by \$272.60 million, a 56 percent increase from the prior year. The majority of the increase is in program revenues, capital grants and contributions.

- Contributions from special districts increased by \$85.04 million over the prior year. During the year the Great Park Community Facility District and two Assessment Districts sold bonds to finance the future infrastructure improvements for these special districts.
- Developers also developed an additional \$157.78 million of infrastructure such as parks, streets, streetscape, junction structures, and catch basins. The developed infrastructure is donated to the City, who will own, preserve, and maintain for the City's residents.

Total expenses decreased \$1.91 million, a less than 1 percent decrease from the previous year. The decrease is due to a mixture of department decreases in General Government and Community Services which out weighted the increases of expenses in Public Safety and Transportation.

- General Government is the administration of the City and is also responsible for the administration of the assessment districts. The decrease of \$8.24 million is primarily due to a one-time event in fiscal year 2017-18, the City declared surplus in a few of the assessment districts and refunded the surplus to the property owners. This event did not reoccur in fiscal year 2018-19.
- Community Services oversees the programs at the City's various parks and facilities, and offers resources and activities that support and assist children, youth, and families. The department's decrease of \$4.94 million from the prior year is due to a modification in accounting methods between the government-wide financial statements and governmental funds financial statements. The governmental funds capital outlay for park facilities were capitalized on the government-wide statements therefore reducing the expenses.
- Public Safety is a combination of sworn and nonsworn personnel who are entrusted with providing for the public's safety within the City's residential communities, commercial and industrial centers, and recreational and open space areas. The department's expenses increased by \$3.72 million due to the expansion of sworn personnel to serve the developing areas of the City.
- Transportation is a new department of the City, established in fiscal year 2017-18. The department oversees all facets of transportation management, including management and transit planning, and serve as the staff liaison to the City Transportation Commission. The department's expenses grew by \$2.91 million this last fiscal year as a result of two factors: 1) City's internal restructuring resulted in a transfer of development review services from Community Development to the newly created Transportation Department and 2) additional consultant services to assist in the department's objectives to enhance roadways, bicycle trails, and bridges for improved mobility City-wide.

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, 2019, the City's governmental funds reported total combined ending fund balances of \$1.11 billion, an increase of \$101.52 million from the prior year. Approximately 45 percent of the City's governmental funds ending fund balances, or \$496.24 million, constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion within the guidelines of the funding sources. The remaining fund balance, \$609.78 million, is either nonspendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation.

The nonspendable total of \$1.86 million is a combination of, \$0.50 million, an endowment for senior citizens services program and the remainder is prepaid expenditures. The remaining restricted funds totaling \$607.92 million are comprised of \$418.95 million for capital

improvement projects, circulation improvements, development activities, and maintenance, \$119.13 million for parks and public facilities, \$52.23 million for Great Park development and operations, \$10.90 million for affordable housing activities, \$1.51 million for public education, \$0.98 million for public transportation, \$2.47 million for law enforcement purposes, \$0.53 million for air quality improvement activities, \$0.47 million for animal care, and \$0.75 million for senior, public, and community service activities.

General Fund Financial Highlights

The General Fund is the chief operating fund of the City. At June 30, 2019, committed, assigned, and unassigned fund balance of the General Fund was \$124.90 million, while total fund balance was \$126.68 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 59 percent of the total General Fund expenditures. The City Council has designated all of the committed and assigned for specified purposes.

For the fiscal year ended June 30, 2019, the cash and investments balance in the General Fund was \$131.45 million, a decrease of \$1.87 million from the previous fiscal year.

City of Irvine
Summary of Changes in Fund Balances - General Fund
For the Years Ended June 30, 2019 and 2018
(amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>
Revenues		
Taxes:		
Property	\$ 71,234	\$ 65,049
Sales	69,597	63,853
Other	<u>33,641</u>	<u>32,478</u>
Total Taxes	174,472	161,380
Charges for services	27,098	28,055
Intergovernmental	611	691
Investment income	5,270	807
Other	<u>14,510</u>	<u>15,587</u>
Total Revenues	<u>221,961</u>	<u>206,520</u>
Expenditures		
General Government	36,214	30,904
Public Safety	78,359	74,448
Public Works	27,721	26,087
Community Development	27,932	28,072
Community Services	38,068	39,139
Transportation	<u>4,162</u>	<u>2,624</u>
Total Expenditures	<u>212,456</u>	<u>201,274</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,505</u>	<u>5,246</u>
Proceeds from sale of property	-	28
Net transfers	<u>(7,966)</u>	<u>(7,105)</u>
Net Change in Fund Balance	<u>\$ 1,539</u>	<u>\$ (1,831)</u>

Overall, General Fund revenues for the fiscal year ended June 30, 2019, increased by \$15.44 million, or 7 percent, over the prior year. Taxes were the majority of the increase at \$13.09 million, 8 percent increase over last year's tax revenue. The largest increase within the tax revenue was property tax, \$6.19 million, an increase of 10 percent over the previous year. The increase is attributable to continued new development in the City and the appreciation in Irvine's residential real estate prices.

Total General Fund expenditures increased by \$11.18 million, or 6 percent, from the prior year. The significant changes in expenditures, by function, occurred as follows during the fiscal year:

- General Government expenditures increased by \$5.31 million to \$36.21 million. During the 2018-19 fiscal year, the City paid \$11.16 million to California Public Employees' Retirement System to reduce the City's unfunded pension liability. The payment was \$4.16 million more than the previous fiscal year payment. The remaining increases are costs for personnel and contract services.
- Public Safety expenditures increased by \$3.91 million to \$78.36 million. Public Safety is entrusted with providing for the public's safety within the City's residential communities, commercial and industrial centers, and recreational and open space areas. The increase is a result of an expansion in sworn personnel to service the new developments within the City.
- Public Works expenditures increased by \$1.63 million to \$27.72 million. The department develops, builds, and maintains the City's infrastructure and facilities. Due to increases in the City's landscape contract pricing and new inventory of streets and medians, landscaping for streetscape and median rose by \$1.01 million. In addition, consultant services were contracted for a City-wide facilities assessment to determine the maintenance levels of all City buildings and amenities.
- Transportation expenditures grew by \$1.54 million to \$4.16 million. The department was formed in fiscal year 2017-18, and oversees all facets of transportation management, including management and transit planning, and serve as the staff liaison to the City Transportation Commission. The expenditure growth this last fiscal year is a result of two factors: 1) City's internal restructuring resulted in a transfer of development review services from Community Development to the newly created Transportation Department and 2) additional consultant services to assist in the department's objectives to enhance roadways, bicycle trails, and bridges for improved mobility City-wide.

General Fund Budgetary Highlights

Differences between the General Fund original budget expenditures and the final amended budget were \$4.47 million and are briefly summarized as follows:

Increases (Decreases) for activities:

- \$4.42 million for General Government
- \$0.05 million for Public Works

In each of the functional expenditure categories, actual expenditures were less than final budgeted amounts, totaling \$212.46 million and \$224.44 million, respectively. Additionally, for the fiscal year ended June 30, 2019, revenues received were greater than budgetary estimates, at \$221.96 million and \$219.33 million, respectively. Revenues received exceeded operating expenditures by \$9.51 million. In addition, there were net transfers to other funds of \$7.97 million. Overall, there was a \$1.54 million increase to the ending fund balance, bringing the fund balance at year-end to \$126.68 million.

Financial Analysis of the Other Major Funds

The Orange County Great Park Fund accounts for transactions relating to the development and operations of the Orange County Great Park located on the site of the former Marine Corps Air Station (MCAS) at El Toro. Current year revenues totaled \$27.81 million of which \$7.75 million was received from developers and \$9.49 million from property owners within certain special districts. Current year expenditures and transfers out were \$26.77 million for the development and operations of the Orange County Great Park. The ending fund balance is a combination of \$52.23 million of restricted funding and \$270.04 million of assigned fund balance to be utilized for the operation, maintenance, and future development of the Orange County Great Park.

Orange County Great Park Development Fund accounts for expenditures related to the planning, design, demolition, and construction of the Orange County Great Park. Current year expenditures were \$8.22 million. Funding for these efforts are transfers from the Orange County Great Park Fund and Local Park Fees Fund. The ending fund balance of \$18.80 million is assigned to the purposes of this fund. Much of the development of the Orange County Great Park during the 2018-19 fiscal year was completed by a developer through an agreement with the City. The developer is constructing 677 acres of the Orange County Great Park.

The Capital Improvement Projects Fund accounts for street, bridge, traffic signals, and other circulation related capital projects funded by grants, fees, gas tax, sales tax, and interest revenue. Fund balance decreased by \$18.89 million as a result of expenditure exceeding funding sources. In addition, the completion and closure of some street projects returned special funding of \$14.95 million to its special fund to be used for future projects as designated by City Council. The ending fund balance of \$11.96 million is committed to future circulation construction improvements.

The Local Park Fees 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 a development area. The fund received \$7.34 million in local park fees and expended \$8.19 million on park development. The remaining fund balance of \$119.03 million is restricted for the development of recreational facilities within the various development areas within the City.

Community Facilities Districts Fund accounts for infrastructure improvements associated with Central Park and Great Park. Revenues are primarily from Community Facilities Districts contributions and expenditures are primarily for capital outlay. During the year, \$85.96 million in revenues, including interest, were received and \$31.58 million was expended. The ending fund balance of \$80.23 million is restricted for purposes of this fund.

Assessment Districts Fund accounts for infrastructure improvements associated with the various assessment districts within the City. Revenues are from the Assessment District contributions and expenditures are for the infrastructure developed within the assessment district. During the year, \$29.15 million in revenues, including interest, were received and \$14.95 million was expended. The ending fund balance of \$112.89 million is restricted for purposes of this fund.

Grants Fund accounts for the various local, state, and federal grants received by the City. All of the funding received is restricted by the grantee for a certain purpose. Restricted revenues received were \$5.15 million and \$6.05 million was expended. Some of the largest grants are

from the U.S. Department of Housing and Urban Development to provide services to the City's most vulnerable residents and the County of Orange Department of Health and Human Services to support services for the senior residents of the City. The ending fund balance of \$3.46 million is restricted for the City's ongoing and future programs such as air quality improvement activities, animal care activities, community services activities, and the senior nutrition program and activities.

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$2.03 billion net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, park facilities, streets and roads, trails, and bridges. The increase over the previous fiscal year in the City's investment in capital assets was \$282.28 million, or 16 percent.

City of Irvine
Summary of Change in Capital Assets
For the Year Ended June 30, 2019
(amounts expressed in thousands)

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 672,192	\$ 188,051	\$ 1,120	\$ 859,123
Construction in progress	81,567	84,685	68,730	97,522
Total capital assets not being depreciated	<u>753,759</u>	<u>272,736</u>	<u>69,850</u>	<u>956,645</u>
Capital assets, being depreciated:				
Buildings and systems	166,592	63,268	-	229,860
Improvements other than buildings	225,913	5,958	-	231,871
Machinery and equipment	36,142	2,252	1,523	36,871
Infrastructure	1,734,500	91,654	-	1,826,154
Total capital assets being depreciated	<u>2,163,147</u>	<u>163,132</u>	<u>1,523</u>	<u>2,324,756</u>
Less accumulated depreciation for:				
Buildings and systems	(66,327)	(4,268)	-	(70,595)
Improvements other than buildings	(88,950)	(13,034)	-	(101,984)
Machinery and equipment	(25,163)	(3,288)	1,446	(27,005)
Infrastructure	(990,504)	(63,071)	-	(1,053,575)
Total accumulated depreciation	<u>(1,170,944)</u>	<u>(83,661)</u>	<u>1,446</u>	<u>(1,253,159)</u>
Total capital assets, being depreciated, net	<u>992,203</u>	<u>79,471</u>	<u>77</u>	<u>1,071,597</u>
Governmental activities capital assets, net	<u>\$ 1,745,962</u>	<u>\$ 352,207</u>	<u>\$ 69,927</u>	<u>\$ 2,028,242</u>

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

- Land increased by \$186.93 million. The City received donations of land from developers for two community parks, Los Olivos Community Park and Portola Springs Community Park.

- Infrastructure additions were \$91.65 million. Street additions accounted for \$71.21 million, traffic signal additions totaled \$3.46 million, bridge additions totaled \$0.56 million, trail additions totaled \$5.26 million, and landscaping additions were \$11.16 million.
- Buildings and systems additions were \$63.27 million. The two new parks, Los Olivos Community Park and Portola Springs Community Park, accepted facilities of \$19.34 million, and the Orange County Great Park, \$32.00 million for sports complex facilities. The Quail Hill Community Center was completed and capitalized during the fiscal year, \$10.34 million. Existing City facilities received \$1.59 million of improvements such as extensive remodels, ADA improvements, and safety upgrades.
- Machinery and equipment acquisitions of \$2.25 million included vehicles, computer hardware, computer software, and other types of machinery and equipment.

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 Liabilities

Total outstanding long-term liability at June 30, 2019, was \$30.99 million, an increase of \$1.42 million from the prior year.

City of Irvine
Summary of Changes in Long-Term Liabilities
For the Year Ended June 30, 2019
 (amounts expressed in thousands)

	Balance			Balance		
	June 30, 2018	Increases	Decreases	June 30, 2019	Long-Term	Due Within One Year
Compensated absences	\$ 13,939	\$ 5,136	\$ 4,377	\$ 14,698	\$10,395	\$ 4,303
Claims payable	15,627	3,927	3,263	16,291	12,176	4,115
Total Long-Term Liabilities	<u>\$ 29,566</u>	<u>\$ 9,063</u>	<u>\$ 7,640</u>	<u>\$ 30,989</u>	<u>\$ 22,571</u>	<u>\$ 8,418</u>

Long-term liability-related events during the fiscal year ended June 30, 2019, included:

- Compensated absences liabilities increased by \$5.14 million and payouts to employees upon termination amounted to \$4.38 million for a net increase of \$0.76 million.
- A net increase to claims payable of \$0.66 million to adjust for possible future general liability and workers' compensation claims.

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

Economic Factors and Next Year's Budgets and Rates

The City's economy is linked to the national and state economy. However, because the City is still developing, its local economy can experience departures from other local, state or national trends with resultant recurring revenue fluctuations. Additionally, because the City's revenues are obtained from a limited number of sources, further revenue fluctuations may occur from year to year. To develop its budget model, the City uses the "Orange County Economic Forecast" prepared by Chapman University's Center for Economic Research, the UCLA Anderson Forecast, and the California State University at Fullerton Mihaylo College of Business and

Economics, as well as projections provided by City consultants. Detailed information about the economic analysis, revenue assumptions, and other budgetary process parameters utilized in the annual budget preparation, can be obtained from the City's fiscal year 2018-19 citywide budget, available through the Financial Management and Strategic Planning Department.

Request for Information

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

BASIC FINANCIAL STATEMENTS



City of Irvine
Statement of Net Position
June 30, 2019
(amount expressed in thousands)

	Primary Government	Component Unit
	Governmental Activities	Irvine Community Land Trust
ASSETS		
Cash and investments	\$ 950,123	\$ 14,349
Receivables, net of allowances:		
Taxes	17,730	-
Accounts	6,340	-
Accrued interest	7,990	297
Escrow deposits	1,331	-
Prepaid items	2,656	22
Inventories	83	-
Advances to the Successor Agency	209,082	-
Due from the primary government	-	17,299
Due from other governments	13,217	-
Due from developers	23,498	-
Long-term notes receivable, net of allowances	6,921	11,162
Capital assets, not being depreciated:		
Land	859,123	21,500
Construction in progress	97,522	-
Capital assets, net of accumulated depreciation:		
Buildings and systems	159,265	2,014
Improvements other than buildings	129,887	-
Machinery and equipment	9,866	1
Infrastructure	772,579	-
Total Assets	3,267,213	66,644
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	76,500	-
Other post employment benefits related items	250	-
Total Deferred Outflows of Resources	76,750	-
LIABILITIES		
Accounts payable	21,370	-
Accrued liabilities	14,464	66
Due to component unit	17,299	-
Due to other governments	75	-
Deposits	10,338	10
Retentions payable	1,267	-
Unearned revenue	6,891	-
Noncurrent liabilities:		
Due within one year	8,418	3,000
Due in more than one year	22,571	-
Total other post employment benefits	7,417	-
Net pension	149,518	-
Total Liabilities	259,628	3,076
DEFERRED INFLOWS OF RESOURCES		
Pension related items	7,787	-
Total Deferred Inflows of Resources	7,787	-
NET POSITION		
Net investment in capital assets	2,028,242	23,515
Restricted:		
Expendable:		
Assessment infrastructure and capital improvements	592,147	-
Housing programs	10,882	40,053
Public safety programs	2,375	-
Other programs and activities	7,969	-
Nonexpendable:		
Senior Services Fund program	499	-
Unrestricted	434,434	-
Total Net Position	\$ 3,076,548	\$ 63,568

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

City of Irvine
Statement of Activities
For the Fiscal Year Ended June 30, 2019
(amount expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
Primary Government						
Governmental Activities:						
General Government	\$ 37,912	\$ 11,177	\$ 8,115	\$ -	\$ (18,620)	\$
Public Safety	80,988	3,213	1,796	896	(75,083)	
Public Works	98,899	30,833	26,222	427,887	386,043	
Community Services	41,163	16,340	1,097	937	(22,789)	
Community Development	32,720	19,955	2,736	2,960	(7,069)	
Transportation	6,320	865	180	104	(5,171)	
Unallocated infrastructure depreciation	63,071	-	-	-	(63,071)	
Total Governmental Activities	<u>\$ 361,073</u>	<u>\$ 82,383</u>	<u>\$ 40,146</u>	<u>\$ 432,784</u>	<u>\$ 194,240</u>	
Component Unit						
Irvine Community Land Trust	\$ 952	\$ 8,625	\$ -	\$ -		7,673
Total Component Unit	<u>\$ 952</u>	<u>\$ 8,625</u>	<u>\$ -</u>	<u>\$ -</u>		<u>7,673</u>
General Revenues						
Taxes:						
Property taxes					74,492	-
Sales taxes					69,597	-
Franchise taxes					13,098	-
Transient occupancy taxes					16,463	-
Document transfer taxes					4,385	-
Other taxes					5,095	-
Unrestricted motor vehicle in-lieu					133	-
Gain on sales of assets					71	-
Investment revenue					17,135	1,429
Other revenue					214	-
Total General Revenues					200,683	1,429
Change in Net Position					394,923	9,102
Total Net Position, Beginning					2,681,625	54,466
Total Net Position, Ending					<u>\$ 3,076,548</u>	<u>\$ 63,568</u>

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

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2019
(amount expressed in thousands)
Page 1 of 3

	General	Orange County Great Park	Orange County Great Park Development
ASSETS			
Cash and investments	\$ 131,452	\$ 135,619	\$ 19,593
Receivables, net of allowances:			
Taxes	16,787	-	-
Accounts	1,949	155	-
Accrued interest	369	371	35
Escrow deposits	-	-	967
Prepaid items	1,358	-	-
Due from other funds	14	-	-
Due from other governments	1,893	3,033	-
Due from developers	-	-	-
Due from the Successor Agency	-	209,082	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 153,822</u>	<u>\$ 348,260</u>	<u>\$ 20,595</u>
LIABILITIES			
Accounts payable	\$ 6,459	\$ 1,892	\$ 1,471
Accrued liabilities	6,741	55	-
Due to component unit	-	20,908	-
Due to other funds	-	27	-
Due to other governments	24	13	-
Retentions payable	-	-	328
Deposits	9,830	-	-
Unearned revenue	4,044	62	-
Total Liabilities	<u>27,098</u>	<u>22,957</u>	<u>1,799</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	44	3,033	-
Total Deferred Inflows of Resources	<u>44</u>	<u>3,033</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	1,358	-	-
Restricted	419	52,234	-
Committed	43,783	-	-
Assigned	69,526	270,036	18,796
Unassigned	11,594	-	-
Total Fund Balances (Deficits)	<u>126,680</u>	<u>322,270</u>	<u>18,796</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 153,822</u>	<u>\$ 348,260</u>	<u>\$ 20,595</u>

- continued -

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

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2019
(amount expressed in thousands)
Page 2 of 3

	Capital Improvement Projects	Local Park Fees	Community Facilities Districts
ASSETS			
Cash and investments	\$ 14,027	\$ 118,713	\$ 82,051
Receivables, net of allowances:			
Taxes	-	-	-
Accounts	37	-	-
Accrued interest	34	317	244
Escrow deposits	-	-	-
Prepaid items	-	-	-
Due from other funds	-	-	-
Due from other governments	5,274	-	-
Due from developers	-	-	-
Due from the Successor Agency	-	-	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 19,372</u>	<u>\$ 119,030</u>	<u>\$ 82,295</u>
LIABILITIES			
Accounts payable	\$ 1,385	\$ -	\$ -
Accrued liabilities	-	-	2,061
Due to component unit	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Retentions payable	406	-	-
Deposits	427	-	-
Unearned revenue	-	-	-
Total Liabilities	<u>2,218</u>	<u>-</u>	<u>2,061</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	5,194	-	-
Total Deferred Inflows of Resources	<u>5,194</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	-	119,030	80,234
Committed	11,791	-	-
Assigned	169	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>11,960</u>	<u>119,030</u>	<u>80,234</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 19,372</u>	<u>\$ 119,030</u>	<u>\$ 82,295</u>

- continued -

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

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2019
(amount expressed in thousands)
Page 3 of 3

	Assessment Districts	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 114,801	\$ 2,918	\$ 292,746	\$ 911,920
Receivables, net of allowances:				
Taxes	-	-	943	17,730
Accounts	3,082	21	1,031	6,275
Accrued interest	367	10	779	2,526
Escrow deposits	-	91	273	1,331
Prepaid items	-	2	-	1,360
Due from other funds	-	-	27	41
Due from other governments	-	1,301	1,716	13,217
Due from developers	-	-	23,498	23,498
Due from the Successor Agency	-	-	-	209,082
Long-term notes receivable, net of allowances	-	6,459	462	6,921
Total Assets	\$ 118,250	\$ 10,802	\$ 321,475	\$ 1,193,901
LIABILITIES				
Accounts payable	\$ 10	\$ 765	\$ 5,974	\$ 17,956
Accrued liabilities	5,355	1	202	14,415
Due to component unit	-	-	-	20,908
Due to other funds	-	-	14	41
Due to other governments	-	29	8	74
Retentions payable	-	-	533	1,267
Deposits	-	-	81	10,338
Unearned revenue	-	-	2,785	6,891
Total Liabilities	5,365	795	9,597	71,890
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	6,543	1,180	15,994
Total Deferred Inflows of Resources	-	6,543	1,180	15,994
FUND BALANCES (DEFICITS)				
Nonspendable	-	2	499	1,859
Restricted	112,885	3,462	239,658	607,922
Committed	-	-	73,055	128,629
Assigned	-	-	-	358,527
Unassigned	-	-	(2,514)	9,080
Total Fund Balances (Deficits)	112,885	3,464	310,698	1,106,017
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ 118,250	\$ 10,802	\$ 321,475	\$ 1,193,901

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

City of Irvine
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2019
(amount expressed in thousands)

Total Fund Balances of Governmental Funds		\$ 1,106,017
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in government activities are nonfinancial resources and are not reported in the funds. The following is net of the Internal Service Funds of \$7,401.		
Governmental capital assets	\$ 3,257,174	
Less: accumulated depreciation	<u>(1,236,333)</u>	2,020,841
Accrued interest and long-term receivables are not available to pay for current period expenditures and, therefore, are not reported in the funds.		5,370
Long-term note receivable for the revolving loan programs are not available to pay current period expenditures and are shown as unavailable revenues in the funds.		6,921
Deferred outflow related to pension contributions made subsequent to the measurement date, net of the Internal Service Funds of \$1,113.		75,387
Deferred outflow related to other post employment benefits		250
Revenues not collected within current period and are shown as unavailable revenues in the funds. However, on an accrual basis revenues are included in the government-wide statements. These revenues include:		
Capital Improvement Projects Funds	5,194	
Grant Fund	84	
Park Development Fund	588	
General Fund	44	
Orange County Great Park Fund	3,033	
Irvine Business Complex Fund	92	
Shuttle Fund	23	
Slurry Seal Fees	3	
Maintenance District	<u>12</u>	9,073
The net other post employment benefit pension obligation is not due and payable in the current period and is not reported in the fund financial statements.		(7,417)
Internal service funds are used by management to charge the cost of activities involved in rendering services to departments within the City. The assets and liabilities of the internal services funds are included in the Statement of Net Position.		25,509
Compensated absences long-term liabilities are not due and payable in the current period and are not reported in the funds, net of Internal Service fund of (\$345)		(14,353)
For governmental funds, long-term agreements between the funds and component units are recorded at full value of the agreement, but for reporting in the statement of net position, the agreement is reported at net present value.		3,609
The net pension obligation is not due and payable in the current period and is not reported in the funds, net of the Internal Service Fund of (\$2,520).		(146,998)
Deferred inflow related to pension items differences between expected and actual experience and net investment income, net of the Internal Service Funds of (\$126)		<u>(7,661)</u>
Net Position of Governmental Activities		<u>\$ 3,076,548</u>

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

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019
(amount expressed in thousands)
Page 1 of 3

	<u>General</u>	<u>Orange County Great Park</u>	<u>Orange County Great Park Development</u>
REVENUES			
Taxes	\$ 174,472	\$ -	\$ -
Licenses and permits	8,442	-	-
Fines and forfeitures	1,348	-	-
Investment income	5,270	4,534	341
Intergovernmental	611	-	-
Charges for services	27,098	5,936	-
Contributions from property owners-			
Special districts contributions	-	-	-
Revenue from developers	-	7,750	-
Special assessments	-	9,485	-
Donations	13	-	-
Other revenue	4,707	108	-
	<u>221,961</u>	<u>27,813</u>	<u>341</u>
EXPENDITURES			
Current:			
General Government	36,214	2,516	4
Public Safety	78,359	459	-
Public Works	27,721	6,173	53
Community Development	27,932	28	-
Community Services	38,068	5,677	-
Transportation	4,162	-	-
Capital outlay	-	-	8,159
	<u>212,456</u>	<u>14,853</u>	<u>8,216</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,505</u>	<u>12,960</u>	<u>(7,875)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	193	41	19,810
Transfers out	<u>(8,159)</u>	<u>(11,917)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(7,966)</u>	<u>(11,876)</u>	<u>19,810</u>
Net Change in Fund Balances	1,539	1,084	11,935
Fund Balances, Beginning	<u>125,141</u>	<u>321,186</u>	<u>6,861</u>
Fund Balances, Ending	<u>\$ 126,680</u>	<u>\$ 322,270</u>	<u>\$ 18,796</u>

- continued -

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019
(amount expressed in thousands)
Page 2 of 3

	Capital Improvement Projects	Local Park Fees	Community Facilities Districts
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Investment income	829	4,325	1,797
Intergovernmental	1,333	-	-
Charges for services	-	-	-
Contributions from property owners- Special districts contributions	-	-	78,177
Revenue from developers	-	7,339	-
Special assessments	-	-	5,983
Donations	-	-	-
Other revenue	963	-	-
Total Revenues	<u>3,125</u>	<u>11,664</u>	<u>85,957</u>
EXPENDITURES			
Current:			
General Government	42	-	1
Public Safety	-	-	-
Public Works	327	-	219
Community Development	-	-	-
Community Services	-	-	-
Transportation	-	-	-
Capital outlay	8,109	-	31,357
Total Expenditures	<u>8,478</u>	<u>-</u>	<u>31,577</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,353)</u>	<u>11,664</u>	<u>54,380</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,418	-	-
Transfers out	(14,951)	(8,191)	-
Total Other Financing Sources (Uses)	<u>(13,533)</u>	<u>(8,191)</u>	<u>-</u>
Net Change in Fund Balances	(18,886)	3,473	54,380
Fund Balances, Beginning	<u>30,846</u>	<u>115,557</u>	<u>25,854</u>
Fund Balances, Ending	<u>\$ 11,960</u>	<u>\$ 119,030</u>	<u>\$ 80,234</u>

- continued -

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019
(amount expressed in thousands)
Page 3 of 3

	Assessment Districts	Grants	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 28,254	\$ 202,726
Licenses and permits	-	-	79	8,521
Fines and forfeitures	-	-	-	1,348
Investment income	2,610	134	10,030	29,870
Intergovernmental	-	4,386	1,724	8,054
Charges for services	-	217	2,116	35,367
Contributions from property owners-				
Special districts contributions	26,537	-	-	104,714
Revenue from developers	-	-	7,315	22,404
Special assessments	-	-	9,697	25,165
Donations	-	400	149	562
Other revenue	-	9	63	5,850
Total Revenues	<u>29,147</u>	<u>5,146</u>	<u>59,427</u>	<u>444,581</u>
EXPENDITURES				
Current:				
General Government	2,010	66	216	41,069
Public Safety	-	1,973	1,381	82,172
Public Works	188	123	22,668	57,472
Community Development	-	2,382	3,352	33,694
Community Services	-	1,351	127	45,223
Transportation	-	151	1,061	5,374
Capital outlay	12,751	-	15,944	76,320
Total Expenditures	<u>14,949</u>	<u>6,046</u>	<u>44,749</u>	<u>341,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,198</u>	<u>(900)</u>	<u>14,678</u>	<u>103,257</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	420	51,559	73,441
Transfers out	-	-	(31,964)	(75,182)
Total Other Financing Sources (Uses)	<u>-</u>	<u>420</u>	<u>19,595</u>	<u>(1,741)</u>
Net Change in Fund Balances	14,198	(480)	34,273	101,516
Fund Balances, Beginning	<u>98,687</u>	<u>3,944</u>	<u>276,425</u>	<u>1,004,501</u>
Fund Balances, Ending	<u>\$ 112,885</u>	<u>\$ 3,464</u>	<u>\$ 310,698</u>	<u>\$ 1,106,017</u>

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

City of Irvine
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2019
(amount expressed in thousands)

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

Net Change in Fund Balances - Total Governmental Funds	\$ 101,516	
<p>Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, as listed below:</p>		
Expenditures for capital outlays	\$ 76,320	
Expenditures for capital equipment purchases	520	
Less amounts not capitalized	(20,422)	
Depreciation expense (net of Internal Service Funds of \$2,404)	<u>(81,257)</u>	(24,839)
<p>Governmental funds do not report the donation of capital assets not held for resale. Such transactions are included as revenue on the Statement of Activities.</p>		
Donation of capital infrastructure assets		307,845
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
Interest	1,442	
Charges for services	(128)	
Grants	848	
Revenue from developers	896	
Other revenue	<u>13</u>	3,071
<p>Long-term receivables and related unavailable revenue are recognized as expenditures in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. However, these payments reduce the unearned revenue in the Statement of Net Position and do not result in an expense in the Statement of Activities.</p>		
		970
<p>Governmental funds do not report the changes in the net pensions and other post employment benefit plan, since it does not provide or require the use of current financial resources.</p>		
Defined Benefit Pension Plans	5,394	
Other Post Employment Benefit Plan	<u>(384)</u>	5,010
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.</p>		
Compensated absences	(741)	
Due to component unit	<u>(1,178)</u>	(1,919)
<p>Internal Service Funds are used by management to charge the costs of certain activities such as insurance and fleet, to individual funds. The net revenue (expense) of the Internal Service Funds is included in the Statement of Activities.</p>		
		<u>3,269</u>
Change in Net Position of Governmental Activities		<u><u>\$ 394,923</u></u>



City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 167,807	\$ 167,807	\$ 174,472	\$ 6,665
Licenses and permits	11,626	11,626	8,442	(3,184)
Fines and forfeitures	1,493	1,493	1,348	(145)
Investment income	2,341	2,341	5,270	2,929
Intergovernmental	366	366	611	245
Charges for services	31,212	31,262	27,098	(4,164)
Donations	6	6	13	7
Other revenue	4,428	4,428	4,707	279
Total Revenues	219,279	219,329	221,961	2,632
EXPENDITURES				
Current:				
City Manager	12,725	13,079	10,670	2,409
Administrative Services	23,081	27,144	25,544	1,600
Public Safety	79,407	79,407	78,359	1,048
Public Works	28,132	28,182	27,721	461
Community Development	31,759	31,759	27,932	3,827
Community Services	40,644	40,644	38,068	2,576
Transportation	4,220	4,220	4,162	58
Total Expenditures	219,968	224,435	212,456	11,979
Excess (Deficiency) of Revenues Over (Under) Expenditures	(689)	(5,106)	9,505	14,611
OTHER FINANCING SOURCES (USES)				
Transfers in	242	248	193	(55)
Transfers out	(14,034)	(14,417)	(8,159)	6,258
Total Other Financing Sources (Uses)	(13,792)	(14,169)	(7,966)	6,203
Net Change in Fund Balances	(14,481)	(19,275)	1,539	20,814
Fund Balances, Beginning	125,141	125,141	125,141	-
Fund Balances, Ending	\$ 110,660	\$ 105,866	\$ 126,680	\$ 20,814

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Orange County Great Park
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)
Page 1 of 2

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 1,448	\$ 1,448	\$ 4,534	\$ 3,086
Charges for services	7,143	7,143	5,936	(1,207)
Revenue from developers	7,750	7,750	7,750	-
Special assessments	10,230	10,230	9,485	(745)
Other revenue	-	-	108	108
Total Revenues	<u>26,571</u>	<u>26,571</u>	<u>27,813</u>	<u>1,242</u>
EXPENDITURES				
Current:				
City Manager				
Personnel	1,319	1,319	832	487
Supplies	114	114	24	90
Internal service allocations	66	66	66	-
Contract services	2,926	2,926	1,164	1,762
Training and business expenses	30	30	17	13
Capital equipment	20	20	-	20
Miscellaneous	116	116	30	86
Total City Manager	<u>4,591</u>	<u>4,591</u>	<u>2,133</u>	<u>2,458</u>
Administrative Services				
Personnel	408	408	366	42
Internal service allocations	14	14	14	-
Contract services	7	7	3	4
Training and business expenses	2	2	-	2
Total Administrative Services	<u>431</u>	<u>431</u>	<u>383</u>	<u>48</u>
Public Safety				
Personnel	604	604	431	173
Supplies	4	4	-	4
Internal service allocations	14	14	14	-
Capital equipment	15	15	14	1
Total Public Safety	<u>637</u>	<u>637</u>	<u>459</u>	<u>178</u>
Public Works				
Personnel	1,282	1,282	1,068	214
Supplies	197	197	143	54
Internal service allocations	48	48	48	-
Contract services	5,735	5,735	3,955	1,780
Training and business expenses	6	6	-	6
Utilities	1,138	1,138	878	260
Capital equipment	91	91	81	10
Total Public Works	<u>8,497</u>	<u>8,497</u>	<u>6,173</u>	<u>2,324</u>

- continued -

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Orange County Great Park
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)
Page 2 of 2

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
Current:				
Community Development				
Personnel	35	35	-	35
Supplies	3	3	-	3
Contract services	582	582	28	554
Total Community Development	<u>620</u>	<u>620</u>	<u>28</u>	<u>592</u>
Community Services				
Personnel	3,172	3,109	2,696	413
Supplies	313	299	193	106
Internal service allocations	1,023	1,023	1,023	-
Contract services	1,824	1,901	1,422	479
Training and business expenses	35	35	7	28
Capital equipment	300	300	234	66
Miscellaneous	217	217	101	116
Repairs and maintenance	9	9	1	8
Total Community Services	<u>6,893</u>	<u>6,893</u>	<u>5,677</u>	<u>1,216</u>
Transportation				
Personnel	20	20	-	20
Contract services	10	10	-	10
Total Transportation	<u>30</u>	<u>30</u>	<u>-</u>	<u>30</u>
Total Expenditures	<u>21,699</u>	<u>21,699</u>	<u>14,853</u>	<u>6,846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,872</u>	<u>4,872</u>	<u>12,960</u>	<u>8,088</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	41	41	41	-
Transfers out	(14,620)	(14,620)	(11,917)	2,703
Total Other Financing Sources (Uses)	<u>(14,579)</u>	<u>(14,579)</u>	<u>(11,876)</u>	<u>2,703</u>
Net Change in Fund Balances	(9,707)	(9,707)	1,084	10,791
Fund Balances, Beginning	<u>321,186</u>	<u>321,186</u>	<u>321,186</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 311,479</u>	<u>\$ 311,479</u>	<u>\$ 322,270</u>	<u>\$ 10,791</u>

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Local Park Fees
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 1,943	\$ 1,943	\$ 4,325	\$ 2,382
Revenue from developers	-	-	7,339	7,339
Total Revenues	1,943	1,943	11,664	9,721
OTHER FINANCING SOURCES (USES)				
Transfers out	(34,159)	(43,311)	(8,191)	35,120
Total Other Financing Sources (Uses)	(34,159)	(43,311)	(8,191)	35,120
Net Change in Fund Balances	(32,216)	(41,368)	3,473	44,841
Fund Balances, Beginning	115,557	115,557	115,557	-
Fund Balances, Ending	\$ 83,341	\$ 74,189	\$ 119,030	\$ 44,841

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Grants
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 34	\$ 34	\$ 134	\$ 100
Intergovernmental	4,644	5,483	4,386	(1,097)
Charges for services	232	232	217	(15)
Donations	418	518	400	(118)
Other revenue	-	-	9	9
Total Revenues	5,328	6,267	5,146	(1,121)
EXPENDITURES				
Current:				
General Government	70	170	66	104
Public Safety	3,757	4,508	1,973	2,535
Public Works	196	196	123	73
Community Development	2,015	2,015	2,382	(367)
Community Services	1,803	1,863	1,351	512
Transportation	200	200	151	49
Total Expenditures	8,041	8,952	6,046	2,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,713)	(2,685)	(900)	1,785
OTHER FINANCING SOURCES (USES)				
Transfers in	420	420	420	-
Total Other Financing Sources (Uses)	420	420	420	-
Net Change in Fund Balances	(2,293)	(2,265)	(480)	1,785
Fund Balances, Beginning	3,944	3,944	3,944	-
Fund Balances, Ending	\$ 1,651	\$ 1,679	\$ 3,464	\$ 1,785

City of Irvine
Statement of Net Position
Proprietary Funds
June 30, 2019
(amounts expressed in thousands)

	<u>Governmental Activities- Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 38,203
Receivables, net of allowances:	
Accounts	57
Accrued interest	102
Prepaid items	1,296
Inventories	83
Total Current Assets	<u>39,741</u>
Noncurrent Assets:	
Capital assets:	
Equipment	24,227
Less accumulated depreciation	(16,826)
Total Noncurrent Assets	<u>7,401</u>
Total Assets	<u>47,142</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	1,113
Total Deferred Outflows of Resources	<u>1,113</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	3,414
Accrued liabilities	49
Due to other governments	1
Compensated absences	101
Claims payable	4,115
Total Current Liabilities	<u>7,680</u>
Noncurrent Liabilities:	
Compensated absences	244
Claims payable	12,176
Net pension	2,520
Total Noncurrent Liabilities	<u>14,940</u>
Total Liabilities	<u>22,620</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	126
Total Deferred Inflows of Resources	<u>126</u>
NET POSITION	
Net investment in capital assets	7,401
Unrestricted	18,108
Total Net Position	<u>\$ 25,509</u>

City of Irvine
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 28,753
Other	264
Total Operating Revenues	<u>29,017</u>
OPERATING EXPENSES	
Salaries and benefits	4,514
Supplies and equipment	6,749
Contract services	7,420
Administration	1,750
Self-insured losses	3,928
Insurance premiums	2,709
Depreciation	2,404
Total Operating Expenses	<u>29,474</u>
Operating Income (Loss)	<u>(457)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	1,355
Gain (loss) on disposal of equipment	69
Total Nonoperating Revenues	<u>1,424</u>
Income (Loss) Before Capital Contributions and Transfers	967
Capital contributions	561
Transfers in	1,768
Transfers out	(27)
Change in Net Position	<u>3,269</u>
Total Net Position, Beginning	<u>22,240</u>
Total Net Position, Ending	<u><u>\$ 25,509</u></u>



City of Irvine
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers and users	\$ 91
Received from interfund services provided	29,020
Paid to suppliers and providers	(23,026)
Paid for salaries and benefits	(4,580)
Net Cash Provided (Used) by Operating Activities	1,505
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from other funds	1,768
Transfers to other funds	(27)
Net Cash Provided (Used) by Non-Capital Financing Activities	1,741
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of equipment	145
Equipment purchases	(1,193)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,048)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	1,319
Net Cash Provided (Used) by Investing Activities	1,319
Net Increase (Decrease) in Cash and Cash Equivalents	3,517
Cash and Cash Equivalents, Beginning of Fiscal Year	34,686
Cash and Cash Equivalents, End of Fiscal Year	\$ 38,203
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (457)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	2,404
(Increase) decrease in receivables, net of allowances	30
(Increase) decrease in prepaid items	(858)
(Increase) decrease in due from other funds	61
(Increase) decrease in inventories	(1)
(Increase) decrease in deferred outflows	(14)
Increase (decrease) in accounts payable	(30)
Increase (decrease) in accrued liabilities	(176)
Increase (decrease) in due to other governments	(21)
Increase (decrease) in deferred revenue	(23)
Increase (decrease) in compensated absences	19
Increase (decrease) in claims payable	664
Increase (decrease) in net pension	(93)
Total Adjustments	1,962
Net Cash Provided (Used) by Operating Activities	\$ 1,505
Schedule of Non-Cash and Related Financing Activities	
Contribution of Capital Assets	\$ 561

City of Irvine
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018 and June 30, 2019
(amounts expressed in thousand)

	<u>December 31, 2018</u>		
	<u>Pension and Employee Benefit Trust Funds</u>	<u>Successor Agency Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 277	\$ 5,805	\$ 130,223
Receivables, net of allowances:			
Taxes	-	-	1,869
Accounts	17	-	3,122
Accrued interest	-	13	758
Loans	42	-	-
Other receivable	7	-	-
Due from other governments	-	209,082	-
Due from developers	-	-	726
Investments:			
Pooled funds	22,651	-	-
Mutual funds - closed end funds equity	177	-	-
Mutual funds - equity	3,601	-	-
Mutual funds - corporate bonds	569	-	-
Mutual funds - balanced	354	-	-
Wells Fargo funds - balanced	872	-	-
Total Assets	<u>28,567</u>	<u>214,900</u>	<u>\$ 136,698</u>
LIABILITIES			
Accounts payable	15	2,657	926
Accrued liabilities	16	-	6
Advances from the City of Irvine	-	209,082	-
Due to bondholders	-	-	132,647
Due to other governments	-	-	3,119
Total Liabilities	<u>31</u>	<u>211,739</u>	<u>\$ 136,698</u>
NET POSITION			
Net position restricted for pensions	28,536	-	
Held in trust for enforceable obligations	-	3,161	
Total Net Position	<u>\$ 28,536</u>	<u>\$ 3,161</u>	

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

City of Irvine
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2018 and June 30, 2019
 (amounts expressed in thousands)

	<u>December 31, 2018</u>	
	<u>Pension and Employee Benefit Trust Funds</u>	<u>Successor Agency Private- Purpose Trust Funds</u>
ADDITIONS		
Contributions:		
Employer	\$ 378	\$ -
Plan members	95	-
Interest from participants' loan	2	-
Total Contributions	<u>475</u>	<u>-</u>
Investment income (loss):		
Interest and dividends	109	-
Net appreciation (depreciation) in fair value of investments	(829)	-
Total Investment Income	<u>(720)</u>	<u>-</u>
Less: investment expenses	<u>(96)</u>	<u>-</u>
Net Investment Income	(816)	-
Taxes	-	4,583
Investment income	-	131
Total Additions	<u>(341)</u>	<u>4,714</u>
DEDUCTIONS		
Benefit payments	1,442	-
Distributions to the County Administration	-	2,612
	46	58
Total Deductions	<u>1,488</u>	<u>2,670</u>
Change in Net Position	(1,829)	2,044
Total Net Position, Beginning	<u>30,365</u>	<u>1,117</u>
Total Net Position, Ending	<u>\$ 28,536</u>	<u>\$ 3,161</u>

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



City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Component Units

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

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

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Units

The Irvine Public Facilities Corporation (Corporation) and the Irvine Public Facilities and Infrastructure Authority (Authority) were used to finance the acquisition and construction of the City's civic center, operations support facility, animal services facilities, and other infrastructure improvements in the City. The Corporation and Authority are governed by boards comprised of appointed Finance Commissioners and the elected City Councilmembers, respectively. Since the governing bodies of the City Council, the Corporation and the Authority are substantially the same, these entities are reported as component units and their transactions are reported in the governmental

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

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. On June 27, 2019, the Corporation was dissolved with the California Secretary of State's office. Separate financial statements are not prepared for the Authority.

The Orange County Great Park Corporation (OCGPC) was established by the City Council on July 7, 2003, as a support agency to the City, for the specific purpose of managing and effecting the development, operation, and maintenance of the Orange County Great Park on the site of the former Marine Corps Air Station (MCAS) El Toro. The OCGPC board of directors is comprised of the five elected City Councilmembers. Since the governing bodies of the City Council and OCGPC are substantially the same, and there is a financial burden relationship between the City and the OCGPC, the OCGPC is reported as a blended component unit. The transactions of the OCGPC are reported in the governmental fund financial statements as a part of the major special revenue fund Orange County Great Park. No financial activity occurred during the fiscal year, therefore, no financial statements are available.

Discretely Presented Component Unit

The Irvine Community Land Trust (Land Trust) was established by the 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. The Land Trust Board of Directors is comprised of seven at-large directors appointed by the Land Trust Board. The at-large directors must be residents of and/or work in the City. Two of the seven at-large directors may be nominated by the City. The Land Trust receives its primary income from rental activities and contributions from the City. Separately issued financial reports are available for the Land Trust. These reports may be obtained by contacting the Irvine Community Land Trust, 930 Roosevelt Avenue, Suite 106, Irvine, California, 92620.

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are not properly included among program revenues are reported instead as general revenues. As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

Net Position, which is equity, is reported in the following categories:

- net investment in capital assets, represents the City's equity interest in capital assets, net of any related debt;
- restricted assets, are net positions whose use is not subject to the City's own discretion, and
- unrestricted net positions are available for use.

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

The City reports the following major governmental funds:

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

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

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

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

The Local Park Fees Fund, is a special revenue fund that records the fees received under the Subdivision Map Act of the California State Constitution that requires the developers to either contribute land or pay fees to provide recreational facilities within a development area.

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

The Assessment District Fund, is a capital project fund and accounts for related capital project activities for development within the assessment districts.

The Grants Fund, is a special revenue fund which accounts for a variety of local, state, and federal grants.

Additionally, the City reports the following fund types:

Governmental Funds

Special Revenue Funds account for proceeds of specific revenue sources that are legally

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

restricted or otherwise committed or assigned for specific purposes.

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

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

Proprietary Funds

Internal Service Funds account for operations that provide services to other departments of the City on a cost reimbursement basis. These services include self-insurance, acquisition, replacement and maintenance of the City's vehicle fleet, Civic Center maintenance, information technology systems, telephone, mail and duplicating services, and central stores supplies.

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

Fiduciary Funds

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

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

Agency Funds are used to account for debt service activities related to the Assessment District and Community Facilities District conduit debt issues, in which the City acts as an agent, not as a principal. 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.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

funds) are eliminated so only the net amount is included as internal balances in the governmental activities column.

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

C. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, as are the proprietary fund and fiduciary fund financial statements; however, the measurement focus is not applicable to agency funds. Under the *economic resources measurement focus*, all assets, deferred outflow of resources, liabilities (current and long-term), and deferred inflow of resources are reported. Under the *accrual basis of accounting*, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

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

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the *modified accrual basis of accounting*, revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, under accrual accounting. However, expenditures for debt service and compensated absences are recorded only when payment is due.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered susceptible to accrual, and are therefore recognized as revenues of the current fiscal period.

Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the City.

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

D. Use of Restricted and Unrestricted Resources

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

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

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates or fair market value when market quotations are readily available.

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

Inventories and Prepaid Items

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

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

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 and an estimated useful life in excess of two years. Infrastructure components, which include street, bridge, traffic signal, landscape,

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

and trail networks, are reported as assets with an initial individual cost of at least \$50,000 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 acquisition fair value at the date of contribution.

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

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

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

<u>Assets</u>	<u>Lives</u>
Buildings & systems	30 - 40
Improvements other than buildings	5 - 15
Machinery and equipment	3 - 10
Infrastructure	17 - 62

Deferred Outflow/Inflow of Resources

In addition to assets, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then. The City has two types of items in the statement of net position, deferred outflow of resources related to pension and deferred outflow of resources related to other post employment benefits. The pension balance represents current fiscal year contributions to the pension plans that will be applied as a reduction in net pension liability in the next fiscal year; or other items arising from changes in actuarial assumptions, difference between actual and expected experience, or difference between actual and projected investment gains/losses that will be amortized and reported as a component in pension expense in future fiscal years. The other post employment benefits balance represents items arising from changes in actuarial assumptions, which will be amortized and reported as a component of other post employment benefits expense in future years.

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflow of resources. The separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City reported the following in this category:

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

1. Unavailable revenues measured under the modified accrual basis of accounting reported in governmental funds. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Unavailable revenues that are included in the governmental fund financial statements at June 30, 2019, are as follows (amounts expressed in thousands):

	General Fund	Orange County Great Park	Capital Improvement Projects	Grants Fund	Other Governmental Funds	Total
<u>Governmental Funds:</u>						
Grants	\$ -	\$ -	\$ 5,194	\$ 82	680	\$ 5,956
Revenue from developer	-	3,033	-	-	-	3,033
Notes and long-term receivable	-	-	-	6,459	462	6,921
Charge for service	-	-	-	-	26	26
Other revenue	44	-	-	2	12	58
Total	<u>\$ 44</u>	<u>\$ 3,033</u>	<u>\$ 5,194</u>	<u>\$ 6,543</u>	<u>\$ 1,180</u>	<u>\$ 15,994</u>

2. Deferred inflow of resources related to pensions are certain changes in net pension liability that are to be amortized and reported as a change in pension expenses in future fiscal years. These balances arise from changes in actuarial assumptions, difference between actual and expected experience, or difference between actual and projected investment gains/losses.

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

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

Long-Term Notes Receivable

Long-term notes receivable consist of loans to developers to assist in the stimulation of affordable housing projects, rehabilitation loans to low income individuals that need assistance in rehabilitating their homes, and first time buyers assistance loans. Loan repayment terms range from due at the sale of the property to 58 years. A majority of the loans to the developers will be paid from residual rental receipts earned on the affordable housing property.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

Due to the long-term nature and contingent repayment requirements for some of the loans, an allowance for doubtful accounts has been estimated, actual results can differ from the estimates. Some of the loans were funded from the Department of Housing and Urban Development and CalHOME grants and are part of a revolving loan program. In the governmental funds financial statements, disbursements for providing these revolving loan receivables are recorded as expenditures while the collection of these receivables are recorded as revenue. Due to the requirement of the granting agency, these receivable collections must be utilized for the purpose of the grant requirements. The City has recorded a deferred inflow of resources equal to the outstanding revolving loan principal of \$6,921,113.

(amounts expressed in thousands)	
Developer loans	\$ 14,129
Rehabilitation loans	2,163
First time home buyer assistance loans	713
Total	17,005
Allowance for doubtful accounts	(10,084)
Long-Term Notes Receivable, Net	\$ 6,921

Property Taxes

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

Compensated Absences

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

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net positions. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, with the exception of prepaid insurance costs, are recognized as an outflow of resources in the period when

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

the debt is issued. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

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

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

	Defined Benefit Pension Plan	CalPERS Pension Plans
Valuation Date (VD)	December 31, 2017	June 30, 2017
Measurement Date (MD)	December 31, 2018	June 30, 2018
Measurement Period (MP)	January 1, 2018 to December 31, 2018	July 1, 2017 to June 30, 2018

Other Post Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflow of resources and deferred inflow of resources related to OPEB, and OPEB expense have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. The General Fund is used to liquidate the OPEB liability.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Fund Balance-Net Position

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

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

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

Assigned fund balance are constrained by an intent to be used for a specific purposes but are neither restricted or committed. Through City Council's adoption of the budget and subsequent budget adjustments throughout the year, the City assigns the specific purpose of the funding.

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

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

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

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

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

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

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 collectability 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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

I. Summary of Significant Accounting Policies (Continued)

G. Implementation of New GASB Pronouncements

In fiscal year ended June 30, 2019, the City adopted the following accounting standards.

GASB Statement No. 83, *Certain Asset Retirement Obligations* becomes effective for fiscal years beginning after June 15, 2018. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). This standard did not affect the City.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* becomes effective for reporting periods beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowing and direct placements. This standard does not impact the City.

H. Pending GASB Accounting Pronouncements

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

GASB Statement No. 84, *Fiduciary Activities* becomes effective for fiscal years beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases* becomes effective for fiscal year beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

GASB Statement No. 89, *Accounting For Interest Cost Incurred Before the End of a Construction Period*, becomes effective for reporting periods beginning after December 15, 2019. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statement No. 14 and No. 61*, becomes effective for reporting periods beginning after December 15, 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 91, *Conduit Debt Obligations*, becomes effective for periods beginning after December 15, 2020. The primary objective of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

1. During May and June, the City Manager submits to the City's Finance Commission and the City Council a proposed operating budget for all funds of the City for the fiscal year commencing the following July 1. In addition, during June, the Orange County Great Park funds' budget is submitted to the Orange County Great Park Board. The budget includes proposed expenditures and the means of financing them.
2. The Finance Commission, Orange County Great Park Board, and City Council hold public meetings to consider the proposed budget. Prior to July 1, the budget is legally enacted through adoption of an appropriation resolution.
3. After adoption, the annual budget, except for the Orange County Great Park Funds, may be amended by the City Manager if amendments are less than \$50,000 and do not expand or add to the City's programs or services, except for the General Fund that has no limit if the amendments do not expand or add to the City's programs or services. The legal level of control in the General Fund is considered to be the department level. The City departments are: City Manager, Administrative Services, Community Development, Community Services, Public Safety, Public Works, and Transportation. The first two departments are classified together for reporting purposes as General Government, but City Manager and Administrative Services operate separately as departments for budgetary control purposes. Review by the Finance Commission and approval by the City Council are required if an amendment is in excess of \$50,000. Amendments to the adopted General Fund budget for the fiscal year ended June 30, 2019, increased appropriations by \$4,466,968 to an amended total of \$224,435,479.

The legal level of control for the Orange County Great Park Funds is the budget category by department. Adjustments to the budget must be approved by the Orange County Great Park Board of Directors and a majority vote of the City Council. For the fiscal year ended June 30, 2019, there were no amendments to the adopted Orange County Great Park budget. The fiscal year June 30, 2019, budget total is \$21,699,075.

The legal level of control for all governmental funds other than the General Fund and Orange County Great Park Funds is considered to be the fund level.

4. Budgets for the General, Special Revenue and Permanent Funds are adopted on a basis consistent with generally accepted accounting principles. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items. Budgeted amounts contained within this report are the original and final amended amounts, as approved by the City Council. No budgetary comparisons are presented for the Capital Projects Funds since budgets are adopted on a project basis as opposed to an annual basis. Also, no budgetary comparisons are presented for the Internal Service and Fiduciary Funds.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds

A. Cash and Investments

Cash and investments, as of June 30, 2019, are classified in the accompanying financial statements as follows (amounts expressed in thousands):

Statement of net position:	
Cash and investments	\$ 950,123
Total	950,123
Cash and investments - Agency funds	130,223
Cash and investments - Private purpose trust funds	5,805
Total	136,028
Total Cash and Investments	\$ 1,086,151

Cash and investments, as of June 30, 2019, consist of the following (amounts expressed in thousands):

Cash on hand	\$ 22
Cash - Private-purpose trust funds	461
Deposits with financial institutions	1,468
Cash with trustee	71,592
Total Cash	73,543
Investments - Private-purpose trust funds	5,344
Investments	1,007,264
Total Investments	1,012,608
Total Cash and Investments	\$ 1,086,151

Cash and investments, as of December 31, 2018, for the Pension and Employee Benefit Trust Funds consist of the following (amounts expressed in thousands):

Cash - Pension trust funds	\$ 277
Investments - Pension trust funds	28,224
Total Cash and Investments	\$ 28,501

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

The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The following table identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also addresses interest rate risk, credit risk and concentration of credit risk by virtue of the limitations imposed by the California Government Code (or the City's investment policy, where more restrictive).

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

Authorized Investment Type	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%	3%
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	25%	None
Corporate Medium Term Notes	5 years	15%	3%
Money Market Mutual Funds	N/A	20%	2%
Supranationals	5 years	10%	None

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.

Investment Authorized by Pension and Employee Benefit Trust Funds

Defined Benefit Pension Plan Investments in the Plan are administered by the City's Defined Benefit Pension Plan Trustee and are subject to the investment policies stipulated in the Plan document rather than the general provisions of the California Government Code or the City's investment policy. Cash and investments of the Defined Benefit Pension Plan are included in the basic financial statements as of December 31, 2018. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2018.

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, 2018. 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, 2018.

Disclosures Relating to Interest Rate Risk

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

Information about the fair value sensitivity of the City's investments (including investments held by trustees) to market interest rate fluctuations is provided in the following table (amounts expressed in thousands) 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	\$ 437,026	\$ 108,287	\$ 102,397	\$ 226,342
Commercial Paper	324,241	324,241	-	-
U.S. Treasuries	109,408	-	19,848	89,560
Corporate Medium Term Notes	73,655	17,020	16,992	39,643
Local Agency Investment Fund (LAIF)	42,668	42,668	-	-
Supranationals	15,381	-	-	15,381
Money Market Mutual Funds	5,135	5,135	-	-
Municipal Bonds	5,094	5,094	-	-
	<u>\$ 1,012,608</u>	<u>\$ 502,445</u>	<u>\$ 139,237</u>	<u>\$ 370,926</u>

Pension and Employee Benefit 'Trust Funds' investments in mutual funds are excluded from the requirement to disclose investment by maturity.

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, 2019, is \$109,587,561.

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 (amounts expressed in thousands).

Investment Type	Total	Minimum		Rating as of June 30, 2019 - Standard & Poor's						
		Legal Rating	Not Rated	AAA _m	AAA	AA+	AA-	A-	A-1+	A-1
U.S. Government Sponsored Enterprise Securities	\$ 437,026	N/A	\$ -	\$ -	\$ -	\$ 437,026	\$ -	\$ -	\$ -	\$ -
Commercial Paper	324,241	A-1	-	-	-	-	-	-	74,297	249,944
U.S. Treasuries	109,408	N/A	-	-	-	109,408	-	-	-	-
Corporate Medium Term Notes	73,655	AA	-	-	27,702	7,825	28,088	10,040	-	-
Local Agency Investment Fund (LAIF)	42,668	N/A	42,668	-	-	-	-	-	-	-
Supranationals	15,381	AAA	-	-	15,381	-	-	-	-	-
Money Market Mutual Funds	5,135	AAA	-	5,135	-	-	-	-	-	-
Municipal Bonds	5,094	AA	-	-	-	1,300	3,794	-	-	-
	<u>\$ 1,012,608</u>		<u>\$ 42,668</u>	<u>\$ 5,135</u>	<u>\$ 43,083</u>	<u>\$ 555,559</u>	<u>\$ 31,882</u>	<u>\$ 10,040</u>	<u>\$ 74,297</u>	<u>\$ 249,944</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

The Pension and Employee Benefit Trust Funds are excluded from the requirement to disclose the actual rating for each investment type.

Concentration of Credit Risk

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

Issuer	Investment Type	Fair Value
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 167,675
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	109,716
U.S. Treasuries	U.S. Treasuries	109,408
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	84,924
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	57,664

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

Issuer	Investment Type	Fair Value
Natixis NY Branch	Commercial Paper	\$ 42,572
MUFG Bank	Commercial Paper	37,659
Exxon Mobil Corporation	Commercial Paper	27,073
American Honda Finance	Commercial Paper	26,332
Toyota Motor Corporation	Commercial Paper	23,850
JP Morgan Chase & Company	Commercial Paper	19,506
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	17,046
Mitsubishi International Corporation	Commercial Paper	15,876

The Pension and Employee Benefit Trust Funds' investments in mutual funds are excluded from the requirement to disclose concentration of credit risk.

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 investments, or collateral securities that are in the possession of another party.

The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

securities in the collateral pool must equal to at least 110 percent of the total amount deposited by the public agencies. The City's investment policy further limits pledged securities for all City deposits to U.S. Treasury securities with a cost value equal to at least 110 percent of the deposit amount. The City's repurchase agreements must be secured by pledging U.S. Treasury securities and/or U.S. Government Agency securities with a cost value equal to at least 102 percent of the par amount plus accrued interest. All securities owned by the City with the exception of LAIF and a portion of the money market mutual funds are held in safekeeping with a custodial bank different from the City's primary bank. Securities are not held in broker accounts. Investments held by LAIF and money market mutual funds are registered in the City's name.

Custodial credit risk for deposits and investments held by bond trustees is the risk that the City will not be able to recover the value of its deposit or investment securities that are in the possession of an outside party. All deposits and 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, 2019, uninsured and uncollateralized deposits held by trustee totaled \$66,189,704.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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.

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements), inputs are quoted price of similar assets in active markets (Level 2 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The City has the following recurring fair value measurement as of June 30, 2019:

- U.S. Government Sponsored Enterprise Securities of \$437,025,657, are valued using quoted prices in an active market for similar assets (Level 2 measurement).
- Commercial Paper of \$324,240,537, are valued using quoted prices in an active market for similar assets (Level 2 measurement).
- U.S. Treasuries of \$109,407,810, are valued using quoted prices in an active market for similar assets (Level 2 measurement).

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

- Corporate Medium Term Notes of \$73,654,944, are valued using quoted prices in an active market for similar assets (Level 2 measurement).
- Supranationals of \$15,381,461, are valued using quoted prices in an active market for similar assets (Level 2 measurement).
- Municipal Bonds of \$5,093,507, are valued using quoted prices in an active market for similar assets (Level 2 measurement).

(amounts expressed in thousands)

Investment Type	Amount	Investment not Measured at Fair Value	Level		
			1	2	3
U.S. Government Sponsored Enterprise Securities	\$ 437,026	\$ -	\$ -	\$ 437,026	\$ -
Commercial Paper	324,241	-	-	324,241	-
U.S. Treasuries	109,408	-	-	109,408	-
Corporate Medium Term Notes	73,655	-	-	73,655	-
Local Agency Investment Fund (LAIF)	42,668	42,668	-	-	-
Supranationals	15,381	-	-	15,381	-
Money Market Mutual Funds	5,135	5,135	-	-	-
Municipal Bonds	5,094	-	-	5,094	-
	<u>\$ 1,012,608</u>	<u>\$ 47,803</u>	<u>\$ -</u>	<u>\$ 964,805</u>	<u>\$ -</u>

The fair value measurement as of December 31, 2018, for each investment type for the Pension and Employee Benefit Trust Funds (amount expressed in thousands).

(amounts expressed in thousands)

Investment Type	Amount	Investment not Measured at Fair Value	Level		
			1	2	3
Mutual Funds - Equity	\$ 3,778	\$ -	\$ 3,778	\$ -	\$ -
Mutual Funds - Corporate Bonds	570	-	570	-	-
Mutual Funds - Balanced	1,226	-	1,226	-	-
Mutual Funds - Pooled	22,650	-	-	22,650	-
	<u>\$ 28,224</u>	<u>\$ -</u>	<u>\$ 5,574</u>	<u>\$ 22,650</u>	<u>\$ -</u>

Restricted Cash

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$832,742 at June 30, 2019, were nonspendable or restricted per terms of an agreement between the Irvine Senior Foundation and the City.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows (amounts expressed in thousands):

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 672,192	\$ 188,051	\$ 1,120	\$ 859,123
Construction in progress	81,567	84,685	68,730	97,522
Total capital assets not being depreciated	<u>753,759</u>	<u>272,736</u>	<u>69,850</u>	<u>956,645</u>
Capital assets, being depreciated:				
Buildings and systems	166,592	63,268	-	229,860
Improvements other than buildings	225,913	5,958	-	231,871
Machinery and equipment	36,142	2,252	1,523	36,871
Infrastructure	1,734,500	91,654	-	1,826,154
Total capital assets being depreciated	<u>2,163,147</u>	<u>163,132</u>	<u>1,523</u>	<u>2,324,756</u>
Less accumulated depreciation for:				
Buildings and systems	(66,327)	(4,268)	-	(70,595)
Improvements other than buildings	(88,950)	(13,034)	-	(101,984)
Machinery and equipment	(25,163)	(3,288)	1,446	(27,005)
Infrastructure	(990,504)	(63,071)	-	(1,053,575)
Total accumulated depreciation	<u>(1,170,944)</u>	<u>(83,661)</u>	<u>1,446</u>	<u>(1,253,159)</u>
Total capital assets, being depreciated, net	<u>992,203</u>	<u>79,471</u>	<u>77</u>	<u>1,071,597</u>
Governmental activities capital assets, net	<u>\$ 1,745,962</u>	<u>\$ 352,207</u>	<u>\$ 69,927</u>	<u>\$ 2,028,242</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.

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

General Government	\$ 1,362
Public Safety	240
Public Works	15,223
Community Services	1,355
Transportation	6
Internal Service Funds Depreciation-charged to programs based on asset usage	<u>2,404</u>
Allocated Depreciation	20,590
Unallocated Infrastructure Depreciation	<u>63,071</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 83,661</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

Construction Commitments

The City has active construction projects as of June 30, 2019. The projects include signals, streets and drainage, bridges, parks, trails, landscape and facilities. At fiscal year-end, the City's encumbrances with contractors were as follows (amounts expressed in thousands):

	Remaining Commitments
Street and drainage	\$ 11,323
Facilities	2,735
Traffic signal projects	2,715
Trails	1,207
Bridges	1,204
Landscape and streetscape	906
Parks	223
Total	\$ 20,313

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

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, was as follows (amounts expressed in thousands):

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	Orange County Great Park	\$ 27
General Fund	Other Governmental Funds	14
	Total	\$ 41

The interfund balance of \$41,249 is a combination of \$14,327 to cover the Major Special Events Fund's negative cash, due to timing of receivable collections, and \$26,922 is due to the Maintenance District for street lighting and landscape maintenance for the Community Facilities District, Great Park Improvement Area No. 1.

Interfund Transfers (amounts expressed in thousands):

	Transfers in:							Total
	General Fund	Orange County Great Park	Orange County Great Park Development	Capital Improvement Projects	Grants	Other Governmental Funds	Internal Service Funds	
Transfers out:								
General Fund	\$ -	\$ -	\$ -	\$ 90	\$ 420	\$ 5,881	\$ 1,768	\$ 8,159
Orange County Great Park	188	-	11,701	-	-	28	-	11,917
Capital Improvement Projects	-	-	-	-	-	14,951	-	14,951
Local Park Fees	-	-	8,109	-	-	82	-	8,191
Other Governmental Funds	5	41	-	1,328	-	30,590	-	31,964
Internal Service Funds	-	-	-	-	-	27	-	27
Total	\$ 193	\$ 41	\$ 19,810	\$ 1,418	\$ 420	\$ 51,559	\$ 1,768	\$ 75,209

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

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

D. Leases

Operating Revenue Lease

The City has various operating lease rental agreements producing annual rental revenue to the Orange County Great Park and the General Fund.

Orange County Great Park

The Orange County Great Park (OCGP) fund receives revenue for several operating leases for sites within the former MCAS El Toro. The OCGP is currently under development and lease rentals are only projected as far out as to the fiscal year ended June 30, 2025, with some leases expiring or planned to be terminated sooner. The leases are for green waste recycling, office/manufacturing buildings, farming and other uses of the property.

A lease with Tierra Verde Industries that began in May 2006 has been amended and restated over the years and is for two parcels located in the OCGP. The first parcel is used as a green waste recycling center. The quarterly rental for this property as of June 30, 2019, is \$97,404 per quarter. An additional \$0.69 per ton is charged as a Green Waste Host Fees and the amount collected as of June 30, 2019, was \$553,614. The second leased parcel are buildings used for office space, light maintenance and manufacturing. The rents received for both parcels for the fiscal year ended June 30, 2019, was \$457,044. The current lease agreement terminates May 20, 2020.

A farming lease with El Toro Farms, LLC to grow strawberries and vegetable crops began in July 2005 and has been renewed over the years. The lease terminates June 30, 2021. Rental revenue at June 30, 2019, was \$31,596.

A lease with Orange County Produce to grow strawberries and other crops began in July 2010. The lease terminates July 25, 2025. Rental revenue at June 30, 2019, was \$30,045.

A lease with AMCI/Omnicom for the use of other sites within OCGP is month to month with \$236,484 received in the fiscal year ended June 30, 2019.

The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2019, is as follows (amounts expressed in thousands):

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

Fiscal Year Ending June 30	Annual Rent
2020	\$ 428
2021	62
2022	30
2023	30
2024	30
2025-2029	2
	\$ 582

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 2040. Rental revenue reported by the operating lease agreements for the fiscal year ended June 30, 2019, amounted to \$792,470. The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2019, is as follows (amounts expressed in thousands):

Fiscal Year Ending June 30	Annual Rent
2020	\$ 783
2021	448
2022	427
2023	428
2024	432
2025-2029	2,125
2030-2034	1,444
2035-2039	654
Thereafter	42
	\$ 6,783

E. Changes in Long-term Liabilities

For the fiscal year ended June 30, 2019, changes in long-term liabilities are as follows (amounts expressed in thousands):

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Long- Term	Due Within One Year
Compensated absences	\$ 13,939	\$ 5,136	\$ 4,377	\$ 14,698	\$ 10,395	\$ 4,303
Claims payable	15,627	3,927	3,263	16,291	12,176	4,115
Total Long-Term Liabilities	\$ 29,566	\$ 9,063	\$ 7,640	\$ 30,989	\$ 22,571	\$ 8,418

F. Special Assessment Debt with No City Commitment

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

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

[Balance of page intentionally left blank]

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

Non-committal debt amounts issued and outstanding at June 30, 2019, are as follows (amounts expressed in thousands):

Variable Rate Issues		Bonds Issued	Bonds Outstanding
07-22	Stonegate	\$ 40,000	\$ 7,551
05-21	Orchard Hills	79,265	31,644
04-20	Portola Springs	78,605	26,391
03-19	Woodbury	121,600	42,517
00-18	Shady Canyon/Turtle Ridge/Quail Hill	84,800	8,683
85-7	Irvine Spectrum 1, 3, and 4	41,150	29,902
87-8	Irvine Spectrum 5	74,700	14,238
93-14	Irvine Spectrum 6 and 7	72,400	54,537
94-13	Oak Creek	61,600	16,107
94-15	Westpark II	32,700	1,611
97-16	Northwest Irvine	60,000	25,168
97-17	Lower Peters Canyon East	95,000	31,954
Total Variable Rate Issues		841,820	290,303
Fixed Rate Issues		Bonds Issued	Bonds Outstanding
04-20	Portola Springs 2013	11,795	10,865
04-20	Portola Springs 2014	14,460	13,585
04-20	Portola Springs 2015	21,485	21,000
04-20	Portola Springs 2017	30,200	30,200
05-21	Orchard Hills 2014	74,860	70,500
05-21	Orchard Hills 2016	16,235	16,235
05-21	Orchard Hills 2017	19,500	19,500
05-21	Orchard Hills 2018	27,995	27,995
07-22	Stonegate	28,350	23,550
10-23	Laguna Altura	12,695	11,965
11-24	Cypress Village	38,655	26,133
13-25	Eastwood	34,430	33,665
12-1	Reassessment District	126,220	70,090
13-1	Reassessment District	80,755	58,765
15-1	Reassessment District	47,360	34,590
15-2	Reassessment District	50,625	45,980
CFD 2004-1	Central Park	18,510	17,610
CFD 2005-2	Columbus Grove	16,975	14,100
CFD 2013-3	Great Park 2014	72,700	72,610
CFD 2013-3	Great Park 2016	135,835	134,555
CFD 2013-3	Great Park 2018	72,420	72,420
Total Fixed Rate Issues		952,060	825,913
		\$ 1,793,880	\$ 1,116,216

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

G. Fund Balance Classifications

Fund balances in the governmental funds at June 30, 2019 have been classified as follows (amounts expressed in thousands):

Fund Balance Classification	General	Orange County Great Park	Orange County Great Park Development	Capital Improvement Projects	Local Park Fees
Non Spendable					
Endowment	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid expenditures	1,358	-	-	-	-
Subtotal	1,358	-	-	-	-
Restricted for:					
Capital improvement projects	-	-	-	-	-
Park & public facilities	-	-	-	-	119,030
Great Park development and operations	-	52,234	-	-	-
Circulation improvements	-	-	-	-	-
Community services activities	-	-	-	-	-
Animal care activities	-	-	-	-	-
Public service activities	-	-	-	-	-
Development activities	345	-	-	-	-
Affordable housing activities	-	-	-	-	-
Air quality improvement activities	-	-	-	-	-
Public safety programs	-	-	-	-	-
ADA access activities	-	-	-	-	-
Public education	-	-	-	-	-
Public transportation	-	-	-	-	-
Senior nutrition programs and activities	-	-	-	-	-
Open space maintenance	74	-	-	-	-
Subtotal	419	52,234	-	-	119,030
Committed to:					
Capital improvement projects	-	-	-	-	-
Circulation improvements	-	-	-	11,791	-
Contingency reserve	43,783	-	-	-	-
Public facilities improvements	-	-	-	-	-
Public safety programs	-	-	-	-	-
Lighting, landscape, & park maintenance	-	-	-	-	-
Subtotal	43,783	-	-	11,791	-
Assigned to:					
Great Park development and operations	-	265,851	18,796	-	-
Circulation improvements	-	-	-	169	-
Compensated absences	5,092	-	-	-	-
Development activities	179	-	-	-	-
Public education	2,248	-	-	-	-
Infrastructure and rehabilitation	61,836	4,185	-	-	-
Technology innovation	171	-	-	-	-
Subtotal	69,526	270,036	18,796	169	-
Unassigned:					
	11,594	-	-	-	-
Total Fund Balance	\$ 126,680	\$ 322,270	\$ 18,796	\$ 11,960	\$ 119,030

- continued -

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

G. Fund Balance Classifications (Continued)

Fund Balance Classification	Community Facilities Districts	Assessment Districts	Grants	Other Governmental Funds	Total Governmental Funds
Non Spendable					
Endowment	\$ -	\$ -	\$ -	\$ 499	\$ 499
Prepaid expenditures	-	-	2	-	1,360
Subtotal	-	-	2	499	1,859
Restricted for:					
Capital improvement projects	80,234	112,885	-	947	194,066
Park & public facilities	-	-	-	100	119,130
Great Park development and operations	-	-	-	-	52,234
Circulation improvements	-	-	212	224,251	224,463
Community services activities	-	-	58	-	58
Animal care activities	-	-	470	-	470
Public service activities	-	-	31	-	31
Development activities	-	-	-	-	345
Affordable housing activities	-	-	-	10,903	10,903
Air quality improvement activities	-	-	-	529	529
Public safety programs	-	-	2,468	-	2,468
ADA access activities	-	-	-	117	117
Public education	-	-	-	1,513	1,513
Public transportation	-	-	-	976	976
Senior nutrition programs and activities	-	-	223	322	545
Open space maintenance	-	-	-	-	74
Subtotal	80,234	112,885	3,462	239,658	607,922
Committed to:					
Capital improvement projects	-	-	-	32	32
Circulation improvements	-	-	-	27,334	39,125
Contingency reserve	-	-	-	-	43,783
Public facilities improvements	-	-	-	44,406	44,406
Public safety programs	-	-	-	169	169
Lighting, landscape, & park maintenance	-	-	-	1,114	1,114
Subtotal	-	-	-	73,055	128,629
Assigned to:					
Great Park development and operations	-	-	-	-	284,647
Circulation improvements	-	-	-	-	169
Compensated absences	-	-	-	-	5,092
Development activities	-	-	-	-	179
Public education	-	-	-	-	2,248
Infrastructure and rehabilitation	-	-	-	-	66,021
Technology innovation	-	-	-	-	171
Subtotal	-	-	-	-	358,527
Unassigned:					
	-	-	-	(2,514)	9,080
Total Fund Balance	\$ 80,234	\$ 112,885	\$ 3,464	\$ 310,698	\$ 1,106,017

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

H. Successor Agency Trust for Assets of Former Redevelopment Agency

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

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

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

Successor Agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

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

Cash and Investments

Cash and investments reported in the accompanying financial statements as of June 30, 2019 were (amounts expressed in thousands):

Cash and investments	<u>\$ 5,805</u>
----------------------	-----------------

Advances from the City of Irvine

Advances payable to the City for the year ended June 30, 2019, were as follows (amounts expressed in thousands):

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Advances from the City - Settlement agreement	\$ 235,962	\$ -	\$ 26,880	\$ 209,082
Total	\$ 235,962	\$ -	\$ 26,880	\$ 209,082

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

On October 24, 2014, a settlement agreement was entered into that resolved lawsuits filed by the City, Successor Agency, and Irvine Community Land Trust against the State of California. The lawsuit was related to debts owed by the former Redevelopment Agency to the City and Irvine Community Land Trust that the State Department of Finance denied property tax funding. The settlement agreement calls for the State to remit to the Successor Agency a total of \$292,000,000 in property tax receipts over an unspecified period. Which when received by the Successor Agency will be remitted to the City and the City disbursing 10 percent of the settlement received to the Irvine Community Land Trust. As of June 30, 2019, the outstanding balance due to the City is \$209,082,306.

Insurance Coverage

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

I. Discretely Presented Component Unit

Organization and Nature of Business

The Irvine Community Land Trust (Land Trust) was incorporated in the State of California in 2006 under the California Nonprofit Public Benefit Corporation law for charitable purposes under Public Charity Status of 509(a)(3). The primary purpose of the Land Trust is to lessen the burdens of government by assisting the City to ensure that its residents are able to secure housing by, among other things, developing, constructing, financing, managing, selling, renting, subsidizing, and monitoring single and multifamily housing, and to conduct or perform any ancillary or related activity in furtherance of the foregoing.

The Land Trust receives its primary income from rental activities and contributions from the City.

Cash and Investments

Cash and investments reported in the accompanying financial statements as of June 30, 2019 were (amounts expressed in thousands):

Cash and investments	<u>\$ 14,349</u>
----------------------	------------------

Capital Assets

Capital asset activity for the Land Trust for the year ended June 30, 2019, was as follows (amounts expressed in thousands):

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Component Unit Activities:				
Capital assets, not being depreciated:				
Land	\$ 16,000	\$ 5,500	\$ -	\$ 21,500
Total capital assets not being depreciated	16,000	5,500	-	21,500
Capital assets, being depreciated:				
Buildings and systems	2,668	-	-	2,668
Machinery and equipment	4	-	-	4
Total capital assets being depreciated	2,672	-	-	2,672
Less accumulated depreciation for:				
Buildings and systems	(565)	(89)	-	(654)
Machinery and equipment	(2)	(1)	-	(3)
Total accumulated depreciation	(567)	(90)	-	(657)
Total capital assets, being depreciated, net	2,105	(90)	-	2,015
Component unit activities capital assets, net	<u>\$ 18,105</u>	<u>\$ 5,410</u>	<u>\$ -</u>	<u>\$ 23,515</u>

Depreciation expense charged to the Land Trust was \$89,694.

Notes Receivable

The Land Trust has entered into several low interest loan agreements with developers for the development of residential rental units and related improvements. The interest rate on these loans range from 1 percent to 3 percent. Payment of principal and interest are due from available positive net cash flow derived from the developers' operations of the rental units or due and payable in a lump-sum payment on the maturity date which is 30 years after all units in the project have received all required occupancy permits from the City. Notes receivable to the Land Trust for the year ended June 30, 2019, were as follows (amounts expressed in thousands):

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Principal	\$ 4,371	\$ 6,800	\$ 9	\$ 11,162
Interest	502	46	251	297
	<u>\$ 4,873</u>	<u>\$ 6,846</u>	<u>\$ 260</u>	<u>\$ 11,459</u>

Settlement Income and Receivable

On October 27, 2014, a settlement agreement was entered into that resolved lawsuits filed by the City, Successor Agency, and Land Trust against the State of California. The lawsuit was related to debts owed by the former Redevelopment Agency to the City and Land Trust that the State Department of Finance denied property tax funding. The agreement provides the Land Trust will receive a minimum of \$14,600,000 from the amounts received by the City. In January 2016, the City Council voted to increase the amount of funds dedicated to the Land Trust by an additional \$14,600,000, for a total amount due of \$29,200,000. The amount has been discounted at a rate of 6 percent to achieve an estimated value at June 30, 2019, of \$17,298,589.

On the fund financial statements, the amount due to the Land Trust is not discounted and reported as due to component unit. The amount due to the component unit at June 30, 2019, was \$20,908,231.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

III. Detailed Notes on All Funds (Continued)

J. Subsequent Events

Reassessment District No. 04-20 On July 17, 2019, the City issued Reassessment District No. 04-20 Limited Obligation Improvement Bonds, Group Seven, Series A and Series B in the principal amounts of \$33,985,000 and \$6,505,000 respectively. The proceeds of the bonds will be used to provide funds to (a) finance additional improvements within or serving the District, (b) pay the costs of conversion of the Group Seven Fixed Rate Bonds, (c) pay capitalized interest on the bonds through December 2, 2021 or such shorter period as determined by the City, (d) fund a reserve account for the bonds, (e) balance payments relating to the other groups of parcels in the District, and (f) pay the costs of issuing the bonds.

Reassessment District No. 19-1 On July 23, 2019, the City issued Limited Obligation Improvement Bonds, Reassessment District No. 19-1 in the principal amount of \$48,860,000. The proceeds from the sale of the bonds, together with certain other amounts, will be used to (a) pay upon maturity or refund certain outstanding limited obligation improvement bonds of certain of the City's previously-formed assessment and reassessment districts, (b) fund the reserve fund for the bonds, and (c) pay costs associated with the sale and delivery of the bonds.

[Balance of page intentionally left blank]

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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, automobile and general liability risks. Excess liability coverage above \$350,000 per occurrence and a \$3,000,000 aggregate is provided through a risk-sharing pool, the California Insurance Pool Authority (CIPA). CIPA also purchases excess liability coverage up to a \$43,000,000 limit for the pool. Excess workers' compensation coverage above \$300,000 per occurrence and up to \$3,000,000 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 12 other cities from Orange, Los Angeles, and San Bernardino Counties. Premiums paid during the fiscal year ended June 30, 2019, were \$2,546,280. CIPA uses independent actuaries and underwriters to determine premiums and help set insurance limits and deductible levels. The pool is managed by an independent general manager and contracted legal advisers. Three internal subcommittees are made up of City members to provide direction on underwriting and claims activities. The Governing Board of CIPA is comprised of one member from each participating City and is responsible for the selection of the independent general manager, legal counsel and electing subcommittee members.

The City 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, 2019. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2019, \$16,291,404 had been accrued for general liability and workers' compensation claims in the fund. This amount represents the estimated outstanding losses including case reserves, the development on known claims and incurred but not reported claims based upon past experience, modified for current trends and information, including all claims adjustment expenses. The liabilities included in the self-insurance fund are based on the results of an actuarial review performed during the 2018-19 fiscal year. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2017, resulted in the following (amounts expressed in thousands):

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
Liability Balance, July 1, 2017	\$ 12,707	\$ 2,429	\$ 15,136
Changes in estimates	2,881	(3)	2,878
Claim payments during 2017-2018	(2,135)	(252)	(2,387)
Liability Balance, June 30, 2018	<u>13,453</u>	<u>2,174</u>	<u>15,627</u>
Changes in estimates	3,882	545	4,427
Claim payments during 2018-2019	(2,939)	(824)	(3,763)
Liability Balance, June 30, 2019	<u>\$ 14,396</u>	<u>\$ 1,895</u>	<u>\$ 16,291</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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 City expects such amounts, if any, to be immaterial.

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

C. Other Post Employment Benefits

Voluntary Employees' Beneficiary Association

Plan Description The Voluntary Employees' Beneficiary Association (VEBA) known as "Premium Reimbursement Plan of the Irvine Employees Benefit Trust" is a defined contribution welfare benefit plan. The Plan provides health insurance premium and medical expense reimbursement benefits to retirees. The Plan was established by the Irvine Police Association (IPA), and later joined by the Irvine City Employees Association (ICEA) and Association of Supervisory and Administrative Personnel (ASAP). Separate accounts are maintained under the trust agreement for the three member groups but the amounts administered are pooled within each employee group. Eligible retirees receive a monthly reimbursement of health insurance premiums and eligible expenses under the plan in an amount to be determined by the Board of Trustees, from time to time, based on years of service. Eligibility requires five years of active service and five years of mandatory contributions to the plan. The Plan is administered by Benefit Solutions Inc. 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, 2019, employer contributions were \$1,356,317 and participant contributions were \$1,181,242. Copies of the MOUs may be obtained from City Hall.

Retirement Health Savings

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

Funding Policy The City is required to contribute 2 or 3 percent of base salary depending on the employee association's MOU. For the year ended June 30, 2019, the City contributed \$306,564 to the RHS plan. The Plan is administered by Meritain Health.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

Other Post Employment Benefits (OPEB)

Plan Description The City administers a single employer health care plan. The Plan provides retirees the ability to purchase healthcare insurance benefits through the City's group health insurance plans, which cover both active and retired employees. This benefit coverage is determined by negotiation between the City and the employee associations and detailed along with other wage and benefit issues in MOUs between those entities. Copies of the MOUs may be obtained from City Hall. Employees who retire directly from the City and obtain the following are eligible to continue medical coverage as a participant with active employees at a blended premium rate, as an implied subsidy:

<u>Employee Group</u>	
Miscellaneous (Non-Sworn)	Either attain the age of 60 years or is 50 years or older and has completed five years of service with the City.
Sworn	Has completed 15 years of service with the City or 10 years of service and has reached the age of at least 50 years, or who has been medically retired at any age.

A separate financial report is not issued for the OPEB plan.

Employees Covered As of July 1, 2018 valuation date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employee	770
Inactive employees or beneficiaries currently receiving benefits	93
Total	<u>863</u>

Contributions The OPEB Plan and its contribution requirements are established by MOU with the applicable employee associations and may be amended by negotiation between the City and the associations. The retired plan members receiving benefits make contributions at the premium rates identical to those charged for the City's active employees. While the City does not directly contribute towards the cost of the premium, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the retirees, called an "implicit subsidy." The implicit subsidy is considered to be another post-employment benefit of the City. For the year ended June 30, 2019, the City's contribution (implicit subsidy) was \$400,663.

OPEB Liability The City's total OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation dated July 1, 2018, based on the following actuarial methods and assumptions:

Discount rate	3.13%
Salary increases	3.00%
Inflation rate	3.00%
Mortality rate	(1)
Healthcare trend rate	5.00% for 2019 and later years

(1) Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

Discount Rate The discount rate used to measure the total OPEB liability was 3.13 percent. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investment – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AAA/Aa or higher – to the extent that the conditions in (a) are not met.

Based on the requirements of GASB 75, the City is using the Fidelity General Obligations 20-year Index at June 30, 2019.

Changes in the OPEB Liability The following table displays the changes in the total OPEB liability recognized over the measurement period (amounts expressed in thousands):

	Total OPEB Liability
Balance at: 6/30/2018	\$ 6,783
Changes for the year:	
Service cost	505
Interest expense	239
Change of assumptions	291
Net investment income	-
Benefit payments	(401)
Administrative expenses	-
Net Change	634
Balance at: 6/30/2019	\$ 7,417

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate The following presents the net OPEB liability of the City as the measurement date, calculated using the discount rate of 3.13 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.13 percent) or 1 percentage-point higher (4.13 percent) than the current rate (amounts expressed in thousands).

	Discount Rate -1% 2.13%	Current Discount Rate 3.13%	Discount Rate +1% 4.13%
Net OPEB Liability	\$ 8,068	\$ 7,417	\$ 6,833

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates The following presents the net OPEB liability of the City if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (5.00 percent decreasing to 4.00 percent) or 1 percentage-point higher

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

(7.00 percent decreasing to 6.00 percent) than the current healthcare trend rates, for the measurement period ended June 30, 2019 (amounts expressed in thousands):

	1% Decrease 4.00%	Healthcare Cost Trend Rates 5.00%	1% Increase 6.00%
Net OPEB Liability	\$ 6,654	\$ 7,417	\$ 8,305

Recognition of Deferred Outflows and Deferred Inflow of Resources Gains and losses related to changes in the total OPEB liability and fiduciary net position are recognized in OPEB expense systematically overtime.

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

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

Net difference between projected and actual earnings on OPEB plan investment	5 year straight-line amortization
All other amounts	Amortization over the average remaining service lifetime

OPEB Expense and Deferred Outflows and Deferred Inflow of Resources Related to OPEB As of the start of the measurement period (July 1, 2018), the net OPEB liability/(asset) was \$6,782,953. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a OPEB expense of \$784,291 for the plan.

As of June 30, 2019, the City has deferred outflows and deferred inflows of resources related to OPEB as follows (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Change in assumptions	250	-
Net difference between projected and actual earnings on pension plan investments	-	-
Total	\$ 250	\$ -

Amounts reported as deferred outflows and deferred inflows of resources related to the OPEB liability will be recognized in future OPEB expense as follows (amounts expressed in thousands):

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

Measurement Period Ending June 30,	Deferred Outflows/(Inflows) of Resources
2020	\$ 41
2021	41
2022	41
2023	41
2024	41
Thereafter	45

D. Employee Retirement Systems and Pension Plans

City of Irvine Defined Benefit Pension Plan

Plan Description Prior to February 2, 2002, the City provided pension benefits for all of its sworn employees through the City of Irvine Defined Benefit Pension Plan. On February 2, 2002, the City contracted with the California Public Employees' Retirement system (CalPERS) to provide retirement benefits for sworn employees. The City of Irvine Defined Benefit Pension Plan is a single-employer defined benefit pension plan established by City resolution and administered in accordance with the provisions of the Plan document adopted on April 1, 1975, and subsequently restated on January 1, 1984, July 1, 1996, January 1, 2004, and January 1, 2012. The Plan is closed to new participants. An actuarial valuation is performed annually to determine the actuarial implication of the Plan's funding policy. The last actuarial valuation date was December 31, 2018. The City issues a publicly available financial report that includes financial statements and required supplementary information for the City of Irvine Defined Benefit Pension Plan. Copies of the annual financial report may be obtained from City Hall.

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

Hire Date	Prior to February 2, 2002
Benefit formula	2.50% at 50
Benefit vesting schedule	10 years of services
Benefit payments	Monthly for life
Retirement age	50 - 55
Monthly benefits, as a percentage of eligible compensation	2.50% to 3.00%

Employees Covered At December 31, 2018 (measurement date), the following employees were covered by the benefit terms for the Plan.

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	2
Active employees	3
Total	36

Contribution Description The City of Irvine Defined Benefit Pension Plan as restated January 1, 2012, Section 9 states the employer shall regularly make contribution under the Plan which, together with the

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

assets held in the Trust Fund, will be adequate to finance the Plan's benefits on an actuarial basis consistent with the funding policy adopted for the Plan by the Administrator. The total plan contributions are determined through an annual actuarial process. The actuarially determined rate is the estimated amount necessary to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employee. The fiscal year 2018-19, employer contribution rates were are follows:

	Normal Cost	Unfunded Liabilities
July 1 to December 31, 2018	29.61%	54.79%
January 1 to June 30, 2019	29.57%	67.35%

Employees covered under the Plan contributed 12 percent of pensionable-base compensation.

Net Pension Liability The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of December 31, 2017, using an annual actuarial valuation as of December 31, 2017, rolled forward to December 31, 2018, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions The total pension liabilities in the December 31 2018, actuarial valuations were determined using the following actuarial assumptions:

Valuation date	December 31, 2017
Measurement date	December 31, 2018
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	5.50%
Inflation	3.00%
Salary increases	5.00%
Mortality	1983 Group Annuity Mortality Table-Male ⁽¹⁾
Post-retirement benefit increase	2.00%

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

Asset Allocation The asset allocation policy developed herein is based on an evaluation of the Plan's ability to assume modest investment risk in light of its financial and benefit-related goals and objectives, the Plan's liability structure, and the few remaining active participants after the implementation of CalPERS pension alternative.

The Plan's cash flow needs can vary significantly based on the anticipated number of elections for lump-sum payments versus annuity payments, as well as the number and amount of disability benefits being paid. The Trustees recognize that it is difficult to currently assess these variables and that each can have significant impact on liabilities that will need to be paid.

The Trustees, for purposes of range setting this policy, have determined that all Plan assets will be invested in accordance with the following investment guidelines:

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

Investment Type	Range	Target
Fixed Income / GICs	65 - 75 %	70.00 %
Domestic Large-Cap Stocks	9 - 30 %	19.00 %
Domestic Small-Cap Stocks	2 - 8 %	4.50 %
International Stocks	3 - 10 %	6.50 %
Cash*	0 - 100 %	0.00 %

*To accommodate the payment of withdrawals and benefits.

- The target balance of investments is expected, over a market cycle of four to six years, to provide a return in the range of 5 to 7 percent.
- The Trustees believe these guidelines to be appropriate in view of liabilities and the current market/economic environment. While these guidelines are meant to be long term in nature, they will be changed when warranted by further reviews of these conditions.
- The Trustees acknowledge that guidelines will be further defined as managers or funds are reviewed and/or selected and provided instruction.

Change in Assumptions There were no changes in assumptions during the measurement period December 31, 2018.

Changes in the Net Pension Liability The following table shows the changes in net pension liability recognized over the measurement period (amounts expressed in thousands):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at: 12/31/2017	\$ 20,295	\$ 19,914	\$ 381
Changes for the year:			
Service cost	110	-	110
Interest expense	1,086	-	1,086
Differences between expected and actual experience	104	-	104
Contributions-employer	-	253	(253)
Contributions-employee	-	46	(46)
Net investment income	-	(499)	499
Benefit payments, including refunds of employee contributions	(1,224)	(1,224)	-
Administrative expenses	-	(14)	14
Net Change	76	(1,438)	1,514
Balance at: 12/31/2018	\$ 20,371	\$ 18,476	\$ 1,895

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

	Discount Rate -1% 4.50%	Current Discount Rate 5.50%	Discount Rate +1% 6.50%
Plan's Net Pension Liability / (Assets)	\$ 4,074	\$ 1,895	\$ 48

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

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

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

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

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (January 1, 2018), the net pension liability/(asset) was \$381,002. For the measurement period ending December 31, 2018 (the measurement date), the City incurred a pension expense/(income) of \$489,775 for the Plan.

As of December 31, 2018, the City has deferred outflows and deferred inflows of resources related to pensions were as follows (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Change in assumptions	-	-
Contributions made after the measurement date	135	-
Net difference between projected and actual earnings on pension plan investments	990	-
Total	\$ 1,125	\$ -

The \$134,743 reported as deferred outflow of resources related to the contribution made after the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows (amounts expressed in thousands):

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

Measurement Period Ending December 31,	Deferred Outflows/(Inflows) of Resources
2019	\$ 356
2020	153
2021	168
2022	313
2023	-
Thereafter	-

City of Irvine Defined Contribution Pension Plan

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

Funding Policy Effective July 1, 2003, eligible participants were required to contribute 4 percent of their base compensation into the Plan and the City's contributions were 15 percent of participants' basic compensation. Effective August 10, 2012, pursuant to agreements with the City's employee associations, the City contributes 12.448 percent of the participants' base compensation, and eligible participants contributes 6.552 percent of their base compensation into the plan. Plan participants have the right to 100 percent of contributions made on their behalf and related earnings 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 achieve 50 percent vesting upon successful completion of a six-month probationary period or 55 percent vesting upon successful completion of a one-year probationary period. Following the probationary period, the participant will retain 5 percent vesting for each plan year in which the participant attains 1,000 hours of the credited service until the completion of the fifth year when full vesting will occur.

At December 31, 2018, the Plan had 52 members, consisting of eight active members, and 44 terminated members. All 52 members are fully vested in the Plan. Total Plan assets were \$10,075,667. Effective April 1996, the Plan became participant-directed. Participants may direct investment of employer contributions and earnings in 1 percent increments among investment options with the third party administrator, Wells Fargo Bank.

Employer contributions to the Plan during the fiscal year ended December 31, 2018 were \$123,902 and participant contributions were \$49,351. For additional details concerning the transition to CalPERS, see the note below related to miscellaneous (non-sworn) employees.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

CalPERS Defined Benefit Pension Plan

Plan Description The City provides pension benefits to eligible full-time and extended part-time employees not already in the City's Defined Benefit Pension Plan for sworn employees or the City's Defined Contribution Pension Plan for miscellaneous (non-sworn) employees. These plans are agent multiple-employer public employee defined benefit plans and are administered through the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provision and all other requirements are established by State statute and City ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information and can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

Sworn Plan			
Hire Date	Prior to January 1, 2013	On or After January 1, 2013	
Benefit formula	3.00% at 50	2.70% at 57	
Benefit vesting schedule	5 years of service	5 years of service	
Benefit payments	Monthly for life	Monthly for life	
Retirement age	50	50 – 57	
Monthly benefits, as a percentage of eligible compensation	3.00%	2.00% to 2.70%	

Miscellaneous Plan			
Hire Date	Prior to August 14, 2012	On or After August 14, 2012 and Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.70% at 55	2.00% at 55	2.00% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 - 55	50 - 63	52 – 62
Monthly benefits, as a percentage of eligible compensation	2.00% to 2.70%	1.426% to 2.418%	1.00% to 2.50%

Employees Covered At June 30, 2018 (measurement date), the following employees were covered by the benefit terms for the Plan:

	Sworn Plan	Miscellaneous Plan
Active members	211	765
Retired members and beneficiaries	120	399
Terminated members	33	432
Transferred members	52	343
Total	416	1,939

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

Contribution Description Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended.

The employer required contribution rates for the sworn and miscellaneous plans for fiscal year 2017-18 (measurement date of June 30, 2018) were as follows:

	Sworn	Miscellaneous
Normal Cost Rate	21.116	10.242
Employer Unfunded Accrued Liability Contribution ⁽¹⁾	17.296	16.065
	38.412	26.307

⁽¹⁾ The Employer Unfunded Accrued Liability Contribution (UAL) amount is either paid monthly or prepaid at the beginning of the fiscal year to CalPERS. The City elected to prepay the UAL of \$4,210,027 and \$8,179,950 for the sworn and miscellaneous plans, respectively.

The employee required contribution rates for the sworn and miscellaneous plans for fiscal year 2017-18 (measurement date of June 30, 2018) were as follows:

Sworn Plan			
Hire Date	Prior to January 1, 2013	On or After January 1, 2013	
Employee contribution rate	9.00%	12.00%	

Miscellaneous Plan			
Hire Date	Prior to August 14, 2012	On or After August 14, 2012 and Prior to January 1, 2013	On or After January 1, 2013
Employee contribution rate	8.00%	7.00%	6.25%

Payments for Unfunded Actuarial Accrued Liability In June 2013, the City Council approved a plan to reduce the City's unfunded actuarial accrued liability. The following additional payments have been made (amounts expressed in thousands):

Fiscal Year Ended June 30,	Sworn Plan Payments	Miscellaneous Plan Payments
2013	\$ 1,500	\$ 3,500
2014	2,500	5,500
2015	1,000	4,000
2016	1,000	4,000
2017	3,000	4,000
2018	4,000	3,000
2019	5,286	5,876
Total	\$ 18,286	\$ 29,876

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

Additional payments may be made in future years, subject to evaluation and discretion of the City Council.

Net Pension Liability The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is provided below.

Actuarial Assumptions The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies on entry age and duration of service
Mortality ⁽¹⁾	Derived using CalPERS membership data for all funds
Post-retirement benefit increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

⁽¹⁾The mortality table used was developed based on CalPER's specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Change in Assumptions In fiscal year 2018-19, the inflation rate was decreased from 2.75 percent to 2.50 percent. In addition, in the prior year, the post retirement benefit increased assumption for the contract COLA was 2.75 percent until purchasing power protection allowance floor on purchasing power applies and then 2.75 percent thereafter. In the current year, the post retirement benefit increase assumption for the contract COLA was 2.00 percent until purchasing power protection allowance floor on purchasing power applies and then 2.50 percent thereafter.

Discount Rate The discount rate used to measure the total pension liability was 7.15 percent. The projections of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated adjusted to account for assumed administrative expenses.

The expected real rate of return by asset class are as followed:

Asset Class ⁽¹⁾	New Strategic Allocation	Real Return Year 1-10 ⁽²⁾	New Strategic Year 11 + ⁽³⁾
Global equity	50.00 %	4.80 %	5.98 %
Fixed income	28.00	1.00	2.62
Inflation sensitive	0.00	0.77	1.81
Private equity	8.00	6.30	7.23
Real estate	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)

⁽¹⁾ In the CalPER's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

⁽²⁾ An expected inflation of 2.00% used for this period

⁽³⁾ An expected inflation of 2.92% used for this period

Changes in the Net Pension Liability The following tables show the changes in net pension liability for each plan recognized over the measurement period:

Sworn Plan	(amounts expressed in thousands) Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 6/30/2017	\$ 260,258	\$ 196,690	\$ 63,568
Changes for the year:			
Service cost	9,005	-	9,005
Interest on total pension liability	18,924	-	18,924
Changes of benefits terms	-	-	-
Difference between expected and actual experience	6,915	-	6,915
Changes in assumptions	(1,934)	-	(1,934)
Contributions-employer	-	14,077	(14,077)
Contributions-employee	-	2,708	(2,708)
Net investment income	-	16,943	(16,943)
Benefit payments, including refunds of employee contributions	(10,118)	(10,118)	-
Administrative expense	-	(306)	306
Other changes	-	(582)	582
Net changes	22,792	22,722	70
Balance at 6/30/2018	\$ 283,050	\$ 219,412	\$ 63,638

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

Miscellaneous Plan	(amounts expressed in thousands)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 6/30/2017	\$ 384,978	\$ 297,901	\$ 87,077
Changes for the year:			
Service cost	10,637	-	10,637
Interest on total pension liability	27,596	-	27,596
Changes of benefits terms	-	-	-
Difference between expected and actual experience	6,298	-	6,298
Changes in assumptions	(2,192)	-	(2,192)
Contributions-employer	-	17,035	(17,035)
Contributions-employee	-	4,242	(4,242)
Net investment income	-	25,501	(25,501)
Benefit payments, including refunds of employee contributions	(16,884)	(16,884)	-
Administrative expense	-	(464)	464
Other changes	-	(883)	883
Net changes	25,455	28,547	(3,092)
Balance at 6/30/2018	<u>\$ 410,433</u>	<u>\$ 326,448</u>	<u>\$ 83,985</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate The following presents the net pension liability of each Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate (amounts expressed in thousands):

<u>Plan's Net Pension Liability / (Assets)</u>	<u>Discount Rate -1% 6.15%</u>	<u>Current Discount Rate 7.15%</u>	<u>Discount Rate +1% 8.15%</u>
Sworn Plan	\$ 107,398	\$ 63,638	\$ 28,214
Miscellaneous Plan	140,793	83,985	37,205
Combined Total	<u>\$ 248,191</u>	<u>\$ 147,623</u>	<u>\$ 65,419</u>

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

Amortization of Deferred Outflows and Deferred Inflows of Resources Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

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

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

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

The Plan's EARSL for the 2017-18 measurement period, ended June 30, 2018, is 6.4 years for the Sworn Plan and 4.3 years for the Miscellaneous Plan, which was obtained by dividing the total service years (the sum of remaining service lifetimes of the active employees) by the total number of participants: active, inactive and retired. Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (July 1, 2017), the net pension liability/ (asset) was \$63,567,886 for the Sworn Plan and \$87,076,553 for the Miscellaneous Plan. For the measurement period ending June 30, 2018 (the measurement date), the City incurred a pension expense/ (income) of \$15,156,532 and \$16,923,244 for the Sworn and Miscellaneous Plans, respectively.

As of June 30, 2018 (measurement date), the City's deferred outflows and deferred inflows of resources related to pensions were as follows (amounts expressed in thousands):

	Sworn Plan		Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 10,200	\$ 352	\$ 4,896	\$ 1,992
Change in assumptions	11,392	3,225	10,982	2,089
Contributions made after the measurement date	16,577	-	21,224	-
Net difference between projected and actual earnings on pension plan investments	104	-	-	129
Total	\$ 38,273	\$ 3,577	\$ 37,102	\$ 4,210

The amounts above are net of outflows and inflows recognized in the 2017-18 measurement period expense.

The \$16,577,087 and \$21,224,407 reported as deferred outflow of resources related to the contribution made after the measurement date for each Plan, will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows (amounts expressed in thousands):

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

IV. Other Information (Continued)

Measurement Period Ending June 30,	Sworn Plan Deferred Outflows/(Inflows) of Resources	Miscellaneous Plan Deferred Outflows/(Inflows) of Resources
2019	\$ 6,113	\$ 8,268
2020	4,340	6,078
2021	1,891	(2,137)
2022	3,042	(541)
2023	2,422	-
Thereafter	311	-

At June 30, 2019, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

Public Agency Retirement System Defined Contribution Plan

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

Funding Policy Eligible participants are required to contribute 4.3 percent of their base compensation into the Plan. The City shall contribute an amount equal to 3.2 percent of the base salary compensation. Plan participants have the right to 100 percent of their account balance upon their death, termination of employment, permanent and total disability, or upon attainment of normal retirement age of 59.5 under the Plan.

Annual Pension Cost At December 31, 2018, the Plan had 683 members. Total Plan assets were \$2,352,928. Employer and employee contributions to the Plan during the year ended December 31, 2018, were \$473,574.

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

The net position of the fund includes a nonexpendable amount of \$498,825, which is reported as part of Restricted Net Position, Nonspendable. Expendable donations and accrued interest of \$322,670 are available for expenditure and are reflected as Restricted Net Position, Expendable.



City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

City of Irvine Defined Benefit Pension Plan for Sworn Employees

Schedule of Changes in Net Pension Liability and Related Ratios
During the Measurement Periods Ended December 31
Last Ten Fiscal Years ⁽¹⁾

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 110	\$ 82	\$ 81	\$ 137	\$ 128
Interest on total pension liability	1,086	1,086	1,077	1,091	1,088
Changes of benefits terms	-	-	-	-	-
Difference between expected and actual experience	104	283	178	(280)	(5)
Changes in assumptions	-	(261)	-	-	-
Benefit payments, including refunds of employee contributions	(1,224)	(1,198)	(1,165)	(1,171)	(1,145)
Net Change in Total Pension Liability	\$ 76	\$ (8)	\$ 171	\$ (223)	\$ 66
Total Pension Liability - Beginning	20,295	20,303	20,132	20,355	20,289
Total Pension Liability - Ending (a)	<u>\$ 20,371</u>	<u>\$ 20,295</u>	<u>\$ 20,303</u>	<u>\$ 20,132</u>	<u>\$ 20,355</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 253	\$ 184	\$ 88	\$ 130	\$ 243
Contribution - employee	46	45	39	32	20
Net investment income	(499)	1,761	1,105	71	1,391
Benefit payments, including refunds of employee contributions	(1,224)	(1,198)	(1,165)	(1,171)	(1,145)
Administrative expenses	(14)	(84)	(84)	(123)	(129)
Other changes in fiduciary net position	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ (1,438)	\$ 708	\$ (17)	\$ (1,061)	\$ 380
Plan Fiduciary Net Position - Beginning	19,914	19,206	19,223	20,284	19,904
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,476</u>	<u>\$ 19,914</u>	<u>\$ 19,206</u>	<u>\$ 19,223</u>	<u>\$ 20,284</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 1,895</u>	<u>\$ 381</u>	<u>\$ 1,097</u>	<u>\$ 909</u>	<u>\$ 71</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	90.70%	98.12%	94.60%	95.48%	99.65%
Covered payroll	\$ 385	\$ 373	\$ 365	\$ 334	\$ 326
Plan net pension liability/(asset) as a percentage of covered payroll	492.21%	102.14%	300.55%	272.16%	21.78%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore only five years are shown.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

City of Irvine Defined Benefit Pension Plan for Sworn Employees (Continued)

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾

	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially determined contribution	\$ 232	\$ 194	\$ 136	\$ 109	\$ 187
Contribution in relation to the actuarially determined contribution	(232)	(194)	(136)	(109)	(187)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 388	\$ 378	\$ 369	\$ 350	\$ 330
Contributions as a percentage of covered payroll	59.79%	51.32%	36.86%	31.14%	56.67%

Notes to Schedule

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

Valuation date:	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial assumptions:					
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	Market value	Market value	Market value	Market value	Market value
Amortization method	(3)	(3)	(3)	(3)	(3)
Inflation	3%	3%	3%	3%	3%
Salary increases	5%	5%	5%	5%	5%
Investment rate of return	5.50%	5.50%	5.50%	5.50%	5.50%
Retirement age	(6)	(6)	(4)	(4)	(4)
Mortality rate table	(5)	(5)	(5)	(5)	(5)

⁽¹⁾ Historical information is required only for the fiscal year which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore only five years are shown.

⁽²⁾ The fiscal year employer contribution is comprised of two actuarial valuations. The July 1 to December 31 contributions uses the prior year valuation and January 1 to June 30 contributions uses the current year's valuation.

⁽³⁾ 10 year amortization of the unfunded liability

⁽⁴⁾ 50% at age 50, 20% from age 51 to 54, 100% at age 55

⁽⁵⁾ 1983 Group Annuity Mortality Table-Male use for post-retirement mortality rates is experience based. Most members of this plan are disabled. As such, mortality projections have been considered and deemed inappropriate for the group as a whole.

⁽⁶⁾ 15% from age 50 to 59, 100% at age 60

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees

Schedule of Changes in Net Pension Liability and Related Ratios
During the Measurement Periods Ended June 30
Last Ten Fiscal Years ⁽¹⁾

	2018 ⁽²⁾	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 9,005	\$ 8,348	\$ 6,966	\$ 6,238	\$ 6,341
Interest on total pension liability	18,924	17,393	16,258	14,875	13,661
Changes of benefits terms	-	-	-	-	-
Difference between expected and actual experience	6,915	(502)	5,005	4,152	-
Changes in assumptions	(1,934)	16,239	-	(4,043)	-
Benefit payments, including refunds of employee contributions	(10,118)	(9,131)	(8,705)	(8,114)	(7,391)
Net Change in Total Pension Liability	\$ 22,792	\$ 32,347	\$ 19,524	\$ 13,108	\$ 12,611
Total Pension Liability - Beginning	260,258	227,911	208,387	195,279	182,668
Total Pension Liability - Ending (a)	<u>\$ 283,050</u>	<u>\$ 260,258</u>	<u>\$ 227,911</u>	<u>\$ 208,387</u>	<u>\$ 195,279</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 14,077	\$ 11,332	\$ 8,628	\$ 8,369	\$ 11,701
Contribution - employee	2,708	2,760	2,286	2,131	2,694
Net investment income	16,943	19,779	791	3,683	24,267
Benefit payments, including refunds of employee contributions	(10,118)	(9,131)	(8,705)	(8,114)	(7,391)
Net plan to plan resource movement	-	-	-	1	-
Administrative expense	(306)	(254)	(103)	(191)	-
Other miscellaneous income / (expense)	(582)	-	-	-	-
Net Change in Fiduciary Net Position	\$ 22,722	\$ 24,486	\$ 2,897	\$ 5,879	\$ 31,271
Plan Fiduciary Net Position - Beginning	196,690	172,204	169,307	163,428	132,157
Plan Fiduciary Net Position - Ending (b)	<u>\$ 219,412</u>	<u>\$ 196,690</u>	<u>\$ 172,204</u>	<u>\$ 169,307</u>	<u>\$ 163,428</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 63,638</u>	<u>\$ 63,568</u>	<u>\$ 55,707</u>	<u>\$ 39,080</u>	<u>\$ 31,851</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	77.52%	75.58%	75.56%	81.25%	83.69%
Covered payroll	\$ 27,997	\$ 28,642	\$ 25,076	\$ 22,824	\$ 20,142
Plan net pension liability/(asset) as a percentage of covered payroll	227.30%	221.94%	222.15%	171.22%	158.13%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore five years are shown.

⁽²⁾ During fiscal year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plan Other than Pension (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participated in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms.

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expenses) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amount reported were based on the 7.50 percent discount rate.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾

	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially determined contribution	\$ 11,291	\$ 10,085	\$ 8,332	\$ 7,628	\$ 7,369
Contribution in relation to the actuarially determined contribution	(16,577)	(14,085)	(11,332)	(8,628)	(8,369)
Contribution deficiency (excess)	<u>\$ (5,286)</u>	<u>\$ (4,000)</u>	<u>\$ (3,000)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
Covered payroll	\$ 29,489	\$ 27,997	\$ 28,642	\$ 25,076	\$ 22,824
Contributions as a percentage of covered payroll	56.21%	50.31%	39.56%	34.41%	36.67%

Notes to Schedule of Plan Contributions:

Valuation date:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Actuarial assumptions:					
Asset valuation method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Inflation	Market value	Market value	Market value	Market value	Market value
Salary increases	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll growth	(A)	(A)	(A)	(A)	(A)
Investment rate of return	3.00%	3.00%	3.00%	3.00%	3.00%
Retirement age	7.375% (B)	7.5% (B)	7.5% (B)	7.5% (B)	7.5% (B)
Mortality rate table	(E)	(E)	(E)	(C)	(C)
Retirement age	(F)	(F)	(F)	(D)	(D)

(A) Varies by entry age and duration of service

(B) Net of pension plan investment and administrative expenses; includes inflation

(C) The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007

(D) The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-

(E) The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011

(F) The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore only five years are shown.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Miscellaneous Employees

Schedule of Changes in Net Pension Liability and Related Ratios
During the Measurement Periods Ended June 30
Last Ten Fiscal Years ⁽¹⁾

	2018 ⁽²⁾	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 10,637	\$ 9,862	\$ 8,634	\$ 8,319	\$ 8,705
Interest on total pension liability	27,596	25,872	24,811	23,375	22,042
Changes of benefits terms	-	-	-	-	-
Difference between expected and actual experience	6,298	(3,834)	220	(1,078)	-
Changes in assumptions	(2,192)	21,963	-	(5,837)	-
Benefit payments, including refunds of employee contributions	(16,884)	(15,327)	(14,031)	(12,552)	(11,398)
Net Change in Total Pension Liability	\$ 25,455	\$ 38,536	\$ 19,634	\$ 12,227	\$ 19,349
Total Pension Liability - Beginning	384,978	346,442	326,808	314,581	295,232
Total Pension Liability - Ending (a)	<u>\$ 410,433</u>	<u>\$ 384,978</u>	<u>\$ 346,442</u>	<u>\$ 326,808</u>	<u>\$ 314,581</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 17,035	\$ 16,687	\$ 15,938	\$ 15,677	\$ 19,604
Contribution - employee	4,242	4,186	3,801	3,634	4,186
Net investment income	25,501	30,227	1,347	5,653	35,985
Benefit payments, including refunds of employee contributions	(16,884)	(15,327)	(14,031)	(12,552)	(11,398)
Net plan to plan resource movement	(1)	-	-	(1)	-
Administrative expense	(464)	(388)	(156)	(288)	-
Other miscellaneous income / (expense)	(882)	-	-	-	-
Net Change in Fiduciary Net Position	\$ 28,547	\$ 35,385	\$ 6,899	\$ 12,123	\$ 48,377
Plan Fiduciary Net Position - Beginning	297,901	262,516	255,617	243,494	195,117
Plan Fiduciary Net Position - Ending (b)	<u>\$ 326,448</u>	<u>\$ 297,901</u>	<u>\$ 262,516</u>	<u>\$ 255,617</u>	<u>\$ 243,494</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 83,985</u>	<u>\$ 87,077</u>	<u>\$ 83,926</u>	<u>\$ 71,191</u>	<u>\$ 71,087</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	79.54%	77.38%	75.77%	78.22%	77.40%
Covered payroll	\$ 57,214	\$ 55,877	\$ 49,344	\$ 46,821	\$ 43,710
Plan net pension liability/(asset) as a percentage of covered payroll	146.79%	155.84%	170.08%	152.05%	162.63%

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore only five years are shown.

⁽²⁾ During fiscal year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plan Other than Pension (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participated in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Notes to Schedule

Benefit Changes: There were no changes to benefits.

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes.

In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expenses) to 7.65 percent (without a reduction for pension plan administrative expenses). In 2014, amount reported were based on the 7.50 percent discount rate.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Miscellaneous Employees (Continued)

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾

	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially determined contribution	\$ 15,348	\$ 14,004	\$ 12,687	\$ 12,082	\$ 11,677
Contribution in relation to the actuarially determined contribution	<u>(21,224)</u>	<u>(17,004)</u>	<u>(16,687)</u>	<u>(16,082)</u>	<u>(15,677)</u>
Contribution deficiency (excess)	<u>\$ (5,876)</u>	<u>\$ (3,000)</u>	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>
Covered payroll	\$ 60,442	\$ 57,214	\$ 55,877	\$ 49,344	\$ 46,821
Contributions as a percentage of covered payroll	35.11%	29.72%	29.86%	32.59%	33.48%

Notes to Schedule of Plan Contributions:

Valuation date:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Actuarial assumptions:					
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	Market value	Market value	Market value	Market value	Market value
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(A)	(A)	(A)	(A)	(A)
Payroll growth	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.375% (B)	7.5% (B)	7.5% (B)	7.5% (B)	7.5% (B)
Retirement age	(E)	(E)	(E)	(C)	(C)
Mortality rate table	(F)	(F)	(F)	(D)	(D)

(A) Varies by entry age and duration of service

(B) Net of pension plan investment and administrative expenses; includes inflation

(C) The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007

(D) The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-

(E) The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011

(F) The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore only five years are shown.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

City of Irvine Other Post Employment Benefit Plan (OPEB)

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Measurement Periods Ended June 30
Last Ten Fiscal Years ⁽¹⁾

	2019	2018
Total OPEB Liability		
Service cost	\$ 505	\$ 490
Interest on total OPEB liability	239	227
Difference between expected and actual experience	-	-
Changes in assumptions	291	-
Benefit payments, including refunds of employee contributions	(401)	(380)
Net Change in Total OPEB Liability	\$ 634	\$ 337
Total OPEB Liability - Beginning	6,783	6,446
Total OPEB Liability - Ending (a)	\$ 7,417	\$ 6,783
Plan Fiduciary Net Position		
Contribution - employer	\$ 401	\$ 380
Net investment income	-	-
Benefit payments, including refunds of employee contributions	(401)	(380)
Administrative expenses	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -
Net OPEB Liability/(Assets) - Ending (a) - (b)	\$ 7,417	\$ 6,783
Plan fiduciary net position as a percentage of the total OPEB liability funded status	0.00%	0.00%
Covered payroll	\$ 78,178	\$ 74,034
Total OPEB Liability/(Asset) as a percentage of covered payroll	9.49%	9.16%

⁽¹⁾ Historical information is required only for measurement for which GASB 75 is applicable. Future year's information will be displayed up to 10 years as information becomes available.

Notes to Schedule

The City does not accumulate assets in a trust to pay related benefits.



OTHER GOVERNMENTAL FUNDS

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

City of Irvine
Combining Balance Sheet
Other Governmental Funds
June 30, 2019
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and investments	\$ 63,816	\$ 228,097	\$ 833	\$ 292,746
Receivables, net of allowances:				
Taxes	943	-	-	943
Accounts	322	709	-	1,031
Accrued interest	191	586	2	779
Escrow deposits	-	273	-	273
Due from other funds	27	-	-	27
Due from other governments	919	797	-	1,716
Due from developers	-	23,498	-	23,498
Long-term notes receivable, net of allowances	462	-	-	462
Total Assets	<u>\$ 66,680</u>	<u>\$ 253,960</u>	<u>\$ 835</u>	<u>\$ 321,475</u>
LIABILITIES				
Accounts payable	\$ 2,938	\$ 3,022	\$ 14	\$ 5,974
Accrued liabilities	202	-	-	202
Due to other funds	14	-	-	14
Due to other governments	1	7	-	8
Retention payable	-	533	-	533
Deposits	81	-	-	81
Unearned revenue	2,614	171	-	2,785
Total Liabilities	<u>5,850</u>	<u>3,733</u>	<u>14</u>	<u>9,597</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	497	683	-	1,180
Total Deferred Inflows of Resources	<u>497</u>	<u>683</u>	<u>-</u>	<u>1,180</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	499	499
Restricted	33,851	205,485	322	239,658
Committed	28,996	44,059	-	73,055
Unassigned	(2,514)	-	-	(2,514)
Total Fund Balances	<u>60,333</u>	<u>249,544</u>	<u>821</u>	<u>310,698</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 66,680</u>	<u>\$ 253,960</u>	<u>\$ 835</u>	<u>\$ 321,475</u>

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
REVENUES				
Taxes	\$ 28,254	\$ -	\$ -	\$ 28,254
Licenses and permits	79	-	-	79
Investment income	2,514	7,487	29	10,030
Intergovernmental	677	1,047	-	1,724
Charges for services	1,386	730	-	2,116
Revenue from developers	-	7,315	-	7,315
Special Assessments	9,697	-	-	9,697
Donations	62	-	87	149
Other revenue	63	-	-	63
Total Revenues	<u>42,732</u>	<u>16,579</u>	<u>116</u>	<u>59,427</u>
EXPENDITURES				
Current:				
General Government	159	57	-	216
Public Safety	1,381	-	-	1,381
Public Works	22,303	365	-	22,668
Community Development	3,000	352	-	3,352
Community Services	-	20	107	127
Transportation	833	228	-	1,061
Capital outlay	-	15,944	-	15,944
Total Expenditures	<u>27,676</u>	<u>16,966</u>	<u>107</u>	<u>44,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,056</u>	<u>(387)</u>	<u>9</u>	<u>14,678</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,319	31,240	-	51,559
Transfers out	(31,749)	(215)	-	(31,964)
Total Other Financing Sources (Uses)	<u>(11,430)</u>	<u>31,025</u>	<u>-</u>	<u>19,595</u>
Net Change in Fund Balances	3,626	30,638	9	34,273
Fund Balances, Beginning	<u>56,707</u>	<u>218,906</u>	<u>812</u>	<u>276,425</u>
Fund Balances, Ending	<u>\$ 60,333</u>	<u>\$ 249,544</u>	<u>\$ 821</u>	<u>\$ 310,698</u>



OTHER SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific revenue sources derived from specific taxes or other earmarked revenues set aside in accordance with law or administrative regulations for expenditures restricted for specified services. Special Revenue Funds include the following:

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

State Gasoline Tax - This fund is used to account for revenues and expenditures apportioned under the Street and Highway Code of the State of California. Expenditures may be made for any street-related purpose in the City's system of streets, including maintenance thereof.

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

Maintenance District - This fund is used to record 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 records the collection of fees imposed on developers and property owners for future capital improvement projects from which they will receive a direct benefit.

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

Shuttle - This fund accounts for the contributions for the Shuttle and the annual payment to the Orange County Transportation Authority to operate the Shuttle on the City's behalf.

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2019
(amount expressed in thousands)
Page 1 of 3

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
ASSETS			
Cash and investments	\$ 1,209	\$ 15,763	\$ 27,731
Receivables, net of allowances:			
Taxes	743	-	-
Accounts	-	-	-
Accrued interest	3	41	88
Due from other funds	-	-	-
Due from other governments	-	904	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 1,955</u>	<u>\$ 16,708</u>	<u>\$ 27,819</u>
LIABILITIES			
Accounts payable	\$ 26	\$ 606	\$ 138
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deposits	-	-	-
Unearned revenue	-	-	-
Total Liabilities	<u>26</u>	<u>606</u>	<u>138</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted	1,929	16,102	-
Committed	-	-	27,681
Unassigned	-	-	-
Total Fund Balances	<u>1,929</u>	<u>16,102</u>	<u>27,681</u>
Resources, and Fund Balances (Deficits)	<u>\$ 1,955</u>	<u>\$ 16,708</u>	<u>\$ 27,819</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2019
(amount expressed in thousands)
Page 2 of 3

	Maintenance District	Air Quality Improvement	Fees and Exactions
ASSETS			
Cash and investments	\$ 3,072	\$ 435	\$ 14,418
Receivables, net of allowances:			
Taxes	127	-	73
Accounts	43	93	1
Accrued interest	18	1	38
Due from other funds	27	-	-
Due from other governments	12	-	-
Long-term notes receivable, net of allowances	-	-	462
Total Assets	\$ 3,299	\$ 529	\$ 14,992
LIABILITIES			
Accounts payable	\$ 2,157	\$ -	\$ 2
Accrued liabilities	15	-	-
Due to other funds	-	-	-
Due to other governments	1	-	-
Deposits	-	-	81
Unearned revenue	-	-	2,614
Total Liabilities	2,173	-	2,697
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	12	-	462
Total Deferred Inflows of Resources	12	-	462
FUND BALANCES (DEFICITS)			
Restricted	-	529	14,315
Committed	1,114	-	32
Unassigned	-	-	(2,514)
Total Fund Balances	1,114	529	11,833
Resources, and Fund Balances (Deficits)	\$ 3,299	\$ 529	\$ 14,992

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2019
(amount expressed in thousands)
Page 3 of 3

	Major Special Events	Shuttle	Total Other Special Revenue Funds
ASSETS			
Cash and investments	\$ -	\$ 1,188	\$ 63,816
Receivables, net of allowances:			
Taxes	-	-	943
Accounts	185	-	322
Accrued interest	-	2	191
Due from other funds	-	-	27
Due from other governments	-	3	919
Long-term notes receivable, net of allowances	-	-	462
Total Assets	<u>\$ 185</u>	<u>\$ 1,193</u>	<u>\$ 66,680</u>
LIABILITIES			
Accounts payable	\$ 2	\$ 7	2,938
Accrued liabilities	-	187	202
Due to other funds	14	-	14
Due to other governments	-	-	1
Deposits	-	-	81
Unearned revenue	-	-	2,614
Total Liabilities	<u>16</u>	<u>194</u>	<u>5,850</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	23	497
Total Deferred Inflows of Resources	<u>-</u>	<u>23</u>	<u>497</u>
FUND BALANCES (DEFICITS)			
Restricted	-	976	33,851
Committed	169	-	28,996
Unassigned	-	-	(2,514)
Total Fund Balances	<u>169</u>	<u>976</u>	<u>60,333</u>
Resources, and Fund Balances (Deficits)	<u>\$ 185</u>	<u>\$ 1,193</u>	<u>\$ 66,680</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, 2019
(amounts expressed in thousands)
Page 1 of 3

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
REVENUES			
Taxes	\$ 5,064	\$ 10,415	\$ 9,211
Licenses and permits	-	-	-
Investment income	64	516	1,150
Intergovernmental	-	311	-
Charges for services	-	-	-
Special assessments	-	-	-
Donations	-	-	-
Other revenue	-	-	-
Total Revenues	5,128	11,242	10,361
EXPENDITURES			
Current:			
General Government	37	21	-
Public Safety	-	-	-
Public Works	225	3,638	-
Community Development	-	-	-
Transportation	102	-	516
Total Expenditures	364	3,659	516
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,764	7,583	9,845
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	14,908
Transfers out	(4,571)	(2,840)	(23,910)
Total Other Financing Sources (Uses)	(4,571)	(2,840)	(9,002)
Net Change in Fund Balances	193	4,743	843
Fund Balances, Beginning	1,736	11,359	26,838
Fund Balances, Ending	\$ 1,929	\$ 16,102	\$ 27,681

- 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, 2019
(amounts expressed in thousands)
Page 2 of 3

	Maintenance District	Air Quality Improvement	Fees and Exactions
REVENUES			
Taxes	\$ 3,259	\$ -	\$ 305
Licenses and permits	-	-	79
Investment income	99	15	647
Intergovernmental	-	358	-
Charges for services	117	-	-
Special assessments	9,697	-	-
Donations	-	-	25
Other revenue	63	-	-
Total Revenues	13,235	373	1,056
EXPENDITURES			
Current:			
General Government	55	11	35
Public Safety	-	179	-
Public Works	18,440	-	-
Community Development	-	-	3,000
Transportation	-	18	-
Total Expenditures	18,495	208	3,035
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,260)	165	(1,979)
OTHER FINANCING SOURCES (USES)			
Transfers in	5,175	-	-
Transfers out	(41)	(87)	(300)
Total Other Financing Sources (Uses)	5,134	(87)	(300)
Net Change in Fund Balances	(126)	78	(2,279)
Fund Balances, Beginning	1,240	451	14,112
Fund Balances, Ending	\$ 1,114	\$ 529	\$ 11,833

- 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, 2019
 (amounts expressed in thousands)
 Page 3 of 3

	Major Special Events	Shuttle	Total Other Special Revenue Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 28,254
Licenses and permits	-	-	79
Investment income	-	23	2,514
Intergovernmental	8	-	677
Charges for services	1,269	-	1,386
Special assessments	-	-	9,697
Donations	-	37	62
Other revenue	-	-	63
Total Revenues	<u>1,277</u>	<u>60</u>	<u>42,732</u>
EXPENDITURES			
Current:			
General Government	-	-	159
Public Safety	1,202	-	1,381
Public Works	-	-	22,303
Community Development	-	-	3,000
Transportation	-	197	833
Total Expenditures	<u>1,202</u>	<u>197</u>	<u>27,676</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>75</u>	<u>(137)</u>	<u>15,056</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	236	20,319
Transfers out	-	-	(31,749)
Total Other Financing Sources (Uses)	<u>-</u>	<u>236</u>	<u>(11,430)</u>
Net Change in Fund Balances	75	99	3,626
Fund Balances, Beginning	<u>94</u>	<u>877</u>	<u>56,707</u>
Fund Balances, Ending	<u>\$ 169</u>	<u>\$ 976</u>	<u>60,333</u>



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, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,858	\$ 4,858	\$ 5,064	\$ 206
Investment income	3	3	64	61
Total Revenues	4,861	4,861	5,128	267
EXPENDITURES				
Current:				
General Government	38	38	37	1
Public Works	230	230	225	5
Transportation	230	230	102	128
Total Expenditures	498	498	364	134
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,363	4,363	4,764	401
Transfers out	(4,472)	(4,812)	(4,571)	241
Total Other Financing Sources (Uses)	(4,472)	(4,812)	(4,571)	241
Net Change in Fund Balances	(109)	(449)	193	642
Fund Balances, Beginning	1,736	1,736	1,736	-
Fund Balances, Ending	\$ 1,627	\$ 1,287	\$ 1,929	\$ 642

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, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,919	\$ 10,919	\$ 10,415	\$ (504)
Investment income	138	138	516	378
Intergovernmental	304	304	311	7
Total Revenues	11,361	11,361	11,242	(119)
EXPENDITURES				
Current:				
General Government	35	35	21	14
Public Works	2,225	3,666	3,638	28
Total Expenditures	2,260	3,701	3,659	42
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,101	7,660	7,583	(77)
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,233)	(12,147)	(2,840)	9,307
Total Other Financing Sources (Uses)	(12,233)	(12,147)	(2,840)	9,307
Net Change in Fund Balances	(3,132)	(4,487)	4,743	9,230
Fund Balances, Beginning	11,359	11,359	11,359	-
Fund Balances, Ending	\$ 8,227	\$ 6,872	\$ 16,102	\$ 9,230

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Systems Development
For the Fiscal Year Ended June 30, 2019
(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	\$ 12,500	\$ 12,500	\$ 9,211	\$ (3,289)
Investment income	317	317	1,150	833
Total Revenues	<u>12,817</u>	<u>12,817</u>	<u>10,361</u>	<u>(2,456)</u>
EXPENDITURES				
Current:				
Transportation	740	740	516	224
Total Expenditures	<u>740</u>	<u>740</u>	<u>516</u>	<u>224</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,077</u>	<u>12,077</u>	<u>9,845</u>	<u>(2,232)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	14,337	14,908	571
Transfers out	(28,729)	(23,910)	(23,910)	-
Total Other Financing Sources (Uses)	<u>(28,729)</u>	<u>(9,573)</u>	<u>(9,002)</u>	<u>571</u>
Net Change in Fund Balances	(16,652)	2,504	843	(1,661)
Fund Balances, Beginning	<u>26,838</u>	<u>26,838</u>	<u>26,838</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 10,186</u>	<u>\$ 29,342</u>	<u>\$ 27,681</u>	<u>\$ (1,661)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Maintenance District
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,147	\$ 3,147	\$ 3,259	\$ 112
Investment income	-	-	99	99
Charges for services	103	103	117	14
Special assessments	9,453	9,453	9,697	244
Other revenue	60	60	63	3
Total Revenues	12,763	12,763	13,235	472
EXPENDITURES				
Current:				
General Government	66	66	55	11
Public Works	18,848	18,848	18,440	408
Total Expenditures	18,914	18,914	18,495	419
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,151)	(6,151)	(5,260)	891
OTHER FINANCING SOURCES (USES)				
Transfers in	5,175	5,175	5,175	-
Transfers out	(41)	(41)	(41)	-
Total Other Financing Sources (Uses)	5,134	5,134	5,134	-
Net Change in Fund Balances	(1,017)	(1,017)	(126)	891
Fund Balances, Beginning	1,240	1,240	1,240	-
Fund Balances, Ending	\$ 223	\$ 223	\$ 1,114	\$ 891

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, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 5	\$ 5	\$ 15	\$ 10
Intergovernmental	310	310	358	48
Total Revenues	315	315	373	58
EXPENDITURES				
Current:				
General Government	10	10	11	(1)
Public Safety	179	179	179	-
Transportation	60	60	18	42
Total Expenditures	249	249	208	41
Excess (Deficiency) of Revenues	66	66	165	99
OTHER FINANCING SOURCES (USES)				
Transfers out	(377)	(357)	(87)	270
Total Other Financing Sources (Uses)	(377)	(357)	(87)	270
Net Change in Fund Balances	(311)	(291)	78	369
Fund Balances, Beginning	451	451	451	-
Fund Balances, Ending	\$ 140	\$ 160	\$ 529	\$ 369

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, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 300	\$ 300	\$ 305	\$ 5
Licenses and permits	-	-	79	79
Investment income	285	285	647	362
Donations	-	-	25	25
Total Revenues	585	585	1,056	471
EXPENDITURES				
Current:				
General Government	100	100	35	65
Community Development	3,000	3,000	3,000	-
Total Expenditures	3,100	3,100	3,035	65
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,515)	(2,515)	(1,979)	536
OTHER FINANCING SOURCES (USES)				
Transfers out	(484)	(484)	(300)	184
Total Other Financing Sources (Uses)	(484)	(484)	(300)	184
Net Change in Fund Balances	(2,999)	(2,999)	(2,279)	720
Fund Balances, Beginning	14,112	14,112	14,112	-
Fund Balances, Ending	\$ 11,113	\$ 11,113	\$ 11,833	\$ 720

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, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	-	-	8	8
Charges for services	\$ 1,422	\$ 1,422	\$ 1,269	\$ (153)
Total Revenues	<u>1,422</u>	<u>1,422</u>	<u>1,277</u>	<u>(145)</u>
EXPENDITURES				
Current:				
Public Safety	1,384	1,384	1,202	182
Total Expenditures	<u>1,384</u>	<u>1,384</u>	<u>1,202</u>	<u>182</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>38</u>	<u>38</u>	<u>75</u>	<u>37</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(55)	(55)	-	55
Total Other Financing Sources (Uses)	<u>(55)</u>	<u>(55)</u>	<u>-</u>	<u>55</u>
Net Change in Fund Balances	(17)	(17)	75	92
Fund Balances, Beginning	<u>94</u>	<u>94</u>	<u>94</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 77</u>	<u>\$ 77</u>	<u>\$ 169</u>	<u>\$ 92</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Shuttle
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 19	\$ 19	\$ 23	\$ 4
Intergovernmental	24	24	-	(24)
Donations	69	69	37	(32)
Total Revenues	112	112	60	(52)
EXPENDITURES				
Current:				
Transportation	341	341	197	144
Total Expenditures	341	341	197	144
Excess (Deficiency) of Revenues over (under) Expenditures	(229)	(229)	(137)	92
OTHER FINANCING SOURCES (USES)				
Transfers in	268	268	236	(32)
Total Other Financing Sources (Uses)	268	268	236	(32)
Net Change in Fund Balances	39	39	99	60
Fund Balances, Beginning	877	877	877	-
Fund Balances, Ending	\$ 916	\$ 916	\$ 976	\$ 60



OTHER CAPITAL PROJECTS FUNDS

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

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 and the capital projects related to the City's slurry seal program.

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

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

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

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2019
 (amounts expressed in thousands)
 Page 1 of 2

	Slurry Seal Fees	Park Development	Irvine Business Complex
ASSETS			
Cash and investments	\$ 1,747	\$ 44,475	\$ 97,277
Receivables, net of allowances:			
Accounts	709	-	-
Accrued interest	6	102	258
Escrow deposits	273	-	-
Due from other governments	3	598	196
Due from developers	-	-	-
Total Assets	<u>\$ 2,738</u>	<u>\$ 45,175</u>	<u>\$ 97,731</u>
LIABILITIES			
Accounts payable	\$ 1,391	\$ 1,199	\$ 315
Due to other governments	-	7	-
Retentions payable	276	190	-
Unearned revenue	-	100	71
Total Liabilities	<u>1,667</u>	<u>1,496</u>	<u>386</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	3	588	92
Total Deferred Inflows of Resources	<u>3</u>	<u>588</u>	<u>92</u>
FUND BALANCES (DEFICITS)			
Restricted	-	100	97,253
Committed	1,068	42,991	-
Total Fund Balances	<u>1,068</u>	<u>43,091</u>	<u>97,253</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 2,738</u>	<u>\$ 45,175</u>	<u>\$ 97,731</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2019
 (amounts expressed in thousands)
 Page 2 of 2

	North Irvine Transportation Mitigation	Total Other Capital Projects Funds
ASSETS		
Cash and investments	\$ 84,598	\$ 228,097
Receivables, net of allowances:		
Accounts	-	709
Accrued interest	220	586
Escrow deposits	-	273
Due from other governments	-	797
Due from developers	23,498	23,498
Total Assets	<u>\$ 108,316</u>	<u>\$ 253,960</u>
LIABILITIES		
Accounts payable	\$ 117	\$ 3,022
Due to other governments	-	7
Retentions payable	67	533
Unearned revenue	-	171
Total Liabilities	<u>184</u>	<u>3,733</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	-	683
Total Deferred Inflows of Resources	<u>-</u>	<u>683</u>
FUND BALANCES (DEFICITS)		
Restricted	108,132	205,485
Committed	-	44,059
Total Fund Balances	<u>108,132</u>	<u>249,544</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 108,316</u>	<u>\$ 253,960</u>

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Capital Projects Funds
For the Fiscal Year Ended June 30, 2019
 (amounts expressed in thousands)
 Page 1 of 2

	Slurry Seal Fees	Park Development	Irvine Business Complex
REVENUES			
Investment income	\$ 59	\$ 1,024	\$ 3,446
Intergovernmental	-	1,014	33
Charges for services	263	467	-
Revenue from developers	-	-	4,355
Total Revenues	<u>322</u>	<u>2,505</u>	<u>7,834</u>
EXPENDITURES			
Current:			
General Government	2	28	16
Public Works	36	202	74
Community Development	-	1	350
Community Services	-	20	-
Transportation	-	-	198
Capital outlay	7,238	6,301	556
Total Expenditures	<u>7,276</u>	<u>6,552</u>	<u>1,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,954)</u>	<u>(4,047)</u>	<u>6,640</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,426	24,814	-
Transfers out	-	(5)	(210)
Total Other Financing Sources (Uses)	<u>6,426</u>	<u>24,809</u>	<u>(210)</u>
Net Change in Fund Balances	(528)	20,762	6,430
Fund Balances, Beginning	<u>1,596</u>	<u>22,329</u>	<u>90,823</u>
Fund Balances, Ending	<u>\$ 1,068</u>	<u>\$ 43,091</u>	<u>\$ 97,253</u>

- continued -

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Capital Projects Funds
For the Fiscal Year Ended June 30, 2019
 (amounts expressed in thousands)
 Page 2 of 2

	North Irvine Transportation Mitigation	Total Other Capital Projects Funds
REVENUES		
Investment income	\$ 2,958	\$ 7,487
Intergovernmental	-	1,047
Charges for services	-	730
Revenue from developers	2,960	7,315
Total Revenues	<u>5,918</u>	<u>16,579</u>
EXPENDITURES		
Current:		
General Government	11	57
Public Works	53	365
Community Development	1	352
Community Services	-	20
Transportation	30	228
Capital outlay	1,849	15,944
Total Expenditures	<u>1,944</u>	<u>16,966</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,974</u>	<u>(387)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	31,240
Transfers out	-	(215)
Total Other Financing Sources (Uses)	<u>-</u>	<u>31,025</u>
Net Change in Fund Balances	3,974	30,638
Fund Balances, Beginning	<u>104,158</u>	<u>218,906</u>
Fund Balances, Ending	<u>\$ 108,132</u>	<u>\$ 249,544</u>



PERMANENT FUND

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

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

City of Irvine
Balance Sheet
Permanent Fund
June 30, 2019
 (amounts expressed in thousands)

	<u>Senior Services Fund</u>
ASSETS	
Cash and investments	\$ 833
Receivables, net of allowances:	
Accrued interest	2
Total Assets	<u>\$ 835</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	14
Total Liabilities	<u>14</u>
Fund Balances:	
Nonspendable	499
Restricted	322
Total Fund Balances	<u>821</u>
Total Liabilities and Fund Balances	<u>\$ 835</u>

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Permanent Fund
For the Fiscal Year Ended June 30, 2019
 (amounts expressed in thousands)

	Senior Services Fund
REVENUES	
Investment income	29
Donations	\$ 87
Total Revenues	116
EXPENDITURES	
Current:	
Community Services	107
Total Expenditures	107
Excess (Deficiency) of Revenues Over (Under) Expenditures	9
OTHER FINANCING SOURCES (USES)	
Total Other Financing Sources (Uses)	-
Net Change in Fund Balances	9
Fund Balances, Beginning	812
Fund Balances, Ending	\$ 821

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Senior Services
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 3	\$ 3	\$ 29	\$ 26
Donations	25	25	87	62
Total Revenues	28	28	116	88
EXPENDITURES				
Current:				
Community Services	226	226	107	119
Total Expenditures	226	226	107	119
Excess (Deficiency) of Revenues Over (Under) Expenditures	(198)	(198)	9	207
Net Change in Fund Balances	(198)	(198)	9	207
Fund Balances, Beginning	812	812	812	-
Fund Balances, Ending	\$ 614	\$ 614	\$ 821	\$ 207





INTERNAL SERVICE FUNDS

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

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

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

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

City of Irvine
Combining Statement of Net Position
Internal Service Funds
June 30, 2019
(amounts expressed in thousands)

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and investments	\$ 19,459	\$ 18,652	\$ 92	\$ 38,203
Receivables, net of allowances:				
Accounts	44	13	-	57
Accrued interest	51	51	-	102
Prepaid items	6	1,290	-	1,296
Inventories	-	-	83	83
Total Current Assets	<u>19,560</u>	<u>20,006</u>	<u>175</u>	<u>39,741</u>
Noncurrent Assets:				
Capital assets:				
Equipment	20	24,207	-	24,227
Less accumulated depreciation	(20)	(16,806)	-	(16,826)
Total Noncurrent Assets	<u>-</u>	<u>7,401</u>	<u>-</u>	<u>7,401</u>
Total Assets	<u>19,560</u>	<u>27,407</u>	<u>175</u>	<u>47,142</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	334	779	-	1,113
Total Deferred Outflows of Resources	<u>334</u>	<u>779</u>	<u>-</u>	<u>1,113</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	139	3,254	21	3,414
Accrued liabilities	48	1	-	49
Due to other governments	-	1	-	1
Compensated absences	29	72	-	101
Claims payable	4,115	-	-	4,115
Total Current Liabilities	<u>4,331</u>	<u>3,328</u>	<u>21</u>	<u>7,680</u>
Noncurrent Liabilities:				
Compensated absences	69	174	1	244
Claims payable	12,176	-	-	12,176
Net pension	756	1,764	-	2,520
Total Noncurrent Liabilities	<u>13,001</u>	<u>1,938</u>	<u>1</u>	<u>14,940</u>
Total Liabilities	<u>17,332</u>	<u>5,266</u>	<u>22</u>	<u>22,620</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	38	88	-	126
Total Deferred Inflows of Resources	<u>38</u>	<u>88</u>	<u>-</u>	<u>126</u>
NET POSITION				
Net investment in capital assets	-	7,401	-	7,401
Unrestricted	2,524	15,431	153	18,108
Total Net Position	<u>\$ 2,524</u>	<u>\$ 22,832</u>	<u>\$ 153</u>	<u>\$ 25,509</u>

City of Irvine
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 5,960	\$ 22,459	\$ 334	\$ 28,753
Other	218	46	-	264
Total Operating Revenues	<u>6,178</u>	<u>22,505</u>	<u>334</u>	<u>29,017</u>
OPERATING EXPENSES				
Salaries and benefits	789	3,720	5	4,514
Supplies and equipment	63	6,358	328	6,749
Contract services	535	6,885	-	7,420
Administration	5	1,745	-	1,750
Self-insured losses	3,928	-	-	3,928
Insurance premiums	2,637	72	-	2,709
Depreciation	-	2,404	-	2,404
Total Operating Expenses	<u>7,957</u>	<u>21,184</u>	<u>333</u>	<u>29,474</u>
Operating Income (Loss)	<u>(1,779)</u>	<u>1,321</u>	<u>1</u>	<u>(457)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	672	680	3	1,355
Gain (loss) on disposal of equipment	-	69	-	69
Total Nonoperating Revenues	<u>672</u>	<u>749</u>	<u>3</u>	<u>1,424</u>
Income (Loss) Before Capital Contributions and Transfers	(1,107)	2,070	4	967
Capital contributions	-	561	-	561
Transfers in	1,768	-	-	1,768
Transfers out	-	(27)	-	(27)
Change in Net Position	661	2,604	4	3,269
Total Net Position, Beginning	<u>1,863</u>	<u>20,228</u>	<u>149</u>	<u>22,240</u>
Total Net Position, Ending	<u>\$ 2,524</u>	<u>\$ 22,832</u>	<u>\$ 153</u>	<u>\$ 25,509</u>

City of Irvine
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service
Cash Flows From Operating Activities				
Received from customers and users	\$ 20	71	\$ -	\$ 91
Received from interfund services provided	6,181	22,505	334	29,020
Paid to suppliers and providers	(6,711)	(15,994)	(321)	(23,026)
Paid for salaries and benefits	(785)	(3,790)	(5)	(4,580)
Net Cash Provided (Used) by Operating Activities	<u>(1,295)</u>	<u>2,792</u>	<u>8</u>	<u>1,505</u>
Cash Flows From Non-Capital Financing Activities				
Transfers from other funds	1,768	-	-	1,768
Transfers to other funds	-	(27)	-	(27)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>1,768</u>	<u>(27)</u>	<u>-</u>	<u>1,741</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of equipment	-	145	-	145
Equipment purchases	-	(1,193)	-	(1,193)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(1,048)</u>	<u>-</u>	<u>(1,048)</u>
Interest received on investments	655	661	3	1,319
Net Cash Provided (Used) by Investing Activities	<u>655</u>	<u>661</u>	<u>3</u>	<u>1,319</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,128	2,378	11	3,517
Cash and Cash Equivalents, Beginning of Fiscal Year	18,331	16,274	81	34,686
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 19,459</u>	<u>\$ 18,652</u>	<u>\$ 92</u>	<u>\$ 38,203</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Cash Flows from Operating Activities				
Operating income (loss)	<u>\$ (1,779)</u>	<u>\$ 1,321</u>	<u>\$ 1</u>	<u>\$ (457)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	2,404	-	2,404
(Increase) decrease in receivables, net of allowances	20	10	-	30
(Increase) decrease in prepaid items	(6)	(852)	-	(858)
(Increase) decrease in due from other funds	-	61	-	61
(Increase) decrease in inventories	-	-	(1)	(1)
(Increase) decrease in deferred outflows	(4)	(10)	-	(14)
Increase (decrease) in accounts payable	23	(61)	8	(30)
Increase (decrease) in accrued liabilities	(176)	-	-	(176)
Increase (decrease) in due to other governments	-	(21)	-	(21)
Increase (decrease) in deferred inflow	(7)	(16)	-	(23)
Increase (decrease) in compensated absences	(2)	21	-	19
Increase (decrease) in claims payable	664	-	-	664
Increase (decrease) in net pension	(28)	(65)	-	(93)
Total Adjustments	<u>484</u>	<u>1,471</u>	<u>7</u>	<u>1,962</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,295)</u>	<u>\$ 2,792</u>	<u>\$ 8</u>	<u>\$ 1,505</u>
Schedule of Non-Cash and Related Financing Activities				
Contribution of Capital Assets	<u>\$ -</u>	<u>\$ 561</u>	<u>\$ -</u>	<u>\$ 561</u>





FIDUCIARY FUNDS

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

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

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

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

City of Irvine
Combining Statement of Fiduciary Net Position
Pension and Employee Benefit Trust Funds
June 30, 2019
(amount expressed in thousands)

	PENSION TRUST		Total Pension and Employee Benefit Trust Funds
	(December 31, 2018)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	
ASSETS			
Cash and cash equivalents	\$ 277	\$ -	\$ 277
Receivables, net of allowances:			
Employer contributions	10	3	13
Plan member contributions	2	2	4
Loans	-	42	42
Other receivable	7	-	7
Investments:			
Pooled funds	18,019	4,632	22,651
Mutual funds - closed end funds equity	177	-	177
Mutual funds - equity	-	3,601	3,601
Mutual funds - corporate bonds	-	569	569
Mutual funds - balanced	-	354	354
Wells Fargo funds - balanced	-	872	872
Total Assets	<u>18,492</u>	<u>10,075</u>	<u>28,567</u>
LIABILITIES			
Accounts payable and other accrued liabilities	-	15	15
Accrued liabilities	16	-	16
Total Liabilities	<u>16</u>	<u>15</u>	<u>31</u>
NET POSITION			
Net position restricted for pensions	<u>18,476</u>	<u>10,060</u>	<u>28,536</u>
Total Net Position	<u>\$ 18,476</u>	<u>\$ 10,060</u>	<u>\$ 28,536</u>

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Pension and Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2019
(amount expressed in thousands)

	PENSION TRUST		Total Pension and Employee Benefit Trust Funds
	(December 31, 2018)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	
ADDITIONS			
Contributions:			
Employer	\$ 254	\$ 124	\$ 378
Plan members	46	49	95
Interest from participants' loan	-	2	2
Total Contributions	<u>300</u>	<u>175</u>	<u>475</u>
Investment income (loss):			
Interest and dividends	10	99	109
Net appreciation (depreciation) in fair value of investments	(441)	(388)	(829)
Total Investment Income	<u>(431)</u>	<u>(289)</u>	<u>(720)</u>
Less: investment expenses	<u>(68)</u>	<u>(28)</u>	<u>(96)</u>
Net Investment Income	<u>(499)</u>	<u>(317)</u>	<u>(816)</u>
Total Additions	<u>(199)</u>	<u>(142)</u>	<u>(341)</u>
DEDUCTIONS			
Benefit payments	1,224	218	1,442
Administrative expenses	14	32	46
Total Deductions	<u>1,238</u>	<u>250</u>	<u>1,488</u>
Change in Net Position	(1,437)	(392)	(1,829)
Total Net Position, Beginning	<u>19,913</u>	<u>10,452</u>	<u>30,365</u>
Total Net Position, Ending	<u>\$ 18,476</u>	<u>\$ 10,060</u>	<u>\$ 28,536</u>

City of Irvine
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2019
(amounts expressed in thousands)

	Successor Agency Debt Service	Redevelopment Obligation Retirement	Total Successor Agency Private-Purpose Trust Funds
ASSETS			
Cash and investments	\$ 28	\$ 5,777	\$ 5,805
Accrued interest	-	13	13
Due from other governments	209,082	-	209,082
Total Assets	209,110	5,790	214,900
LIABILITIES			
Accounts payable	-	2,657	2,657
Advances from the City of Irvine	209,082	-	209,082
Total Liabilities	209,082	2,657	211,739
NET POSITION			
Held in trust for enforceable obligations	28	3,133	3,161
Total Net Position	\$ 28	\$ 3,133	\$ 3,161

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2019
 (amounts expressed in thousands)

	Successor Agency Debt Service	Redevelopment Obligation Retirement	Total Successor Agency Private-Purpose Trust Funds
ADDITIONS			
Taxes	\$ -	\$ 4,583	\$ 4,583
Investment income	1	130	131
Total Additions	<u>1</u>	<u>4,713</u>	<u>4,714</u>
DEDUCTIONS			
Distributions to the County	-	2,612	2,612
Administration	-	58	58
Total Deductions	<u>-</u>	<u>2,670</u>	<u>2,670</u>
Change in Net Position	1	2,043	2,044
Total Net Position, Beginning	<u>27</u>	<u>1,090</u>	<u>1,117</u>
Total Net Position, Ending	<u>\$ 28</u>	<u>\$ 3,133</u>	<u>\$ 3,161</u>

City of Irvine
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019
 (amounts expressed in thousands)
 Page 1 of 7

	Eastwood Assessment District 13-25	Cypress Village Assessment District 11-24	Laguna Altura Assessment District 10-23	Stonegate Assessment District 07-22
ASSETS				
Cash and investments	\$ 3,587	\$ 3,411	\$ 1,505	\$ 4,721
Receivables, net of allowances:				
Taxes	70	31	19	38
Accounts	-	-	-	-
Accrued interest	43	1	1	32
Due from developers	-	-	-	-
Total Assets	<u>\$ 3,700</u>	<u>\$ 3,443</u>	<u>\$ 1,525</u>	<u>\$ 4,791</u>
LIABILITIES				
Accounts payable	\$ 8	\$ 1	\$ -	\$ 65
Accrued liabilities	-	-	-	-
Due to bondholders	3,692	3,442	1,525	4,726
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 3,700</u>	<u>\$ 3,443</u>	<u>\$ 1,525</u>	<u>\$ 4,791</u>

- continued -

City of Irvine
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019
 (amounts expressed in thousands)
 Page 2 of 7

	Orchard Hills Reassessment District 05-21	Portola Springs Reassessment District 04-20	Woodbury Assessment District 03-19	Shady Canyon/ Turtle Ridge Assessment District 00-18
ASSETS				
Cash and investments	\$ 15,857	\$ 8,466	\$ 15	\$ 147
Receivables, net of allowances:				
Taxes	125	60	-	-
Accounts	-	59	-	-
Accrued interest	69	6	-	-
Due from developers	82	63	121	23
Total Assets	<u>\$ 16,133</u>	<u>\$ 8,654</u>	<u>\$ 136</u>	<u>\$ 170</u>
LIABILITIES				
Accounts payable	\$ 81	\$ 130	\$ 107	\$ 22
Accrued liabilities	1	-	-	-
Due to bondholders	16,051	8,524	29	148
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 16,133</u>	<u>\$ 8,654</u>	<u>\$ 136</u>	<u>\$ 170</u>

- continued -

City of Irvine
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019
 (amounts expressed in thousands)
 Page 3 of 7

	Irvine Spectrum Reassessment District 85-7	Irvine Spectrum Assessment District 87-8	Irvine Spectrum Assessment District 93-14	Oak Creek Assessment District 94-13
ASSETS				
Cash and investments	\$ 32	\$ 873	\$ 7,121	\$ 350
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	1	47	-
Due from developers	77	37	124	42
Total Assets	<u>\$ 109</u>	<u>\$ 911</u>	<u>\$ 7,292</u>	<u>\$ 392</u>
LIABILITIES				
Accounts payable	\$ 75	\$ 36	\$ 176	\$ 40
Accrued liabilities	-	-	1	-
Due to bondholders	34	875	7,115	352
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 109</u>	<u>\$ 911</u>	<u>\$ 7,292</u>	<u>\$ 392</u>

- continued -

City of Irvine
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019
 (amounts expressed in thousands)
 Page 4 of 7

	Westpark II Assessment District 94-15	Northwest Assessment District 97-16	Lower Peters Canyon Assessment District 97-17	Reassessment District 12-1
ASSETS				
Cash and investments	\$ 1,529	\$ 502	\$ 475	\$ 21,144
Receivables, net of allowances:				
Taxes	-	-	-	197
Accounts	-	-	-	-
Accrued interest	1	-	1	128
Due from developers	5	67	85	-
Total Assets	<u>\$ 1,535</u>	<u>\$ 569</u>	<u>\$ 561</u>	<u>\$ 21,469</u>
LIABILITIES				
Accounts payable	\$ 4	\$ 63	\$ 86	\$ 6
Accrued liabilities	-	1	1	-
Due to bondholders	1,531	505	474	21,463
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,535</u>	<u>\$ 569</u>	<u>\$ 561</u>	<u>\$ 21,469</u>

- continued -

City of Irvine
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019
 (amounts expressed in thousands)
 Page 5 of 7

	Reassessment District 13-1	Reassessment District 15-1	Reassessment District 15-2
ASSETS			
Cash and investments	\$ 12,284	\$ 9,956	\$ 6,041
Receivables, net of allowances:			
Taxes	119	101	28
Accounts	-	-	-
Accrued interest	45	111	73
Due from developers	-	-	-
Total Assets	\$ 12,448	\$ 10,168	\$ 6,142
LIABILITIES			
Accounts payable	\$ 2	\$ 4	\$ 1
Accrued liabilities	-	-	-
Due to bondholders	12,446	10,164	6,141
Due to other governments	-	-	-
Total Liabilities	\$ 12,448	\$ 10,168	\$ 6,142

- continued -

City of Irvine
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019
 (amounts expressed in thousands)
 Page 6 of 7

	Reassessment District 19-1	CFD - Central Park 2004-1	CFD - Columbus 2005-2
ASSETS			
Cash and investments	\$ -	\$ 2,343	\$ 1,721
Receivables, net of allowances:			
Taxes	-	35	25
Accounts	32	-	-
Accrued interest	-	23	10
Due from developers	-	-	-
Total Assets	\$ 32	\$ 2,401	\$ 1,756
LIABILITIES			
Accounts payable	\$ -	\$ 3	\$ 2
Accrued liabilities	-	-	-
Due to bondholders	-	2,398	1,754
Due to other governments	32	-	-
Total Liabilities	\$ 32	\$ 2,401	\$ 1,756

- continued -

City of Irvine
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019
 (amounts expressed in thousands)
 Page 7 of 7

	CFD - Great Park 2013-3	Inter-Agency Custodial Fund	Total Agency Funds
ASSETS			
Cash and investments	\$ 28,088	\$ 55	\$ 130,223
Receivables, net of allowances:			
Taxes	1,021	-	1,869
Accounts	3,031	-	3,122
Accrued interest	166	-	758
Due from developers	-	-	726
Total Assets	<u>\$ 32,306</u>	<u>\$ 55</u>	<u>\$ 136,698</u>
LIABILITIES			
Accounts payable	\$ 13	\$ 1	\$ 926
Accrued liabilities	2	-	6
Due to bondholders	29,258	-	132,647
Due to other governments	3,033	54	3,119
Total Liabilities	<u>\$ 32,306</u>	<u>\$ 55</u>	<u>\$ 136,698</u>

City of Irvine
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)
Page 1 of 9

	June 30, 2018 Balance	Additions	Deductions	June 30, 2019 Balance
Eastwood Assessment District 13-25				
ASSETS				
Cash and investments	\$ 3,586	\$ 4,213	\$ 4,212	\$ 3,587
Receivables, net of allowances:				
Taxes	31	70	31	70
Accounts	-	-	-	-
Accrued interest	7	43	7	43
Due from developers	-	-	-	-
Total Assets	<u>\$ 3,624</u>	<u>\$ 4,326</u>	<u>\$ 4,250</u>	<u>\$ 3,700</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2,081	\$ 2,073	\$ 8
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	3,624	68	-	3,692
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 3,624</u>	<u>\$ 2,149</u>	<u>\$ 2,073</u>	<u>\$ 3,700</u>
Cypress Village Assessment District 11-24				
ASSETS				
Cash and investments	\$ 4,342	\$ 3,988	\$ 4,919	\$ 3,411
Receivables, net of allowances:				
Taxes	22	31	22	31
Accounts	-	-	-	-
Accrued interest	11	1	11	1
Due from developers	-	-	-	-
Total Assets	<u>\$ 4,375</u>	<u>\$ 4,020</u>	<u>\$ 4,952</u>	<u>\$ 3,443</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 1,891	\$ 1,891	\$ 1
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	4,374	-	932	3,442
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,375</u>	<u>\$ 1,891</u>	<u>\$ 2,823</u>	<u>\$ 3,443</u>
Laguna Alta Assessment District 10-23				
ASSETS				
Cash and investments	\$ 1,477	\$ 1,789	\$ 1,761	\$ 1,505
Receivables, net of allowances:				
Taxes	14	19	14	19
Accounts	-	-	-	-
Accrued interest	3	1	3	1
Due from developers	-	-	-	-
Total Assets	<u>\$ 1,494</u>	<u>\$ 1,809</u>	<u>\$ 1,778</u>	<u>\$ 1,525</u>
LIABILITIES				
Accounts payable	\$ -	\$ 882	\$ 882	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	1,494	31	-	1,525
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,494</u>	<u>\$ 913</u>	<u>\$ 882</u>	<u>\$ 1,525</u>

-continued-

City of Irvine
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)
Page 2 of 9

	June 30, 2018 Balance	Additions	Deductions	June 30, 2019 Balance
Stonegate Assessment District 07-22				
ASSETS				
Cash and investments	\$ 5,657	\$ 6,030	\$ 6,966	\$ 4,721
Receivables, net of allowances:				
Taxes	35	38	35	38
Accounts	-	-	-	-
Accrued interest	17	32	17	32
Due from developers	-	-	-	-
Total Assets	<u>\$ 5,709</u>	<u>\$ 6,100</u>	<u>\$ 7,018</u>	<u>\$ 4,791</u>
LIABILITIES				
Accounts payable	\$ 20	\$ 3,406	\$ 3,361	\$ 65
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	5,689	143	1,106	4,726
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,709</u>	<u>\$ 3,549</u>	<u>\$ 4,467</u>	<u>\$ 4,791</u>
Orchard Hills Reassessment District 05-21				
ASSETS				
Cash and investments	\$ 11,709	\$ 40,397	\$ 36,249	\$ 15,857
Receivables, net of allowances:				
Taxes	104	125	104	125
Accounts	-	20	20	-
Accrued interest	38	69	38	69
Due from developers	82	341	341	82
Total Assets	<u>\$ 11,933</u>	<u>\$ 40,952</u>	<u>\$ 36,752</u>	<u>\$ 16,133</u>
LIABILITIES				
Accounts payable	\$ 77	\$ 6,216	\$ 6,212	\$ 81
Accrued liabilities	2	1	2	1
Due to other funds	-	-	-	-
Due to bondholders	11,854	4,827	630	16,051
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 11,933</u>	<u>\$ 11,044</u>	<u>\$ 6,844</u>	<u>\$ 16,133</u>
Portola Springs Reassessment District 04-20				
ASSETS				
Cash and investments	\$ 8,454	\$ 8,859	\$ 8,847	\$ 8,466
Receivables, net of allowances:				
Taxes	37	60	37	60
Accounts	-	59	-	59
Accrued interest	17	6	17	6
Due from developers	61	256	254	63
Total Assets	<u>\$ 8,569</u>	<u>\$ 9,240</u>	<u>\$ 9,155</u>	<u>\$ 8,654</u>
LIABILITIES				
Accounts payable	\$ 58	\$ 4,556	\$ 4,484	\$ 130
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	8,511	110	97	8,524
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 8,569</u>	<u>\$ 4,666</u>	<u>\$ 4,581</u>	<u>\$ 8,654</u>

-continued-

City of Irvine
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
 (amounts expressed in thousands)
 Page 3 of 9

	June 30, 2018 Balance	Additions	Deductions	June 30, 2019 Balance
Woodbury Assessment District 03-19				
ASSETS				
Cash and investments	\$ 17	\$ 522	\$ 524	\$ 15
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	113	472	464	121
Total Assets	<u>\$ 130</u>	<u>\$ 994</u>	<u>\$ 988</u>	<u>\$ 136</u>
LIABILITIES				
Accounts payable	\$ 103	\$ 466	\$ 462	\$ 107
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	27	2	-	29
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 130</u>	<u>\$ 468</u>	<u>\$ 462</u>	<u>\$ 136</u>
Shady Canyon/Turtle Ridge Assessment District 00-18				
ASSETS				
Cash and investments	\$ 142	\$ 131	\$ 126	\$ 147
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	25	104	106	23
Total Assets	<u>\$ 167</u>	<u>\$ 235</u>	<u>\$ 232</u>	<u>\$ 170</u>
LIABILITIES				
Accounts payable	\$ 22	\$ 102	\$ 102	\$ 22
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	145	3	-	148
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 167</u>	<u>\$ 105</u>	<u>\$ 102</u>	<u>\$ 170</u>
Irvine Spectrum Reassessment District 85-7				
ASSETS				
Cash and investments	\$ 9	\$ 415	\$ 392	\$ 32
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	81	324	328	77
Total Assets	<u>\$ 90</u>	<u>\$ 739</u>	<u>\$ 720</u>	<u>\$ 109</u>
LIABILITIES				
Accounts payable	\$ 76	\$ 316	\$ 317	\$ 75
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	14	20	-	34
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 90</u>	<u>\$ 336</u>	<u>\$ 317</u>	<u>\$ 109</u>

-continued-

City of Irvine
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)
Page 4 of 9

	June 30, 2018 Balance	Additions	Deductions	June 30, 2019 Balance
Irvine Spectrum Assessment District 87-8				
ASSETS				
Cash and investments	\$ 211	\$ 1,484	\$ 822	\$ 873
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	1	-	1
Due from developers	39	162	164	37
Total Assets	<u>\$ 250</u>	<u>\$ 1,647</u>	<u>\$ 986</u>	<u>\$ 911</u>
LIABILITIES				
Accounts payable	\$ 36	\$ 815	\$ 815	\$ 36
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	214	661	-	875
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 250</u>	<u>\$ 1,476</u>	<u>\$ 815</u>	<u>\$ 911</u>
Irvine Spectrum Assessment District 93-14				
ASSETS				
Cash and investments	\$ 6,947	\$ 729	\$ 555	\$ 7,121
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	51	47	51	47
Due from developers	124	507	507	124
Total Assets	<u>\$ 7,122</u>	<u>\$ 1,283</u>	<u>\$ 1,113</u>	<u>\$ 7,292</u>
LIABILITIES				
Accounts payable	\$ 118	\$ 595	\$ 537	\$ 176
Accrued liabilities	1	1	1	1
Due to other funds	-	-	-	-
Due to bondholders	7,003	112	-	7,115
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 7,122</u>	<u>\$ 708</u>	<u>\$ 538</u>	<u>\$ 7,292</u>
Oak Creek Assessment District 94-13				
ASSETS				
Cash and investments	\$ 318	\$ 227	\$ 195	\$ 350
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	44	177	179	42
Total Assets	<u>\$ 362</u>	<u>\$ 404</u>	<u>\$ 374</u>	<u>\$ 392</u>
LIABILITIES				
Accounts payable	\$ 40	\$ 177	\$ 177	\$ 40
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	322	30	-	352
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 362</u>	<u>\$ 207</u>	<u>\$ 177</u>	<u>\$ 392</u>

-continued-

City of Irvine
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)
Page 5 of 9

	June 30, 2018 Balance	Additions	Deductions	June 30, 2019 Balance
Westpark II Assessment District 94-15				
ASSETS				
Cash and investments	\$ 1,488	\$ 132	\$ 91	\$ 1,529
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	1	1	1	1
Due from developers	9	37	41	5
Total Assets	<u>\$ 1,498</u>	<u>\$ 170</u>	<u>\$ 133</u>	<u>\$ 1,535</u>
LIABILITIES				
Accounts payable	\$ 6	\$ 33	\$ 35	\$ 4
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	1,492	39	-	1,531
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,498</u>	<u>\$ 72</u>	<u>\$ 35</u>	<u>\$ 1,535</u>
Northwest Assessment District 97-16				
ASSETS				
Cash and investments	\$ 489	\$ 315	\$ 302	\$ 502
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from developers	69	275	277	67
Total Assets	<u>\$ 558</u>	<u>\$ 590</u>	<u>\$ 579</u>	<u>\$ 569</u>
LIABILITIES				
Accounts payable	\$ 63	\$ 272	\$ 272	\$ 63
Accrued liabilities	-	1	-	1
Due to other funds	-	-	-	-
Due to bondholders	495	10	-	505
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 558</u>	<u>\$ 283</u>	<u>\$ 272</u>	<u>\$ 569</u>
Lower Peters Canyon Assessment District 97-17				
ASSETS				
Cash and investments	\$ 470	\$ 623	\$ 618	\$ 475
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	1	1	1	1
Due from developers	85	348	348	85
Total Assets	<u>\$ 556</u>	<u>\$ 972</u>	<u>\$ 967</u>	<u>\$ 561</u>
LIABILITIES				
Accounts payable	\$ 78	\$ 436	\$ 428	\$ 86
Accrued liabilities	1	1	1	1
Due to other funds	-	-	-	-
Due to bondholders	477	-	3	474
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 556</u>	<u>\$ 437</u>	<u>\$ 432</u>	<u>\$ 561</u>

-continued-

City of Irvine
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)
Page 6 of 9

	June 30, 2018 Balance	Additions	Deductions	June 30, 2019 Balance
Reassessment District 12-1				
ASSETS				
Cash and investments	\$ 20,922	\$ 26,374	\$ 26,152	\$ 21,144
Receivables, net of allowances:				
Taxes	162	197	162	197
Accounts	-	-	-	-
Accrued interest	74	128	74	128
Due from developers	-	-	-	-
Total Assets	<u>\$ 21,158</u>	<u>\$ 26,699</u>	<u>\$ 26,388</u>	<u>\$ 21,469</u>
LIABILITIES				
Accounts payable	\$ 6	\$ 13,050	\$ 13,050	\$ 6
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	21,152	311	-	21,463
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 21,158</u>	<u>\$ 13,361</u>	<u>\$ 13,050</u>	<u>\$ 21,469</u>
Reassessment District 13-1				
ASSETS				
Cash and investments	\$ 12,038	\$ 15,153	\$ 14,907	\$ 12,284
Receivables, net of allowances:				
Taxes	122	119	122	119
Accounts	-	-	-	-
Accrued interest	58	45	58	45
Due from developers	-	-	-	-
Total Assets	<u>\$ 12,218</u>	<u>\$ 15,317</u>	<u>\$ 15,087</u>	<u>\$ 12,448</u>
LIABILITIES				
Accounts payable	\$ 2	\$ 7,458	\$ 7,458	\$ 2
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	12,216	230	-	12,446
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 12,218</u>	<u>\$ 7,688</u>	<u>\$ 7,458</u>	<u>\$ 12,448</u>
Reassessment District 15-1				
ASSETS				
Cash and investments	\$ 10,039	\$ 11,776	\$ 11,859	\$ 9,956
Receivables, net of allowances:				
Taxes	66	101	66	101
Accounts	-	-	-	-
Accrued interest	27	111	27	111
Due from developers	-	-	-	-
Total Assets	<u>\$ 10,132</u>	<u>\$ 11,988</u>	<u>\$ 11,952</u>	<u>\$ 10,168</u>
LIABILITIES				
Accounts payable	\$ 4	\$ 5,798	\$ 5,798	\$ 4
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	10,128	36	-	10,164
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 10,132</u>	<u>\$ 5,834</u>	<u>\$ 5,798</u>	<u>\$ 10,168</u>

-continued-

City of Irvine
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)
Page 7 of 9

	June 30, 2018 Balance	Additions	Deductions	June 30, 2019 Balance
Reassessment District 15-2				
ASSETS				
Cash and investments	\$ 5,885	\$ 6,736	\$ 6,580	\$ 6,041
Receivables, net of allowances:				
Taxes	37	28	37	28
Accounts	-	-	-	-
Accrued interest	16	73	16	73
Due from developers	-	-	-	-
Total Assets	<u>\$ 5,938</u>	<u>\$ 6,837</u>	<u>\$ 6,633</u>	<u>\$ 6,142</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 2,682	\$ 2,682	\$ 1
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	5,937	204	-	6,141
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,938</u>	<u>\$ 2,886</u>	<u>\$ 2,682</u>	<u>\$ 6,142</u>
Reassessment District 19-1				
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	32	-	32
Accrued interest	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ 32</u>
LIABILITIES				
Accounts payable	\$ -	\$ 32	\$ 32	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	-	-	-	-
Due to other governments	-	32	-	32
Total Liabilities	<u>\$ -</u>	<u>\$ 64</u>	<u>\$ 32</u>	<u>\$ 32</u>
CFD-Central Park 2004-1				
ASSETS				
Cash and investments	\$ 2,153	\$ 3,059	\$ 2,869	\$ 2,343
Receivables, net of allowances:				
Taxes	31	35	31	35
Accounts	-	-	-	-
Accrued interest	3	23	3	23
Due from developers	-	-	-	-
Total Assets	<u>\$ 2,187</u>	<u>\$ 3,117</u>	<u>\$ 2,903</u>	<u>\$ 2,401</u>
LIABILITIES				
Accounts payable	\$ 4	\$ 1,525	\$ 1,526	\$ 3
Accrued liabilities	1	-	1	-
Due to other funds	-	-	-	-
Due to bondholders	2,182	216	-	2,398
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 2,187</u>	<u>\$ 1,741</u>	<u>\$ 1,527</u>	<u>\$ 2,401</u>

-continued-

City of Irvine
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)
Page 8 of 9

	June 30, 2018			June 30, 2019		
	Balance	Additions	Deductions	Balance	Additions	Deductions
CFD-Columbus Grove 2005-2						
ASSETS						
Cash and investments	\$ 1,699	\$ 2,263	\$ 2,241	\$ 1,721		
Receivables, net of allowances:						
Taxes	13	25	13	25		
Accounts	-	-	-	-		
Accrued interest	4	10	4	10		
Due from developers	-	-	-	-		
Total Assets	<u>\$ 1,716</u>	<u>\$ 2,298</u>	<u>\$ 2,258</u>	<u>\$ 1,756</u>		
LIABILITIES						
Accounts payable	\$ 3	\$ 1,125	\$ 1,126	\$ 2		
Accrued liabilities	-	-	-	-		
Due to other funds	-	-	-	-		
Due to bondholders	1,713	41	-	1,754		
Due to other governments	-	-	-	-		
Total Liabilities	<u>\$ 1,716</u>	<u>\$ 1,166</u>	<u>\$ 1,126</u>	<u>\$ 1,756</u>		
CFD-Great Park 2013-3						
ASSETS						
Cash and investments	\$ 24,352	\$ 51,345	\$ 47,609	\$ 28,088		
Receivables, net of allowances:						
Taxes	508	1,021	508	1,021		
Accounts	2,186	3,194	2,349	3,031		
Accrued interest	158	166	158	166		
Due from developers	-	-	-	-		
Total Assets	<u>\$ 27,204</u>	<u>\$ 55,726</u>	<u>\$ 50,624</u>	<u>\$ 32,306</u>		
LIABILITIES						
Accounts payable	\$ 62	\$ 17,016	\$ 17,065	\$ 13		
Accrued liabilities	1	2	1	2		
Due to other funds	88	-	88	-		
Due to bondholders	24,915	4,419	76	29,258		
Due to other governments	2,138	3,033	2,138	3,033		
Total Liabilities	<u>\$ 27,204</u>	<u>\$ 24,470</u>	<u>\$ 19,368</u>	<u>\$ 32,306</u>		
Inter-Agency Custodial Fund						
ASSETS						
Cash and investments	\$ 118	\$ 90	\$ 153	\$ 55		
Receivables, net of allowances:						
Taxes	-	-	-	-		
Accounts	-	-	-	-		
Accrued interest	-	-	-	-		
Due from developers	-	-	-	-		
Total Assets	<u>\$ 118</u>	<u>\$ 90</u>	<u>\$ 153</u>	<u>\$ 55</u>		
LIABILITIES						
Accounts payable	\$ -	\$ 78	\$ 77	\$ 1		
Accrued liabilities	-	-	-	-		
Due to other funds	-	-	-	-		
Due to bondholders	-	-	-	-		
Due to other governments	118	13	77	54		
Total Liabilities	<u>\$ 118</u>	<u>\$ 91</u>	<u>\$ 154</u>	<u>\$ 55</u>		

-continued-

City of Irvine
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
 (amounts expressed in thousands)
 Page 9 of 9

	June 30, 2018			June 30, 2019
	Balance	Additions	Deductions	Balance
Total Agency Funds				
ASSETS				
Cash and investments	\$ 122,522	\$ 186,650	\$ 178,949	\$ 130,223
Receivables, net of allowances:				
Taxes	1,182	1,869	1,182	1,869
Accounts	2,186	3,305	2,369	3,122
Accrued interest	486	758	486	758
Due from developers	732	3,003	3,009	726
Total Assets	<u>\$ 127,108</u>	<u>\$ 195,585</u>	<u>\$ 185,995</u>	<u>\$ 136,698</u>
LIABILITIES				
Accounts payable	\$ 780	\$ 71,008	\$ 70,862	\$ 926
Accrued liabilities	6	6	6	6
Due to other funds	88	-	88	-
Due to bondholders	123,978	11,513	2,844	132,647
Due to other governments	2,256	3,078	2,215	3,119
Total Liabilities	<u>\$ 127,108</u>	<u>\$ 85,605</u>	<u>\$ 76,015</u>	<u>\$ 136,698</u>





STATISTICAL SECTION

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

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

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- 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
- Taxable Sales by Category
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- 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
- Miscellaneous Statistical Information

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

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

	2019	2018	2017	2016
Governmental Activities				
Net investment in capital assets	\$ 2,028,242	\$ 1,745,962	\$ 1,601,315	\$ 1,566,452
Restricted	613,872	493,547	583,855	500,057
Unrestricted	434,434	442,116	433,617	434,395
Total Governmental Activities Net Position	<u>\$ 3,076,548</u>	<u>\$ 2,681,625</u>	<u>\$ 2,618,787</u>	<u>\$ 2,500,904</u>
Primary Government				
Net investment in capital assets	\$ 2,028,242	\$ 1,745,962	\$ 1,601,315	\$ 1,566,452
Restricted	613,872	493,547	583,855	500,057
Unrestricted	434,434	442,116	433,617	434,395
Total Primary Government Net Position	<u>\$ 3,076,548</u>	<u>\$ 2,681,625</u>	<u>\$ 2,618,787</u>	<u>\$ 2,500,904</u>

Source: City Fiscal Services Division

2015	2014	2013	2012	2011	2010
\$ 1,517,272	\$ 1,541,807	\$ 1,575,361	\$ 1,537,181	\$ 1,523,430	\$ 1,488,021
478,204	404,305	320,962	287,906	294,596	349,681
416,521	351,248	362,179	384,731	287,840	244,927
<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>	<u>\$ 2,105,866</u>	<u>\$ 2,082,629</u>

\$ 1,517,272	\$ 1,541,807	\$ 1,575,361	\$ 1,537,181	\$ 1,523,430	\$ 1,488,021
478,204	404,305	320,962	287,906	294,596	349,681
416,521	351,248	362,179	384,731	287,840	244,927
<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>	<u>\$ 2,105,866</u>	<u>\$ 2,082,629</u>

City of Irvine
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2019	2018	2017	2016
EXPENSES				
Governmental Activities				
General Government	\$ 37,912	\$ 46,151	\$ 36,411	\$ 29,152
Public Safety	80,988	77,266	71,836	63,878
Public Works	98,899	99,067	106,478	91,387
Community Services	41,163	46,104	40,231	37,152
Community Development ⁽¹⁾	32,720	31,993	34,743	27,943
Transportation ⁽¹⁾	6,320	3,408	-	-
Great Park ⁽²⁾	-	-	-	-
Interest on long-term debt	-	-	-	-
Unallocated infrastructure depreciation	63,071	58,997	55,529	51,423
Total Governmental Activities Expenses	\$ 361,073	\$ 362,986	\$ 345,228	\$ 300,935
PROGRAM REVENUES				
Governmental Activities				
Charges for services:				
General Government	\$ 11,177	\$ 9,805	\$ 12,259	\$ 11,336
Public Safety	3,213	2,870	2,984	2,968
Public Works	30,833	30,947	33,599	26,898
Community Services	16,340	15,230	13,526	12,611
Community Development ⁽¹⁾	19,955	25,296	29,367	27,545
Transportation ⁽¹⁾	865	227	-	-
Great Park ⁽²⁾	-	-	-	-
Operating grants and contributions	40,146	36,550	26,790	29,738
Capital grants and contributions	432,784	185,320	170,654	136,641
Total Governmental Activities Program Revenues	555,313	306,245	289,179	247,737
Total Net Revenues (Expenses)	\$ 194,240	\$ (56,741)	\$ (56,049)	\$ (53,198)
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes:				
Property tax ⁽³⁾	\$ 74,492	\$ 68,135	\$ 62,374	\$ 57,944
Sales taxes	69,597	62,834	61,617	62,120
Franchise taxes	14,059	14,243	14,022	14,669
Transient occupancy taxes	20,597	18,632	15,708	15,368
Document transfer taxes	4,385	4,631	3,957	3,762
Business license taxes	-	-	-	-
Unrestricted motor vehicle in-lieu	133	140	116	101
Gain on sale of assets	71	3,884	-	-
Investment revenue	17,135	4,441	2,500	5,779
Other revenue	214	214	184	825
Total General Revenues	200,683	177,154	160,478	160,568
Extraordinary gain (loss)	-	-	-	(7,781)
Special item	-	-	-	99
Changes in Net Position	\$ 394,923	\$ 120,413	\$ 104,429	\$ 99,688

(1) Transportation department established in fiscal year 2017-18.

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

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

2015	2014	2013	2012	2011	2010
\$ 24,558	\$ 32,863	\$ 28,141	\$ 54,380	\$ 20,267	\$ 23,199
59,266	62,745	59,284	57,563	57,091	57,891
70,697	63,897	70,423	59,037	58,702	59,666
39,119	22,980	29,944	35,806	33,006	26,715
24,278	39,689	20,575	20,694	21,747	25,447
-	-	-	-	-	-
-	16,812	59,621	16,398	14,747	17,593
6	16	20	26	68	14,803
49,647	48,367	46,693	44,770	42,778	41,026
<u>\$ 267,571</u>	<u>\$ 287,369</u>	<u>\$ 314,701</u>	<u>\$ 288,674</u>	<u>\$ 248,406</u>	<u>\$ 266,340</u>

\$ 4,566	\$ 1,984	\$ 560	\$ 1,741	\$ 462	\$ 7,354
4,395	4,548	4,471	3,172	3,460	4,163
46,387	18,321	13,847	7,210	10,465	12,057
19,362	15,375	14,326	9,070	9,069	9,219
19,414	30,129	14,410	15,788	17,579	6,896
-	-	-	-	-	-
-	3,292	4,233	3,212	2,946	3,521
30,404	31,661	32,664	23,693	16,570	9,644
111,989	76,751	145,897	36,104	71,731	31,707
<u>236,517</u>	<u>182,061</u>	<u>230,408</u>	<u>99,990</u>	<u>132,282</u>	<u>84,561</u>
<u>\$ (31,054)</u>	<u>\$ (105,308)</u>	<u>\$ (84,293)</u>	<u>\$ (188,684)</u>	<u>\$ (116,124)</u>	<u>\$ (181,779)</u>

\$ 53,300	\$ 49,524	\$ 46,659	\$ 47,862	\$ 48,370	\$ 50,791
58,725	56,499	51,596	48,972	48,694	42,209
14,100	13,690	12,505	12,163	12,099	11,223
13,465	11,664	11,256	8,489	8,294	7,306
3,554	2,911	2,404	1,426	1,536	1,626
-	-	-	905	911	-
99	98	115	108	981	628
10,112	144	129	563	64	62
5,243	15,632	7,740	7,982	4,786	20,492
118	93	1,448	250	27	179
<u>158,716</u>	<u>150,255</u>	<u>133,852</u>	<u>128,720</u>	<u>125,762</u>	<u>134,516</u>
107,833	(5,500)	163,916	-	-	-
-	-	-	-	-	-
<u>\$ 235,495</u>	<u>\$ 39,447</u>	<u>\$ 213,475</u>	<u>\$ (59,964)</u>	<u>\$ 9,638</u>	<u>\$ (47,263)</u>

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

	2019	2018	2017	2016
GENERAL FUND				
Non Spendable	\$ 1,358	\$ 5	\$ -	\$ 87
Restricted	419	5,936	2,784	8,188
Committed	43,783	36,811	41,034	30,090
Assigned	69,526	72,601	79,242	77,713
Unassigned	11,594	9,788	3,912	12,163
Total General Fund	<u>\$ 126,680</u>	<u>\$ 125,141</u>	<u>\$ 126,972</u>	<u>\$ 128,241</u>
ALL OTHER GOVERNMENTAL FUNDS				
Non Spendable	\$ 501	\$ 499	\$ 518	\$ 526
Restricted	607,503	499,515	585,466	502,440
Committed	84,846	77,230	106,858	374,603
Assigned	289,001	305,023	269,151	2,899
Unassigned	(2,514)	(2,907)	(3,495)	(2,493)
Total All Other Governmental Funds	<u>\$ 979,337</u>	<u>\$ 879,360</u>	<u>\$ 958,498</u>	<u>\$ 877,975</u>
ALL GOVERNMENTAL FUNDS	<u>\$ 1,106,017</u>	<u>\$ 1,004,501</u>	<u>\$ 1,085,470</u>	<u>\$ 1,006,216</u>

Source: City Fiscal Services Division

2015	2014	2013	2012	2011	2010
\$ 7,617	\$ 8,033	\$ 7,987	\$ 7,736	\$ 7,816	\$ 7,054
5,682	5,730	5,378	5,435	4,927	5,234
25,946	18,904	16,538	16,033	7,863	15,938
63,790	66,581	70,987	74,850	74,674	75,411
23,867	8,666	11,105	7,878	13,474	312
<u>\$ 126,902</u>	<u>\$ 107,914</u>	<u>\$ 111,995</u>	<u>\$ 111,932</u>	<u>\$ 108,754</u>	<u>\$ 103,949</u>
\$ 496	\$ 586	\$ 136,400	\$ 136,178	\$ 175,116	\$ 136,584
750,871	501,039	296,160	269,852	281,699	273,138
79,880	50,195	63,194	82,706	148,216	185,655
5,256	7,148	5,062	12,621	10,712	15,022
(2,483)	-	(2,453)	(1,536)	(224,542)	(180,521)
<u>\$ 834,020</u>	<u>\$ 558,968</u>	<u>\$ 498,363</u>	<u>\$ 499,821</u>	<u>\$ 391,201</u>	<u>\$ 429,878</u>
<u>\$ 960,922</u>	<u>\$ 666,882</u>	<u>\$ 610,358</u>	<u>\$ 611,753</u>	<u>\$ 499,955</u>	<u>\$ 533,827</u>

City of Irvine
Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2019	2018	2017	2016
REVENUES				
Taxes				
Property taxes	\$ 74,492	\$ 68,135	\$ 62,374	\$ 67,060
Sales and use taxes	74,661	68,543	67,622	70,047
All other taxes	53,573	53,989	47,472	51,291
Licenses & permits	8,521	9,806	9,301	9,594
Fines & forfeitures	1,348	1,415	1,394	1,453
Investment income	29,870	4,453	2,941	7,098
Intergovernmental	8,054	7,583	9,870	14,317
Charges for services	35,367	34,226	39,332	36,023
Contributions from property owners-				
Special districts contributions	104,714	19,676	137,228	77,699
Revenue from developers	22,404	34,726	45,527	53,373
Special assessments	25,165	20,240	17,559	6,809
Donations	562	627	549	724
Other revenue	5,850	5,138	4,165	4,660
Total Revenues	444,581	328,557	445,334	400,148
EXPENDITURES				
Current:				
General Government	41,069	44,549	34,962	29,957
Public Safety	82,172	77,210	73,116	70,062
Public Works	57,472	51,149	53,331	60,261
Community Development	33,694	30,578	35,494	31,341
Community Services	45,223	44,912	40,618	39,673
Transportation ⁽¹⁾	5,374	3,398	-	-
Great Park ⁽²⁾	-	-	-	-
Street lighting	-	-	-	-
Capital Outlay	76,320	121,663	128,972	121,094
Debt Services:				
Principal retirement	-	-	-	-
Interest & fiscal charges	-	-	-	-
Administration	-	-	-	-
Total Expenditures	341,324	373,459	366,493	352,388
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	103,257	(44,902)	78,841	47,760
OTHER FINANCING SOURCES (USES)				
Issuance of long-term note	-	-	-	-
Proceeds from sale of property	-	4,027	21	125
Transfers in	73,441	46,581	71,162	55,454
Transfers out	(75,182)	(45,981)	(71,187)	(55,617)
Total Other Financing Sources (Uses)	(1,741)	4,627	(4)	(38)
EXTRAORDINARY GAIN (LOSS)				
Forgiveness of debts	-	-	-	-
Dissolution of redevelopment agency	-	-	-	-
Settlement agreement	-	-	-	(6,568)
Special item	-	-	-	99
Total Extraordinary Gain (Loss)	-	-	-	(6,469)
Net Change in Fund Balances	\$ 101,516	\$ (40,275)	\$ 78,837	\$ 41,253
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	0.0%	0.0%	0.0%	0.0%

(1) Transportation department established in fiscal year 2017-18.

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

Source: City Fiscal Services Division

	2015	2014	2013	2012	2011	2010
\$	53,300	\$ 49,524	\$ 46,659	\$ 47,861	\$ 50,608	\$ 51,106
	62,925	59,385	54,663	52,566	48,487	42,209
	48,373	41,891	37,445	30,732	33,371	25,393
	10,750	7,401	6,865	6,091	6,122	4,395
	1,531	1,830	1,780	2,065	1,916	1,948
	4,216	4,496	(283)	4,146	10,488	10,845
	11,663	16,312	18,694	14,072	35,419	35,367
	33,673	31,834	27,702	24,057	33,496	34,405
	69,650	25,257	31,520	2,489	38,318	-
	49,110	59,124	53,469	16,539	7,641	336
	32,615	6,172	6,015	5,673	5,372	4,904
	664	915	655	572	574	791
	5,014	3,394	4,234	3,400	4,392	4,065
	<u>383,484</u>	<u>307,535</u>	<u>289,418</u>	<u>210,263</u>	<u>276,204</u>	<u>215,764</u>
	29,446	31,305	26,446	52,183	28,346	29,457
	65,624	63,130	60,211	56,264	55,586	56,165
	50,841	40,451	41,330	34,663	27,188	35,709
	26,390	25,839	23,321	22,873	27,234	25,888
	35,920	38,861	34,839	33,965	32,054	33,667
	-	-	-	-	-	-
	-	12,364	15,235	16,079	14,779	17,743
	-	-	-	6,403	6,892	5,658
	53,138	48,558	86,345	60,461	95,986	76,164
	-	-	-	-	8,260	7,525
	-	-	-	4,866	16,336	14,690
	-	-	-	-	11	43
	<u>261,359</u>	<u>260,508</u>	<u>287,727</u>	<u>287,757</u>	<u>312,672</u>	<u>302,709</u>
	<u>122,125</u>	<u>47,027</u>	<u>1,691</u>	<u>(77,494)</u>	<u>(36,468)</u>	<u>(86,945)</u>
	-	-	-	-	-	62
	14,224	46	40	1,125	322	-
	47,426	23,505	31,166	16,304	215,415	124,556
	<u>(47,735)</u>	<u>(23,408)</u>	<u>(33,417)</u>	<u>(16,309)</u>	<u>(213,141)</u>	<u>(113,586)</u>
	<u>13,915</u>	<u>143</u>	<u>(2,211)</u>	<u>1,120</u>	<u>2,596</u>	<u>11,032</u>
	-	-	-	25,823	-	-
	-	-	-	162,349	-	-
	158,000	(5,500)	-	-	-	-
	158,000	(5,500)	-	-	-	-
	<u>316,000</u>	<u>(11,000)</u>	<u>-</u>	<u>188,172</u>	<u>-</u>	<u>-</u>
\$	<u>452,040</u>	<u>\$ 36,170</u>	<u>\$ (520)</u>	<u>\$ 111,798</u>	<u>\$ (33,872)</u>	<u>\$ (75,913)</u>
	0.0%	0.0%	0.0%	2.1%	11.4%	9.8%

City of Irvine
Tax Revenues by Sources – Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended June 30	Property Tax		Sales Tax	Transient Occupancy Tax	Franchise Tax	Document Transfer Tax	Other	Total
	City	Redevelopment Agency ⁽¹⁾						
2019	\$ 74,271	\$ 221	\$ 74,661	\$ 16,463	\$ 13,098	\$ 4,385	\$ 19,627	\$ 202,726
2018	67,957	178	68,543	14,883	13,217	4,631	21,258	190,667
2017	62,217	157	67,622	12,520	13,089	3,957	17,906	177,468
2016	66,934	126	70,047	12,294	13,828	3,762	21,407	188,398
2015	53,086	214	62,925	10,772	13,479	3,554	20,568	164,598
2014	49,442	82	59,385	9,331	13,100	2,911	16,549	150,800
2013	46,564	95	54,663	9,005	11,950	2,404	14,086	138,767
2012	44,549	3,312	52,566	8,489	11,591	1,426	9,226	131,159
2011	44,122	6,486	48,487	8,294	11,548	1,536	11,993	132,466
2010	45,065	6,041	42,209	7,268	11,223	1,626	5,276	118,708

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

Source: City Fiscal Services Divisions

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

Fiscal Year Ended June 30	City			Redevelopment Agency ⁽¹⁾			Tax Rate
	Secured	Unsecured	Assessed Value	Secured	Unsecured	Incremental Valuation	
2019	\$ 74,391,378	\$ 4,048,378	\$ 78,439,756	\$ 4,340,438	\$ 145,260	\$ 4,485,698	0.0898%
2018	67,809,744	4,088,964	71,898,708	3,139,318	534	3,139,852	0.0908%
2017	61,937,181	3,817,062	65,754,243	2,540,087	2,565	2,542,652	0.0913%
2016	57,124,817	3,787,877	60,912,694	1,770,828	453	1,771,281	0.1070%
2015	51,916,631	3,777,254	55,693,885	964,620	807	965,427	0.0941%
2014	47,393,124	3,609,124	51,002,248	611,176	320	611,496	0.0960%
2013	45,033,193	3,612,900	48,646,093	601,935	3,758	605,693	0.0947%
2012	43,706,257	3,429,975	47,136,232	634,613	6,549	641,162	0.1002%
2011	43,014,470	3,524,106	46,538,576	615,471	6,958	622,429	0.1073%
2010	43,656,457	3,555,544	47,212,001	598,070	4,229	602,299	0.1069%

Note:

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

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

Sources: HdL, Coren & Cone, MuniServices, LLC, Orange County Assessor

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

	2019 *	2018 ⁽¹⁾	2017 ⁽¹⁾	2016 ⁽¹⁾
Apparel stores	\$ *	\$ 211,329	\$ 218,728	\$ 222,412
General merchandise	*	423,188	385,098	404,982
Food stores	*	132,898	125,787	120,943
Eating & drinking places	*	832,162	776,070	724,466
Home furnishings & appliances	*	-	-	-
Building material & farm tools	*	169,673	143,658	137,627
Auto dealers & supplies	*	963,272	900,540	837,144
Service stations	*	299,396	247,127	235,122
Other retail stores	*	834,627	835,929	787,667
All other outlets	*	2,743,558	2,668,557	2,680,024
Total	\$ -	\$ 6,610,103	\$ 6,301,494	\$ 6,150,387
City Direct Sales Tax Rate	1.00%	1.00%	0.75% ⁽³⁾	0.75% ⁽²⁾

(1) The State Board of Equalization no longer provides the Taxable Sales by Category. Beginning in the fiscal year 2014-15, the information was provided by the HdL Companies.

(2) 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.

(3) Beginning in March 2016, which represents sales activity starting January 1, 2016, and thereafter, the sales tax allocation will revert back to the original 1% amount.

*Statistical for fiscal year 2018-19 is unavailable at the present time.

Sources: California Department of Taxes and Fees Administration, State Board of Equalization, The HdL Companies

	2015	2014	2013	2012	2011	2010
\$	210,020	\$ 213,839	\$ 209,566	\$ 195,765	\$ 182,997	\$ 172,603
	411,544	370,563	333,813	290,142	295,272	278,703
	122,536	609,828	148,776	142,268	137,485	125,234
	669,075	151,152	563,941	520,632	471,740	445,344
	-	410,687	372,189	340,419	308,224	283,000
	121,412	106,565	95,815	90,901	83,541	73,915
	819,580	655,268	626,940	570,374	536,199	474,807
	264,856	277,156	276,639	268,934	230,887	197,404
	821,149	438,521	428,451	387,844	286,806	285,369
	2,617,234	1,766,788	1,600,281	1,628,911	1,585,799	1,472,038
\$	<u>6,057,406</u>	<u>\$ 5,000,367</u>	<u>\$ 4,656,411</u>	<u>\$ 4,436,190</u>	<u>\$ 4,118,950</u>	<u>\$ 3,808,417</u>
	0.75% ⁽²⁾	0.75% ⁽²⁾	0.75% ⁽²⁾	0.75% ⁽²⁾	0.75% ⁽²⁾	0.75% ⁽²⁾

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

Agency	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Irvine Ranch Water	0.02800	0.02800	0.02800	0.17102	0.17102	0.41339	0.41339	0.41344	0.52028	0.52028
Irvine Unified	0.02814	0.02714	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00370	0.00370	0.00430
Rancho Santiago Community College	0.04537	0.05088	0.03927	0.05039	0.05078	0.03334	0.03241	0.03146	0.03141	0.02735
Saddleback Valley Unified	0.02392	0.02365	0.02688	0.03008	0.02806	0.03207	0.03265	0.03163	0.03194	0.03043
Santa Ana Unified	0.05561	0.06327	0.06377	0.06604	0.06869	0.07359	0.07749	0.07147	0.07167	0.07388
Tustin Unified General Fund	0.06687	0.06873	0.07001	0.07751	0.06955	0.08912	0.06729	0.05586	0.05962	0.03797
Total Direct and Overlapping Rates ⁽²⁾	1.25141	1.26517	1.23143	1.39854	1.39160	1.64501	1.62673	1.60756	1.71862	1.69421
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.03180	0.03180	0.03180	0.03180	0.03180	0.03180	0.01226	0.03180	0.03180	0.03180
Voter Approved City Debt Rate										
Redevelopment Rate ⁽⁴⁾	-	-	-	-	-	-	-	1.00370	1.00430	1.00430
Total Direct Rates ⁽⁵⁾	0.03115	0.03115	0.03157	0.03190	0.03229	0.03267	0.04014	0.04138	0.04144	0.04102

- (1) In 1978, California voters passed Proposition 13 which sets the property tax rate at 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.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- (3) City's Share of 1.00% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.
- (4) Redevelopment Rate is based on the largest RDA tax area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values, the approval of ABX1 26 eliminated Redevelopment from the State of California for fiscal year 2012-13 and years thereafter.
- (5) Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in fiscal year 2013-14, the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during fiscal year 2012-13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL, Coren & Cone

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

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Irvine Company	\$ 3,277,678,884	1	4.18%	\$ 5,585,580,023	1	13.05%
Irvine Apartment Communities	524,087,291	2	0.67%	683,751,512	2	1.60%
Allergan USA Inc	463,181,986	3	0.59%	265,397,918	6	0.62%
Five Point Office Venture I LLC	442,999,914	4	0.56%	-	-	-
Jamboree Center LLC ⁽¹⁾	410,419,676	5	0.52%	-	-	-
B Braun Medical Inc	388,000,778	6	0.49%	247,283,593	8	0.58%
LBA IV-PPI LLC	379,452,894	7	0.48%	615,680,641	3	1.44%
Park Place Michelson LLC ⁽¹⁾	365,420,850	8	0.47%	-	-	-
Park I/II Spectrum LLC	353,535,651	9	0.45%	324,024,710	5	0.76%
Calatlantic Group Inc ⁽¹⁾	344,245,885	10	0.44%	-	-	-
Maguire Properties	-	-	-	247,929,312	7	0.58%
Central Park West	-	-	-	377,153,522	4	0.88%
Capital Research Company	-	-	-	166,250,000	10	0.39%
Lakeshore Properties LLC	-	-	-	178,043,004	9	0.42%
Totals	\$ 6,949,023,809		8.86%	\$ 8,691,094,235		20.32%

Source: HdL, Coren & Cone

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year ^{(1) (3)}	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 90,281,935	\$ 89,869,241	99.54%	\$ 418,609	\$ 90,287,850	100.01%
2018	85,775,306	84,940,559	99.03%	458,377	85,398,936	99.56%
2017	82,074,158	81,122,025	98.84%	526,453	81,648,478	99.48%
2016	80,233,275	79,071,170	98.55%	625,501	79,696,671	99.33%
2015	86,003,581	85,186,715	99.05%	159,584	85,346,299	99.24%
2014	76,486,915	76,278,909	99.73%	729,226	77,008,135	100.68%
2013	70,528,865	69,549,205	98.61%	739,919	70,289,124	99.66%
2012	79,604,976	77,405,056	97.24%	1,066,687	78,471,743	98.58%
2011	77,520,820	75,332,973	97.18%	1,137,627	76,470,600	98.65%
2010	77,549,644	63,080,086	81.34%	1,670,155	64,750,241	83.50%

(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, Trip flip or VLF swap. The amounts presented include City property taxes and redevelopment Agency tax increment beginning in fiscal year 2006-07.

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

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

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 Ended June 30	Lease Revenue Bonds	Capital Leases	Total Governmental Activities	Percentage of Personal Income ⁽¹⁾	% of Actual Assessed Value of Property ⁽¹⁾	Per Capita
2019	\$ -	\$ -	\$ -	0.00%	0.000%	-
2018	-	-	-	0.00%	0.000%	-
2017	-	-	-	0.00%	0.000%	-
2016	-	-	-	0.00%	0.000%	-
2015	-	78	78	0.00%	0.000%	-
2014	-	177	177	0.00%	0.000%	1
2013	-	470	470	0.00%	0.001%	2
2012	-	386	386	0.01%	0.001%	2
2011	-	689	689	0.01%	0.001%	3
2010	8,260	381	8,641	0.11%	0.018%	40

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

Sources: City Fiscal Services Divisions, Employment Development Department, State Department of Finance,
U.S. Bureau of Census.

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

Fiscal Year	Population ⁽¹⁾	Total General Obligation Bonds	Less Debt Service Fund	Net Bonded Debt	Percent of Debt to Assessed Value	Debt per Capita
2019	280	-	-	-	0.00%	-
2018	276	-	-	-	0.00%	-
2017	267	-	-	-	0.00%	-
2016	258	-	-	-	0.00%	-
2015	250	-	-	-	0.00%	-
2014	243	-	-	-	0.00%	-
2013	231	-	-	-	0.00%	-
2012	224	-	-	-	0.00%	-
2011	219	-	-	-	0.00%	-
2010	218	-	-	-	0.00%	-

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

Source: City Fiscal Services Division

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assessed valuation	\$ 78,439,755,961	\$ 71,898,708,288	\$ 65,754,243,380	\$ 60,912,693,965
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 19,609,938,990	\$ 17,974,677,072	\$ 16,438,560,845	\$ 15,228,173,491
Debit limit percentage	15%	15%	15%	15%
Debt limit	2,941,490,849	2,696,201,561	2,465,784,127	2,284,226,024
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 2,941,490,849</u>	<u>\$ 2,696,201,561</u>	<u>\$ 2,465,784,127</u>	<u>\$ 2,284,226,024</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.

Sources: California Municipal Statistics, Inc., HdL Coren & Cone, MuniServices, LLC

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 55,693,885,275	\$ 51,002,248,297	\$ 48,646,093,255	\$ 47,136,231,043	\$ 46,538,576,173	\$ 47,212,001,153
25%	25%	25%	25%	25%	25%
\$ 13,923,471,319	\$ 12,750,562,074	\$ 12,161,523,314	\$ 11,784,057,761	\$ 11,634,644,043	\$ 11,803,000,288
15%	15%	15%	15%	15%	15%
2,088,520,698	1,912,584,311	1,824,228,497	1,767,608,664	1,745,196,606	1,770,450,043
-	-	-	-	-	-
<u>\$ 2,088,520,698</u>	<u>\$ 1,912,584,311</u>	<u>\$ 1,824,228,497</u>	<u>\$ 1,767,608,664</u>	<u>\$ 1,745,196,606</u>	<u>\$ 1,770,450,043</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year Ended June 30	Population ⁽¹⁾	(in thousands) Personal Income ^{(2) (3)}	Per Capita Personal Income ⁽³⁾	Income per Median Household ⁽³⁾	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾⁽⁶⁾	Unemployment Rate ⁽⁵⁾
2019	280,202	\$ 12,272,130 ⁽³⁾	\$ 46,246	\$ 104,185	34.4	35,362 ⁽⁶⁾	2.9%
2018	276,176	12,272,130 ⁽³⁾	45,140	93,823	34.5	34,617 ⁽⁶⁾	3.3%
2017	267,086	12,840,224 ⁽³⁾	43,836	92,278	34.4	33,480 ⁽⁴⁾	2.9%
2016	258,386	10,946,242 ⁽³⁾	43,456	91,999	34.0	31,621 ⁽⁴⁾	3.3%
2015	250,384	10,593,508 ⁽³⁾	43,096	90,585	34.2	30,638 ⁽⁴⁾	3.2%
2014	242,651	9,595,168 ⁽³⁾	43,271	92,663	33.6	30,170 ⁽⁴⁾	3.9%
2013	231,117	8,174,011 ⁽³⁾	43,102	92,599	34.0	29,000 ⁽⁴⁾	4.6%
2012	223,729	8,886,628 ⁽³⁾	41,898	90,939	33.1	27,411 ⁽⁴⁾	6.0%
2011	219,156	8,481,794 ⁽²⁾	41,759	93,258	33.2	27,202 ⁽⁴⁾	6.9%
2010	217,686	8,090,372 ⁽²⁾	57,165	94,903	33.3	26,812 ⁽⁴⁾	7.4%

(1) California Department of Finance at January 1.

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

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

(4) Irvine Unified School District

(5) Employment Development Department

(6) Ed-Data, partnership of the California Department of Education, EdSource and the Fiscal Crisis & Management Assistance Team/California School Information Services.

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

Employer	2019			2010		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	23,884	1	8.70%	14,767	1	7.50%
Blizzard Entertainment Inc.	4,022	2	1.46%	-	-	-
Irvine Unified School District	3,856	3	1.40%	2,495	2	1.27%
Edwards Lifesciences LLC	2,987	4	1.09%	1,934	5	0.98%
Amazon.com Services	2,327	5	0.85%	-	-	-
B Braun Medical	1,910	6	0.70%	1,400	9	0.00%
Broadcom	1,900	7	0.69%	2,290	4	1.16%
Parker Hannifin Corporation	1,650	8	0.60%	1,650	7	0.84%
Glidewell Laboratories	1,538	9	0.56%	1,230	10	0.63%
Western Digital	1,350	10	0.49%	-	-	-
Allergan	-	-	-	1,922	6	0.98%
Cellco Partnership / Verizon Wireless	-	-	-	2,350	3	1.19%
St John Knits	-	-	-	1,619	8	0.83%

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Full-time	103.70	103.00	94.00	92.00	87.00	88.00	82.00	80.00	80.00	89.00
Part-time	14.44	12.01	14.61	14.61	15.92	12.53	9.28	8.60	9.06	10.40
Non-hourly	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Public Safety										
Full-time	326.30	322.00	319.00	308.00	304.00	298.00	290.00	290.00	291.00	295.00
Part-time	38.62	38.30	32.87	33.35	31.44	30.95	30.95	31.05	31.33	33.80
Non-hourly	53.00	49.00	46.00	44.00	42.00	39.40	32.40	32.40	30.40	30.40
Public Works										
Full-time	142.25	139.25	155.00	150.00	140.00	142.00	122.00	121.00	123.00	134.00
Part-time	5.24	5.24	5.24	6.50	6.00	4.30	1.75	1.75	3.50	4.00
Community Development										
Full-time	111.00	114.00	113.00	109.00	108.00	102.00	99.00	101.00	101.00	104.00
Part-time	2.80	3.30	2.80	2.80	1.80	1.80	1.80	2.60	2.60	2.60
Non-hourly	6.00	6.00	6.00	6.00	6.00	6.00	6.00	11.00	11.00	11.00
Community Services										
Full-time	127.00	127.00	125.00	118.00	109.00	108.00	113.00	114.00	114.50	118.00
Part-time	282.73	274.77	262.33	250.44	212.95	197.69	196.63	185.11	177.54	178.20
Non-hourly	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Transportation										
Full-time	21.75	15.75	-	-	-	-	-	-	-	-
Part-time	0.50	-	-	-	-	-	-	-	-	-
Non-hourly	5.00	5.00	-	-	-	-	-	-	-	-
Great Park										
Full-time	-	-	-	-	-	-	30.00	33.00	29.50	23.00
Part-time	-	-	-	-	-	-	7.13	4.88	4.68	4.70
Non-hourly	-	-	-	-	-	-	5.00	9.00	9.00	39.00
Total	1,262.33	1,236.62	1,197.85	1,156.70	1,086.11	1,052.67	1,048.94	1,047.39	1,040.11	1,099.10

Note:

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

Transportation department was established in fiscal year 2017-18.

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

Source: Various City departments

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

FUNCTION	Fiscal Years as of June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police Safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	61	61	55	51	49	52	46	46	44	44
Fire stations ⁽¹⁾	12	12	12	12	11	11	11	11	11	11
Public Works										
Streets (miles)	2,035	2,002	1,985	1,973	1,931	1,922	1,879	1,851	1,827	1,735
Traffic signals	366	356	344	344	341	338	337	330	330	327
Streetscape (acres)	938	918	918	911	889	872	834	808	781	773
Open space/greenbelts (acres)	6,672	6,638	6,638	6,638	5,600	5,590	5,250	5,250	5,250	5,250
Bicycle trails (miles)	364	154	154	154	152	152	151	151	151	147
Off-street bicycle trails (miles)	71	65	62	62	59	57	54	54	45	44
Culture and Recreation										
Community athletic parks	23	20	20	19	19	19	19	18	18	18
Multi use centers	18	16	15	15	14	14	14	13	12	12
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	70	63	41	41	41	40	40	38	38	36
Swimming pools	3	3	3	3	3	4	4	4	4	4
Batting cages	22	14	14	14	14	14	14	14	14	14
Basketball courts	36	35	31	31	31	30	29	29	29	29
Racquetball/handball courts	14	14	14	14	14	14	14	14	14	10
Tennis courts	98	91	64	64	64	64	64	64	61	59
Volleyball courts	23	22	17	17	17	16	16	16	16	15

(1) Joint Power Authority with Orange County Fire Authority

Source: Various City departments

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

FUNCTION	2019	2018	2017	2016
General Government				
Checks/wire transfers	50,333	51,905	47,912	46,499
Number of purchase orders placed	2,192	2,324	2,151	2,146
Police				
Animal control service calls	7,785	8,635	8,741	9,975
Physical arrests	2,155	2,501	2,811	3,109
Parking citations	6,853	6,272	5,171	4,413
Traffic citations	22,050	18,848	20,151	19,641
Highways and Streets				
Arterial street resurfacing (centerline miles)	42.22	48.94	65	58
Arterial street sweeping (curb miles)	40,346	39,817	39,542	39,189
Community Development				
Building inspections completed	174,363	220,565	225,782	194,718
Building permits issued	16,764	15,924	15,165	14,187
Culture and Recreation				
Recreational & instructional classes offered	9,345	11,530	9,624	9,238
Recreational & instructional enrollees	164,380	136,857	108,711	101,252
Recreational & internet registrants for classes	64%	58%	56%	56%
Youth services participation units	NA	NA	NA	NA
Redevelopment ⁽¹⁾				
Number of discretionary applications processed	-	-	-	-
Number of demolition permits issued	-	-	-	-
Number of grading/building permits issued	-	-	-	-

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

Source: Various City departments

2015	2014	2013	2012	2011	2010
46,112	44,607	45,105	44,672	44,422	47,252
1,681	1,936	1,953	2,316	2,211	2,172
9,741	10,580	10,664	10,309	8,639	8,510
2,506	2,774	2,824	2,802	2,579	2,819
4,056	4,824	6,934	4,702	4,793	6,639
21,266	23,541	23,221	26,395	19,426	29,707
36	40	47	44	17	41
38,884	38,449	38,401	38,300	38,204	38,204
190,409	160,718	151,835	127,964	87,563	63,363
13,577	12,635	12,029	10,201	10,582	8,030
8,826	8,890	8,151	8,203	7,671	7,546
95,618	99,811	90,027	81,271	71,853	70,998
57%	50%	52%	54%	56%	56%
NA	NA	NA	NA	87,517	75,240
-	-	-	-	231	10
-	-	-	-	9	8
-	-	-	-	47	44

City of Irvine
Miscellaneous Statistical Information
June 30, 2019

<u>Date of Incorporation</u>	-	December 28, 1971
<u>Form of Government</u>	-	Charter, Council-Manager
<u>Incorporated Area</u>	-	66 square miles
<u>City Tree</u>	-	Camphor
<u>City Flower</u>	-	Lily of the Nile
<u>Registered Voters as of February 10, 2019</u>	-	128,884
<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	-	938
Community Parks	-	1,098.6
Neighborhood Parks	-	178.6
Sports Field	-	188
<u>Educational Facilities and Services Excluded in the Reporting Entity</u>		
Education:		<u>Number</u>
Elementary Schools	-	26
Middle Schools	-	6
High Schools	-	5
Continuation/Independent Study High School	-	2

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

About the Cover

Portola Springs Community Park, opened in January 2019, offers commanding views of the city as well as 32 acres of lighted ballfields, sports courts, playgrounds, and a community center. Offering a glimpse into Irvine's historical past, the park's 14,000-square-foot community center features a Native American wing, showcasing artifacts dating back more than 13,000 years.

Photography courtesy of Irvine Company

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