

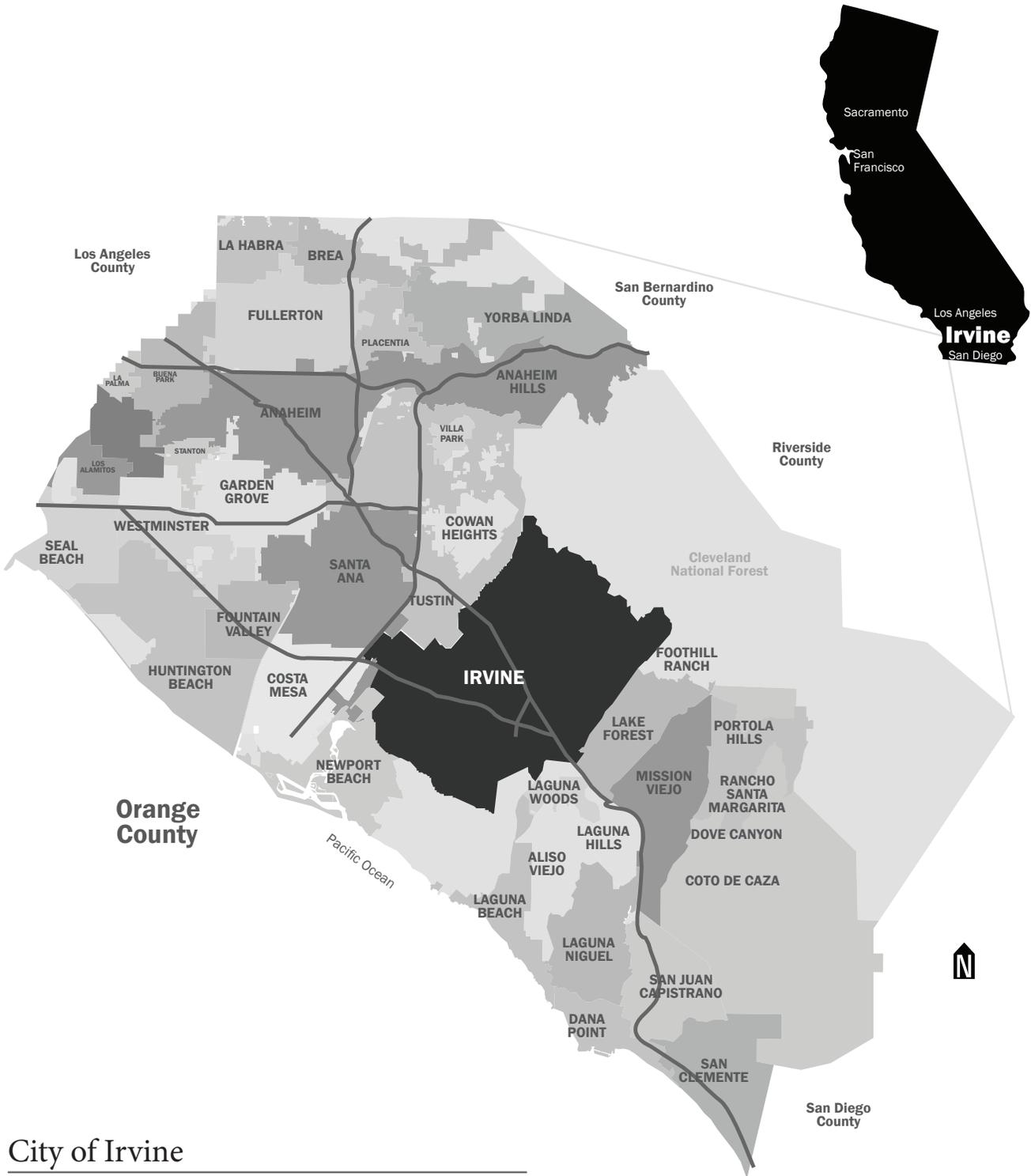
CITY OF IRVINE, CALIFORNIA



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2023





## City of Irvine

Incorporation: December 28, 1971  
 Population: 303,051  
 Size: 66 square miles  
 Sphere of Influence: 74 square miles (approx.)



**City of Irvine**  
**Annual Comprehensive Financial Report**  
For the Fiscal Year Ended June 30, 2023



**Prepared by Fiscal Services**



**City of Irvine**  
**Annual Comprehensive Financial Report**  
For the Fiscal Year Ended June 30, 2023

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

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Irvine (City) for the fiscal year ended June 30, 2023. 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 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.

CliftonLarsonAllen, 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, 2023 are free of material misstatement. The independent auditor concluded it was reasonable to render unmodified opinions and that the City's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. Their report is presented in the beginning of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The City of Irvine's Single Audit Report is separately available.

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 303,051 in 2023.

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 two-year 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 its 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 diverse programs and services it provides to the City's youngest, oldest, and most vulnerable populations. The City contracts with the Orange County Fire Authority for fire protection and emergency medical aid services. The Orange County Transportation Authority provides transit services in the City alongside the City 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 Great Park Corporation; a nonprofit corporation, the Irvine Community Land Trust; and the Irvine Public Facilities and Infrastructure Authority; a corporate public body created by the City for the construction, acquisition, maintenance, and improvements of public facilities and infrastructure within the City.

## **ECONOMIC CONDITION**

Irvine has financially recovered from the challenging financial environment caused by the COVID-19 pandemic that significantly impacted the City's revenues. Consumer demand increased and services have returned to normal and continues to expand through economic growth, resulting in the City ending the fiscal year in a positive financial position.

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.

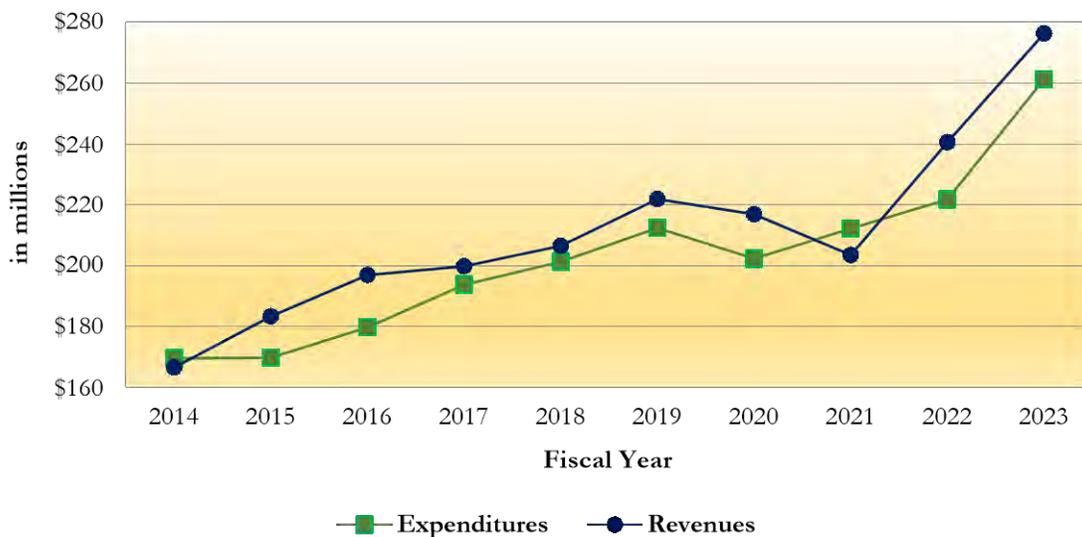
For example, for the eighth consecutive year, the City was voted the “Best City to Live in” by the *Orange County Register* and third “Best City for Women” in a study conducted by *WalletHub.com*. The City was also ranked as the 10<sup>th</sup> “Healthiest City of America” and 6<sup>th</sup> “Happiest City in America” by *WalletHub.com*. The City received a 2022 Digital Cities Survey award from the Center for Digital Government, a national research and advisory institute focused on technology policy and best practices in state and local government. The City was awarded a Top Workplaces 2022 honor and ranked No. 17 on the list of large companies with 500 or more employees in the 15<sup>th</sup> annual *The Orange County Register’s* list of Top Workplaces awards and magazine publication.

For the 17<sup>th</sup> consecutive year, the City’s Purchasing division received the prestigious National Procurement Institute’s *Achievement of Excellence in Procurement Award*, which recognizes organizational excellence in public procurement. The City is one of only 67 cities nationwide to receive this award.

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 use 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 2022-23 increased 14.8 percent from the prior fiscal year. Expenditures increased by 17.8 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



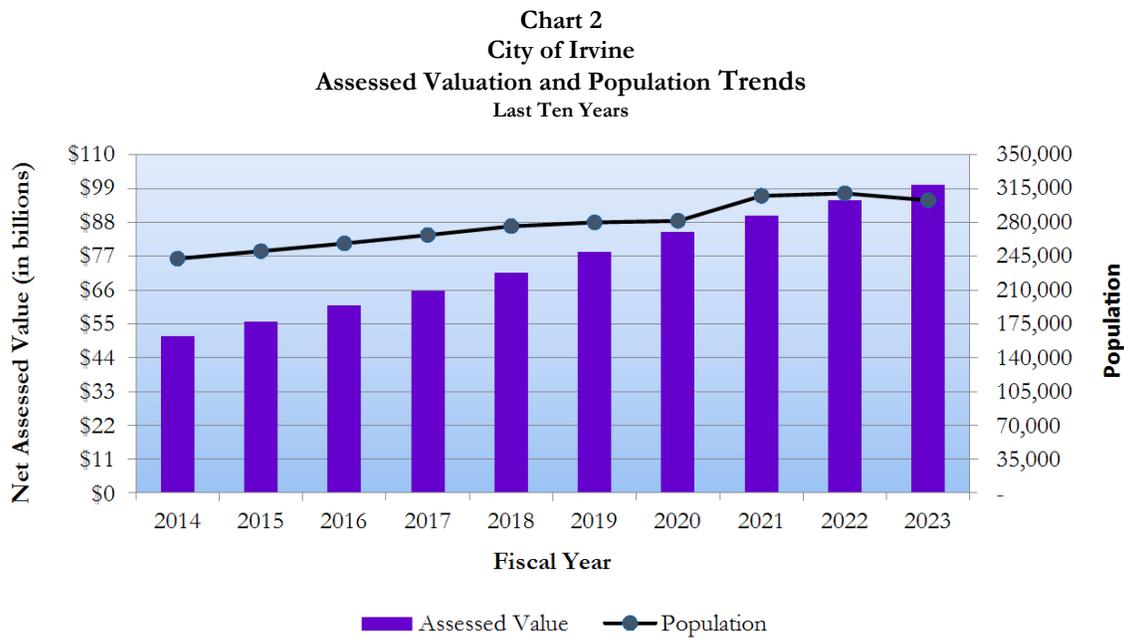
Sales tax is the City's largest General Fund revenue source with revenues of \$94.2 million, an increase of 12.2 percent over the prior fiscal year. Property tax is the second largest General Fund revenue source with revenues of \$90.8 million, an increase of 6.5 percent over the prior fiscal year. In addition, hotel taxes finished at \$16.9 million, an increase of 23.1 percent over the prior year. The increase in sales and hotel taxes is in direct response to the pent up demand for consumer goods and travel due to the pandemic and the reopening of many businesses during the fiscal year.

Since 2004, when the State swapped cities' motor vehicle license fee allocations for additional property tax revenue, property tax revenue continues to be a more significant revenue source for the City. Property tax growth reflects both new development and increasing property values in Irvine. Chart 2 compares the total assessed valuation of property located in Irvine against the annual population for the past 10 fiscal years.

General Fund revenues are forecasted to increase by approximately 7.7 percent in fiscal year 2023-24 and 3.9 percent in fiscal year 2024-25.

In fiscal year 2022-23, the City's net assessed property value grew 5.3 percent from the previous fiscal year, to \$100.2 billion. In June, the Orange County Assessor reported Irvine's net assessed property valuation will increase 7.3 percent for fiscal year 2023-24, leading the county with an assessed value of \$107 billion.

According to the latest U.S. Census Bureau information, the City's population is 303,051 and is the 2<sup>nd</sup> largest City in Orange County and is the 18<sup>th</sup> largest City in California.



The budget serves as the foundation for the City's financial planning and budgetary control, and the City Council is required to adopt the budget by the start of the fiscal year (i.e., July 1). The budget is prepared by fund (e.g. Asset Management Plan 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 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.

City of Irvine residents are encouraged to participate in the budget planning process through a variety of avenues, such as participating in several commission meetings, or by attending community meetings, business roundtables, or public hearings at City Council meetings. Transparency in the budget process and the outcome is a central tenet to the City, as evidenced through a variety of resources including online webinars, the budget website, as well as the transparency portal.

The City's Biennial Budget and Five-Year Strategic Business Plan are built upon the City Council's strategic priorities and provide a long-term policy framework and financial plan to deliver high quality programs and services to the community. The City's five strategic priorities include:

1. Quality of Life
2. Natural Environment
3. Traffic and Mobility
4. Fiscal Strength
5. Organizational Excellence

Fiscal year 2021-23 represented the second biennial budget cycle and the City Council is required to adopt the budget by the start of the fiscal year (i.e., July 1)

The Plan 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 Plan establishes the foundation and framework for guiding policy and financial management decisions. This long-term perspective integrates strategic planning and budgeting to forecast projections for five years and positions the City to identify issues early and make adjustments when necessary.

In June 2013, the Irvine City Council adopted a plan to stabilize future pension cost increases. The goal is to attain a level of 98 percent pension funding status, leveraging funds from the City's Asset Management Plan and General Fund, when available. As of the last valuation report, June 30, 2022, the pension funding status was 80.1 percent funded for the Miscellaneous Plan and 79.5 percent funded for the Safety (Sworn) Plan, up from 66.7 percent and 70.5 percent respectively, from when the plan was implemented. As of June 30, 2023, the City has paid down an additional \$63.2 million towards the unfunded pension liability, since 2013.

In addition to sound fiscal planning, the City maintains a host of policies designed to foster a culture of long-term fiscal sustainability. The policies cover long-term financial planning, infrastructure funding, debt management, and other related financial areas. One of the important policies puts into effect minimum reserves.

The City Council adopted a General Fund Contingency Reserve policy which seeks to maintain the reserve 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, 2023, the contingency reserve balance is \$57.2 million or 24.0 percent of fiscal year 2023-24 General Fund adopted operating budget.

The City's budgetary procedures are further discussed in section II.A. of the notes to the basic financial statements.

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## 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 44th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an Annual Comprehensive Financial Report 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 Annual Comprehensive Financial Report 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 2021-23 budget document. These award programs judge a government's budget document for compliance with national (GFOA) and statewide (CSMFO) budgeting best practices.

The Annual Comprehensive Financial Report reflects the hard work, talent, and commitment of the Fiscal Services Division staff in particular, and the cooperation of the entire Administrative Services Department. This document could not have been completed without their effort and assistance and we express our appreciation to all members of the department who assisted and contributed to the preparation of the Annual Comprehensive Financial Report. Appreciation is also expressed to the Finance Commission, Investment Advisory Committee, the City Manager, and the entire executive team for its 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 "Dahle Bulosan", with a stylized flourish at the end.

Dahle Bulosan  
Director of Administrative Services







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Irvine  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# IRVINE CITY OFFICIALS

June 30, 2023



**Farrah N. Khan**  
Mayor



**Tammy Kim**  
Vice Mayor



**Larry Agran**  
Councilmember



**Mike Carroll**  
Councilmember

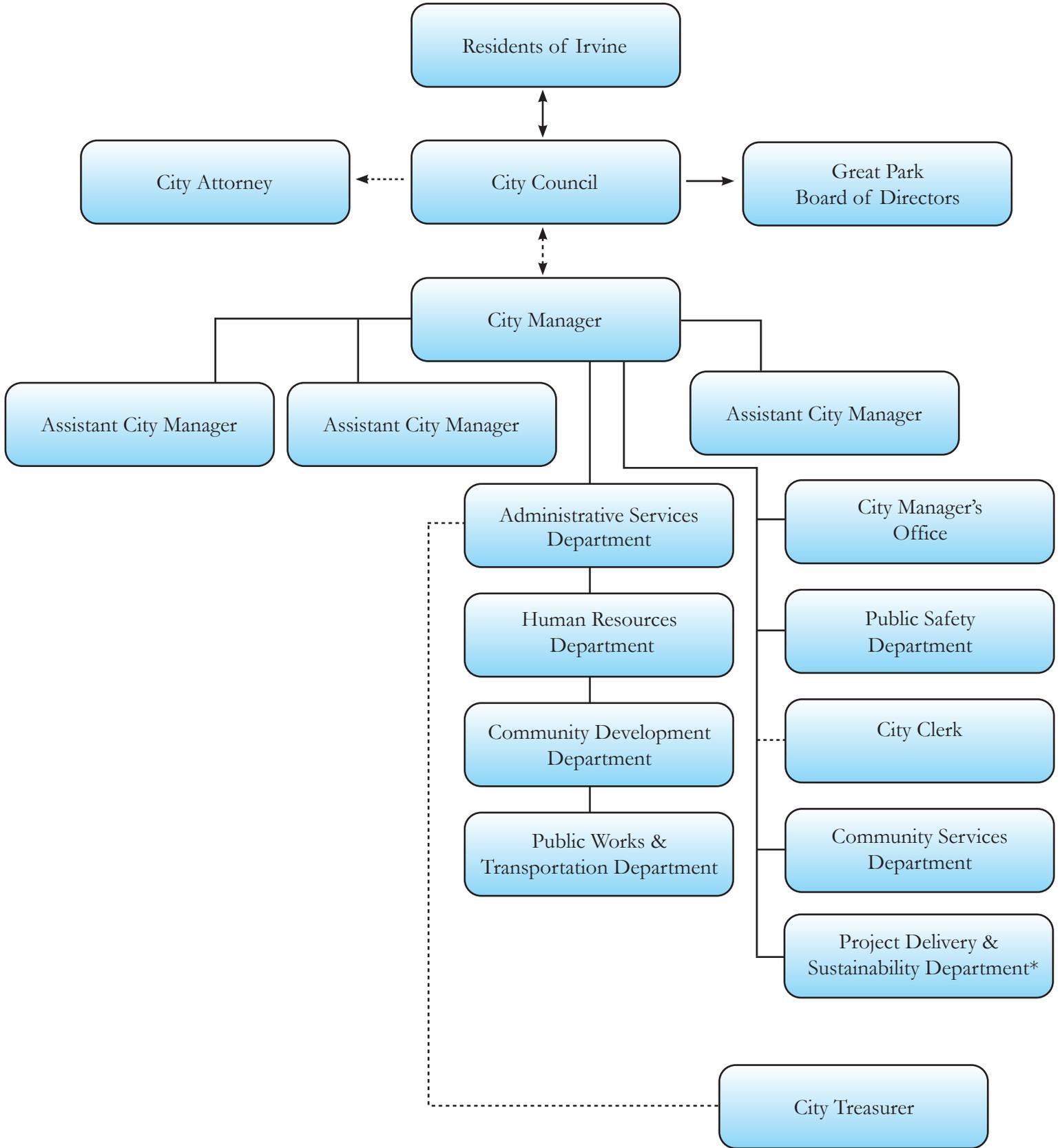


**Kathleen Treseder, Phd**  
Councilmember

City Manager  
**Oliver C. Chi**

Assistant City Manager.....	Brian King
Assistant City Manager.....	Michelle Grettenberg
Assistant City Manager.....	Pete Carmichael
City Attorney.....	Jeff Melching
City Clerk .....	Carl Petersen
Director of Administrative Services .....	Dahle Bulosan
Director of Community Development .....	Tim Gehrich
Director of Community Services.....	Chris Slama
Director of Human Resources .....	Jimnee Medina
Director of Project Delivery & Sustainability .....	Sean Crumby
Director of Public Safety .....	Michael Kent
Director of Public Works & Transportation.....	Jaimee Bourgeois

# City of Irvine



----- Appointed by City Council

\*During the 2022-23 fiscal year, Project Delivery & Sustainability Department was officially established. Activities of this new department are set to commence in the subsequent fiscal year.









## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Great Park special revenue fund, Local Park Fees special revenue fund, and the Irvine Public Facilities and Infrastructure Authority debt service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Irvine Community Land Trust, which represents 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Irvine Community Land Trust were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Change in Accounting Principle***

As described in Note 1 to the financial statements, effective July 1, 2022, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***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 total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary 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 combining and individual non-major fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
January 24, 2024



# 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, 2023. 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 follows 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.

#### 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, liabilities, deferred inflows, and deferred outflows, 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 and transportation, community development, and community services.

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, Great Park Fund, Local Park Fees Fund, Irvine Facilities Financing Authority, Great Park Development Fund, and Community Facilities Districts Fund; all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic financial statements also include budgetary comparison statements for the General Fund, Great Park Fund, and Local Park Fees Fund 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; the resources of these 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 follow 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.

## Financial Highlights

- At the fiscal year end, June 30, 2023, the City's total net position increased by \$747 million. The increase is a combination of a 206 percent increase in total revenue offset with an 18 percent increase in expenses compared to the prior year. This significant increase in revenues is due to 1) the City received 71 acres of developable land with an estimated value of \$334 million and 2) and influx of approximately \$466 million of special district contributions into the Community Facilities Districts fund for development activities.
- As of June 30, 2023, the City's governmental funds reported a combined ending fund balance of \$1.90 billion, an increase of \$738 million in comparison with the prior year. Revenues increased by 55 percent, which was offset by the expenditures increasing 17 percent. The revenue increase is from the additional special district funding received in the Community Facilities Districts fund. In addition, the City concluded a Lease Revenue Bond offering which increased Other Financing Sources by \$334 million. The bond proceeds will be used to purchase and close an asphalt plant in Northern Irvine.
- At June 30, 2023, committed, assigned, and unassigned fund balance for the general fund was \$231 million. This represents an increase of \$3 million, or less than one 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 City's total long-term liabilities increased by \$342 million during the current fiscal year, mostly due to the new lease revenue bond of \$334 million.

## 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, 51 percent, reflects its net investment in capital assets (e.g., land, buildings and systems, improvements other than buildings, machinery and equipment, intangible assets, infrastructure, and construction in progress); less any related outstanding debt or other borrowings (also includes contract payable, retainage, and accounts payable related to the purchase of capital assets) 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, 2023 and 2022**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current and other assets	\$ 2,415,064	\$ 1,370,118
Capital assets	1,930,334	1,910,611
Total Assets	4,345,398	3,280,729
<b>Deferred Outflow of Resources</b>		
Pension and OPEB related items	104,369	41,402
<b>Liabilities</b>		
Other liabilities	93,164	129,290
Long-term liabilities	546,204	72,823
Total Liabilities	639,368	202,113
<b>Deferred Inflows of Resources</b>		
Leases	20,790	8,537
Pension and OPEB related items	11,101	79,976
Total Deferred Inflow of Resources	31,891	88,513
<b>Net Positions</b>		
Net investment in capital assets	1,909,569	1,892,115
Restricted	1,305,809	571,035
Unrestricted	563,130	568,355
Total Net Position	\$ 3,778,508	\$ 3,031,505

During the fiscal year ended June 30, 2023, the net position of the City was \$3.78 billion, of which \$1.91 billion was the net investment in capital assets such as equipment, buildings, and infrastructure. Of the remaining total, \$1.31 billion, which is an increase of \$734.77 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 \$563.13 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.

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**City of Irvine**  
**Summary of Changes in Net Position**  
**For the Years Ended June 30, 2023 and 2022**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 111,634	\$ 106,573
Operating grants and contributions	38,331	85,415
Capital grants and contributions	824,445	16,785
General revenues:		
Property taxes	94,747	89,089
Sales taxes	94,241	84,008
Transient occupancy taxes	21,168	13,750
Franchise taxes	17,789	15,236
Document transfer taxes	3,602	4,861
Other taxes	576	314
Investment revenue	3,868	(26,444)
Other revenues	323	5,894
Total Revenues	1,210,724	395,481
<b>Expenses</b>		
General Government	46,583	74,944
Public Safety	113,807	84,025
Public Works & Transportation	147,662	90,102
Community Development	36,392	36,450
Community Services	56,357	46,450
Interest on long-term debt	3,853	8
Unallocated infrastructure depreciation	59,067	61,455
Total Expenses	463,721	393,434
<b>Change in Net Position</b>	747,003	2,047
Beginning Net Position	3,031,505	3,029,458
Ending Net Position	\$ 3,778,508	\$ 3,031,505

Overall, Citywide revenues for the fiscal year ended June 30, 2023, increased by \$815.24 million, a 206 percent increase from the prior year. Most of this increase came from program revenues, 179 percent, with general revenues increasing 27 percent from the previous fiscal year.

- Program revenues includes operational and capital grants and charges for services which increased \$765.64 million. There are two significant transactions that compose a majority of this increase, an acceptance of 71 acres of residential land through an agreement for development concessions, the land is valued at \$334 million. The other significant revenue is the receipt of \$465.63 million of special district contributions for development in certain development area in the City.
- The City's general revenues experienced an increase of \$49.61 million. Tax revenues had an increase of \$24.87 million and investment income increased \$30.31 million. During fiscal year 2022-23, investments that matured were reinvested in a significantly higher interest rate environment. The average yield to maturity increased almost a full percentage point during the fiscal year.

Total expenses increased \$70.29 million, a 17.87 percent increase from the previous year. One of the prevalent reasons for the increase was from the growth in salaries and benefits as a result of changes in employee's Memorandum of Understanding and the filling of positions as programs and services return to pre COVID levels. Public Safety, Public Works & Transportation, and Community Services experienced the largest increases of \$29.78 million, \$57.56 million, and \$9.91 million, respectively.

- General Government is the administration of the City and Great Park. The decrease of \$28.36 million is primarily due to the close out of the construction funds within Assessment District 97-16, Northwest Irvine and Assessment District 97-17, Lower Peters Canyon East in the prior year. This was a one-time expense in the fiscal year 2021-22.
- 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 \$29.78 million. The department's increase is mainly due to the expansion of sworn personnel to serve the developing areas of the City and the increase in pension costs for the sworn personnel.
- Public Works & Transportation is designated with developing, building, and maintaining public infrastructure and facilities. The department had a \$57.56 million increase from the prior fiscal year. The increase is a combination of an increase in governmental fund expenditures and an increase in capital outlay expense for repair and maintenance of City's infrastructure, which is recognized within the government-wide financial statements.
- Community Development is entrusted with planning the City's residential communities, commercial and industrial centers, and ensuring that all of the construction in the City complies with building codes. The City's Neighborhood Services program includes the administration of federal housing grant programs and code enforcement. Its expense remained relatively flat with a slight decrease of \$0.58 million.
- 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 increase of \$9.91 million from the prior fiscal year is due to programs returning to normal, requiring appropriate staffing, contract classes, and instructors. This also includes a modification in accounting methods between the government-wide financial statements and governmental funds financial statements.

## 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, 2023, the City's governmental funds reported a total combined ending fund balance of \$1.90 billion. Approximately 49 percent of the City's governmental funds ending fund balances, or \$930.02 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, \$973.18 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 \$1.09 million consists of a \$0.50 million endowment for senior citizen services programs and \$0.59 million of prepaid expenditures. The remaining restricted funds totaling \$972.09 million are comprised of \$958.11 million for capital improvement projects, such as streets, parks, and facilities, \$4.25 million for affordable housing activities, \$2.17 million for public education, \$0.53 million for public transportation, \$3.15 million for law enforcement purposes, \$0.85 million for air quality improvement activities, \$0.56 million for animal care, and \$2.47 million for senior, public, recycling, and community service activities.

### General Fund Financial Highlights

The General Fund is the chief operating fund of the City. At June 30, 2023, committed, assigned, and unassigned fund balance of the General Fund was \$230.66 million, while total fund balance was \$230.78 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 88 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, 2023, the cash and investments balance in the General Fund was \$234.49 million, an increase of \$4.54 million from the previous fiscal year.

**City of Irvine**  
**Summary of Changes in Fund Balances - General Fund**  
**For the Years Ended June 30, 2023 and 2022**  
(amounts expressed in thousands)

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Taxes:		
Property	\$ 92,794	\$ 85,209
Sales	94,241	84,008
Other	38,862	32,439
Total Taxes	<u>225,897</u>	<u>201,656</u>
Charges for services	30,715	28,966
Intergovernmental	901	773
Investment income	1,175	(6,134)
Other	17,665	15,380
Total Revenues	<u>276,353</u>	<u>240,641</u>
<b>Expenditures</b>		
General Government	27,384	23,511
Public Safety	103,520	92,570
Public Works & Transportation	56,310	40,345
Community Development	29,173	25,499
Community Services	44,939	39,860
Debt service:		
Principal retirement	-	24
Interest and fiscal charges	-	1
Total Expenditures	<u>261,326</u>	<u>221,810</u>
Excess (Deficiency) of Revenues	<u>15,027</u>	<u>18,831</u>
Proceeds from sale of property	-	34
Proceeds from financing of capital asset	-	100
Net transfers	<u>(11,902)</u>	<u>50,043</u>
<b>Net Change in Fund Balance</b>	<u>\$ 3,125</u>	<u>\$ 69,008</u>

- Overall, General Fund revenues for the fiscal year ended June 30, 2023, grew by \$35.71 million, or 15 percent, over the prior year. Sales taxes the City's largest tax revenue increased \$10.23 million over last year, mainly attributable to the consumer spending and general growth in the economy. Property taxes grew \$7.59 million, due to the continued new development in the City and the appreciation in Irvine's residential real estate prices. All other tax revenues such as hotel tax and franchise tax increased \$6.42 million. Charges for service increased a modest \$1.75 million, as demand continues for City services. Investment income rose \$7.31 million, during fiscal year 2022-23, investments that matured were reinvested in a significantly higher interest rate environment. The average yield to maturity increased almost a full percentage point during the fiscal year.

Total General Fund expenditures increased by \$39.52 million, or 18 percent, from the prior year. The significant changes in expenditures, by function, occurred as follows during the fiscal year:

- Public Works & Transportation expenditures increased by \$15.97 million to \$56.31 million. Public Works & Transportation continues to take the lead on all City construction and rehabilitation projects such as facilities, streets, parks, and street signals. The increase is primarily due to increases in contract services, operation cost, and inflation.
- Public Safety expenditures increased by \$10.95 million to \$103.52 million. Public Safety provides for the citizen's safety within the City's residential communities, commercial and industrial centers, and recreational and open space areas. The increase was attributable to an increase in labor and benefit costs due to new labor contracts, overtime for public safety increased, and contract services.

### **General Fund Budgetary Highlights**

Differences between the General Fund original budget expenditures and the final amended budget were \$45.72 million and are briefly summarized as follows:

#### Increases (Decreases) for activities:

- \$9.22 million for General Government
  - Budget increase for new labor contracts and carryover of prior year appropriations for the Challenge Match Grant program.
- \$10.52 million for Public Safety
  - Additional funding allocated as a result of new labor contracts, staff costs to backfill position vacancies, and carryover of prior year appropriations for the behavioral health mobile outreach service in coordination with the Be Well OC of the Irvine Recovery Plan program from the American Rescue Plan Act funding.
- \$6.51 million for Public Works & Transportation
  - Budget increased primarily due to new labor contracts and approved new programs to support the Irvine Recovery Plan as a result of the American Rescue Plan Act funding. These programs are tree planting, drainage improvements, sterilization systems at the Aquatic Center, and drought tolerant drip irrigation.
- \$12.91 million for Community Development and \$3.90 million for Community Services
  - Budget increases also for the Irvine Recovery Plan due to the American Rescue Plan Act. Some of the approved projects for Community Development and Community Services include Irvine Recovery Plan Vulnerable Populations and Small Business Assistance Grants, One Irvine, housing, childcare assistance, and food insecurity set aside, and Child, Youth and Family Strategic Plan.

In each of the functional expenditure categories, actual expenditures were less than final budgeted amounts, except for Public Works and Transportation which overspent its budget by \$8.22 million. The additional expenditures were primarily for increased costs in electric utility and contract services. The General Fund under expended its budget of \$279.73 million by \$18.41 million for a total expenditure of \$261.33 million. Additionally, for the fiscal year ended June 30, 2023, revenues received were greater than budgetary estimates, at \$276.35 million and \$254.29 million, respectively. The General Fund operating revenues exceeded expenditures by \$15.03 million. In addition, net other financing sources and uses were \$11.90 million to other funds. Overall, there was a \$3.13 million increase to the ending fund balance, resulting in a year-end fund balance of \$230.780 million.

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

The Great Park Fund accounts for transactions relating to the development and operations of the Great Park located on the site of the former Marine Corps Air Station (MCAS) at El Toro. Current year revenues totaled \$22.08 million of which \$1.25 million was received from developers and \$11.61 million from special assessment from property owners within certain special districts. Current year expenditures and net transfers were \$14.91 million for the development and operations of the Great Park and additional City rehabilitation requirements. The ending fund balance is a combination of \$0.47 million of nonspendable and \$257.97 million of assigned fund balance to be utilized for the operation, maintenance, and future development of the Great Park.

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 \$7.15 million in local park fees and expended \$2.34 million on park development. The remaining fund balance of \$144.81 million is restricted for the development of recreational facilities within the various development areas within the City.

The Irvine Facilities Financing Authority accounts for the accumulation and disbursement of monies to meet the debt service requirements for the Series 2023A lease revenue bonds. The fund received proceeds from lease revenue bonds and bond premiums of \$333.67 million and bond issuance costs of \$3.18 million. The ending fund balance of \$330.49 is restricted for the activities of the bond indenture.

The Great Park Development Fund accounts for expenditures related to the planning, design, demolition, and construction of the Great Park. Current year expenditures were \$6.50 million. Funding for these efforts are transfers from the Great Park Fund and Local Park Fees Fund. The ending fund balance of \$14.07 million is assigned to the purposes of this fund.

The Community Facilities Districts Fund accounts for infrastructure improvements associated with the Great Park. Revenues are primarily from Community Facilities Districts contributions and expenditures are primarily for capital outlay. During the year, \$497.44 million in revenues, including interest, were received and \$97.31 was expended. The ending fund balance of \$487.64 is restricted for the purpose of this fund.

## **Capital Assets and Debt Administration**

The City's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$1.93 billion net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, intangible assets, park facilities, streets and roads, trails, and bridges. The increase over the previous fiscal year in the City's investment in capital assets net of depreciation was \$15.20 million, or less than one percent.

**City of Irvine**  
**Summary of Change in Capital Assets**  
**For the Year Ended June 30, 2023**  
(amounts expressed in thousands)

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 848,110	\$ 164	\$ -	\$ 848,274
Construction in progress	112,594	22,409	93,958	41,045
Total capital assets not being depreciated	<u>960,704</u>	<u>22,573</u>	<u>93,958</u>	<u>889,319</u>
Capital assets, being depreciated:				
Buildings and systems	230,643	8,615	-	239,258
Improvements other than buildings	245,067	85,343	-	330,410
Machinery and equipment	38,038	5,916	2,592	41,362
Intangible asset, right to use, restated	4,519	2,064	83	6,500
Infrastructure	1,947,623	68,403	-	2,016,026
Total capital assets being depreciated	<u>2,465,890</u>	<u>170,341</u>	<u>2,675</u>	<u>2,633,556</u>
Less accumulated depreciation for:				
Buildings and systems	(87,638)	(5,739)	-	(93,377)
Improvements other than buildings	(141,302)	(12,880)	-	(154,182)
Machinery and equipment	(29,879)	(3,229)	2,538	(30,570)
Intangible asset, right to use, restated	-	(2,782)	83	(2,699)
Infrastructure	(1,252,645)	(59,068)	-	(1,311,713)
Total accumulated depreciation	<u>(1,511,464)</u>	<u>(83,698)</u>	<u>2,621</u>	<u>(1,592,541)</u>
Total capital assets, being depreciated, net	<u>954,426</u>	<u>86,643</u>	<u>54</u>	<u>1,041,015</u>
Governmental activities capital assets, net	<u>\$ 1,915,130</u>	<u>\$ 109,216</u>	<u>\$ 94,012</u>	<u>\$ 1,930,334</u>

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

- Machinery and equipment acquisitions of \$5.92 million includes vehicles, computer hardware, and other types of machinery and equipment.
- Improvements other than buildings increased \$85.34 million and building and systems increased \$8.62 million due to the continues completion of construction within the Great Park.
- Infrastructure additions were \$68.40 million. Street additions accounted for \$50.69 million, traffic signal additions totaled \$4.29 million, bridge additions totaled \$2.72 million, trail additions totaled \$0.60 million, and landscaping additions were \$10.10 million.

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, 2023, was \$381.45 million, an increase of \$341.57 million from the prior year.

**City of Irvine**  
**Summary of Changes in Long-Term Liabilities**  
**For the Year Ended June 30, 2023**  
**(amounts expressed in thousands)**

	Balance			Balance June 30, 2023	Long- Term	Due Within One Year
	June 30, 2022	Increases	Decreases			
Lease Revenue Bond:						
Series 2023 A	\$ -	\$ 326,280	\$ -	\$ 326,280	\$ 326,280	\$ -
Unamortized issuance premiums	-	7,388	-	7,388	7,388	-
Total Lease Revenue Bond	-	333,668	-	333,668	333,668	-
Other Debt:						
Compensated absences	18,488	9,375	5,345	22,518	15,940	6,578
Claims payable	21,317	10,508	9,530	22,295	17,641	4,654
Subscription liability, restated	4,380	2,064	3,550	2,894	1,430	1,464
Contract capital payable	76	-	-	76	55	21
Total Other Debt	44,261	21,947	18,425	47,783	35,066	12,717
Total Long-Term Liabilities	\$ 44,261	\$ 355,615	\$ 18,425	\$ 381,451	\$ 368,734	\$ 12,717

Long-term liability-related events during the fiscal year ended June 30, 2023, included:

- Lease revenue bonds were sold in fiscal year 2022-23. The bond total was \$326.28 million with a bond premium of \$7.39 million. The bond mature on May 1, 2053.
- Compensated absences liabilities increased by \$5.35 million and payouts to employees upon termination amounted to \$9.38 million for a net increase of \$4.03 million.
- A net increase to claims payable of \$0.98 million to adjust for possible future general liability and workers' compensation claims.
- Subscription liability is a new accounting pronouncement the City implemented July 1, 2022. The right to use certain subscription assets (an intangible asset), has a future liability of \$2.89 million.
- In fiscal year 2021-22, the City entered into a capital finance purchase for Public Safety equipment, the final payment will be paid in June of 2026.

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 biennial budget preparation, can be obtained from the City's 2021-23 biennial citywide budget, available through the Administrative Services 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 Director of Administrative Services, Post Office Box 19575, Irvine, CA 92623-9575.



# BASIC FINANCIAL STATEMENTS



**City of Irvine**  
**Statement of Net Position**  
**June 30, 2023**  
(amount expressed in thousands)  
Page 1 of 2

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Irvine Community Land Trust</u>
<b>ASSETS</b>		
Cash and investments	\$ 1,896,645	\$ 24,813
Receivables, net of allowances:		
Taxes	26,089	-
Accounts	4,549	-
Leases	20,879	-
Accrued interest	7,435	1,179
Escrow deposits	28,575	-
Prepaid items	1,487	20
Advances to the Successor Agency	35,481	-
Due from the primary government	-	3,074
Due from other governments	22,321	-
Due from developers	23,811	-
Long-term notes receivable, net of allowances	14,092	11,063
Property held for resale	333,700	-
Capital assets, not being depreciated	889,319	33,000
Capital assets, net of accumulated depreciation	1,041,015	1,673
Other assets, noncurrent	-	2,918
	<u>4,345,398</u>	<u>77,740</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	102,874	-
Other post employment benefits related items	1,495	-
	<u>104,369</u>	<u>-</u>

- continued -

**City of Irvine**  
**Statement of Net Position**  
**June 30, 2023**  
(amount expressed in thousands)  
Page 2 of 2

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Irvine Community Land Trust</u>
<b>LIABILITIES</b>		
Accounts payable	24,457	4
Accrued liabilities	26,503	11
Due to component unit	3,074	-
Due to other governments	2,207	-
Deposits	13,839	10
Retentions payable	1,218	-
Unearned revenue	7,921	-
Interest payable	728	-
Noncurrent liabilities:		
Due within one year	12,717	-
Total other post employment benefits	500	-
Due in more than one year	368,734	-
Total other post employment benefits	8,504	-
Net pension liability	168,966	-
Total Liabilities	639,368	25
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Leases	20,790	-
Pension related items	9,628	-
Other post employment benefits related items	1,473	-
Total Deferred Inflows of Resources	31,891	-
<b>NET POSITION</b>		
Net investment in capital assets	1,909,569	34,673
Restricted:		
Expendable:		
Assessment infrastructure and capital improvements	958,127	-
Housing programs	4,373	2,221
Public safety programs	3,153	-
Debt service	333,700	-
Other programs and activities	5,955	-
Nonexpendable:		
Senior Services Fund program	501	-
Unrestricted	563,130	40,821
Total Net Position	\$ 3,778,508	\$ 77,715

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2023**  
(amount expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
<b>Primary Government</b>						
<b>Governmental Activities:</b>						
General Government	\$ 46,583	\$ 16,004	\$ 1,654	\$ 338,338	\$ 309,413	\$ -
Public Safety	113,807	4,191	6,071	-	(103,545)	-
Public Works & Transportation	147,662	52,415	23,550	482,325	410,628	-
Community Development	36,392	18,003	7,056	3,665	(15,254)	-
Community Services	56,357	21,021	-	117	(27,633)	-
Interest on Long-Term Debt	3,853	-	-	-	(3,853)	-
Unallocated infrastructure depreciation	59,067	-	-	-	(59,067)	-
Total Governmental Activities	<u>\$ 463,721</u>	<u>\$ 111,634</u>	<u>\$ 38,331</u>	<u>\$ 824,445</u>	<u>\$ 510,689</u>	
<b>Component Unit</b>						
Irvine Community Land Trust	\$ 747	\$ 507	\$ -	\$ -		\$ (240)
Total Component Unit	<u>\$ 747</u>	<u>\$ 507</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(240)</u>
<b>General Revenues</b>						
Taxes:						
Property taxes					94,747	-
Sales taxes					94,241	-
Franchise taxes					17,789	-
Transient occupancy taxes					21,168	-
Document transfer taxes					3,602	-
Unrestricted motor vehicle in-lieu					318	-
Gain on sales of assets					258	-
Investment revenue					3,868	1,402
Other revenue					323	-
Total General Revenues					<u>236,314</u>	<u>1,402</u>
Change in Net Position					747,003	1,162
Total Net Position, Beginning					<u>3,031,505</u>	<u>76,553</u>
Total Net Position, Ending					<u>\$ 3,778,508</u>	<u>\$ 77,715</u>

See Accompanying Notes to the Basic Financial Statements



**City of Irvine**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**  
(amount expressed in thousands)  
Page 1 of 2

	<u>General</u>	<u>Great Park</u>	<u>Local Park Fees</u>	<u>Irvine Facilities Financing Authority</u>
<b>ASSETS</b>				
Cash and investments	\$ 234,487	\$ 227,706	\$ 144,423	\$ 301,990
Receivables, net of allowances:				
Taxes	25,145	-	-	-
Accounts	3,478	152	-	-
Leases	6,440	14,439	-	-
Accrued interest	3,658	1,026	391	-
Escrow deposits	75	-	-	28,500
Prepaid items	118	472	-	-
Due from other governments	1,202	3,414	-	-
Due from developers	-	-	-	-
Due from the Successor Agency	-	35,481	-	-
Long-term notes receivable, net of allowances	7,528	-	-	-
	<u>\$ 282,131</u>	<u>\$ 282,690</u>	<u>\$ 144,814</u>	<u>\$ 330,490</u>
Total Assets				
<b>LIABILITIES</b>				
Accounts payable	\$ 8,551	\$ 2,358	\$ -	\$ 2
Accrued liabilities	11,286	230	-	-
Due to component unit	-	3,548	-	-
Due to other governments	2,154	10	-	-
Retentions payable	-	-	-	-
Deposits	13,331	-	-	-
Unearned revenue	6,697	180	-	-
	<u>42,019</u>	<u>6,326</u>	<u>-</u>	<u>2</u>
Total Liabilities				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	3,069	3,397	-	-
Leases	6,263	14,527	-	-
	<u>9,332</u>	<u>17,924</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources				
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	118	472	-	-
Restricted	-	-	144,814	-
Committed	57,175	-	-	-
Assigned	154,143	257,968	-	330,488
Unassigned	19,344	-	-	-
	<u>230,780</u>	<u>258,440</u>	<u>144,814</u>	<u>330,488</u>
Total Fund Balances (Deficits)				
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 282,131</u>	<u>\$ 282,690</u>	<u>\$ 144,814</u>	<u>\$ 330,490</u>

- continued -

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**  
(amount expressed in thousands)  
Page 2 of 2

	<u>Great Park Development</u>	<u>Community Facilities Districts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 16,074	\$ 500,710	\$ 414,386	\$ 1,839,776
Receivables, net of allowances:				
Taxes	-	-	944	26,089
Accounts	-	-	2,685	6,315
Leases	-	-	-	20,879
Accrued interest	35	95	2,074	7,279
Escrow deposits	-	-	-	28,575
Prepaid items	-	-	-	590
Due from other governments	-	3,265	14,440	22,321
Due from developers	-	-	23,810	23,810
Due from the Successor Agency	-	-	-	35,481
Long-term notes receivable, net of allowances	-	-	6,564	14,092
<b>Total Assets</b>	<u>\$ 16,109</u>	<u>\$ 504,070</u>	<u>\$ 464,903</u>	<u>\$ 2,025,207</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,605	\$ 14	\$ 6,777	\$ 19,307
Accrued liabilities	-	14,122	159	25,797
Due to component unit	-	-	-	3,548
Due to other governments	-	-	42	2,206
Retentions payable	437	-	781	1,218
Deposits	-	-	508	13,839
Unearned revenue	-	-	1,044	7,921
<b>Total Liabilities</b>	<u>2,042</u>	<u>14,136</u>	<u>9,311</u>	<u>73,836</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	2,292	18,587	27,345
Leases	-	-	-	20,790
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>2,292</u>	<u>18,587</u>	<u>48,135</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	501	1,091
Restricted	-	487,642	339,630	972,086
Committed	-	-	96,304	153,479
Assigned	14,067	-	570	757,236
Unassigned	-	-	-	19,344
<b>Total Fund Balances (Deficits)</b>	<u>14,067</u>	<u>487,642</u>	<u>437,005</u>	<u>1,903,236</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 16,109</u>	<u>\$ 504,070</u>	<u>\$ 464,903</u>	<u>\$ 2,025,207</u>

See Accompanying 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, 2023**  
**(amount expressed in thousands)**

Total Fund Balances of Governmental Funds		\$ 1,903,236
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.		
Governmental capital assets	\$ 3,487,598	
Less: accumulated depreciation	<u>(1,569,877)</u>	1,917,721
Long-term note receivable and its related interest for the revolving loan programs are not available to pay current period expenditures and are shown as unavailable revenues in the funds.		
		6,564
Deferred outflow of resources consists of items that will consume net position in a future reporting period and do not meet the definition of an asset.		
Pension related items		101,313
Other post employment benefits related items		1,495
Revenues not collected within current period and are shown as unavailable revenue in the funds. However, on an accrual basis revenues are included in the government-wide statements. These revenues include:		
Intergovernmental		10,774
Revenue from special assessments		5,689
Investment income		4,091
Charges for services		131
Other revenue		77
Fines and forfeitures		19
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Intergovernmental		(1,118)
Other revenue		(586)
Charges for services		(39)
Long-term liabilities, are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds.		
Net pension liability		(166,192)
Compensated absences		(21,731)
Other post employment benefit pension obligation		(9,004)
Interest payable		(680)
Bonds payable		(335)
Contract capital payable		(76)
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.		
		474
Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time.		
Pension related items		(9,514)
Other post employment benefits related items		(1,473)
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.		
		<u>37,672</u>
Net Position of Governmental Activities		<u>\$ 3,778,508</u>

See Accompanying 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, 2023**  
(amount expressed in thousands)  
Page 1 of 2

	General	Great Park	Local Park Fees	Irvine Facilities Financing Authority
<b>REVENUES</b>				
Taxes	\$ 225,897	\$ -	\$ -	\$ -
Licenses and permits	11,251	-	-	-
Fines and forfeitures	1,254	-	-	-
Investment income	1,175	283	853	-
Intergovernmental	901	-	-	-
Charges for services	30,715	8,933	-	-
Contributions from property owners-				
Special districts contributions	-	-	-	-
Revenue from developers	-	1,250	7,145	-
Special assessments	-	11,610	-	-
Donations	411	-	-	-
Other revenue	4,749	-	-	-
	<u>276,353</u>	<u>22,076</u>	<u>7,998</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General Government	27,384	8,493	-	3,180
Public Safety	103,520	1,187	-	-
Public Works & Transportation	56,310	10,565	-	-
Community Development	29,173	117	-	-
Community Services	44,939	8,489	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
	<u>261,326</u>	<u>28,851</u>	<u>-</u>	<u>3,180</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,027</u>	<u>(6,775)</u>	<u>7,998</u>	<u>(3,180)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from subscriptions	-	-	-	-
Proceeds from lease revenue bond	-	-	-	326,280
Proceeds from lease revenue bond premiums	-	-	-	7,388
Transfers in	39	19,627	-	-
Transfers out	(11,940)	(5,682)	(2,344)	-
	<u>(11,901)</u>	<u>13,945</u>	<u>(2,344)</u>	<u>333,668</u>
Net Change in Fund Balances	3,126	7,170	5,654	330,488
Fund Balances, Beginning	<u>227,654</u>	<u>251,270</u>	<u>139,160</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 230,780</u>	<u>\$ 258,440</u>	<u>\$ 144,814</u>	<u>\$ 330,488</u>

- continued -

**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amount expressed in thousands)  
Page 2 of 2

	Great Park Development	Community Facilities Districts	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 9,269	\$ 235,166
Licenses and permits	-	-	73	11,324
Fines and forfeitures	-	-	-	1,254
Investment income	67	4,448	4,452	11,278
Intergovernmental	-	-	35,237	36,138
Charges for services	43	-	3,345	43,036
Contributions from property owners- Special districts contributions	-	465,633	-	465,633
Revenue from developers	-	-	5,212	13,607
Special assessments	-	27,355	11,779	50,744
Donations	-	-	513	924
Other revenue	-	-	50	4,799
Total Revenues	110	497,436	69,930	873,903
<b>EXPENDITURES</b>				
Current:				
General Government	-	4,732	379	44,168
Public Safety	-	-	6,097	110,804
Public Works & Transportation	121	10,237	23,753	100,986
Community Development	4	-	6,331	35,625
Community Services	-	-	1,243	54,671
Capital outlay	6,371	82,336	34,586	123,293
Debt service:				
Principal retirement	-	-	27	27
Total Expenditures	6,496	97,305	72,416	469,574
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,386)	400,131	(2,486)	404,329
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from subscriptions	-	-	27	27
Proceeds from lease revenue bond	-	-	-	326,280
Proceeds from lease revenue bond premiums	-	-	-	7,388
Transfers in	6,318	-	36,182	62,166
Transfers out	-	(19,627)	(22,661)	(62,254)
Total Other Financing Sources (Uses)	6,318	(19,627)	13,548	333,607
Net Change in Fund Balances	(68)	380,504	11,062	737,936
Fund Balances, Beginning	14,135	107,138	425,943	1,165,300
Fund Balances, Ending	\$ 14,067	\$ 487,642	\$ 437,005	\$ 1,903,236

See Accompanying 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, 2023**  
(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		\$ 737,936
<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 depreciation exceeded capital outlay in the current period, as listed below:</p>		
Expenditures for capital outlays	\$ 123,294	
Expenditures for capital equipment purchases	920	
Less disposal of capital assets	(1,277)	
Less amounts not capitalized	(31,031)	
Depreciation expense	<u>(78,246)</u>	13,660
<p>Governmental funds do not report the contribution of land held for resale. Such transactions are included as revenue on the Statement of Activities.</p>		
Contribution of land held for resale		333,700
<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	993	
Charges for services	(106)	
Fines and forfeitures	(19)	
Revenue from developers	432	
Other revenue	66	
Intergovernmental	<u>1,975</u>	3,341
<p>For governmental funds, payments on long-term agreements between governmental funds and component units are recorded on the balance sheet, but for reporting in the statement of activities, the long-term agreement is recorded at its net present value, and interest expense is recorded.</p>		
		(698)
<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	(1,261)	
Other post employment benefit plan	<u>(353)</u>	(1,614)
<p>Collections of notes and long-term receivable provide current financial resources to governmental funds but reduce receivables in the Statement of Net Position</p>		
		(286)
<p>Loan disbursements in the governmental funds use current financial resources but increase receivables in the Statement of Net Position</p>		
		634
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.</p>		
Accrued interest	(673)	
Compensated absences	<u>(3,956)</u>	(4,629)
<p>Proceeds from the issuance of long-term debt provides current financial resources to governmental funds, but the issuance of debt increases long-term liabilities in the Statement of Net Position</p>		
		(333,668)
<p>Internal Service Funds are used by management to charge the costs of certain activities such as insurance and fleet, to individual funds. The net revenue (expense) of the Internal Service Funds is included in the Statement of Activities.</p>		
		<u>(1,373)</u>
Change in Net Position of Governmental Activities		<u>\$ 747,003</u>

See Accompanying Notes to the Basic Financial Statements





**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 190,663	\$ 203,745	\$ 221,663	\$ 17,918
Licenses and permits	10,595	10,595	11,251	656
Fines and forfeitures	1,808	1,808	1,254	(554)
Investment income	2,246	2,246	1,175	(1,071)
Intergovernmental	441	441	901	460
Charges for services	31,441	31,701	30,715	(986)
Donations	8	8	411	403
Other revenue	3,744	3,744	8,983	5,239
Total Revenues	240,946	254,288	276,353	22,065
<b>EXPENDITURES</b>				
Current:				
City Manager & City Council	8,553	16,553	10,038	6,515
City Clerk	3,424	3,800	3,312	488
Human Resources & Innovation	4,084	4,441	4,386	55
Finance Management & Strategic Planning	10,363	10,848	9,648	1,200
Public Safety	97,178	107,694	103,520	4,174
Public Works & Transportation	41,578	48,092	56,310	(8,218)
Community Development	28,149	41,063	29,173	11,890
Community Services	43,340	47,241	44,939	2,302
Total Expenditures	236,669	279,732	261,326	18,406
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,277	(25,444)	15,027	40,471
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	25	25	-	(25)
Transfers in	1,040	1,040	39	(1,001)
Transfers out	(13,685)	(32,782)	(11,940)	20,842
Total Other Financing Sources (Uses)	(12,620)	(31,717)	(11,901)	19,816
Net Change in Fund Balances	(8,343)	(57,161)	3,126	60,287
Fund Balances, Beginning	227,654	227,654	227,654	-
Fund Balances, Ending	\$ 219,311	\$ 170,493	\$ 230,780	\$ 60,287

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Great Park**  
**For the Fiscal Year Ended June 30, 2023**  
(amount expressed in thousands)  
Page 1 of 2

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 879	\$ 879	\$ 283	\$ (596)
Charges for services	8,000	8,653	8,933	280
Revenue from developers	1,250	1,250	1,250	-
Special assessments	11,346	29,543	11,610	(17,933)
Total Revenues	21,475	40,325	22,076	(18,249)
<b>EXPENDITURES</b>				
Current:				
General Government:				
City Manager & City Council				
Personnel	2,719	3,859	2,884	975
Supplies	114	114	22	92
Internal service allocations	70	70	70	-
Contract services	2,090	8,132	4,466	3,666
Training and business expenses	35	35	31	4
Capital equipment	20	20	-	20
Miscellaneous	170	-	-	-
Total City Manager & City Council	5,218	12,230	7,473	4,757
City Clerk				
Personnel	220	232	204	28
Total City Clerk	220	232	204	28
Human Resources & Innovation				
Personnel	109	117	117	-
Total Human Resources & Innovation	109	117	117	-
Fiscal Management & Strategic Planning				
Personnel	747	803	681	122
Internal service allocations	15	15	15	-
Contract services	8	8	3	5
Total Fiscal Management & Strategic Planning	770	826	699	127
Total General Government	6,317	13,405	8,493	4,912
Public Safety				
Personnel	1,109	1,164	1,164	-
Supplies	7	6	6	-
Internal service allocations	14	14	14	-
Training and business expenses	3	3	3	-
Total Public Safety	1,133	1,187	1,187	-

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**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Great Park**  
**For the Fiscal Year Ended June 30, 2023**  
(amount expressed in thousands)  
Page 2 of 2

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current:				
Public Works				
Personnel	1,693	1,938	2,020	(82)
Supplies	230	230	213	17
Internal service allocations	91	91	91	-
Contract services	7,086	7,562	7,221	341
Training and business expenses	12	12	8	4
Utilities	1,474	1,474	1,000	474
Capital equipment	55	55	12	43
Repairs and maintenance	-	15	-	15
Total Public Works	10,641	11,377	10,565	812
Community Development				
Personnel	105	109	79	30
Supplies	3	3	-	3
Contract services	152	152	38	114
Total Community Development	260	264	117	147
Community Services				
Personnel	4,445	4,775	4,020	755
Supplies	452	662	472	190
Internal service allocations	1,092	1,092	1,092	-
Contract services	2,648	3,600	2,830	770
Training and business expenses	42	42	10	32
Capital equipment	153	177	29	148
Miscellaneous	214	98	36	62
Total Community Services	9,046	10,446	8,489	1,957
Total Expenditures	27,397	36,679	28,851	7,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,922)	3,646	(6,775)	(10,421)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	19,628	19,627	(1)
Transfers out	(6,114)	(87,237)	(5,682)	81,555
Total Other Financing Sources (Uses)	(6,114)	(67,609)	13,945	81,554
Net Change in Fund Balances	(12,036)	(63,963)	7,170	71,133
Fund Balances, Beginning	251,270	251,270	251,270	-
Fund Balances, Ending	\$ 239,234	\$ 187,307	\$ 258,440	\$ 71,133

See Accompanying Notes to the Basic Financial Statements

**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, 2023**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 718	\$ 718	\$ 853	\$ 135
Revenue from developers	-	-	7,145	7,145
Total Revenues	718	718	7,998	7,280
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(16,273)	(73,230)	(2,344)	70,886
Total Other Financing Sources (Uses)	(16,273)	(73,230)	(2,344)	70,886
Net Change in Fund Balances	(15,555)	(72,512)	5,654	78,166
Fund Balances, Beginning	139,160	139,160	139,160	-
Fund Balances, Ending	\$ 123,605	\$ 66,648	\$ 144,814	\$ 78,166

See Accompanying Notes to the Basic Financial Statements



**City of Irvine**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**  
 (amount expressed in thousands)  
 Page 1 of 2

	<u>Governmental Activities- Internal Service Funds</u>
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 56,869
Receivables, net of allowances:	
Accounts	345
Accrued interest	156
Prepaid items	<u>897</u>
Total Current Assets	<u>58,267</u>
Noncurrent Assets:	
Capital assets:	
Equipment	35,278
Less accumulated depreciation	<u>(22,665)</u>
Total Noncurrent Assets	<u>12,613</u>
Total Assets	<u>70,880</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related items	<u>1,561</u>
Total Deferred Outflows of Resources	<u>1,561</u>

- continued -

**City of Irvine**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**  
 (amount expressed in thousands)  
 Page 2 of 2

	<u>Governmental Activities- Internal Service Funds</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	5,150
Accrued liabilities	706
Due to other governments	1
Interest payable	48
Subscriptions payable	1,464
Compensated absences	230
Claims payable	4,654
Total Current Liabilities	<u>12,253</u>
Noncurrent Liabilities:	
Subscriptions payable	1,430
Compensated absences	557
Claims payable	17,641
Net pension liability	2,774
Total Noncurrent Liabilities	<u>22,402</u>
Total Liabilities	<u>34,655</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	114
Total Deferred Inflows of Resources	<u>114</u>
<b>NET POSITION</b>	
Net investment in capital assets	11,062
Unrestricted	26,610
Total Net Position	<u>\$ 37,672</u>

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	<b>Governmental Activities- Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 44,103
Other	90
Total Operating Revenues	44,193
<b>OPERATING EXPENSES</b>	
Salaries and benefits	6,807
Supplies and equipment	6,784
Contract services	11,518
Administration	2,609
Self-insured losses	9,750
Insurance premiums	4,414
Depreciation	5,452
Total Operating Expenses	47,334
Operating Income (Loss)	(3,141)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest revenue	441
Interest expense	(77)
Gain (loss) on disposal of equipment	226
Total Nonoperating Revenues	590
Income (Loss) Before Capital Contributions and Transfers	(2,551)
Capital contributions	1,090
Transfers in	300
Transfers out	(212)
Change in Net Position	(1,373)
Total Net Position, Beginning	39,045
Total Net Position, Ending	\$ 37,672

See Accompanying Notes to the Basic Financial Statements



**City of Irvine**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amount expressed in thousands)  
Page 1 of 2

	<u>Governmental Activities- Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from interfund services provided	\$ 44,114
Paid to suppliers and providers	(30,986)
Paid for salaries and benefits	(6,629)
	6,499
Net Cash Provided (Used) by Operating Activities	6,499
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	300
Transfers to other funds	(212)
	88
Net Cash Provided (Used) by Non-Capital Financing Activities	88
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from sale of equipment	273
Equipment purchases	(7,607)
	(7,334)
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,334)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Sales net of investment purchases	360
	360
Net Cash Provided (Used) by Investing Activities	360
Net Increase (Decrease) in Cash and Cash Equivalents	(387)
Cash and Cash Equivalents, Beginning of Fiscal Year	57,256
Cash and Cash Equivalents, End of Fiscal Year	\$ 56,869

- continued -

**City of Irvine**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amount expressed in thousands)  
Page 2 of 2

**Governmental**  
**Activities-**  
**Internal**  
**Service Funds**

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating income (loss)	\$ (3,141)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	5,452
(Increase) decrease in receivables, net of allowances	(79)
(Increase) decrease in prepaid items	392
(Increase) decrease in deferred outflows	(1,026)
Increase (decrease) in accounts payable	2,781
Increase (decrease) in accrued liabilities	(5)
Increase (decrease) in due to other governments	(1)
Increase (decrease) in compensated absences	134
Increase (decrease) in claims payable	978
Increase (decrease) in net pension liability	2,243
Increase (decrease) in deferred inflow	(1,229)
Total Adjustments	9,640
Net Cash Provided (Used) by Operating Activities	\$ 6,499
<b>Schedule of Non-Cash and Related Financing Activities</b>	
Contribution of Capital Assets	\$ 1,090

**City of Irvine**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2022 and June 30, 2023**  
(amounts expressed in thousand)

	<u>December 31, 2022</u>		
	<u>Pension Trust Funds</u>	<u>Successor Agency Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 357	\$ 10,652	\$ 134,163
Receivables, net of allowances:			
Taxes	-	-	2,301
Accounts	48	-	5,706
Accrued interest	-	25	51
Loans	62	-	-
Due from other governments	-	35,481	-
Due from developers	-	-	608
Investments:			
Pooled funds	21,693	-	-
Mutual funds - closed end funds equity	201	-	-
Mutual funds - equity	4,297	-	-
Mutual funds - corporate bonds	458	-	-
Mutual funds - balanced	1,342	-	-
Total Assets	<u>28,458</u>	<u>46,158</u>	<u>142,829</u>
<b>LIABILITIES</b>			
Accounts payable	9	5,445	551
Accrued liabilities	14	-	1,000
Advances from the City of Irvine	-	35,481	-
Due to developers	-	-	273
Due to other governments	-	-	5,782
Total Liabilities	<u>23</u>	<u>40,926</u>	<u>7,606</u>
<b>NET POSITION</b>			
Restricted for pensions	28,435	-	-
Held in trust for enforceable obligations	-	5,232	-
Held in trust for bondholders	-	-	135,223
Total Net Position	<u>\$ 28,435</u>	<u>\$ 5,232</u>	<u>\$ 135,223</u>

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2022 and June 30, 2023**  
(amounts expressed in thousands)

	<u>December 31, 2022</u>		
	<u>Pension Trust Funds</u>	<u>Successor Agency Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 704	\$ -	\$ -
Plan members	72	-	-
Interest from participants' loan	5	-	-
Total Contributions	<u>781</u>	<u>-</u>	<u>-</u>
Investment income (loss):			
Interest and dividends	74	-	-
Net appreciation (depreciation) in fair value of investments	(5,133)	-	-
Total Investment Income	<u>(5,059)</u>	<u>-</u>	<u>-</u>
Less: Investment expenses	<u>(57)</u>	<u>-</u>	<u>-</u>
Net Investment Income	<u>(5,116)</u>	<u>-</u>	<u>-</u>
Taxes	-	3,938	-
Special assessments or special taxes collected from property owners	-	-	67,233
Investment income	-	(113)	3,675
Charge for services	-	-	19
Contribution from property owners	-	-	5,317
Bond proceeds	-	-	17,338
Other revenue	-	-	50
Total Additions	<u>(4,335)</u>	<u>3,825</u>	<u>93,632</u>
<b>DEDUCTIONS</b>			
Benefit payments	2,181	-	-
Distributions to the County	-	5,439	-
Administration expenses	46	155	9,287
Payment for special assessment or special tax debt	-	-	83,567
Contribution to City for infrastructure	-	-	538
Apportionment services	-	-	27
Total Deductions	<u>2,227</u>	<u>5,594</u>	<u>93,419</u>
Change in Net Position	<u>(6,562)</u>	<u>(1,769)</u>	<u>213</u>
Total Net Position, Beginning	<u>34,997</u>	<u>7,001</u>	<u>135,010</u>
Total Net Position, Ending	<u>\$ 28,435</u>	<u>\$ 5,232</u>	<u>\$ 135,223</u>

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**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 is 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*, GASB Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB No. 14 and No. 34*, and GASB Statement 84, *Fiduciary Activities*. Certain organizations warrant inclusion as part of the financial reporting entry because of the nature and significance of its relationship with 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 Great Park Corporation (Corporation) 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 Great Park on the site of the former Marine Corps Air Station (MCAS) El Toro. The board of directors is comprised of the five elected City Councilmembers. Since the governing bodies of the City Council and Corporation are substantially the same, and there is a financial burden relationship between the City and the Corporation, the Corporation is reported as a blended component unit. The transactions of the Corporation are reported in the governmental fund financial statements as a part of the major special revenue fund Great Park.

The Irvine Public Facilities and Infrastructure Authority (Authority) was used to finance the acquisition and construction of the City's civic center and other infrastructure improvements within the City. The Authority is governed by a board comprised of elected City Councilmembers. Since the governing bodies of the City and the Authority are substantially the same, this entity is reported as a blended component unit and its transactions are reported in the governmental fund financial statements as a debt service fund. The Authority's debt was retired in fiscal year 2010-11; no additional activity has occurred in this fund. Separate financial statements are not prepared for the Authority.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

The Irvine Facilities Financing Authority (Financing Authority) was established March 14, 2023, to finance the costs of acquisition and entitlement of certain real property located in the City. The Financing Authority is governed by a board comprised of elected City Councilmembers. Since the governing bodies of the City and the Financing Authority are substantially the same, the Financing Authority is reported as a blended component unit of the City and its transactions are reported in the governmental fund financial statements as a debt service fund. Separate financial statements are not prepared for the Financing Authority.

**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.

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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

The Great Park Fund, is a special revenue fund which receives funding from special assessments and customers who purchase or use services from the Great Park. The fund accounts for the receipt and disbursement of funds used for the specific purpose of managing, developing, operating, and maintaining the Great Park.

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 Irvine Facilities Financing Authority, is a debt service fund for the accumulation and disbursement of monies to meet the debt service requirements for the Series 2023A lease revenue bonds.

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

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

Additionally, the City reports the following fund types:

**Governmental Funds**

Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted or otherwise 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, central services such as information technology systems, telephone, mail and duplication services, and the City's central supplies and its distributions to operating departments.

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 services. Operating expenses for internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

**Fiduciary Funds**

Pension 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 holds assets and receives resources to pay enforceable obligations and administrative costs of the dissolved Irvine Redevelopment Agency.

Custodial Funds are used to account for debt service activities related to the Assessment District and Community Facilities Districts 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 court cases.

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 to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so 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 and transfers 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*, as are the proprietary fund and pension trust, private purpose trust, and custodial 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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

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 collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, under accrual accounting. However, expenditures for debt service and compensated absences are recorded only when payment is due.

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

**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.

**Prepaid Items**

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 during the periods benefited.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

Capital assets include property, plant, equipment, and infrastructure. Property, plant, and equipment are reported as assets with an initial individual cost of at least \$5,000 and an estimated useful life in excess of two years. Infrastructure components, which include street, bridge, traffic signal, landscape, and trail networks, are reported as assets with an initial individual cost of at least \$50,000 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 value at the date of contribution.

Subscription-Based Information Technology Arrangements (SBITA) assets, included within Intangible asset, right to use, are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying information technology assets.

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:

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

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

**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 assets 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, or difference between actual and expected experience, or net difference between projected and actual earnings that will be amortized and reported as a component in pension expense in future fiscal years. The other post employment benefit balance represents items arising from changes in actuarial assumptions and differences between actual and expected experience, which will be amortized and reported as a component of other post employment benefit 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 assets 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:

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, 2023, are as follows (amounts expressed in thousands):

	General Fund	Great Park	Communities Facilities District	Other Governmental Funds	Total
<u>Governmental Funds:</u>					
Fines and forfeitures	\$ 19	\$ -	\$ -	\$ -	\$ 19
Interest	2,990	-	-	1,101	4,091
Intergovernmental	-	-	-	10,774	10,774
Notes and long-term receivable	-	-	-	6,564	6,564
Charge for service	20	-	-	111	131
Special assessments	-	3,397	2,292	-	5,689
Other revenue	40	-	-	37	77
Total	<u>\$ 3,069</u>	<u>\$ 3,397</u>	<u>\$ 2,292</u>	<u>\$ 18,587</u>	<u>\$ 27,345</u>

2. The pension and other post-employment benefits (OPEB) items are certain changes in net pension/OPEB liability that are to be amortized and reported as a change in pension/OPEB expenses in future fiscal years. These balances arise from changes in actuarial assumptions, or difference between actual and expected experience.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

3. Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

**Leases**

The City is a lessor for noncancellable leases of facilities and land. The City recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities in the government-wide and in the governmental and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines 1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payment from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Net Position Flow Assumptions**

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

**Fund Balance Flow Assumptions**

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

**Long-Term Notes Receivable**

Long-term notes receivable consist of loans for affordable housing and the Orange County Power Authority. The Orange County Power Authority (Authority) is a California joint power authority formed by participating Orange County cities for the purpose of implementing a community choice aggregation program. The City loaned the Authority \$2,500,000 for pre-launch costs, up to an additional \$250,000 in formation costs, and \$5,000,000 in cash collateral for the Authority to secure a credit facility for additional working capital associated with power procurement and operational support. The loan has an interest rate on the outstanding pre-launch costs and cash collateral, which equals the City's quarterly investment rate. The outstanding formation costs bear no interest. The outstanding loan and interest is due January 1, 2027. As of June 30, 2023, the outstanding balance due is \$7,527,841.

The loans to developers are 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 57 years. A majority of the loans to the developers will be repaid from residual rental receipts earned on the affordable housing property.

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 these 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 requirements of the granting agency, these receivable collections must be utilized for the purpose of the grant. The City has recorded a deferred inflow of resources equal to the outstanding revolving developer loans of \$6,564,396.

(amounts expressed in thousands)	
Developer loans	\$ 21,159
Rehabilitation loans	2,121
First time home buyer assistance loans	557
Irvine recovery program loans	50
Total	23,887
Allowance for doubtful accounts	(17,323)
Developer Long-Term Notes Receivable, Net	\$ 6,564

**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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

**Compensated Absences**

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

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net positions. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, with the exception of prepaid insurance costs, are recognized as an outflow of resources in the period when the debt is issued. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Pensions**

For purposes of measuring the net pension liability, deferred 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	December 31, 2021	June 30, 2021
Measurement Date	December 31, 2022	June 30, 2022
Measurement Period	January 1, 2022 to December 31, 2022	July 1, 2021 to June 30, 2022

**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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

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, 2022
Reporting Period	July 1, 2022 to June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

**Fund Balance-Net Position**

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

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

Restricted fund balance 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.

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 or other borrowings 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.”

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies (Continued)**

**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, pensions, OPEB and related deferred inflows and outflows of resources, and the ultimate outcome of claims and judgments. Actual results could differ from those estimates.

**G. Implementation of New GASB Pronouncements**

In May 2020, the Government Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); established that a SBITA results in a right-to use-subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

## **II. Stewardship, Compliance and Authority**

### **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 two-year operating budget for all funds of the City for the fiscal year commencing the following July 1. In addition, during June, the Great Park funds' budget is submitted to the Great Park Board. The budget includes proposed expenditures and the means of financing them.
2. The Finance Commission, 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 two-year budget, except for the Great Park Fund, may be amended by the City Manager if amendments are less than \$50,000 and do not decrease fund balances. The legal level of control in the General Fund is considered to be the department level. The City departments are: City Manager's Office, Administrative Services, City Clerk, Human Resources, Community Development, Community Services, Public Safety, and Public Works & Transportation. The first four departments are classified together for reporting purposes as General Government, but City Manager's Office, Administrative Services, City Clerk, and Human Resources 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 or any decreases to fund balance. Amendments to the adopted General Fund budget for the fiscal year ended June 30, 2023, increased appropriations by \$43,063,055 to an amended total of \$279,732,230.

The legal level of control for the Great Park Fund is by department. Adjustments to the budget must be approved by the Great Park Board of Directors and a majority vote of the City Council. Amendments to the adopted Great Park budget for the fiscal year ended June 30, 2023, increased appropriations by \$9,282,008 to an amended total of \$36,678,936.

The legal level of control for all governmental funds other than the General Fund and Great Park Fund 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 Debt Service, Internal Service, and Fiduciary Funds.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**II. Stewardship, Compliance and Authority (Continued)**

**B. Significant Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services (i.e. purchase orders). While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances are re-appropriated and become part of the subsequent year's budget. Significant encumbrances in total on June 30, 2023, which are categorized as restricted, committed, or assigned are as follows (amounts expressed in thousands):

General Fund	\$ 9,703
Great Park	3,641
Great Park Development	26,814
Communities Facilities Districts	139
Other Governmental Funds	35,926
Total	<u>\$ 76,223</u>

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds**

**A. Cash and Investments**

Cash and investments, excluding amounts reported in the pension trust fund, as of June 30, 2023, are classified in the accompanying financial statements as follows (amounts expressed in thousands):

Statement of net position:	
Cash and investments	\$ 1,896,645
Total	1,896,645
Statement of fiduciary net position:	
Cash and investments - Custodial funds	134,163
Cash and investments - Private purpose trust funds	10,652
Total	144,815
Total Cash and Investments	\$ 2,041,460

Cash and investments, as of June 30, 2023, consist of the following (amounts expressed in thousands):

Cash on hand	\$ 19
Cash - Private-purpose trust funds	956
Deposits with financial institutions	2,169
Cash with trustee	910,048
Total Cash	913,192
Investments - Private-purpose trust funds	9,696
Investments	1,118,572
Total Investments	1,128,268
Total Cash and Investments	\$ 2,041,460

Cash and investments, as of December 31, 2022, for the Pension Trust Funds consist of the following (amounts expressed in thousands):

Cash - Pension trust funds	\$ 357
Investments - Pension trust funds	27,991
Total Cash and Investments	\$ 28,348

Separately issued financial statements are available for the Defined Benefit Pension Plan and Defined Contribution Pension Plan. These statements are available at the City's website, [www.cityofirvine.org](http://www.cityofirvine.org).

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**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).

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	40%	5%
Commercial Paper	270 days	25%	5%
Repurchase Agreements	75 days	None	None
Reverse Repurchase Agreements	75 days	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	N/A
Municipal Bonds	5 years	None	None
Corporate Medium Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Supranationals	5 years	30%	None
Mortgage Pass-Through and Asset Backed Securities	5 years	20%	None
JPA Managed Pools	N/A	None	None
Negotiable Certificates of Deposit	5 years	30%	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, 2022. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2022.

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, 2022. 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, 2022.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**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.

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 provides 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	\$ 374,753	\$ 53,472	\$ 138,102	\$ 183,179
Commercial Paper	45,249	45,249	-	-
U.S. Treasuries	260,037	48,562	21,560	189,915
Corporate Medium Term Notes	172,696	75,161	14,320	83,215
Managed Pool Accounts	121,577	121,577	-	-
Municipal Bonds	47,502	-	6,494	41,009
Supranationals	105,405	1,958	12,410	91,036
Money Market Mutual Funds	1,049	1,049	-	-
	<u>\$ 1,128,268</u>	<u>\$ 347,028</u>	<u>\$ 192,886</u>	<u>\$ 588,354</u>

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

The City's investments (including investments held by trustees) in callable federal agency securities are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2023, is \$72,274,851.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**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, 2023 - Standard & Poor's								
		Legal Rating	Not Rated	AAA	AA+	AA	AA-	A+	A	A-	A-1	
U.S. Government Sponsored Enterprise Securities	\$ 374,753	N/A	\$ 29,703	\$ -	\$ -	\$ 345,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Paper	45,249	A-1	-	-	-	-	-	-	-	-	-	45,249
U.S. Treasuries	260,037	N/A	-	-	9,492	250,545	-	-	-	-	-	-
Corporate Medium Term Notes	172,696	A	-	-	4,111	43,582	29,442	9,819	53,156	14,500	18,087	-
Managed Pool Accounts	121,577	N/A	-	121,577	-	-	-	-	-	-	-	-
Municipal Bonds	47,502	A	-	-	35,214	2,244	-	10,044	-	-	-	-
Supranationals	105,405	AA	-	-	105,405	-	-	-	-	-	-	-
Money Market Mutual Funds	1,049	AAAm	-	1,049	-	-	-	-	-	-	-	-
	<u>\$ 1,128,268</u>		<u>\$ 29,703</u>	<u>\$ 122,626</u>	<u>\$ 154,222</u>	<u>\$ 641,421</u>	<u>\$ 29,442</u>	<u>\$ 19,863</u>	<u>\$ 53,156</u>	<u>\$ 14,500</u>	<u>\$ 18,087</u>	<u>\$ 45,249</u>

**Concentration of Credit Risk**

The City's investment policy generally limits the amount that can be invested in any obligations of one entity or single security except U.S. Treasuries, U.S. Government Sponsored Enterprise Securities, and Managed Pooled Accounts, which is subject to the maximum permitted by State law. Investments in any one issuer (other than 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
U.S. Treasury	U.S. Treasuries	\$ 251,002
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	146,395
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	98,227
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	74,358
California Asset Management Program	California Joint Powers Authority	53,233
Toyota Motor Credit Corp	Corporate Medium Term Notes	53,156

The City's fiscal agent investment portfolio is subject 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
U.S. Bank	Money Market Mutual Funds	\$ 432,676

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its 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 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 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 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, 2023, uninsured and uncollateralized deposits held by trustee totaled \$602,225,554.

**Inter-Agency Custodial Deposits**

The inter-agency custodial 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 consistent with GASB Statement No. 72. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices based on quoted identical assets in an active market.
- Level 2: Investments reflect prices that are based on identical or similar assets in inactive markets or similar assets in active markets. Inputs other than quotes are observable.
- Level 3: Investments reflect prices based on significant unobservable inputs.

Fair value measurement is based on pricing received from the City's third party investment management company. Investments in money market mutual funds are priced using amortized cost which approximates fair value, with a net asset value of \$1.00 (in absolute dollar amounts) per share, and per GASB Statement No. 72 are not subject to the fair value hierarchy. Additionally, the Managed Pool Accounts are not subject to the fair value hierarchy.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

The City has the following recurring fair value measurement as of June 30, 2023:

- U.S. Government Sponsored Enterprise Securities totaling \$374,753,311, Commercial Paper totaling \$45,249,434, U.S. Treasuries totaling \$260,036,537, Corporate Medium Term Notes totaling \$172,695,940, Municipal Bonds totaling \$47,502,384, and Supranationals totaling \$105,404,770, are classified in Level 2 of the fair value hierarchy. The valuation uses a market-based model which considers yield, prices of comparable securities, coupon rate, maturity, credit quality, and dealer-provided prices. These prices are obtained from various pricing sources by the City's third party investment management company.
- Managed Pool Account (CAMP, CalTRUST) totaling \$121,576,618, is reported based upon the application of a fair value factor to each one dollar share invested, and therefore is not included in the fair value hierarchy.
- Money Market Mutual Funds totaling \$1,048,665, are classified in Level 1 of the fair value hierarchy as the investments are not subject to fair value measurement.

The fair value investment as of June 30, 2023, for each investment type (amounts expressed in thousands):

Investment Type	Amount	Investment not Measured at Fair Value	Level		
			1	2	3
U.S. Government Sponsored Enterprise Securities	\$ 374,753	\$ -	\$ -	\$ 374,753	\$ -
Commercial Paper	45,249	-	-	45,249	-
U.S. Treasuries	260,037	-	-	260,037	-
Corporate Medium Term Notes	172,696	-	-	172,696	-
Managed Pool Accounts	121,577	121,577	-	-	-
Municipal Bonds	47,502	-	-	47,502	-
Supranationals	105,405	-	-	105,405	-
Money Market Mutual Funds	1,049	-	1,049	-	-
	<u>\$ 1,128,268</u>	<u>\$ 121,577</u>	<u>\$ 1,049</u>	<u>\$ 1,005,642</u>	<u>\$ -</u>

The fair value measurement as of December 31, 2022, for each investment type for the Pension Trust Funds (amount expressed in thousands).

Investment Type	Amount	Level		
		1	2	3
Mutual Funds	\$ 6,298	\$ 6,298	\$ -	\$ -
Pooled Funds	21,693	-	21,693	-
	<u>\$ 27,991</u>	<u>\$ 6,298</u>	<u>\$ 21,693</u>	<u>\$ -</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**Restricted Cash**

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$857,276 at June 30, 2023, were nonspendable or restricted per terms of an agreement between the Irvine Senior Foundation and the City.

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2023, was as follows (amounts expressed in thousands):

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 848,110	\$ 164	\$ -	\$ 848,274
Construction in progress	112,594	22,409	93,958	41,045
Total capital assets not being depreciated	<u>960,704</u>	<u>22,573</u>	<u>93,958</u>	<u>889,319</u>
Capital assets, being depreciated:				
Buildings and systems	230,643	8,615	-	239,258
Improvements other than buildings	245,067	85,343	-	330,410
Machinery and equipment	38,038	5,916	2,592	41,362
Intangible asset, right to use, restated	4,519	2,064	83	6,500
Infrastructure	1,947,623	68,403	-	2,016,026
Total capital assets being depreciated	<u>2,465,890</u>	<u>170,341</u>	<u>2,675</u>	<u>2,633,556</u>
Less accumulated depreciation for:				
Buildings and systems	(87,638)	(5,739)	-	(93,377)
Improvements other than buildings	(141,302)	(12,880)	-	(154,182)
Machinery and equipment	(29,879)	(3,229)	2,538	(30,570)
Intangible asset, right to use, restated	-	(2,782)	83	(2,699)
Infrastructure	(1,252,645)	(59,068)	-	(1,311,713)
Total accumulated depreciation	<u>(1,511,464)</u>	<u>(83,698)</u>	<u>2,621</u>	<u>(1,592,541)</u>
Total capital assets, being depreciated, net	<u>954,426</u>	<u>86,643</u>	<u>54</u>	<u>1,041,015</u>
Governmental activities capital assets, net	<u>\$ 1,915,130</u>	<u>\$ 109,216</u>	<u>\$ 94,012</u>	<u>\$ 1,930,334</u>

**Museum Collections**

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

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

General Government	\$ 1,883
Public Safety	259
Public Works & Transportation	16,312
Community Services	725
Internal Service Funds Depreciation-charged to programs based on asset usage	5,452
Allocated Depreciation	24,631
Unallocated Infrastructure Depreciation	59,067
Total Depreciation Expense - Governmental Activities	\$ 83,698

**Construction Commitments**

The City has active construction projects as of June 30, 2023. 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):

	Great Park Development	Community Facilities Districts	Other Governmental Funds	Total Remaining Commitment
Streets and drainage	\$ 53	\$ 124	\$ 1,345	\$ 1,522
Facilities	7,748	-	4,604	12,352
Trails	-	-	1,556	1,556
Traffic signal projects	-	-	2,048	2,048
Parks	-	15	724	739
Landscape and streetscape	18,160	-	237	18,397
Total	\$ 25,961	\$ 139	\$ 10,514	\$ 36,614

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.

In September 2006, the City Council approved a development agreement for Planning Area (PA) 39, Los Olivos. The associated Master Affordable Housing Plan (MAHP) with the Irvine Company was also implemented at that time and revised in July 2022 in association with a new development agreement for PA 39. The MAHP includes a provision that, over multiple years, 17 acres of land will be conveyed to the City for affordable housing. On November 22, 2022, an Amended and Restated MAHP was approved that identified four acres in Planning Area 40, Cypress Village, that would satisfy the PA 39 affordable housing requirement. As of June 30, 2023, the City has received approximately 10 of the 17 acres. The MAHP requires the additional seven acres of land for affordable housing will be conveyed by December 2023.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**C. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2023, was as follows:

Interfund Transfers (amounts expressed in thousands):

	Transfers in:					Total
	General Fund	Great Park	Great Park Development	Other Governmental Funds	Internal Service Funds	
<u>Transfers out:</u>						
General Fund	\$ -	\$ -	\$ -	\$ 11,640	\$ 300	\$ 11,940
Great Park	-	-	4,789	893	-	5,682
Local Park Fees	-	-	1,529	815	-	2,344
Community Facilities Districts	-	19,627	-	-	-	19,627
Other Governmental Funds	39	-	-	22,622	-	22,661
Internal Service Funds	-	-	-	212	-	212
Total	<u>\$ 39</u>	<u>\$ 19,627</u>	<u>\$ 6,318</u>	<u>\$ 36,182</u>	<u>\$ 300</u>	<u>\$ 62,466</u>

Transfers provided funding for the development of capital projects, as well as capital acquisitions. Many of the City's capital projects are funded through the collection of special taxes, fees, and grants which are recorded in special revenue funds and transferred to the capital project once expenditures transpire. 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.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**D. Leases**

**Lease Receivables**

The City, as a lessor, has entered into long-term non-cancelable lease agreements for farming, retail space, facilities, and cell sites, which expire at various dates through 2088. During the year ended June 30, 2023, the City recognized \$1,732,676 and \$691,791 in lease revenue and interest revenue, respectively, pursuant to these contracts. The future minimum lease receipts to be received from the aforementioned leases is as follows (amounts expressed in thousands):

Fiscal Year Ending June 30	Principal	Interest
2024	\$ 1,190	\$ 914
2025	1,409	592
2026	695	575
2027	680	563
2028	707	550
2029-2033	2,778	2,559
2034-2038	1,062	2,362
2039-2043	502	2,248
2044-2048	601	2,149
2049-2053	721	2,029
2054-2058	864	1,886
2059-2063	1,035	1,715
2064-2068	1,241	1,509
2069-2073	1,487	1,263
2074-2078	1,783	967
2079-2083	2,137	613
2084-2088	1,987	189
	<u>\$ 20,879</u>	<u>\$ 22,683</u>

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**E. Changes in Long-term Liabilities**

For the fiscal year ended June 30, 2023, changes in long-term liabilities are as follows (amounts expressed in thousands):

	Balance			Balance		
	June 30, 2022	Increases	Decreases	June 30, 2023	Long-Term	Due Within One Year
Lease Revenue Bond:						
Series 2023 A	\$ -	\$ 326,280	\$ -	\$ 326,280	\$ 326,280	\$ -
Unamortized issuance premiums	-	7,388	-	7,388	7,388	-
Total Lease Revenue Bond	-	333,668	-	333,668	333,668	-
Other Debt:						
Compensated absences	18,488	9,375	5,345	22,518	15,940	6,578
Claims payable	21,317	10,508	9,530	22,295	17,641	4,654
Subscription liability, restated	4,380	2,064	3,550	2,894	1,430	1,464
Contract capital payable	76	-	-	76	55	21
Total Other Debt	44,261	21,947	18,425	47,783	35,066	12,717
Total Long-Term Liabilities	<u>\$ 44,261</u>	<u>\$ 355,615</u>	<u>\$ 18,425</u>	<u>\$ 381,451</u>	<u>\$ 368,734</u>	<u>\$ 12,717</u>

**Lease Revenue Bonds Payable**

The Irvine Facilities Financing Authority issued \$326,280,000 of Lease Revenue Bonds, Series 2023A on June 14, 2023. These bonds were issued for the purpose of financing the acquisition and permanent closure of an asphalt plant located in northern Irvine. The repayment of these bonds is secured by approximately 71 acres of residential developable land in northern Irvine. The land is recorded as Property held for resale in the Statement of Net Position.

The bonds contain a fixed interest rate from 4.25 percent to 5.25 percent with maturity dates ranging from May 1, 2027, through May 1, 2053, per a prescribed redemption schedule of annual principal and semi-annual interest payments. These bonds were issued with a premium of \$7,387,928.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

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

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 14,025	\$ 14,025
2025	-	15,928	15,928
2026	-	15,928	15,928
2027	5,925	15,928	21,853
2028	6,220	15,632	21,852
2029-2033	36,090	73,171	109,261
2034-2038	46,065	63,200	109,265
2039-2043	59,085	50,178	109,263
2044-2048	76,300	32,953	109,253
2049-2053	96,595	12,657	109,252
Subtotal	<u>\$ 326,280</u>	<u>\$ 309,600</u>	<u>\$ 635,880</u>
<b>Add:</b>			
Unamortized issuance premium	7,388		
<b>Total</b>	<u><u>\$ 333,668</u></u>		

**Subscription-Based Information Technology Arrangements**

The City has entered into subscription-based information technology arrangements (SBITAs), included in subscription liability. The SBITA arrangements expire at various dates through 2030 and provide for renewal options. The subscription-based information technology agreements consist of licensing for the right to use various desktop software and software as a service solution. As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$6,500,317 and \$2,699,899, respectively.

The future subscription payments under SBITA agreements are as follows (amounts expressed in thousands):

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 1,464	\$ 76	\$ 1,540
2025	358	37	395
2026	283	28	311
2027	290	21	311
2028	246	13	259
2029-2030	253	8	261
	<u>\$ 2,894</u>	<u>\$ 183</u>	<u>\$ 3,077</u>

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**Contract Capital Payable**

The City has entered into a contract agreement for Public Safety equipment at a cost of \$100,283. The interest rate on the contract is 4.14 percent and the term is four years. In June 2022, the first payment was made, and the next payment is not due until July 2024. Future minimum contract payments relating to the Public Safety equipment are as follows (amounts expressed in thousands):

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 21	\$ 3	\$ 24
2025	22	2	22
2026	33	2	22
	\$ 76	\$ 7	\$ 83

**F. Special Assessment Debt with No City Commitment**

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

The City acts solely as an agent for those paying special assessments and special taxes 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 assessment district and community facilities district debt.

The obligation of the City under the assessment district and community facilities district bonds are not general obligations of the City but are limited obligations, payable solely from special assessments and special taxes. The City has no obligation beyond the balances in the designated custodial 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 or the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

Non-committal debt amounts issued and outstanding at June 30, 2023, 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	4,774
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	22,772
87-8	Irvine Spectrum 5	74,700	13,586
93-14	Irvine Spectrum 6 and 7	72,400	54,537
94-13	Oak Creek	61,600	-
97-16	Northwest Irvine	60,000	-
97-17	Lower Peters Canyon East	95,000	21,537
Total Variable Rate Issues		<u>809,120</u>	<u>207,601</u>
Fixed Rate Issues		Bonds Issued	Bonds Outstanding
04-20	Portola Springs 2017	30,200	26,722
04-20	Portola Springs 2019	40,490	39,495
05-21	Orchard Hills 2014	74,860	63,797
05-21	Orchard Hills 2017	19,500	18,235
05-21	Orchard Hills 2018	27,995	26,900
13-25	Eastwood	34,430	27,949
12-1	Reassessment District	126,220	23,975
13-1	Reassessment District	80,755	37,975
15-1	Reassessment District	47,360	17,815
15-2	Reassessment District	50,625	38,705
19-1	Reassessment District	48,860	45,435
21-1	Reassessment District	44,165	42,290
CFD 2004-1	Central Park	18,510	16,105
CFD 2005-2	Columbus Grove	16,975	11,740
CFD 2013-3	Great Park 2014	72,700	71,845
CFD 2013-3	Great Park 2016	135,835	131,235
CFD 2013-3	Great Park 2018	72,420	71,850
Irvine Facilities Financing Authority CFD 2013-3	Great Park 2023	446,707	446,707
Total Fixed Rate Issues		<u>1,388,607</u>	<u>1,158,775</u>
Total All Issues		<u>\$ 2,197,727</u>	<u>\$ 1,366,376</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**G. Fund Balance Classifications**

Fund balances in the governmental funds at June 30, 2023 have been classified as follows (amounts expressed in thousands):

	General	Great Park	Local Park Fees	Irvine Public Facilities and Infrastructure Authority	Great Park Development	Community Facilities Districts	Other Governmental Funds	Total Governmental Funds
<b>Non Spendable</b>								
Endowment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501	\$ 501
Prepaid expenditures	118	472	-	-	-	-	-	590
Subtotal	118	472	-	-	-	-	501	1,091
<b>Restricted for:</b>								
Streets, roads, & facilities	-	-	-	-	-	487,642	51,601	539,243
Park & public park facilities	-	-	144,814	-	-	-	-	144,814
Circulation improvement	-	-	-	-	-	-	274,052	274,052
Community services activities	-	-	-	-	-	-	39	39
Animal care activities	-	-	-	-	-	-	557	557
Public service activities	-	-	-	-	-	-	605	605
Affordable housing activities	-	-	-	-	-	-	4,248	4,248
Air quality improvement activities	-	-	-	-	-	-	850	850
Public safety programs	-	-	-	-	-	-	3,153	3,153
ADA access activities	-	-	-	-	-	-	376	376
Public education	-	-	-	-	-	-	2,168	2,168
Public transportation	-	-	-	-	-	-	526	526
Senior nutrition programs and activities	-	-	-	-	-	-	807	807
Open space maintenance	-	-	-	-	-	-	18	18
Other programs and activities	-	-	-	-	-	-	630	630
Subtotal	-	-	144,814	-	-	487,642	339,630	972,086
<b>Committed to:</b>								
Streets, roads, & facilities	-	-	-	-	-	-	34,600	34,600
Park & public facilities	-	-	-	-	-	-	43,109	43,109
Circulation improvements	-	-	-	-	-	-	12,184	12,184
Contingency reserve	57,175	-	-	-	-	-	-	57,175
Public facilities improvements	-	-	-	-	-	-	2,353	2,353
Public safety services	-	-	-	-	-	-	267	267
Lighting, landscape, & park maintenance	-	-	-	-	-	-	3,791	3,791
Subtotal	57,175	-	-	-	-	-	96,304	153,479
<b>Assigned to:</b>								
Streets, roads, & facilities	-	-	-	-	-	-	116	116
Park & public facilities	-	-	-	-	-	-	454	454
Great Park development and operations	-	257,968	-	-	14,067	-	-	272,035
Community services activities	46,300	-	-	-	-	-	-	46,300
Compensated absences	6,561	-	-	-	-	-	-	6,561
Debt service	-	-	-	330,488	-	-	-	330,488
Development activities	4,037	-	-	-	-	-	-	4,037
Education	2,288	-	-	-	-	-	-	2,288
Infrastructure and rehabilitation	94,784	-	-	-	-	-	-	94,784
Other programs and activities	173	-	-	-	-	-	-	173
Subtotal	154,143	257,968	-	330,488	14,067	-	570	757,236
<b>Unassigned:</b>	19,344	-	-	-	-	-	-	19,344
<b>Total</b>	<u>\$ 230,780</u>	<u>\$ 258,440</u>	<u>\$ 144,814</u>	<u>\$ 330,488</u>	<u>\$ 14,067</u>	<u>\$ 487,642</u>	<u>\$ 437,005</u>	<u>\$ 1,903,236</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**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, 2023 were (amounts expressed in thousands):

Cash and investments \$ 10,652

**Advances from the City of Irvine**

Advances payable to the City for the year ended June 30, 2023, were as follows (amounts expressed in thousands):

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Advances from the City - Settlement agreement	\$ 87,615	\$ -	\$ 52,134	\$ 35,481
Total	\$ 87,615	\$ -	\$ 52,134	\$ 35,481

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**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, 2023, the outstanding balance due to the Irvine Community Land Trust is \$3,548,125.

**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, 2023 were (amounts expressed in thousands):

Cash	\$	2,880
Investments:		
Cash and money market		12,945
Fixed income		8,950
Accrued income		38
Total cash and investments	<u>\$</u>	<u>24,813</u>

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**Capital Assets**

Capital asset activity for the Land Trust for the year ended June 30, 2023, was as follows (amounts expressed in thousands):

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
<b>Component Unit Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 33,000	\$ -	\$ -	\$ 33,000
Total capital assets not being depreciated	33,000	-	-	33,000
Capital assets, being depreciated:				
Buildings and systems	2,672	-	-	2,672
Machinery and equipment	18	1	-	19
Total capital assets being depreciated	2,690	1	-	2,691
Less accumulated depreciation for:				
Buildings and systems	(921)	(89)	-	(1,010)
Machinery and equipment	(6)	(2)	-	(8)
Total accumulated depreciation	(927)	(91)	-	(1,018)
Total capital assets, being depreciated, net	1,763	(90)	-	1,673
Component unit activities capital assets, net	\$ 34,763	\$ (90)	\$ -	\$ 34,673

Depreciation expense charged to the Land Trust was \$91,165.

**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, 2023, were as follows (amounts expressed in thousands):

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Principal	\$ 11,085	\$ -	\$ 22	\$ 11,063
Interest	956	228	5	1,179
	\$ 12,041	\$ 228	\$ 27	\$ 12,242

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**III. Detailed Notes on All Funds (Continued)**

**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, 2023, of \$3,073,657.

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, 2023, was \$3,548,125.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**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 statutory requirements 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 13 other cities from Orange, Los Angeles, San Bernardino, and San Diego Counties. Premiums paid during the fiscal year ended June 30, 2023, were \$4,311,066. 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, 2023. The City, did settle claims during the fiscal year which were from several decades age. These claims were paid from the City's insurance fund since the insurance carrier from that time-period is no longer solvent. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2023, \$22,295,398 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 2022-23 fiscal year. It is the City's policy to assess its risk exposure periodically.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

Changes in the aggregate liability for claims since July 1, 2021, 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, 2021	\$ 17,152	\$ 3,850	\$ 21,002
Changes in estimates	4,020	127	4,147
Claim payments during 2021-2022	<u>(3,519)</u>	<u>(313)</u>	<u>(3,832)</u>
Liability Balance, June 30, 2022	<u>17,653</u>	<u>3,664</u>	<u>21,317</u>
Changes in estimates	3,207	967	4,174
Claim payments during 2022-2023	<u>(3,196)</u>	<u>-</u>	<u>(3,196)</u>
Liability Balance, June 30, 2023	<u>\$ 17,664</u>	<u>\$ 4,631</u>	<u>\$ 22,295</u>

**B. Contingencies**

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 Vimly Benefit Solutions under the provisions of IRS Code Section 501(c)(9).

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

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, 2023, employer contributions were \$3,890,509 and participant contributions were \$376,026. 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, 2023, the City contributed \$359,825 to the RHS plan. The Plan is administered by Meritain Health.

**Other Post Employment Benefits (OPEB)**

Plan Description The City administers a single employer defined benefit 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:

Employee Group

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.

This Plan does not accumulate assets and only provides the employees that retire an implied subsidy.

Employees Covered As of June 30, 2023, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employee	853
Inactive employees or beneficiaries currently receiving benefits	97
Total	950

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

Implied Subsidy 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 makes 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 "implied subsidy." The implied subsidy is considered to be another post-employment benefit of the City. For the year ended June 30, 2023, the City's contribution (implicit subsidy) was \$500,399.

OPEB Liability The City's total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation dated July 1, 2022. The total OPEB liability was based on the following actuarial methods and assumptions:

Discount rate	3.86%
Salary increases	3.00%
Inflation rate	2.50%
Mortality rate	(1)
Healthcare cost trend rate	(2)

- (1) Pre-retirement mortality rates for Miscellaneous (Non-Sworn) were based on the Preretirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study and the Sworn rates were based on the Preretirement Mortality Rates for Public Agency Police from 2021 CalPERS Experience Study. Post-retirement mortality rates for Miscellaneous (Non-Sworn) were based on the Postretirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study and the Sworn rates were based on the Postretirement Mortality Rates for Public Agency Police from 2021 CalPERS Experience Study.
- (2) Six percent for 2023; 5.50 percent for 2024; 5.25 percent for 2025-2029; 5.00 percent for 2030-2039; 4.75 percent for 2040-2049; 4.5 percent for 2050-2069, and 4.00 percent for 2070 and later years. Medicare ages: 4.50 percent for 2023-2029 and 4.00 percent for 2030 and later years.

Discount Rate The discount rate used to measure the total OPEB liability was 3.86 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 AA/Aa or higher – to the extent that the conditions in (a) are not met.

Based of the requirements of GASB 75, the City is using the Fidelity General Obligations AA 20-year Municipal Index.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

Changes in the Total 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: 6/30/2022	\$ 8,475
Changes for the year:	
Service cost	467
Interest expense	334
Change of assumptions	(554)
Differences between expected and actual experience	782
Benefit payments	(500)
Net Change	529
Balance at: 6/30/2023	\$ 9,004

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate The following presents the total OPEB liability of the City as the measurement date, calculated using the discount rate of 3.86 percent as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.86 percent) or 1 percentage-point higher (4.86 percent) than the current rate (amounts expressed in thousands).

	Discount Rate -1% 2.86%	Current Discount Rate 3.86%	Discount Rate +1% 4.86%
Total OPEB Liability	\$ 9,808	\$ 9,004	\$ 8,268

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trends rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates (amounts expressed in thousands):

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 7,942	\$ 9,004	\$ 10,270

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

The first amortized amounts are recognized in OPEB 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 OPEB expense.

The amortization period is a closed period equal to the average of the expected remaining service lives of all employees provided with OPEB.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

OPEB Expense and Deferred Outflows and Deferred Inflow of Resources Related to OPEB As of the start of the measurement period (July 1, 2022), the total OPEB liability/(asset) was \$8,475,235. For the measurement period ending June 30, 2023 (the measurement date), the City incurred a OPEB expense of \$852,502 for the plan.

As of June 30, 2023, 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	\$ 1,043	\$ -
Change in assumptions	452	1,473
Total	\$ 1,495	\$ 1,473

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):

Measurement Period Ending June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 52
2025	52
2026	2
2027	(56)
2028	(114)
Thereafter	86

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

**D. Employee Retirement Systems and Pension Plans**

The following is a summary of pension related items for the year ended June 30, 2023, (amounts expressed in thousands).

	Governmental Activities
Deferred Outflow of Resources:	
Defined Benefit Pension Plan	\$ 2,867
CalPERS Sworn Plan	47,953
CalPERS Miscellaneous Plan	52,054
Total Deferred Outflow of Resources	\$ 102,874
Deferred Inflow of Resources:	
Defined Benefit Pension Plan	\$ -
CalPERS Sworn Plan	5,827
CalPERS Miscellaneous Plan	3,801
Total Deferred Inflow of Resources	\$ 9,628
Net Pension Liability:	
Defined Benefit Pension Plan	\$ 5,596
CalPERS Sworn Plan	70,900
CalPERS Miscellaneous Plan	92,470
Total Net Pension Liability	\$ 168,966
Pension Expense/(Income):	
Defined Benefit Pension Plan	\$ 385
CalPERS Sworn Plan	17,085
CalPERS Miscellaneous Plan	16,514
Total Net Pension Expense	\$ 33,984

Pension liabilities are liquidated from the related employees' home fund with the majority funded from the General Fund.

**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. 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.

On February 2, 2002, the City contracted with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits for sworn employees. 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 January 1, 2023. 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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

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, 2022 (measurement date), the following employees were covered by the benefit terms for the Plan.

Inactive employees or beneficiaries currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	1
Active employees	2
Total	35

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 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 2022-23, employer contribution rates were are follows:

	Normal Cost	Unfunded Liabilities
July 1 to December 31, 2022	40.65%	203.46%
January 1 to June 30, 2023	40.78%	195.14%

Employees covered under the Plan contributed 12 percent of pensionable-base compensation. For the fiscal year ended June 30, 2023, the City made contributions of \$597,717.

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, 2022, using an annual actuarial valuation as of January 1, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

Actuarial Assumptions The total pension liability in the January 1, 2023, actuarial valuations were determined using the following actuarial assumptions:

Valuation date	January 1, 2023
Measurement date	December 31, 2022
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	5.00%
Inflation	3.00%
Salary increases	5.00%
Mortality	RP-2014 Blue Collar Table with Improvement Scale MP-2021
Post-retirement benefit increase	2.00%

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:

<u>Investment Type</u>	<u>Range</u>	<u>Target</u>
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 During the measurement period ended December 31, 2022 there were no changes to the assumptions.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

Discount Rate The discount rate for funding purposes is 5.00 percent. Paragraph 43 of GASB Statement No. 67 provides for an alternative method to be used other than the projection of the pension plan's fiduciary net position based on projected contributions, benefit payments and investment earnings. The City's current contribution policy requires the City to contribute the normal cost plus the ten year closed amortization of the unfunded liabilities as of January 1, 2019 plus the 20 year closed amortization of additional unfunded liabilities in each future year in the fiscal year following the annual valuation. The unfunded liability as a percent of actuarial asset values as of January 1, 2023 was 14.7 percent. Based on actuarial theory if the actuarial assumptions are met, the plan's fiduciary net position will remain positive.

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: 12/31/2021	\$ 23,931	\$ 21,664	\$ 2,267
Changes for the year:			
Service cost	108	-	108
Interest expense	1,163	-	1,163
Differences between expected and actual experience	(412)	-	(412)
Contributions-employer	-	595	(595)
Contributions-employee	-	33	(33)
Net investment income	-	(3,079)	3,079
Benefit payments, including refunds of employee contributions	(1,456)	(1,456)	-
Administrative expenses	-	(19)	19
Net Change	(597)	(3,926)	3,329
Balance at: 12/31/2022	\$ 23,334	\$ 17,738	\$ 5,596

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 5.00 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 (4.00 percent) or 1 percentage-point higher (6.00 percent) than the current rate (amounts expressed in thousands):

	Discount Rate -1% 4.00%	Current Discount Rate 5.00%	Discount Rate +1% 6.00%
Plan's Net Pension Liability	\$ 8,264	\$ 5,596	\$ 3,362

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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

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 inactives (one year of future service is assumed for inactives 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, 2022), the net pension liability was \$2,267,215. For the measurement period ending December 31, 2022 (the measurement date), the City incurred a pension expense of \$385,289 for the Plan.

As of December 31, 2022, 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
Contributions made after the measurement date	\$ 297	\$ -
Net difference between projected and actual earnings on pension plan investments	2,570	-
Total	<u>\$ 2,867</u>	<u>\$ -</u>

The \$297,359 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, 2024. 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):

Measurement Period Ending December 31,	Deferred Outflows/(Inflows) of Resources
2023	\$ 289
2024	601
2025	851
2026	829
2027	-
Thereafter	-

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

**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, 2022, the Plan had 48 members, consisting of six active members, and 42 terminated members. All 48 members are fully vested in the Plan. Total Plan assets were \$10,706,274. 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, Principal.

Employer contributions to the Plan during the fiscal year ended December 31, 2022 were \$108,678 and participant contributions were \$38,871. For additional details concerning the transition to CalPERS, see the note below related to miscellaneous (non-sworn) employees.

**City of Irvine Defined Contribution Pension Plan – 401a**

Plan Description The City provides a pension benefit through a 401a Pension Plan for certain full-time employees. 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 earning. Employer 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 MOUs may be obtained from City Hall. Financial reports are not prepared for this Plan.

Funding Policy Effective July 1, 2020, the City shall contribute 2 or 4 percent of eligible participants' base compensation into the Plan, based on the various employee associations' Memorandum of Understanding. Plan participants have the right to 100 percent of contributions made on their behalf and related earning upon their death, permanent and total disability or upon attainment of normal retirement age.

Annual Pension Cost Employer contributions to the Plan as of June 30, 2023, was \$1,679,029.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**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](http://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, 2023, are summarized as follows:

<b>Sworn Plan</b>			
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%	

<b>Miscellaneous Plan</b>			
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, 2022 (measurement date), the following employees were covered by the benefit terms for the Plan:

	Sworn Plan	Miscellaneous Plan
Active members	219	778
Retired members and beneficiaries	155	519
Terminated members	66	610
Transferred members	46	417
Total	486	2,324

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**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 2022-23 were as follows:

	Sworn	Miscellaneous
Normal Cost Rate	23.20%	10.85%
Employer Unfunded Accrued Liability Contribution <sup>(1)</sup>	15.41%	11.26%
	38.61%	22.11%

<sup>(1)</sup> 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 \$4,526,549 and \$6,748,172 for the sworn and miscellaneous plans, respectively.

The employee required contribution rates for the sworn and miscellaneous plans for fiscal year 2022-23 were as follows:

<b>Sworn Plan</b>			
	Prior to January 1, 2013	On or After January 1, 2013	
Hire Date			
Employee contribution rate	9.00%	13.75%	

<b>Miscellaneous Plan</b>			
	Prior to August 14, 2012	On or After August 14, 2012 and Prior to January 1, 2013	On or After January 1, 2013
Hire Date			
Employee contribution rate	8.00%	7.00%	7.50%

For the fiscal year ended June 30, 2023, the City made contributions of \$15,291,150 for the sworn plan and \$16,945,626 for the miscellaneous plan.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

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):

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
2021	2,500	2,500
2022	2,500	2,500
2023	2,500	2,500
Total	\$ 25,786	\$ 37,376

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, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, 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, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies on entry age and duration of service
Mortality <sup>(1)</sup>	Derived using CalPERS membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

<sup>(1)</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates generational mortality improvement using 80 percent of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

Change in Assumptions In fiscal year 2021-22 (measurement date of June 30, 2022) there were no changes in assumptions.

Discount Rate The discount rate used to measure the total pension liability was 6.90 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.

Long-term Expected Rate of Return 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of ten Basis points. The expected real rate of return by asset class are as followed:

Asset Class <sup>(1)</sup>	Assumed Asset Allocation	Real Return <sup>(1,2)</sup>
Global Equity – Cap-weighted	30.00 %	4.54 %
Global Equity – Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

<sup>(1)</sup> An expected inflation of 2.30 percent used for this period.

<sup>(2)</sup> Figures are based on the 2021 Asset Liability Management study.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

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

<b>Sworn Plan</b>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 6/30/2021	\$ 337,739	\$ 321,666	\$ 16,073
Changes for the year:			
Service cost	10,728	-	10,728
Interest on total pension liability	24,045	-	24,045
Changes in assumptions	16,197	-	16,197
Difference between expected and actual experience	(3,698)	-	(3,698)
Contributions-employer	-	13,967	(13,967)
Contributions-employee	-	3,188	(3,188)
Net investment income	-	(24,510)	24,510
Benefit payments, including refunds of employee contributions	(14,239)	(14,239)	-
Administrative expense	-	(200)	200
Net changes	33,033	(21,794)	54,827
Balance at 6/30/2022	\$ 370,772	\$ 299,872	\$ 70,900

<b>Miscellaneous Plan</b>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 6/30/2021	\$ 479,308	\$ 461,597	\$ 17,711
Changes for the year:			
Service cost	11,572	-	11,572
Interest on total pension liability	33,680	-	33,680
Changes in assumptions	17,725	-	17,725
Difference between expected and actual experience	(3,289)	-	(3,289)
Contributions-employer	-	15,534	(15,534)
Contributions-employee	-	4,566	(4,566)
Net investment income	-	(34,883)	34,883
Benefit payments, including refunds of employee contributions	(22,814)	(22,814)	-
Administrative expense	-	(288)	288
Net changes	36,874	(37,885)	74,759
Balance at 6/30/2022	\$ 516,182	\$ 423,712	\$ 92,470

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

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 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate (amounts expressed in thousands):

<u>Plan's Net Pension Liability / (Assets)</u>	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Sworn Plan	\$ 127,955	\$ 70,900	\$ 24,874
Miscellaneous Plan	164,063	92,470	33,627
Combined Total	<u>\$ 292,018</u>	<u>\$ 163,370</u>	<u>\$ 58,501</u>

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.

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 2021-22 measurement period, ended June 30, 2022, is 5.5 years for the Sworn Plan and 3.8 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, 2021), the net pension liability was \$16,073,146 for the Sworn Plan and \$17,711,281 for the Miscellaneous Plan. For the measurement period ending June 30, 2022 (the measurement date), the City incurred a pension expense of \$17,085,028 and \$16,514,007 for the Sworn and Miscellaneous Plans, respectively.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

As of June 30, 2022 (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	\$ 2,230	\$ 5,404	\$ 561	\$ 3,801
Change in assumptions	14,948	423	13,060	-
Contributions made after the measurement date	15,291	-	16,946	-
Net difference between projected and actual earnings on pension plan investments	15,484	-	21,487	-
Total	<u>\$ 47,953</u>	<u>\$ 5,827</u>	<u>\$ 52,054</u>	<u>\$ 3,801</u>

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense.

The \$15,291,150 and \$16,945,626 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, 2024. 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):

Measurement Period Ending June 30,	Sworn Plan Deferred Outflows/(Inflows) of Resources	Miscellaneous Plan Deferred Outflows/(Inflows) of Resources
2023	\$ 7,682	\$ 7,075
2024	3,670	6,271
2025	3,157	4,639
2026	11,189	13,322
2027	1,137	-
Thereafter	-	-

At June 30, 2023, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

**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). PARS is a 401(a) defined contribution plan. 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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**IV. Other Information (Continued)**

Annual Pension Cost As of June 30, 2023, the Plan had 863 active members and total Plan net assets were \$2,694,636. For the year ended June 30, 2023, employer contributions were \$171,782 and participant contributions were \$227,367.

**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 \$501,287, which is reported as part of Restricted Net Position, Nonexpendable. Expendable donations and accrued interest of \$857,468 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, 2023**  
(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 Measurement Periods <sup>(1)</sup>**

	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 108	\$ 97	\$ 98	\$ 114
Interest on total pension liability	1,163	1,191	1,213	1,088
Changes of benefits terms	-	-	-	-
Difference between expected and actual experience	(412)	56	160	182
Changes in assumptions	-	674	(461)	3,277
Benefit payments, including refunds of employee contributions	(1,456)	(1,444)	(1,414)	(1,271)
Net Change in Total Pension Liability	\$ (597)	\$ 574	\$ (404)	\$ 3,390
Total Pension Liability - Beginning	23,931	23,357	23,761	20,371
Total Pension Liability - Ending (a)	<u>\$ 23,334</u>	<u>\$ 23,931</u>	<u>\$ 23,357</u>	<u>\$ 23,761</u>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	\$ 595	\$ 595	\$ 595	\$ 262
Contribution - employee	33	32	31	46
Net investment income	(3,079)	994	2,280	2,550
Benefit payments, including refunds of employee contributions	(1,456)	(1,444)	(1,414)	(1,271)
Administrative expenses	(19)	(18)	(23)	(27)
Other changes in fiduciary net position	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ (3,926)	\$ 159	\$ 1,469	\$ 1,560
Plan Fiduciary Net Position - Beginning	21,664	21,505	20,036	18,476
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,738</u>	<u>\$ 21,664</u>	<u>\$ 21,505</u>	<u>\$ 20,036</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 5,596</u>	<u>\$ 2,267</u>	<u>\$ 1,852</u>	<u>\$ 3,725</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	76.02%	90.53%	92.07%	84.32%
Covered payroll	\$ 272	\$ 265	\$ 264	\$ 379
Plan net pension liability/(asset) as a percentage of covered payroll	2057.35%	855.47%	701.52%	982.85%

(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 nine years are shown.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 110	\$ 82	\$ 81	\$ 137	\$ 128
1,086	1,086	1,077	1,091	1,088
-	-	-	-	-
104	283	178	(280)	(5)
-	(261)	-	-	-
<u>(1,224)</u>	<u>(1,198)</u>	<u>(1,165)</u>	<u>(1,171)</u>	<u>(1,145)</u>
\$ 76	\$ (8)	\$ 171	\$ (223)	\$ 66
<u>20,295</u>	<u>20,303</u>	<u>20,132</u>	<u>20,355</u>	<u>20,289</u>
<u>\$ 20,371</u>	<u>\$ 20,295</u>	<u>\$ 20,303</u>	<u>\$ 20,132</u>	<u>\$ 20,355</u>
\$ 253	\$ 184	\$ 88	\$ 130	\$ 243
46	45	39	32	20
(499)	1,761	1,105	71	1,391
(1,224)	(1,198)	(1,165)	(1,171)	(1,145)
(14)	(84)	(84)	(123)	(129)
-	-	-	-	-
<u>(1,438)</u>	<u>708</u>	<u>(17)</u>	<u>(1,061)</u>	<u>380</u>
<u>19,914</u>	<u>19,206</u>	<u>19,223</u>	<u>20,284</u>	<u>19,904</u>
<u>\$ 18,476</u>	<u>\$ 19,914</u>	<u>\$ 19,206</u>	<u>\$ 19,223</u>	<u>\$ 20,284</u>
<u>\$ 1,895</u>	<u>\$ 381</u>	<u>\$ 1,097</u>	<u>\$ 909</u>	<u>\$ 71</u>
90.70%	98.12%	94.60%	95.48%	99.65%
\$ 385	\$ 373	\$ 365	\$ 334	\$ 326
492.21%	102.14%	300.55%	272.16%	21.78%

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

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

**Schedule of Plan Contributions**  
**Last Ten Fiscal Years <sup>(1)</sup>**

	2022-23	2021-22	2020-21	2019-20
Actuarially determined contribution <sup>(2)</sup>	\$ 536	\$ 532	\$ 557	\$ 425
Contribution in relation to the actuarially determined contribution	(595)	(595)	(595)	(429)
Contribution deficiency (excess)	\$ (59)	\$ (63)	\$ (38)	\$ (4)
Covered payroll	\$ 289	\$ 269	\$ 265	\$ 323
Contributions as a percentage of covered payroll	185.29%	197.95%	210.59%	131.78%

**Notes to Schedule**

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

Valuation date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Actuarial assumptions:				
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	Market value	Market value	Market value	Market value
Amortization method	(8)	(8)	(8)	(8)
Inflation	3%	3%	3%	3%
Salary increases	5%	5%	5%	5%
Investment rate of return	5.00%	5.00%	5.25%	5.25%
Retirement age	(11)	(6)	(6)	(6)
Mortality rate table	(10)	(10)	(9)	(7)

- (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 nine 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
- (7) RP-2014 Blue Collar Table with Improvement Scale MP-2018
- (8) Closed 20-year amortization for any future assets or liability gains or losses with the current 10-year closed amortization for losses existing at January 1, 2019.
- (9) RP-2014 Blue Collar Table with Improvement Scale MP-2020
- (10) RP-2014 Blue Collar Table with Improvement Scale MP-2021
- (11) 15% from age 50 to 64, 400% at age 65

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

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

2018-19	2017-18	2016-17	2015-16	2014-15
\$ 232	\$ 194	\$ 136	\$ 109	\$ 187
(258)	(219)	(136)	(109)	(187)
\$ (26)	\$ (25)	\$ -	\$ -	\$ -
\$ 383	\$ 379	\$ 369	\$ 350	\$ 330
60.44%	51.19%	36.86%	31.19%	56.52%

December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Entry age normal Market value				
(3)	(3)	(3)	(3)	(3)
3%	3%	3%	3%	3%
5%	5%	5%	5%	5%
5.50%	5.50%	5.50%	5.50%	5.50%
(6)	(6)	(4)	(4)	(4)
(5)	(5)	(5)	(5)	(5)

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(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 Measurement Periods <sup>(1)</sup>**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total Pension Liability</b>				
Service cost	\$ 10,728	\$ 9,541	\$ 9,569	\$ 9,169
Interest on total pension liability	24,045	22,653	21,582	20,284
Changes of benefits terms	-	-	-	-
Difference between expected and actual experience	(3,698)	(3,584)	242	1,733
Changes in assumptions	16,197	-	-	-
Benefit payments, including refunds of employee contributions	(14,239)	(13,023)	(12,115)	(11,362)
Net Change in Total Pension Liability	\$ 33,033	\$ 15,587	\$ 19,278	\$ 19,824
Total Pension Liability - Beginning	337,739	322,152	302,874	283,050
Total Pension Liability - Ending (a)	<u>\$ 370,772</u>	<u>\$ 337,739</u>	<u>\$ 322,152</u>	<u>\$ 302,874</u>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	\$ 13,967	\$ 16,149	\$ 12,327	\$ 16,464
Contribution - employee	3,188	2,970	2,942	2,830
Net investment income	(24,510)	59,017	12,191	14,618
Benefit payments, including refunds of employee contributions	(14,239)	(13,023)	(12,115)	(11,362)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(200)	(257)	(341)	(157)
Other miscellaneous income / (expense)	-	-	-	1
Net Change in Fiduciary Net Position	\$ (21,794)	\$ 64,856	\$ 15,004	\$ 22,394
Plan Fiduciary Net Position - Beginning	321,666	256,810	241,806	219,412
Plan Fiduciary Net Position - Ending (b)	<u>\$ 299,872</u>	<u>\$ 321,666</u>	<u>\$ 256,810</u>	<u>\$ 241,806</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 70,900</u>	<u>\$ 16,073</u>	<u>\$ 65,342</u>	<u>\$ 61,068</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	80.88%	95.24%	79.72%	79.84%
Covered payroll	\$ 30,537	\$ 29,956	\$ 29,876	\$ 28,343
Plan net pension liability/(asset) as a percentage of covered payroll	232.18%	53.66%	218.71%	215.46%

(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 nine 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 2023, the accounting discount rate reduced from 7.00 percent to 6.90 percent. Inflation rate decreased from 2.50 percent to 2.30 percent.

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

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, 2023**  
(amounts expressed in thousands)

**CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)**

2018 <sup>(2)</sup>	2017	2016	2015	2014
\$ 9,005	\$ 8,348	\$ 6,966	\$ 6,238	\$ 6,341
18,924	17,393	16,258	14,875	13,661
-	-	-	-	-
6,915	(502)	5,005	4,152	-
(1,934)	16,239	-	(4,043)	-
(10,118)	(9,131)	(8,705)	(8,114)	(7,391)
<u>\$ 22,792</u>	<u>\$ 32,347</u>	<u>\$ 19,524</u>	<u>\$ 13,108</u>	<u>\$ 12,611</u>
<u>260,258</u>	<u>227,911</u>	<u>208,387</u>	<u>195,279</u>	<u>182,668</u>
<u><u>\$ 283,050</u></u>	<u><u>\$ 260,258</u></u>	<u><u>\$ 227,911</u></u>	<u><u>\$ 208,387</u></u>	<u><u>\$ 195,279</u></u>
\$ 14,077	\$ 11,332	\$ 8,628	\$ 8,369	\$ 11,701
2,708	2,760	2,286	2,131	2,694
16,943	19,779	791	3,683	24,267
(10,118)	(9,131)	(8,705)	(8,114)	(7,391)
-	-	-	1	-
(306)	(254)	(103)	(191)	-
(582)	-	-	-	-
<u>\$ 22,722</u>	<u>\$ 24,486</u>	<u>\$ 2,897</u>	<u>\$ 5,879</u>	<u>\$ 31,271</u>
<u>196,690</u>	<u>172,204</u>	<u>169,307</u>	<u>163,428</u>	<u>132,157</u>
<u><u>\$ 219,412</u></u>	<u><u>\$ 196,690</u></u>	<u><u>\$ 172,204</u></u>	<u><u>\$ 169,307</u></u>	<u><u>\$ 163,428</u></u>
<u><u>\$ 63,638</u></u>	<u><u>\$ 63,568</u></u>	<u><u>\$ 55,707</u></u>	<u><u>\$ 39,080</u></u>	<u><u>\$ 31,851</u></u>
77.52%	75.58%	75.56%	81.25%	83.69%
\$ 28,112	\$ 25,685	\$ 23,789	\$ 21,068	\$ 20,695
226.37%	247.49%	234.17%	185.49%	153.91%

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

**CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)**

**Schedule of Plan Contributions**  
**Last Ten Fiscal Years <sup>(1)</sup>**

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Actuarially determined contribution	\$ 12,791	\$ 11,467	\$ 13,649	\$ 12,327
Contribution in relation to the actuarially determined contribution	<u>(15,291)</u>	<u>(13,967)</u>	<u>(16,149)</u>	<u>(12,327)</u>
Contribution deficiency (excess)	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	<u>\$ -</u>
Covered payroll	\$ 36,016	\$ 30,537	\$ 29,956	\$ 29,876
Contributions as a percentage of covered payroll	42.46%	45.74%	53.91%	41.26%

**Notes to Schedule of Plan Contributions:**

Valuation date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial assumptions:				
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	Market value	Market value	Market value	Market value
Amortization method	Level Dollar Amount	Level Dollar Amount	Level Percent of Pay	Level Percent of Pay
Inflation	2.30%	2.50%	2.50%	2.625%
Salary increases	2.75%	2.75%	2.75%	2.875%
Investment rate of return	6.90%	7.00%	7.00%	7.25%
Retirement age	54	54	54	54
Mortality rate table	(E)	(E)	(E)	(E)

- (A) All changes in plan amendments, actuarial assumptions, or actuarial methodology are amortized over a 20-year period. All new gains or losses are tracked and amortized over a rolling 30-year period.
- (B) 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.
- (C) Smoothing policy that pays all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.
- (D) 20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries.
- (E) 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.
- (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 nine years are shown.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

**CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)**

<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
\$ 11,179	\$ 10,077	\$ 8,332	\$ 7,628	\$ 7,369
<u>(16,465)</u>	<u>(14,077)</u>	<u>(11,332)</u>	<u>(8,628)</u>	<u>(8,369)</u>
<u>\$ (5,286)</u>	<u>\$ (4,000)</u>	<u>\$ (3,000)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
\$ 28,343	\$ 28,112	\$ 25,685	\$ 23,789	\$ 21,068
58.09%	50.07%	44.12%	36.27%	39.72%
June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Entry age normal Market value	Entry age normal Actuarial value			
Level Percent of Pay	(C)	(C)	(C)	(A)
2.75%	2.75%	2.75%	2.75%	2.75%
3.00%	3.00%	3.00%	3.00%	3.00%
7.375%	7.50%	7.50%	7.50%	7.50%
54	54	54	54	54
(D)	(D)	(D)	(B)	(B)

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(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 Measurement Periods <sup>(1)</sup>**

	2022	2021	2020	2019
<b>Total Pension Liability</b>				
Service cost	\$ 11,572	\$ 10,807	\$ 11,119	\$ 11,066
Interest on total pension liability	33,680	32,342	31,020	29,415
Changes of benefits terms	-	-	-	-
Difference between expected and actual experience	(3,289)	(2,826)	913	4,525
Changes in assumptions	17,725	-	-	-
Benefit payments, including refunds of employee contributions	(22,814)	(21,550)	(19,785)	(18,171)
Net Change in Total Pension Liability	\$ 36,874	\$ 18,773	\$ 23,267	\$ 26,835
Total Pension Liability - Beginning	479,308	460,535	437,268	410,433
Total Pension Liability - Ending (a)	<u>\$ 516,182</u>	<u>\$ 479,308</u>	<u>\$ 460,535</u>	<u>\$ 437,268</u>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	\$ 15,534	\$ 19,831	\$ 16,229	\$ 21,162
Contribution - employee	4,566	4,535	4,420	4,521
Net investment income	(34,883)	85,403	17,896	21,764
Benefit payments, including refunds of employee contributions	(22,814)	(21,550)	(19,785)	(18,171)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(288)	(373)	(501)	(233)
Other miscellaneous income / (expense)	-	-	-	1
Net Change in Fiduciary Net Position	\$ (37,885)	\$ 87,846	\$ 18,259	\$ 29,044
Plan Fiduciary Net Position - Beginning	461,597	373,751	355,492	326,448
Plan Fiduciary Net Position - Ending (b)	<u>\$ 423,712</u>	<u>\$ 461,597</u>	<u>\$ 373,751</u>	<u>\$ 355,492</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 92,470</u>	<u>\$ 17,711</u>	<u>\$ 86,784</u>	<u>\$ 81,776</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	82.09%	96.30%	81.16%	81.30%
Covered payroll	\$ 60,053	\$ 60,306	\$ 60,926	\$ 59,585
Plan net pension liability/(asset) as a percentage of covered payroll	153.98%	29.37%	142.44%	137.24%

(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 nine 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 2023, the accounting discount rate reduced from 7.00 percent to 6.90 percent. Inflation rate decreased from 2.50 percent to 2.30 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

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, 2023**  
(amounts expressed in thousands)

**CalPERS Defined Benefit Pension Plan for Miscellaneous Employees (Continued)**

2018 <sup>(2)</sup>	2017	2016	2015	2014
\$ 10,637	\$ 9,862	\$ 8,634	\$ 8,319	\$ 8,705
27,596	25,872	24,811	23,375	22,042
-	-	-	-	-
6,298	(3,834)	220	(1,078)	-
(2,192)	21,963	-	(5,837)	-
(16,884)	(15,327)	(14,031)	(12,552)	(11,398)
<u>\$ 25,455</u>	<u>\$ 38,536</u>	<u>\$ 19,634</u>	<u>\$ 12,227</u>	<u>\$ 19,349</u>
<u>384,978</u>	<u>346,442</u>	<u>326,808</u>	<u>314,581</u>	<u>295,232</u>
<u><u>\$ 410,433</u></u>	<u><u>\$ 384,978</u></u>	<u><u>\$ 346,442</u></u>	<u><u>\$ 326,808</u></u>	<u><u>\$ 314,581</u></u>
\$ 17,035	\$ 16,687	\$ 15,938	\$ 15,677	\$ 19,604
4,242	4,186	3,801	3,634	4,186
25,501	30,227	1,347	5,653	35,985
(16,884)	(15,327)	(14,031)	(12,552)	(11,398)
(1)	-	-	(1)	-
(464)	(388)	(156)	(288)	-
(882)	-	-	-	-
<u>\$ 28,547</u>	<u>\$ 35,385</u>	<u>\$ 6,899</u>	<u>\$ 12,123</u>	<u>\$ 48,377</u>
<u>297,901</u>	<u>262,516</u>	<u>255,617</u>	<u>243,494</u>	<u>195,117</u>
<u><u>\$ 326,448</u></u>	<u><u>\$ 297,901</u></u>	<u><u>\$ 262,516</u></u>	<u><u>\$ 255,617</u></u>	<u><u>\$ 243,494</u></u>
<u><u>\$ 83,985</u></u>	<u><u>\$ 87,077</u></u>	<u><u>\$ 83,926</u></u>	<u><u>\$ 71,191</u></u>	<u><u>\$ 71,087</u></u>
79.54%	77.38%	75.77%	78.22%	77.40%
\$ 56,789	\$ 52,075	\$ 49,763	\$ 46,846	\$ 45,916
147.89%	167.21%	168.65%	151.97%	154.82%

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

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

**Schedule of Plan Contributions**  
**Last Ten Fiscal Years <sup>(1)</sup>**

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Actuarially determined contribution	\$ 14,446	\$ 13,034	\$ 17,331	\$ 16,229
Contribution in relation to the actuarially determined contribution	<u>(16,946)</u>	<u>(15,534)</u>	<u>(19,831)</u>	<u>(16,229)</u>
Contribution deficiency (excess)	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	<u>\$ -</u>
Covered payroll	\$ 71,112	\$ 60,053	\$ 60,306	\$ 60,926
Contributions as a percentage of covered payroll	23.83%	25.87%	32.88%	26.64%

**Notes to Schedule of Plan Contributions:**

Valuation date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial assumptions:				
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	Market value	Market value	Market value	Market value
Amortization method	Level Dollar Amount	Level Dollar Amount	Level Percent of Pay	Level Percent of Pay
Inflation	2.30%	2.50%	2.50%	2.625%
Salary increases	2.75%	2.75%	2.75%	2.875%
Investment rate of return	6.90%	7.00%	7.00%	7.25%
Retirement age	59	59	59	59
Mortality rate table	(E)	(E)	(E)	(E)

- (A) All changes in plan amendments, actuarial assumptions, or actuarial methodology are amortized over a 20-year period. All new gains or losses are tracked and amortized over a rolling 30-year period.
- (B) 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.
- (C) Smoothing policy that pays all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.
- (D) 20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries.
- (E) 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.
- (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 nine years are shown.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

**CalPERS Defined Benefit Pension Plan for Miscellaneous Employees (Continued)**

<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
\$ 15,285	\$ 14,035	\$ 12,687	\$ 11,938	\$ 11,677
<u>(21,161)</u>	<u>(17,035)</u>	<u>(16,687)</u>	<u>(15,938)</u>	<u>(15,677)</u>
<u>\$ (5,876)</u>	<u>\$ (3,000)</u>	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>
\$ 59,585	\$ 56,789	\$ 52,075	\$ 49,763	\$ 46,846
35.51%	30.00%	32.04%	32.03%	33.46%

June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Entry age normal Market value				
Level Percent of Pay	(C)	(C)	(C)	(C)
2.625%	2.75%	2.75%	2.75%	2.75%
2.875%	3.00%	3.00%	3.00%	3.00%
7.25%	7.375%	7.50%	7.50%	7.50%
59	59	59	59	59
(D)	(D)	(D)	(B)	(B)

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

**City of Irvine Other Post Employment Benefit Plan (OPEB)**

**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**During the Measurement Periods Ended June 30**  
**Last Ten Measurement Periods <sup>(1)</sup>**

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	\$ 467	\$ 675	\$ 605	\$ 537	\$ 505	\$ 490
Interest on total OPEB liability	334	190	222	242	239	227
Difference between expected and actual experience	782	-	585	-	-	-
Changes in assumptions	(554)	(1,383)	306	454	291	-
Benefit payments	(500)	(495)	(449)	(431)	(401)	(380)
Net Change in Total OPEB Liability	\$ 529	\$ (1,013)	\$ 1,269	\$ 802	\$ 634	\$ 337
Total OPEB Liability - Beginning	8,475	9,488	8,219	7,417	6,783	6,446
Total OPEB Liability - Ending	<u>\$ 9,004</u>	<u>\$ 8,475</u>	<u>\$ 9,488</u>	<u>\$ 8,219</u>	<u>\$ 7,417</u>	<u>\$ 6,783</u>
Covered - employee payroll	\$ 91,205	\$ 79,596	\$ 77,536	\$ 77,898	\$ 78,178	\$ 74,034
Total OPEB Liability/(Asset) as a percentage of covered - employee payroll	9.87%	10.65%	12.24%	10.55%	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 the Other Special Revenue Funds, Other Capital Projects Funds, and Permanent Fund.

**City of Irvine**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2023**  
(amounts expressed in thousands)  
Page 1 of 2

	<b>Other Special Revenue Funds</b>	<b>Other Capital Projects Funds</b>	<b>Permanent Fund</b>
<b>ASSETS</b>			
Cash and investments	\$ 77,858	\$ 335,671	\$ 857
Receivables, net of allowances:			
Taxes	944	-	-
Accounts	2,527	158	-
Accrued interest	1,311	761	2
Due from other governments	6,048	8,392	-
Due from developers	-	23,810	-
Long-term notes receivable, net of allowances	6,564	-	-
Total Assets	<u>\$ 95,252</u>	<u>\$ 368,792</u>	<u>\$ 859</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,578	\$ 2,197	\$ 2
Accrued liabilities	159	-	-
Due to other governments	38	4	-
Retention payable	-	781	-
Deposits	81	427	-
Unearned revenue	944	100	-
Total Liabilities	<u>5,800</u>	<u>3,509</u>	<u>2</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	10,196	8,391	-
Total Deferred Inflows of Resources	<u>10,196</u>	<u>8,391</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	501
Restricted	60,515	278,759	356
Committed	18,625	77,679	-
Assigned	116	454	-
Total Fund Balances	<u>79,256</u>	<u>356,892</u>	<u>857</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 95,252</u>	<u>\$ 368,792</u>	<u>\$ 859</u>

- continued -

**City of Irvine**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2023**  
(amounts expressed in thousands)  
Page 2 of 2

	<u>Total Other Governmental Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 414,386
Receivables, net of allowances:	
Taxes	944
Accounts	2,685
Accrued interest	2,074
Due from other governments	14,440
Due from developers	23,810
Long-term notes receivable, net of allowances	6,564
Total Assets	<u>\$ 464,903</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 6,777
Accrued liabilities	159
Due to other governments	42
Retention payable	781
Deposits	508
Unearned revenue	1,044
Total Liabilities	<u>9,311</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues	18,587
Total Deferred Inflows of Resources	<u>18,587</u>
<b>FUND BALANCES (DEFICITS)</b>	
Nonspendable	501
Restricted	339,630
Committed	96,304
Assigned	570
Total Fund Balances	<u>437,005</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 464,903</u>

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 1 of 2

	<b>Other Special Revenue Funds</b>	<b>Other Capital Projects Funds</b>	<b>Permanent Fund</b>
<b>REVENUES</b>			
Taxes	\$ 9,269	\$ -	\$ -
Licenses and permits	73	-	-
Investment income	692	3,747	13
Intergovernmental	34,886	351	-
Charges for services	1,980	1,365	-
Revenue from developers	-	5,212	-
Special assessments	11,779	-	-
Donations	493	-	20
Other revenue	50	-	-
Total Revenues	59,222	10,675	33
<b>EXPENDITURES</b>			
Current:			
General Government	331	48	-
Public Safety	6,097	-	-
Public Works & Transportation	22,350	1,403	-
Community Development	6,328	3	-
Community Services	1,090	-	153
Capital outlay	-	34,586	-
Debt service:			
Principal retirement	27	-	-
Total Expenditures	36,223	36,040	153
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,999	(25,365)	(120)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from subscriptions	27	-	-
Transfers in	9,648	26,414	120
Transfers out	(21,504)	(1,157)	-
Total Other Financing Sources (Uses)	(11,829)	25,257	120
Net Change in Fund Balances	11,170	(108)	-
Fund Balances, Beginning	68,086	357,000	857
Fund Balances, Ending	\$ 79,256	\$ 356,892	\$ 857

- continued -

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 2 of 2

	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>	
Taxes	\$ 9,269
Licenses and permits	73
Investment income	4,452
Intergovernmental	35,237
Charges for services	3,345
Revenue from developers	5,212
Special assessments	11,779
Donations	513
Other revenue	50
Total Revenues	69,930
<b>EXPENDITURES</b>	
Current:	
General Government	379
Public Safety	6,097
Public Works & Transportation	23,753
Community Development	6,331
Community Services	1,243
Capital outlay	34,586
Debt service:	
Principal retirement	27
Total Expenditures	72,416
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	(2,486)
<b>OTHER FINANCING SOURCES (USES)</b>	
Proceeds from subscriptions	27
Transfers in	36,182
Transfers out	(22,661)
Total Other Financing Sources (Uses)	13,548
Net Change in Fund Balances	11,062
Fund Balances, Beginning	425,943
Fund Balances, Ending	\$ 437,005



## 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 accounts 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% fee imposed by City Ordinance on all new construction. Revenues are committed 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.

OCEFA Settlement Agreement - This fund accounts for an agreement between Orange County Fire Authority and the City to reimburse the City for certain Public Safety expenditures.

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.

Fees and Exactions Fund - This fund records the collections of fees imposed on developers and property owners for the future capital improvement projects from which they will receive a direct benefit. The fund also accounts for loans to developers from the Housing In Lieu fees, which assist in the stimulation of affordable housing projects.

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

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2023**  
(amount expressed in thousands)  
Page 1 of 4

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
<b>ASSETS</b>			
Cash and investments	\$ 10,596	\$ 30,511	\$ 14,635
Receivables, net of allowances:			
Taxes	-	688	-
Accounts	-	-	-
Accrued interest	29	83	47
Due from other governments	1,166	1,921	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 11,791</u>	<u>\$ 33,203</u>	<u>\$ 14,682</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 6	\$ 145
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Deposits	-	-	-
Unearned revenue	-	-	-
Total Liabilities	<u>-</u>	<u>6</u>	<u>145</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	11,791	33,197	-
Committed	-	-	14,537
Assigned	-	-	-
Total Fund Balances	<u>11,791</u>	<u>33,197</u>	<u>14,537</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 11,791</u>	<u>\$ 33,203</u>	<u>\$ 14,682</u>

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**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2023**  
(amount expressed in thousands)  
Page 2 of 4

	<u>Maintenance District</u>	<u>Air Quality Improvement</u>	<u>OCFA Settlement Agreement</u>
<b>ASSETS</b>			
Cash and investments	\$ 6,651	\$ 746	\$ 189
Receivables, net of allowances:			
Taxes	212	-	-
Accounts	8	103	-
Accrued interest	12	2	1
Due from other governments	20	-	618
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 6,903</u>	<u>\$ 851</u>	<u>\$ 808</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,989	\$ 1	\$ 16
Accrued liabilities	108	-	4
Due to other governments	3	-	-
Deposits	-	-	-
Unearned revenue	-	-	618
Total Liabilities	<u>3,100</u>	<u>1</u>	<u>638</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	12	-	-
Total Deferred Inflows of Resources	<u>12</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	-	850	170
Committed	3,791	-	-
Assigned	-	-	-
Total Fund Balances	<u>3,791</u>	<u>850</u>	<u>170</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 6,903</u>	<u>\$ 851</u>	<u>\$ 808</u>

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**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2023**  
(amount expressed in thousands)  
Page 3 of 4

	<b>Major Special Events</b>	<b>Shuttle</b>	<b>Fees and Exactions</b>
<b>ASSETS</b>			
Cash and investments	\$ 199	\$ 729	\$ 8,887
Receivables, net of allowances:			
Taxes	-	-	44
Accounts	75	15	-
Accrued interest	-	2	199
Due from other governments	-	-	-
Long-term notes receivable, net of allowances	-	-	934
Total Assets	<u>\$ 274</u>	<u>\$ 746</u>	<u>\$ 10,064</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 177	\$ 23
Accrued liabilities	1	43	-
Due to other governments	-	-	2
Deposits	-	-	81
Unearned revenue	-	-	-
Total Liabilities	<u>1</u>	<u>220</u>	<u>106</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	6	-	1,114
Total Deferred Inflows of Resources	<u>6</u>	<u>-</u>	<u>1,114</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	-	526	8,698
Committed	267	-	30
Assigned	-	-	116
Total Fund Balances	<u>267</u>	<u>526</u>	<u>8,844</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 274</u>	<u>\$ 746</u>	<u>\$ 10,064</u>

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**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2023**  
(amount expressed in thousands)  
Page 4 of 4

	<b>Grants</b>	<b>Total Other Special Revenue Funds</b>
<b>ASSETS</b>		
Cash and investments	\$ 4,715	\$ 77,858
Receivables, net of allowances:		
Taxes	-	944
Accounts	2,326	2,527
Accrued interest	936	1,311
Due from other governments	2,323	6,048
Long-term notes receivable, net of allowances	5,630	6,564
Total Assets	\$ 15,930	\$ 95,252
<b>LIABILITIES</b>		
Accounts payable	\$ 1,221	\$ 4,578
Accrued liabilities	3	159
Due to other governments	33	38
Deposits	-	81
Unearned revenue	326	944
Total Liabilities	1,583	5,800
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues	9,064	10,196
Total Deferred Inflows of Resources	9,064	10,196
<b>FUND BALANCES (DEFICITS)</b>		
Restricted	5,283	60,515
Committed	-	18,625
Assigned	-	116
Total Fund Balances	5,283	79,256
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ 15,930	\$ 95,252

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 1 of 4

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 5,103
Licenses and permits	-	-	-
Investment income	(127)	(130)	378
Intergovernmental	7,114	14,768	-
Charges for services	-	-	-
Special assessments	-	-	-
Donations	-	-	-
Other revenue	-	-	-
Total Revenues	6,987	14,638	5,481
<b>EXPENDITURES</b>			
Current:			
General Government	52	28	-
Public Safety	-	-	-
Public Works & Transportation	84	905	450
Community Development	-	-	-
Community Services	-	-	-
Debt service:			
Principal retirement	-	-	-
Total Expenditures	136	933	450
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,851	13,705	5,031
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from subscriptions	-	-	-
Transfers in	-	-	-
Transfers out	(1,137)	(4,753)	(13,069)
Total Other Financing Sources (Uses)	(1,137)	(4,753)	(13,069)
Net Change in Fund Balances	5,714	8,952	(8,038)
Fund Balances, Beginning	6,077	24,245	22,575
Fund Balances, Ending	\$ 11,791	\$ 33,197	\$ 14,537

- 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, 2023**  
(amounts expressed in thousands)

Page 2 of 4

	<u>Maintenance District</u>	<u>Air Quality Improvement</u>	<u>OCFA Settlement Agreement</u>
<b>REVENUES</b>			
Taxes	\$ 3,977	\$ -	\$ -
Licenses and permits	-	-	-
Investment income	7	-	9
Intergovernmental	-	499	618
Charges for services	49	-	-
Special assessments	11,779	-	-
Donations	-	-	-
Other revenue	41	-	-
Total Revenues	<u>15,853</u>	<u>499</u>	<u>627</u>
<b>EXPENDITURES</b>			
Current:			
General Government	62	10	-
Public Safety	-	163	629
Public Works & Transportation	20,405	5	-
Community Development	-	-	-
Community Services	-	-	-
Debt service:			
Principal retirement	-	-	18
Total Expenditures	<u>20,467</u>	<u>178</u>	<u>647</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,614)</u>	<u>321</u>	<u>(20)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from subscriptions	-	-	18
Transfers in	7,987	-	-
Transfers out	-	(5)	-
Total Other Financing Sources (Uses)	<u>7,987</u>	<u>(5)</u>	<u>18</u>
Net Change in Fund Balances	3,373	316	(2)
Fund Balances, Beginning	<u>418</u>	<u>534</u>	<u>172</u>
Fund Balances, Ending	<u>\$ 3,791</u>	<u>\$ 850</u>	<u>\$ 170</u>

- continued -

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

Page 3 of 4

	Major Special Events	Shuttle	Fees and Exactions
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 189
Licenses and permits	-	-	73
Investment income	-	(1)	194
Intergovernmental	-	-	758
Charges for services	1,237	-	265
Special assessments	-	-	-
Donations	-	62	-
Other revenue	5	-	-
Total Revenues	<u>1,242</u>	<u>61</u>	<u>1,479</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	81
Public Safety	955	-	-
Public Works & Transportation	54	201	4
Community Development	31	-	475
Community Services	-	-	-
Debt service:			
Principal retirement	-	-	-
Total Expenditures	<u>1,040</u>	<u>201</u>	<u>560</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>202</u>	<u>(140)</u>	<u>919</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from subscriptions	-	-	-
Transfers in	-	166	988
Transfers out	(40)	-	(2,500)
Total Other Financing Sources (Uses)	<u>(40)</u>	<u>166</u>	<u>(1,512)</u>
Net Change in Fund Balances	162	26	(593)
Fund Balances, Beginning	<u>105</u>	<u>500</u>	<u>9,437</u>
Fund Balances, Ending	<u>\$ 267</u>	<u>\$ 526</u>	<u>\$ 8,844</u>

- continued -

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 4 of 4

	<u>Grants</u>	<u>Total Other Special Revenue Funds</u>
<b>REVENUES</b>		
Taxes	\$ -	\$ 9,269
Licenses and permits	-	73
Investment income	362	692
Intergovernmental	11,129	34,886
Charges for services	429	1,980
Special assessments	-	11,779
Donations	431	493
Other revenue	4	50
	<u>12,355</u>	<u>59,222</u>
<b>EXPENDITURES</b>		
Current:		
General Government	98	331
Public Safety	4,350	6,097
Public Works & Transportation	242	22,350
Community Development	5,822	6,328
Community Services	1,090	1,090
Debt service:		
Principal retirement	9	27
	<u>11,611</u>	<u>36,223</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>744</u>	<u>22,999</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from subscriptions	9	27
Transfers in	507	9,648
Transfers out	-	(21,504)
	<u>516</u>	<u>(11,829)</u>
Net Change in Fund Balances	1,260	11,170
Fund Balances, Beginning	<u>4,023</u>	<u>68,086</u>
Fund Balances, Ending	<u>\$ 5,283</u>	<u>\$ 79,256</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, 2023**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 4,859	\$ 4,859	\$ -	\$ (4,859)
Investment income	-	-	(127)	(127)
Intergovernmental	-	-	7,114	7,114
Total Revenues	<u>4,859</u>	<u>4,859</u>	<u>6,987</u>	<u>2,128</u>
<b>EXPENDITURES</b>				
Current:				
General Government	29	30	52	(22)
Public Works & Transportation	153	240	84	156
Total Expenditures	<u>182</u>	<u>270</u>	<u>136</u>	<u>134</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,677</u>	<u>4,589</u>	<u>6,851</u>	<u>2,262</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(5,570)	(10,917)	(1,137)	9,780
Total Other Financing Sources (Uses)	<u>(5,570)</u>	<u>(10,917)</u>	<u>(1,137)</u>	<u>9,780</u>
Net Change in Fund Balances	(893)	(6,328)	5,714	12,042
Fund Balances, Beginning	<u>6,077</u>	<u>6,077</u>	<u>6,077</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 5,184</u>	<u>\$ (251)</u>	<u>\$ 11,791</u>	<u>\$ 12,042</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**State Gasoline Tax**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 12,728	\$ 12,728	\$ -	\$ (12,728)
Investment income	-	-	(130)	(130)
Intergovernmental	-	-	14,768	14,768
Total Revenues	12,728	12,728	14,638	1,910
<b>EXPENDITURES</b>				
Current:				
General Government	38	40	28	12
Public Works & Transportation	6,685	7,585	905	6,680
Total Expenditures	6,723	7,625	933	6,692
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,005	5,103	13,705	8,602
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(6,925)	(35,984)	(4,753)	31,231
Total Other Financing Sources (Uses)	(6,925)	(35,984)	(4,753)	31,231
Net Change in Fund Balances	(920)	(30,881)	8,952	39,833
Fund Balances, Beginning	24,245	24,245	24,245	-
Fund Balances, Ending	\$ 23,325	\$ (6,636)	\$ 33,197	\$ 39,833

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Systems Development**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 6,980	\$ 6,980	\$ 5,103	\$ (1,877)
Investment income	50	50	378	328
Total Revenues	<u>7,030</u>	<u>7,030</u>	<u>5,481</u>	<u>(1,549)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works & Transportation	1,070	1,130	450	680
Total Expenditures	<u>1,070</u>	<u>1,130</u>	<u>450</u>	<u>680</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,960</u>	<u>5,900</u>	<u>5,031</u>	<u>(869)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(14,625)	(13,069)	(13,069)	-
Total Other Financing Sources (Uses)	<u>(14,625)</u>	<u>(13,069)</u>	<u>(13,069)</u>	<u>-</u>
Net Change in Fund Balances	(8,665)	(7,169)	(8,038)	(869)
Fund Balances, Beginning	<u>22,575</u>	<u>22,575</u>	<u>22,575</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 13,910</u>	<u>\$ 15,406</u>	<u>\$ 14,537</u>	<u>\$ (869)</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, 2023**  
(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>		<u>(Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 3,707	\$ 3,872	\$ 3,977	\$ 105
Investment income	-	-	7	7
Charges for services	99	99	49	(50)
Special assessments	11,291	11,712	11,779	67
Other revenue	62	62	41	(21)
Total Revenues	<u>15,159</u>	<u>15,745</u>	<u>15,853</u>	<u>108</u>
<b>EXPENDITURES</b>				
Current:				
General Government	75	75	62	13
Public Works & Transportation	23,007	24,017	20,405	3,612
Total Expenditures	<u>23,082</u>	<u>24,092</u>	<u>20,467</u>	<u>3,625</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,923)</u>	<u>(8,347)</u>	<u>(4,614)</u>	<u>3,733</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,965	7,987	7,987	-
Total Other Financing Sources (Uses)	<u>7,965</u>	<u>7,987</u>	<u>7,987</u>	<u>-</u>
Net Change in Fund Balances	42	(360)	3,373	3,733
Fund Balances, Beginning	418	418	418	-
Fund Balances, Ending	<u>\$ 460</u>	<u>\$ 58</u>	<u>\$ 3,791</u>	<u>\$ 3,733</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Air Quality Improvement**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	310	310	499	189
Total Revenues	310	310	499	189
<b>EXPENDITURES</b>				
Current:				
General Government	10	10	10	-
Public Safety	180	180	163	17
Public Works & Transportation	20	20	5	15
Total Expenditures	210	210	178	32
Excess (Deficiency) of Revenues	100	100	321	221
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(50)	(275)	(5)	270
Total Other Financing Sources (Uses)	(50)	(275)	(5)	270
Net Change in Fund Balances	50	(175)	316	491
Fund Balances, Beginning	534	534	534	-
Fund Balances, Ending	\$ 584	\$ 359	\$ 850	\$ 491

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**OCFA Settlement Agreement**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 1	\$ 1	\$ 9	\$ 8
Intergovernmental	618	618	618	-
Total Revenues	619	619	627	8
<b>EXPENDITURES</b>				
Current:				
Public Safety	618	634	629	5
Debt service:				
Principal	-	-	18	(18)
Total Expenditures	618	634	647	(13)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	(15)	(20)	(5)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from subscriptions	-	-	18	-
Total Other Financing Sources (Uses)	-	-	18	-
Net Change in Fund Balances	1	(15)	(2)	13
Fund Balances, Beginning	172	172	172	-
Fund Balances, Ending	\$ 173	\$ 157	\$ 170	\$ 13

**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, 2023**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,720	\$ 1,720	\$ 1,237	\$ (483)
Other revenue	-	-	5	5
Total Revenues	1,720	1,720	1,242	(478)
<b>EXPENDITURES</b>				
Current:				
Public Safety	1,679	1,679	955	724
Public Works & Transportation	-	-	54	(54)
Community Development	-	-	31	(31)
Total Expenditures	1,679	1,679	1,040	639
Excess (Deficiency) of Revenues Over (Under) Expenditures	41	41	202	161
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(40)	(40)	(40)	-
Total Other Financing Sources (Uses)	(40)	(40)	(40)	-
Net Change in Fund Balances	1	1	162	161
Fund Balances, Beginning	105	105	105	-
Fund Balances, Ending	\$ 106	\$ 106	\$ 267	\$ 161

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Shuttle**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ (1)	\$ (1)
Donations	67	67	62	(5)
Total Revenues	67	67	61	(6)
<b>EXPENDITURES</b>				
Current:				
Public Works & Transportation	114	242	201	41
Total Expenditures	114	242	201	41
Excess (Deficiency) of Revenues over (under) Expenditures	(47)	(175)	(140)	35
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	136	136	166	30
Total Other Financing Sources (Uses)	136	136	166	30
Net Change in Fund Balances	89	(39)	26	65
Fund Balances, Beginning	500	500	500	-
Fund Balances, Ending	\$ 589	\$ 461	\$ 526	\$ 65

**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, 2023**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 300	\$ 300	\$ 189	\$ (111)
Licenses and permits	-	-	73	73
Investment income	73	73	194	121
Intergovernmental	664	664	758	94
Charges for services	-	-	265	265
Total Revenues	1,037	1,037	1,479	442
<b>EXPENDITURES</b>				
Current:				
General Government	100	100	81	19
Public Works & Transportation	-	4	4	-
Community Development	358	2,058	475	1,583
Total Expenditures	458	2,162	560	1,602
Excess (Deficiency) of Revenues Over (Under) Expenditures	579	(1,125)	919	2,044
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	988	988	-
Transfers out	-	(2,500)	(2,500)	-
Total Other Financing Sources (Uses)	-	(1,512)	(1,512)	-
Net Change in Fund Balances	579	(2,637)	(593)	2,044
Fund Balances, Beginning	9,437	9,437	9,437	-
Fund Balances, Ending	\$ 10,016	\$ 6,800	\$ 8,844	\$ 2,044

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Grants**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 362	\$ 362
Intergovernmental	4,285	11,447	11,129	(318)
Charges for services	269	269	429	160
Donations	284	434	431	(3)
Other revenue	-	-	4	4
Total Revenues	4,838	12,150	12,355	205
<b>EXPENDITURES</b>				
Current:				
General Government	77	77	98	(21)
Public Safety	1,414	4,147	4,350	(203)
Public Works & Transportation	219	625	242	383
Community Development	2,568	8,250	5,822	2,428
Community Services	1,614	1,754	1,090	664
Debt service:				
Principal	-	-	9	-
Total Expenditures	5,892	14,853	11,611	3,251
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,054)	(2,703)	744	3,447
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from subscriptions	-	-	9	-
Transfers in	507	507	507	507
Total Other Financing Sources (Uses)	507	507	516	507
Net Change in Fund Balances	(547)	(2,196)	1,260	3,456
Fund Balances, Beginning	4,023	4,023	4,023	-
Fund Balances, Ending	\$ 3,476	\$ 1,827	\$ 5,283	\$ 3,456



## 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.

Capital Improvement Projects - This fund accounts for acquisition or construction of the City's general circulation related infrastructure including traffic signals, street medians, and bridges.

Assessment District Fund – This fund accounts for the financial transactions related to the capital project activities within the assessment districts.

Irvine Business Complex Fund – This fund accounts for related capital project activities and fee revenue generated within the Irvine Business Complex development area.

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, 2023**  
(amounts expressed in thousands)  
Page 1 of 2

	<u>Slurry Seal Fees</u>	<u>Park Development</u>	<u>Capital Improvement Projects</u>	<u>Assessment Districts</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,252	\$ 44,549	\$ 35,175	\$ 50,578
Receivables, net of allowances:				
Accounts	158	-	-	-
Accrued interest	3	114	91	3
Due from other governments	1	1,612	6,594	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 1,414</u>	<u>\$ 46,275</u>	<u>\$ 41,860</u>	<u>\$ 50,581</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 90	\$ 512	\$ 1,296	\$ 38
Due to other governments	-	4	-	-
Retentions payable	5	484	292	-
Deposits	-	-	427	-
Unearned revenue	-	100	-	-
Total Liabilities	<u>95</u>	<u>1,100</u>	<u>2,015</u>	<u>38</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	1,612	6,594	-
Total Deferred Inflows of Resources	<u>-</u>	<u>1,612</u>	<u>6,594</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	-	-	50,543
Committed	1,319	43,109	33,251	-
Assigned	-	454	-	-
Total Fund Balances	<u>1,319</u>	<u>43,563</u>	<u>33,251</u>	<u>50,543</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 1,414</u>	<u>\$ 46,275</u>	<u>\$ 41,860</u>	<u>\$ 50,581</u>

- continued -

**City of Irvine**  
**Combining Balance Sheet**  
**Other Capital Projects Funds**  
**June 30, 2023**  
(amounts expressed in thousands)  
Page 2 of 2

	Irvine Business Complex	North Irvine Transportation Mitigation	Total Other Capital Projects Funds
<b>ASSETS</b>			
Cash and investments	\$ 114,405	\$ 89,712	\$ 335,671
Receivables, net of allowances:			
Accounts	-	-	158
Accrued interest	306	244	761
Due from other governments	145	40	8,392
Due from developers	-	23,810	23,810
Total Assets	<u>\$ 114,856</u>	<u>\$ 113,806</u>	<u>\$ 368,792</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 23	\$ 238	\$ 2,197
Due to other governments	-	-	4
Retentions payable	-	-	781
Deposits	-	-	427
Unearned revenue	-	-	100
Total Liabilities	<u>23</u>	<u>238</u>	<u>3,509</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	145	40	8,391
Total Deferred Inflows of Resources	<u>145</u>	<u>40</u>	<u>8,391</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	114,688	113,528	278,759
Committed	-	-	77,679
Assigned	-	-	454
Total Fund Balances	<u>114,688</u>	<u>113,528</u>	<u>356,892</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 114,856</u>	<u>\$ 113,806</u>	<u>\$ 368,792</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, 2023**  
(amounts expressed in thousands)  
Page 1 of 2

	Slurry Seal Fees	Park Development	Capital Improvement Projects	Assessment Districts
<b>REVENUES</b>				
Investment income	\$ 14	\$ 338	\$ 376	\$ 1,814
Intergovernmental	-	163	104	-
Charges for services	180	1,185	-	-
Revenue from developers	-	-	-	-
Total Revenues	<u>194</u>	<u>1,686</u>	<u>480</u>	<u>1,814</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	13	21
Public Works & Transportation	100	210	505	186
Community Development	-	3	-	-
Capital outlay	<u>3,363</u>	<u>10,676</u>	<u>9,060</u>	<u>9,184</u>
Total Expenditures	<u>3,463</u>	<u>10,889</u>	<u>9,578</u>	<u>9,391</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,269)</u>	<u>(9,203)</u>	<u>(9,098)</u>	<u>(7,577)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,073	12,192	7,738	-
Transfers out	<u>-</u>	<u>(988)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,073</u>	<u>11,204</u>	<u>7,738</u>	<u>-</u>
Net Change in Fund Balances	(196)	2,001	(1,360)	(7,577)
Fund Balances, Beginning	<u>1,515</u>	<u>41,562</u>	<u>34,611</u>	<u>58,120</u>
Fund Balances, Ending	<u>\$ 1,319</u>	<u>\$ 43,563</u>	<u>\$ 33,251</u>	<u>\$ 50,543</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, 2023**  
(amounts expressed in thousands)  
Page 2 of 2

	<u>Irvine Business Complex</u>	<u>North Irvine Transportation Mitigation</u>	<u>Total Other Capital Projects Funds</u>
<b>REVENUES</b>			
Investment income	\$ 674	\$ 531	\$ 3,747
Intergovernmental	-	84	351
Charges for services	-	-	1,365
Revenue from developers	1,548	3,664	5,212
Total Revenues	<u>2,222</u>	<u>4,279</u>	<u>10,675</u>
<b>EXPENDITURES</b>			
Current:			
General Government	7	7	48
Public Works & Transportation	206	196	1,403
Community Development	-	-	3
Capital outlay	389	1,914	34,586
Total Expenditures	<u>602</u>	<u>2,117</u>	<u>36,040</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,620</u>	<u>2,162</u>	<u>(25,365)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,411	-	26,414
Transfers out	(169)	-	(1,157)
Total Other Financing Sources (Uses)	<u>3,242</u>	<u>-</u>	<u>25,257</u>
Net Change in Fund Balances	4,862	2,162	(108)
Fund Balances, Beginning	<u>109,826</u>	<u>111,366</u>	<u>357,000</u>
Fund Balances, Ending	<u>\$ 114,688</u>	<u>\$ 113,528</u>	<u>\$ 356,892</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, 2023**  
(amounts expressed in thousands)

	<b>Senior Services Fund</b>
<b>ASSETS</b>	
Cash and investments	\$ 857
Receivables, net of allowances:	
Accrued interest	<u>2</u>
Total Assets	<u><u>\$ 859</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	<u>\$ 2</u>
Total Liabilities	<u>2</u>
Fund Balances:	
Nonspendable	501
Restricted	<u>356</u>
Total Fund Balances	<u>857</u>
Total Liabilities and Fund Balances	<u><u>\$ 859</u></u>

**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Permanent Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	<u>Senior Services Fund</u>
<b>REVENUES</b>	
Investment income	13
Donations	\$ 20
Total Revenues	<u>33</u>
<b>EXPENDITURES</b>	
Current:	
Community Services	<u>153</u>
Total Expenditures	<u>153</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(120)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	<u>120</u>
Total Other Financing Sources (Uses)	<u>120</u>
Net Change in Fund Balances	-
Fund Balances, Beginning	<u>857</u>
Fund Balances, Ending	<u><u>\$ 857</u></u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Senior Services**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 13	\$ 13
Donations	14	14	20	6
Total Revenues	<u>14</u>	<u>14</u>	<u>33</u>	<u>19</u>
<b>EXPENDITURES</b>				
Current:				
Community Services	<u>244</u>	<u>244</u>	<u>153</u>	<u>91</u>
Total Expenditures	<u>244</u>	<u>244</u>	<u>153</u>	<u>91</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(230)</u>	<u>(230)</u>	<u>(120)</u>	<u>(72)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>120</u>	<u>120</u>	<u>120</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>120</u>	<u>120</u>	<u>120</u>	<u>-</u>
Net Change in Fund Balances	(110)	(110)	-	110
Fund Balances, Beginning	<u>857</u>	<u>857</u>	<u>857</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 747</u>	<u>\$ 747</u>	<u>\$ 857</u>	<u>\$ 110</u>

## INTERNAL SERVICE FUNDS

Internal Service Funds 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, 2023**  
(amounts expressed in thousands)  
Page 1 of 2

	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 21,831	\$ 34,963	\$ 75	\$ 56,869
Receivables, net of allowances:				
Accounts	320	25	-	345
Accrued interest	59	97	-	156
Prepaid items	-	750	147	897
	<u>22,210</u>	<u>35,835</u>	<u>222</u>	<u>58,267</u>
Total Current Assets				
Noncurrent Assets:				
Capital assets:				
Equipment	-	35,278	-	35,278
Less accumulated depreciation	-	(22,665)	-	(22,665)
	<u>-</u>	<u>12,613</u>	<u>-</u>	<u>12,613</u>
Total Noncurrent Assets				
	<u>22,210</u>	<u>48,448</u>	<u>222</u>	<u>70,880</u>
Total Assets				
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	468	1,093	-	1,561
	<u>468</u>	<u>1,093</u>	<u>-</u>	<u>1,561</u>
Total Deferred Outflows of Resources				

- continued -

**City of Irvine**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2023**  
(amounts expressed in thousands)  
Page 2 of 2

	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	1,414	3,693	43	5,150
Accrued liabilities	87	619	-	706
Due to other governments	-	1	-	1
Interest payable	-	48	-	48
Subscriptions payable	-	1,464	-	1,464
Compensated absences	57	173	-	230
Claims payable	4,654	-	-	4,654
Total Current Liabilities	<u>6,212</u>	<u>5,998</u>	<u>43</u>	<u>12,253</u>
Noncurrent Liabilities:				
Subscriptions payable	-	1,430	-	1,430
Compensated absences	139	418	-	557
Claims payable	17,641	-	-	17,641
Net pension liability	832	1,942	-	2,774
Total Noncurrent Liabilities	<u>18,612</u>	<u>3,790</u>	<u>-</u>	<u>22,402</u>
Total Liabilities	<u>24,824</u>	<u>9,788</u>	<u>43</u>	<u>34,655</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	34	80	-	114
Total Deferred Inflows of Resources	<u>34</u>	<u>80</u>	<u>-</u>	<u>114</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	11,062	-	11,062
Unrestricted	(2,180)	28,611	179	26,610
Total Net Position	<u>\$ (2,180)</u>	<u>\$ 39,673</u>	<u>\$ 179</u>	<u>\$ 37,672</u>

**City of Irvine**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 12,945	\$ 30,693	\$ 465	\$ 44,103
Other	32	58	-	90
Total Operating Revenues	<u>12,977</u>	<u>30,751</u>	<u>465</u>	<u>44,193</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,310	5,497	-	6,807
Supplies and equipment	93	6,238	453	6,784
Contract services	542	10,976	-	11,518
Administration	12	2,597	-	2,609
Self-insured losses	9,750	-	-	9,750
Insurance premiums	4,311	103	-	4,414
Depreciation	-	5,452	-	5,452
Total Operating Expenses	<u>16,018</u>	<u>30,863</u>	<u>453</u>	<u>47,334</u>
Operating Income (Loss)	<u>(3,041)</u>	<u>(112)</u>	<u>12</u>	<u>(3,141)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	173	267	1	441
Interest expense	-	(77)	-	(77)
Gain (loss) on disposal of equipment	-	226	-	226
Total Nonoperating Revenues	<u>173</u>	<u>416</u>	<u>1</u>	<u>590</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(2,868)</u>	<u>304</u>	<u>13</u>	<u>(2,551)</u>
Capital contributions	-	1,090	-	1,090
Transfers in	-	300	-	300
Transfers out	-	(212)	-	(212)
Change in Net Position	<u>(2,868)</u>	<u>1,482</u>	<u>13</u>	<u>(1,373)</u>
Total Net Position, Beginning	<u>688</u>	<u>38,191</u>	<u>166</u>	<u>39,045</u>
Total Net Position, Ending	<u>\$ (2,180)</u>	<u>\$ 39,673</u>	<u>\$ 179</u>	<u>\$ 37,672</u>



**City of Irvine**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 1 of 2

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service
<b>Cash Flows From Operating Activities</b>				
Received from interfund services provided	\$ 12,799	\$ 30,850	\$ 465	\$ 44,114
Paid to suppliers and providers	(12,604)	(17,919)	(463)	(30,986)
Paid for salaries and benefits	(1,238)	(5,391)	-	(6,629)
Net Cash Provided (Used) by Operating Activities	(1,043)	7,540	2	6,499
<b>Cash Flows From Non-Capital Financing Activities</b>				
Transfers from other funds	-	300	-	300
Transfers to other funds	-	(212)	-	(212)
Net Cash Provided (Used) by Non-Capital Financing Activities	-	88	-	88
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from sale of equipment	-	273	-	273
Equipment purchases	-	(7,607)	-	(7,607)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(7,334)	-	(7,334)
<b>Cash Flows From Investing Activities</b>				
Sales net of investment purchases	143	216	1	360
Net Cash Provided (Used) by Investing Activities	143	216	1	360
Net Increase (Decrease) in Cash and Cash Equivalents	(900)	510	3	(387)
Cash and Cash Equivalents, Beginning of Fiscal Year	22,731	34,453	72	57,256
Cash and Cash Equivalents, End of Fiscal Year	\$ 21,831	\$ 34,963	\$ 75	\$ 56,869

- continued -

**City of Irvine**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 2 of 2

	<b>Self- Insurance</b>	<b>Equipment and Services</b>	<b>Inventory</b>	<b>Total Internal Service</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
<b>Cash Flows From Operating Activities</b>				
Operating income (loss)	\$ (3,041)	\$ (112)	\$ 12	\$ (3,141)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	5,452	-	5,452
(Increase) decrease in receivables, net of allowances	(178)	99	-	(79)
(Increase) decrease in prepaid items	-	435	(43)	392
(Increase) decrease in deferred outflows	(307)	(719)	-	(1,026)
Increase (decrease) in accounts payable	1,188	1,560	33	2,781
Increase (decrease) in accrued liabilities	(47)	42	-	(5)
Increase (decrease) in due to other governments	(1)	-	-	(1)
Increase (decrease) in compensated absences	61	73	-	134
Increase (decrease) in claims payable	978	-	-	978
Increase (decrease) in net pension liability	673	1,570	-	2,243
Increase (decrease) in deferred inflow	(369)	(860)	-	(1,229)
Total Adjustments	1,998	7,652	(10)	9,640
Net Cash Provided (Used) by Operating Activities	\$ (1,043)	\$ 7,540	\$ 2	\$ 6,499
<b>Schedule of Non-Cash and Related Financing Activities</b>				
Contribution of Capital Assets	\$ -	\$ 1,090	\$ -	1,090



# 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 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.

Custodial 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 custodial 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 Trust Funds**  
**June 30, 2023**  
(amount expressed in thousands)

	<b>PENSION TRUST</b>		
	<b>(December 31, 2022)</b>		
	<b>Defined Benefit Pension Plan</b>	<b>Defined Contribution Pension Plan</b>	<b>Total Pension Trust Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 357	\$ -	\$ 357
Receivables, net of allowances:			
Employer contributions	42	3	45
Plan member contributions	1	2	3
Loans	-	62	62
Investments:			
Pooled funds	17,149	4,544	21,693
Mutual funds - closed end funds equity	201	-	201
Mutual funds - equity	-	4,297	4,297
Mutual funds - corporate bonds	-	458	458
Mutual funds - balanced	-	1,342	1,342
Total Assets	<u>17,750</u>	<u>10,708</u>	<u>28,458</u>
<b>LIABILITIES</b>			
Accounts payable	-	9	9
Accrued liabilities	14	-	14
Total Liabilities	<u>14</u>	<u>9</u>	<u>23</u>
<b>NET POSITION</b>			
Restricted for pensions	<u>17,736</u>	<u>10,699</u>	<u>28,435</u>
Total Net Position	<u>\$ 17,736</u>	<u>\$ 10,699</u>	<u>\$ 28,435</u>

**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amount expressed in thousands)

	<b>PENSION TRUST</b>		
	<b>(December 31, 2022)</b>		
	<b>Defined Benefit Pension Plan</b>	<b>Defined Contribution Pension Plan</b>	<b>Total Pension Trust Funds</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 595	\$ 109	\$ 704
Plan members	33	39	72
Interest from participants' loan	-	5	5
Total Contributions	<u>628</u>	<u>153</u>	<u>781</u>
Investment income (loss):			
Interest and dividends	13	61	74
Net appreciation (depreciation) in fair value of investments	<u>(3,036)</u>	<u>(2,097)</u>	<u>(5,133)</u>
Total Investment Income	(3,023)	(2,036)	(5,059)
Less: investment expenses	<u>(57)</u>	<u>-</u>	<u>(57)</u>
Net Investment Income	<u>(3,080)</u>	<u>(2,036)</u>	<u>(5,116)</u>
Total Additions	<u>(2,452)</u>	<u>(1,883)</u>	<u>(4,335)</u>
<b>DEDUCTIONS</b>			
Benefit payments	1,456	725	2,181
Administration expenses	<u>19</u>	<u>27</u>	<u>46</u>
Total Deductions	<u>1,475</u>	<u>752</u>	<u>2,227</u>
Change in Net Position	(3,927)	(2,635)	(6,562)
Total Net Position, Beginning	<u>21,663</u>	<u>13,334</u>	<u>34,997</u>
Total Net Position, Ending	<u>\$ 17,736</u>	<u>\$ 10,699</u>	<u>\$ 28,435</u>

**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Private-Purpose Trust Funds**  
**June 30, 2023**  
(amounts expressed in thousands)

	<u>Successor Agency Debt Service</u>	<u>Redevelopment Obligation Retirement</u>	<u>Total Successor Agency Private-Purpose Trust</u>
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 10,652	\$ 10,652
Accrued interest	-	25	25
Due from other governments	35,481	-	35,481
Total Assets	<u>35,481</u>	<u>10,677</u>	<u>46,158</u>
<b>LIABILITIES</b>			
Accounts payable	-	5,445	5,445
Advances from the City of Irvine	35,481	-	35,481
Total Liabilities	<u>35,481</u>	<u>5,445</u>	<u>40,926</u>
<b>NET POSITION</b>			
Held in trust for enforceable obligations	-	5,232	5,232
Total Net Position	<u>\$ -</u>	<u>\$ 5,232</u>	<u>\$ 5,232</u>

**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private-Purpose Trust Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)

	<u>Successor Agency Debt Service</u>	<u>Redevelopment Obligation Retirement</u>	<u>Total Successor Agency Private-Purpose Trust</u>
<b>ADDITIONS</b>			
Taxes	\$ -	\$ 3,938	\$ 3,938
Investment income	(205)	92	(113)
Total Additions	<u>(205)</u>	<u>4,030</u>	<u>3,825</u>
<b>DEDUCTIONS</b>			
Distributions to the County	-	5,439	5,439
Administration expenses	129	26	155
Total Deductions	<u>129</u>	<u>5,465</u>	<u>5,594</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	129	-	129
Transfers out	-	(129)	(129)
Total Other Financing Sources (Uses)	<u>129</u>	<u>(129)</u>	<u>-</u>
<b>Change in Net Position</b>	(205)	(1,564)	(1,769)
Total Net Position, Beginning	<u>205</u>	<u>6,796</u>	<u>7,001</u>
Total Net Position, Ending	<u>\$ -</u>	<u>\$ 5,232</u>	<u>\$ 5,232</u>

**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**  
(amounts expressed in thousands)  
Page 1 of 8

	<u>Eastwood Assessment District 13-25</u>	<u>Stonegate Assessment District 07-22</u>	<u>Orchard Hills Reassessment District 05-21</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,413	\$ 9	\$ 13,218
Receivables, net of allowances:			
Taxes	30	-	180
Accounts	-	-	-
Accrued interest	-	-	-
Due from developers	-	18	80
Total Assets	<u>3,443</u>	<u>27</u>	<u>13,478</u>
<b>LIABILITIES</b>			
Accounts payable	1	25	66
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>1</u>	<u>25</u>	<u>66</u>
<b>NET POSITION</b>			
Held in trust for bondholders	<u>3,442</u>	<u>2</u>	<u>13,412</u>
Total Net Position	<u>\$ 3,442</u>	<u>\$ 2</u>	<u>\$ 13,412</u>

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**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**  
(amounts expressed in thousands)  
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	<b>Portola Springs Reassessment District 04-20</b>	<b>Woodbury Assessment District 03-19</b>	<b>Shady Canyon/ Turtle Ridge Assessment District 00-18</b>
<b>ASSETS</b>			
Cash and investments	\$ 7,442	\$ -	\$ 133
Receivables, net of allowances:			
Taxes	42	-	-
Accounts	-	-	-
Accrued interest	-	-	-
Due from developers	8	114	40
Total Assets	<u>7,492</u>	<u>114</u>	<u>173</u>
<b>LIABILITIES</b>			
Accounts payable	9	86	19
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>9</u>	<u>86</u>	<u>19</u>
<b>NET POSITION</b>			
Held in trust for bondholders	<u>7,483</u>	<u>28</u>	<u>154</u>
Total Net Position	<u>\$ 7,483</u>	<u>\$ 28</u>	<u>\$ 154</u>

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**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**  
(amounts expressed in thousands)  
Page 3 of 8

	Irvine Spectrum Reassessment District 85-7	Irvine Spectrum Assessment District 87-8	Irvine Spectrum Assessment District 93-14
<b>ASSETS</b>			
Cash and investments	\$ 24	\$ 231	\$ 7,471
Receivables, net of allowances:			
Taxes	-	-	-
Accounts	-	-	-
Accrued interest	-	-	-
Due from developers	43	31	101
Total Assets	<u>67</u>	<u>262</u>	<u>7,572</u>
<b>LIABILITIES</b>			
Accounts payable	42	30	88
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>42</u>	<u>30</u>	<u>88</u>
<b>NET POSITION</b>			
Held in trust for bondholders	25	232	7,484
Total Net Position	<u>\$ 25</u>	<u>\$ 232</u>	<u>\$ 7,484</u>

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**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**  
(amounts expressed in thousands)  
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	<b>Lower Peters Canyon Assessment District 97-17</b>	<b>Reassessment District 12-1</b>	<b>Reassessment District 13-1</b>
<b>ASSETS</b>			
Cash and investments	\$ 491	\$ 10,822	\$ 13,961
Receivables, net of allowances:			
Taxes	-	129	131
Accounts	-	-	-
Accrued interest	-	-	-
Due from developers	47	-	-
	<u>538</u>	<u>10,951</u>	<u>14,092</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	48	5	3
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
	<u>48</u>	<u>5</u>	<u>3</u>
Total Liabilities			
<b>NET POSITION</b>			
Held in trust for bondholders	490	10,946	14,089
	<u>\$ 490</u>	<u>\$ 10,946</u>	<u>\$ 14,089</u>

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**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**  
 (amounts expressed in thousands)  
 Page 5 of 8

	Reassessment District <u>15-1</u>	Reassessment District <u>15-2</u>	Reassessment District <u>19-1</u>
<b>ASSETS</b>			
Cash and investments	\$ 9,466	\$ 6,748	\$ 5,082
Receivables, net of allowances:			
Taxes	99	51	76
Accounts	-	-	-
Accrued interest	-	-	-
Due from developers	-	-	-
	<u>9,565</u>	<u>6,799</u>	<u>5,158</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	2	2	2
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
	<u>2</u>	<u>2</u>	<u>2</u>
Total Liabilities			
<b>NET POSITION</b>			
Held in trust for bondholders	<u>9,563</u>	<u>6,797</u>	<u>5,156</u>
Total Net Position	<u>\$ 9,563</u>	<u>\$ 6,797</u>	<u>\$ 5,156</u>

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**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**  
 (amounts expressed in thousands)  
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	CFD 2004-1 Central Park	CFD 2005-2 Columbus Grove	CFD 2013-3 Great Park
<b>ASSETS</b>			
Cash and investments	\$ 6,930	\$ 1,798	\$ 41,002
Receivables, net of allowances:			
Taxes	25	22	1,440
Accounts	-	-	5,706
Accrued interest	-	-	51
Due from developers	-	-	126
Total Assets	<u>6,955</u>	<u>1,820</u>	<u>48,325</u>
<b>LIABILITIES</b>			
Accounts payable	1	-	45
Accrued liabilities	-	-	1,000
Due to developers	-	-	273
Due to other governments	-	-	5,706
Total Liabilities	<u>1</u>	<u>-</u>	<u>7,024</u>
<b>NET POSITION</b>			
Held in trust for bondholders	<u>6,954</u>	<u>1,820</u>	<u>41,301</u>
Total Net Position	<u>\$ 6,954</u>	<u>\$ 1,820</u>	<u>\$ 41,301</u>

- continued -

**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**  
 (amounts expressed in thousands)  
 Page 7 of 8

	Reassessment District 21-1	Irvine Facilities Financing Authority	Inter-Agency Custodial Fund
<b>ASSETS</b>			
Cash and investments	\$ 5,754	\$ 16	\$ 152
Receivables, net of allowances:			
Taxes	76	-	-
Accounts	-	-	-
Accrued interest	-	-	-
Due from developers	-	-	-
Total Assets	<u>5,830</u>	<u>16</u>	<u>152</u>
<b>LIABILITIES</b>			
Accounts payable	1	-	76
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	76
Total Liabilities	<u>1</u>	<u>-</u>	<u>152</u>
<b>NET POSITION</b>			
Held in trust for bondholders	<u>5,829</u>	<u>16</u>	<u>-</u>
Total Net Position	<u>\$ 5,829</u>	<u>\$ 16</u>	<u>\$ -</u>

- continued -

**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**  
 (amounts expressed in thousands)  
 Page 8 of 8

	Total Custodial Funds
<b>ASSETS</b>	
Cash and investments	\$ 134,163
Receivables, net of allowances:	
Taxes	2,301
Accounts	5,706
Accrued interest	51
Due from developers	608
Total Assets	142,829
<b>LIABILITIES</b>	
Accounts payable	551
Accrued liabilities	1,000
Due to developers	273
Due to other governments	5,782
Total Liabilities	7,606
<b>NET POSITION</b>	
Held in trust for bondholders	135,223
Total Net Position	\$ 135,223

**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 1 of 8

	<b>Eastwood Assessment District 13-25</b>	<b>Stonegate Assessment District 07-22</b>	<b>Orchard Hills Reassessment District 05-21</b>
<b>ADDITIONS</b>			
Special assessments or special taxes collected from property owners	\$ 1,957	\$ 205	\$ 8,574
Investment income	79	-	311
Charge for services	-	-	19
Contribution from property owners	-	-	-
Bond proceeds	-	-	-
Other revenue	-	-	-
Total Additions	<u>2,036</u>	<u>205</u>	<u>8,904</u>
<b>DEDUCTIONS</b>			
Administration expenses	35	83	403
Payment for special assessment or special tax debt	1,915	124	8,158
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	10
Total Deductions	<u>1,950</u>	<u>207</u>	<u>8,571</u>
<b>Change in Net Position</b>	86	(2)	333
Total Net Position, Beginning	<u>3,356</u>	<u>4</u>	<u>13,079</u>
Total Net Position, Ending	<u>\$ 3,442</u>	<u>\$ 2</u>	<u>\$ 13,412</u>

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**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 2 of 8

	<b>Portola Springs Reassessment District 04-20</b>	<b>Woodbury Assessment District 03-19</b>	<b>Shady Canyon/ Turtle Ridge Assessment District 00-18</b>
<b>ADDITIONS</b>			
Special assessments or special taxes collected from property owners	\$ 4,244	\$ 1,109	\$ 272
Investment income	165	-	4
Charge for services	-	-	-
Contribution from property owners	474	-	-
Bond proceeds	-	-	-
Other revenue	-	-	-
Total Additions	<u>4,883</u>	<u>1,109</u>	<u>276</u>
<b>DEDUCTIONS</b>			
Administration expenses	96	438	136
Payment for special assessment or special tax debt	4,348	672	136
Contribution to City for infrastructure	-	-	-
Apportionment services	17	-	-
Total Deductions	<u>4,461</u>	<u>1,110</u>	<u>272</u>
<b>Change in Net Position</b>	422	(1)	4
Total Net Position, Beginning	<u>7,061</u>	<u>29</u>	<u>150</u>
Total Net Position, Ending	<u>\$ 7,483</u>	<u>\$ 28</u>	<u>\$ 154</u>

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**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 3 of 8

	Irvine Spectrum Reassessment District 85-7	Irvine Spectrum Assessment District 87-8	Irvine Spectrum Assessment District 93-14
<b>ADDITIONS</b>			
Special assessments or special taxes collected from property owners	\$ 2,499	\$ 354	\$ 1,332
Investment income	1	7	176
Charge for services	-	-	-
Contribution from property owners	-	-	-
Bond proceeds	-	-	-
Other revenue	-	-	-
Total Additions	<u>2,500</u>	<u>361</u>	<u>1,508</u>
<b>DEDUCTIONS</b>			
Administration expenses	192	142	426
Payment for special assessment or special tax debt	2,289	213	894
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>2,481</u>	<u>355</u>	<u>1,320</u>
<b>Change in Net Position</b>	19	6	188
Total Net Position, Beginning	<u>6</u>	<u>226</u>	<u>7,296</u>
Total Net Position, Ending	<u>\$ 25</u>	<u>\$ 232</u>	<u>\$ 7,484</u>

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**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 4 of 8

	Lower Peters Canyon Assessment District 97-17	Reassessment District 12-1	Reassessment District 13-1
<b>ADDITIONS</b>			
Special assessments or special taxes collected from property owners	\$ 555	\$ 6,013	\$ 7,040
Investment income	7	296	346
Charge for services	-	-	-
Contribution from property owners	112	-	-
Bond proceeds	-	-	-
Other revenue	-	-	-
Total Additions	<u>674</u>	<u>6,309</u>	<u>7,386</u>
<b>DEDUCTIONS</b>			
Administration expenses	208	94	67
Payment for special assessment or special tax debt	10,472	14,892	7,339
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>10,680</u>	<u>14,986</u>	<u>7,406</u>
<b>Change in Net Position</b>	(10,006)	(8,677)	(20)
Total Net Position, Beginning	<u>10,496</u>	<u>19,623</u>	<u>14,109</u>
Total Net Position, Ending	<u>\$ 490</u>	<u>\$ 10,946</u>	<u>\$ 14,089</u>

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**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 5 of 8

	<u>Reassessment District 15-1</u>	<u>Reassessment District 15-2</u>	<u>Reassessment District 19-1</u>
<b>ADDITIONS</b>			
Special assessments or special taxes collected from property owners	\$ 5,033	\$ 3,859	\$ 3,510
Investment income	230	172	87
Charge for services	-	-	-
Contribution from property owners	-	-	-
Bond proceeds	-	-	-
Other revenue	-	-	-
Total Additions	<u>5,263</u>	<u>4,031</u>	<u>3,597</u>
<b>DEDUCTIONS</b>			
Administration expenses	58	47	53
Payment for special assessment or special tax debt	5,139	3,861	3,439
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>5,197</u>	<u>3,908</u>	<u>3,492</u>
<b>Change in Net Position</b>	66	123	105
Total Net Position, Beginning	<u>9,497</u>	<u>6,674</u>	<u>5,051</u>
Total Net Position, Ending	<u>\$ 9,563</u>	<u>\$ 6,797</u>	<u>\$ 5,156</u>

- continued -

**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 6 of 8

	<u>CFD 2004-1 Central Park</u>	<u>CFD 2005-2 Columbus Grove</u>	<u>CFD 2013-3 Great Park</u>
<b>ADDITIONS</b>			
Special assessments or special taxes collected from property owners	\$ 1,196	\$ 1,111	\$ 14,684
Investment income	130	43	1,499
Charge for services	-	-	-
Contribution from property owners	4,731	-	-
Bond proceeds	-	-	11,294
Other revenue	-	-	50
Total Additions	<u>6,057</u>	<u>1,154</u>	<u>27,527</u>
<b>DEDUCTIONS</b>			
Administration expenses	22	12	704
Payment for special assessment or special tax debt	1,153	1,096	13,823
Contribution to City for infrastructure	-	-	538
Apportionment services	-	-	-
Total Deductions	<u>1,175</u>	<u>1,108</u>	<u>15,065</u>
<b>Change in Net Position</b>	4,882	46	12,462
Total Net Position, Beginning	<u>2,072</u>	<u>1,774</u>	<u>28,839</u>
Total Net Position, Ending	<u>\$ 6,954</u>	<u>\$ 1,820</u>	<u>\$ 41,301</u>

- continued -

**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 7 of 8

	<u>Reassessment District 21-1</u>	<u>Irvine Facilities Financing Authority</u>	<u>Inter-Agency Custodial Fund</u>
<b>ADDITIONS</b>			
Special assessments or special taxes collected from property owners	\$ 3,686	\$ -	\$ -
Investment income	122	-	-
Charge for services	-	-	-
Contribution from property owners	-	-	-
Bond proceeds	-	6,044	-
Other revenue	-	-	-
Total Additions	<u>3,808</u>	<u>6,044</u>	<u>-</u>
<b>DEDUCTIONS</b>			
Administration expenses	43	6,028	-
Payment for special assessment or special tax debt	3,604	-	-
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>3,647</u>	<u>6,028</u>	<u>-</u>
<b>Change in Net Position</b>	161	16	-
Total Net Position, Beginning	<u>5,668</u>	<u>-</u>	<u>-</u>
Total Net Position, Ending	<u>\$ 5,829</u>	<u>\$ 16</u>	<u>\$ -</u>

- continued -

**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(amounts expressed in thousands)  
Page 8 of 8

	<b>Total Custodial Funds</b>
<b>ADDITIONS</b>	
Special assessments or special taxes collected from property owners	\$ 67,233
Investment income	3,675
Charge for services	19
Contribution from property owners	5,317
Bond proceeds	17,338
Other revenue	50
Total Additions	93,632
 <b>DEDUCTIONS</b>	
Administration expenses	9,287
Payment for special assessment or special tax debt	83,567
Contribution to City for infrastructure	538
Apportionment services	27
Total Deductions	93,419
<b>Change in Net Position</b>	213
 Total Net Position, Beginning	 135,010
Total Net Position, Ending	\$ 135,223







# STATISTICAL SECTION

This section of the City of Irvine's Annual Comprehensive 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 Annual Comprehensive Financial Reports for the relevant years.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 1,909,569	\$ 1,892,115	\$ 1,931,810	\$ 1,986,371
Restricted	1,305,809	571,035	653,852	652,403
Unrestricted	563,130	568,355	443,796	420,129
Total Governmental Activities Net Position	<u>\$ 3,778,508</u>	<u>\$ 3,031,505</u>	<u>\$ 3,029,458</u>	<u>\$ 3,058,903</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 1,909,569	\$ 1,892,115	\$ 1,931,810	\$ 1,986,371
Restricted	1,305,809	571,035	653,852	652,403
Unrestricted	563,130	568,355	443,796	420,129
Total Primary Government Net Position	<u>\$ 3,778,508</u>	<u>\$ 3,031,505</u>	<u>\$ 3,029,458</u>	<u>\$ 3,058,903</u>

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

2019	2018	2017	2016	2015	2014
\$ 2,028,242	\$ 1,745,962	\$ 1,601,315	\$ 1,566,452	\$ 1,517,272	\$ 1,541,807
613,872	493,547	583,855	500,057	478,204	404,305
434,434	442,116	433,617	434,395	416,521	351,248
<u>\$ 3,076,548</u>	<u>\$ 2,681,625</u>	<u>\$ 2,618,787</u>	<u>\$ 2,500,904</u>	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>

\$ 2,028,242	\$ 1,745,962	\$ 1,601,315	\$ 1,566,452	\$ 1,517,272	\$ 1,541,807
613,872	493,547	583,855	500,057	478,204	404,305
434,434	442,116	433,617	434,395	416,521	351,248
<u>\$ 3,076,548</u>	<u>\$ 2,681,625</u>	<u>\$ 2,618,787</u>	<u>\$ 2,500,904</u>	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>

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

	2023	2022	2021	2020
<b>EXPENSES</b>				
<b>Governmental Activities</b>				
General Government	\$ 46,583	\$ 74,944	\$ 30,083	\$ 31,233
Public Safety	113,807	84,025	95,632	99,254
Public Works	147,662	90,102	92,186	89,371
Community Services	56,357	46,450	46,219	47,703
Community Development	36,392	36,450	41,206	55,174
Transportation <sup>(1)</sup>	-	-	-	7,481
Great Park <sup>(2)</sup>	-	-	-	-
Interest on long-term debt	3,853	8	-	-
Unallocated infrastructure depreciation	59,067	61,455	69,998	67,617
<b>Total Governmental Activities Expenses</b>	<b>\$ 463,721</b>	<b>\$ 393,434</b>	<b>\$ 375,324</b>	<b>\$ 397,833</b>
<b>PROGRAM REVENUES</b>				
<b>Governmental Activities</b>				
Charges for services:				
General Government	\$ 16,004	\$ 14,581	\$ 12,190	\$ 12,068
Public Safety	4,191	3,994	3,035	3,758
Public Works	52,415	49,619	51,342	39,737
Community Services	21,021	19,699	10,695	13,760
Community Development	18,003	18,680	24,239	20,261
Transportation <sup>(1)</sup>	-	-	-	755
Great Park <sup>(2)</sup>	-	-	-	-
Operating grants and contributions	38,331	85,415	38,077	44,589
Capital grants and contributions	824,445	16,785	26,585	45,591
<b>Total Governmental Activities Program Revenues</b>	<b>974,410</b>	<b>208,773</b>	<b>166,163</b>	<b>180,519</b>
<b>Total Net Revenues (Expenses)</b>	<b>\$ 510,689</b>	<b>\$ (184,661)</b>	<b>\$ (209,161)</b>	<b>\$ (217,314)</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
<b>Governmental Activities</b>				
Taxes:				
Property tax <sup>(3)</sup>	\$ 94,747	\$ 89,089	\$ 84,349	\$ 79,784
Sales taxes	94,241	84,008	68,260	64,278
Franchise taxes	17,789	15,236	14,182	13,822
Transient occupancy taxes	21,168	13,750	5,788	12,387
Document transfer taxes	3,602	4,861	4,671	3,461
Unrestricted motor vehicle in-lieu	318	314	207	222
Gain on sale of assets	258	330	2	118
Investment revenue	3,868	(26,444)	457	22,376
Other revenue	323	5,564	1,800	3,221
<b>Total General Revenues</b>	<b>236,314</b>	<b>186,708</b>	<b>179,716</b>	<b>199,669</b>
Extraordinary gain (loss)	-	-	-	-
Special item	-	-	-	-
<b>Changes in Net Position</b>	<b>\$ 747,003</b>	<b>\$ 2,047</b>	<b>\$ (29,445)</b>	<b>\$ (17,645)</b>

(1) During fiscal year 2019-20, the Transportation department was reabsorbed into the Public Works department.

(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.

Source: City Fiscal Services Division

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 37,912	\$ 46,151	\$ 36,411	\$ 29,152	\$ 24,558	\$ 32,863
80,988	77,266	71,836	63,878	59,266	62,745
98,899	99,067	106,478	91,387	70,697	63,897
41,163	46,104	40,231	37,152	39,119	22,980
32,720	31,993	34,743	27,943	24,278	39,689
6,320	3,408	-	-	-	-
-	-	-	-	-	16,812
-	-	-	-	6	16
63,071	58,997	55,529	51,423	49,647	48,367
<u>\$ 361,073</u>	<u>\$ 362,986</u>	<u>\$ 345,228</u>	<u>\$ 300,935</u>	<u>\$ 267,571</u>	<u>\$ 287,369</u>
\$ 11,177	\$ 9,805	\$ 12,259	\$ 11,336	\$ 4,566	\$ 1,984
3,213	2,870	2,984	2,968	4,395	4,548
30,833	30,947	33,599	26,898	46,387	18,321
16,340	15,230	13,526	12,611	19,362	15,375
19,955	25,296	29,367	27,545	19,414	30,129
865	227	-	-	-	-
-	-	-	-	-	3,292
40,146	36,550	26,790	29,738	30,404	31,661
432,784	185,320	170,654	136,641	111,989	76,751
555,313	306,245	289,179	247,737	236,517	182,061
<u>\$ 194,240</u>	<u>\$ (56,741)</u>	<u>\$ (56,049)</u>	<u>\$ (53,198)</u>	<u>\$ (31,054)</u>	<u>\$ (105,308)</u>
\$ 74,492	\$ 68,135	\$ 62,374	\$ 57,944	\$ 53,300	\$ 49,524
69,597	62,834	61,617	62,120	58,725	56,499
14,059	14,243	14,022	14,669	14,100	13,690
20,597	18,632	15,708	15,368	13,465	11,664
4,385	4,631	3,957	3,762	3,554	2,911
133	140	116	101	99	98
71	3,884	-	-	10,112	144
17,135	4,441	2,500	5,779	5,243	15,632
214	214	184	825	118	93
200,683	177,154	160,478	160,568	158,716	150,255
-	-	-	(7,781)	107,833	(5,500)
-	-	-	99	-	-
<u>\$ 394,923</u>	<u>\$ 120,413</u>	<u>\$ 104,429</u>	<u>\$ 99,688</u>	<u>\$ 235,495</u>	<u>\$ 39,447</u>

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

	2023	2022	2021	2020
<b>GENERAL FUND</b>				
Non Spendable	\$ 118	\$ 38	\$ 1,396	\$ -
Restricted	-	-	212	356
Committed	57,175	50,388	57,664	51,700
Assigned	154,143	147,342	99,374	95,729
Unassigned	19,344	29,886	-	9,989
Total General Fund	<u>\$ 230,780</u>	<u>\$ 227,654</u>	<u>\$ 158,646</u>	<u>\$ 157,774</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Non Spendable	\$ 973	\$ 1,085	\$ 1,941	\$ 500
Restricted	972,086	571,278	643,532	623,950
Committed	96,304	100,716	103,466	90,749
Assigned	603,093	264,923	264,004	267,621
Unassigned	-	(356)	(17)	(4,013)
Total All Other Governmental Funds	<u>\$ 1,672,456</u>	<u>\$ 937,646</u>	<u>\$ 1,012,926</u>	<u>\$ 978,807</u>
<b>ALL GOVERNMENTAL FUNDS</b>	<u>\$ 1,903,236</u>	<u>\$ 1,165,300</u>	<u>\$ 1,171,572</u>	<u>\$ 1,136,581</u>

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

2019	2018	2017	2016	2015	2014
\$ 1,358	\$ 5	\$ -	\$ 87	\$ 7,617	\$ 8,033
419	5,936	2,784	8,188	5,682	5,730
43,783	36,811	41,034	30,090	25,946	18,904
69,526	72,601	79,242	77,713	63,790	66,581
11,594	9,788	3,912	12,163	23,867	8,666
<u>\$ 126,680</u>	<u>\$ 125,141</u>	<u>\$ 126,972</u>	<u>\$ 128,241</u>	<u>\$ 126,902</u>	<u>\$ 107,914</u>
\$ 501	\$ 499	\$ 518	\$ 526	\$ 496	\$ 586
607,503	499,515	585,466	502,440	750,871	501,039
84,846	77,230	106,858	374,603	79,880	50,195
289,001	305,023	269,151	2,899	5,256	7,148
(2,514)	(2,907)	(3,495)	(2,493)	(2,483)	-
<u>\$ 979,337</u>	<u>\$ 879,360</u>	<u>\$ 958,498</u>	<u>\$ 877,975</u>	<u>\$ 834,020</u>	<u>\$ 558,968</u>
<u>\$ 1,106,017</u>	<u>\$ 1,004,501</u>	<u>\$ 1,085,470</u>	<u>\$ 1,006,216</u>	<u>\$ 960,922</u>	<u>\$ 666,882</u>

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

	2023	2022	2021	2020
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 94,747	\$ 89,089	\$ 84,349	\$ 79,784
Sales and use taxes	94,421	90,235	73,448	64,278
All other taxes	45,998	52,443	44,957	54,636
Licenses & permits	11,324	10,141	8,633	9,478
Fines & forfeitures	1,254	1,112	1,238	1,167
Investment income	11,278	(34,864)	1,467	36,447
Intergovernmental	36,138	76,131	25,405	15,060
Charges for services	43,036	40,062	25,981	33,259
Contributions from property owners-				
Special districts contributions	465,633	1,960	136	6,325
Revenue from developers	13,607	11,057	33,654	16,531
Special assessments	50,744	46,193	42,009	34,690
Donations	924	461	464	474
Other revenue	4,799	7,873	2,712	4,196
Total Revenues	<u>873,903</u>	<u>391,893</u>	<u>344,453</u>	<u>356,325</u>
<b>EXPENDITURES</b>				
Current:				
General Government	44,168	76,520	28,740	28,850
Public Safety	110,804	97,126	95,497	90,391
Public Works	100,986	80,489	69,392	61,512
Community Development	35,625	38,708	40,679	41,904
Community Services	54,671	49,694	44,753	45,514
Transportation <sup>(1)</sup>	-	-	-	5,465
Great Park <sup>(2)</sup>	-	-	-	-
Capital Outlay	123,293	55,709	30,541	50,459
Debt Services:				
Principal retirement	27	24	-	-
Interest & fiscal charges	-	1	-	-
Total Expenditures	<u>469,574</u>	<u>398,271</u>	<u>309,602</u>	<u>324,095</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>404,329</u>	<u>(6,378)</u>	<u>34,851</u>	<u>32,230</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from financing of capital asset	-	100	-	-
Proceeds from subscriptions	27	-	-	-
Proceeds from lease revenue bond	326,280	-	-	-
Proceeds from lease revenue bond premiums	7,388	-	-	-
Proceeds from sale of property	-	34	36	15
Transfers in	62,166	104,587	61,227	58,191
Transfers out	(62,254)	(104,615)	(61,123)	(59,872)
Total Other Financing Sources (Uses)	<u>333,607</u>	<u>106</u>	<u>140</u>	<u>(1,666)</u>
<b>EXTRAORDINARY GAIN (LOSS)</b>				
Settlement agreement	-	-	-	-
Special item	-	-	-	-
Total Extraordinary Gain (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 737,936</u>	<u>\$ (6,272)</u>	<u>\$ 34,991</u>	<u>\$ 30,564</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	0%	0%	0%	0%

(1) During fiscal year 2019-20, the Transportation department was reabsorbed into the Public Works department.

(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

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

	2019	2018	2017	2016	2015	2014
\$	74,492	\$ 68,135	\$ 62,374	\$ 67,060	\$ 53,300	\$ 49,524
	74,661	68,543	67,622	70,047	62,925	59,385
	53,573	53,989	47,472	51,291	48,373	41,891
	8,521	9,806	9,301	9,594	10,750	7,401
	1,348	1,415	1,394	1,453	1,531	1,830
	29,870	4,453	2,941	7,098	4,216	4,496
	8,054	7,583	9,870	14,317	11,663	16,312
	35,367	34,226	39,332	36,023	33,673	31,834
	104,714	19,676	137,228	77,699	69,650	25,257
	22,404	34,726	45,527	53,373	49,110	59,124
	25,165	20,240	17,559	6,809	32,615	6,172
	562	627	549	724	664	915
	5,850	5,138	4,165	4,660	5,014	3,394
	<u>444,581</u>	<u>328,557</u>	<u>445,334</u>	<u>400,148</u>	<u>383,484</u>	<u>307,535</u>
	41,069	44,549	34,962	29,957	29,446	31,305
	82,172	77,210	73,116	70,062	65,624	63,130
	57,472	51,149	53,331	60,261	50,841	40,451
	33,694	30,578	35,494	31,341	26,390	25,839
	45,223	44,912	40,618	39,673	35,920	38,861
	5,374	3,398	-	-	-	-
	-	-	-	-	-	12,364
	76,320	121,663	128,972	121,094	53,138	48,558
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>341,324</u>	<u>373,459</u>	<u>366,493</u>	<u>352,388</u>	<u>261,359</u>	<u>260,508</u>
	<u>103,257</u>	<u>(44,902)</u>	<u>78,841</u>	<u>47,760</u>	<u>122,125</u>	<u>47,027</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	4,027	21	125	14,224	46
	73,441	46,581	71,162	55,454	47,426	23,505
	(75,182)	(45,981)	(71,187)	(55,617)	(47,735)	(23,408)
	<u>(1,741)</u>	<u>4,627</u>	<u>(4)</u>	<u>(38)</u>	<u>13,915</u>	<u>143</u>
	-	-	-	(6,568)	158,000	(5,500)
	-	-	-	99	158,000	(5,500)
	-	-	-	(6,469)	316,000	(11,000)
\$	<u>101,516</u>	<u>(40,275)</u>	<u>78,837</u>	<u>41,253</u>	<u>452,040</u>	<u>36,170</u>
	0%	0%	0.0%	0.0%	0.0%	0.0%

**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 <sup>(2)(3)</sup>	Transient Occupancy Tax <sup>(4)</sup>	Franchise Tax	Document Transfer Tax	Other	Total
	City	Redevelopment Agency <sup>(1)</sup>						
2023	\$ 94,421	\$ 326	\$ 94,241	\$ 21,168	\$ 17,789	\$ 3,602	\$ 3,619	\$ 235,166
2022	88,788	301	90,235	13,750	14,042	4,861	19,790	231,767
2021	84,072	277	73,448	5,787	13,169	4,671	21,330	202,754
2020	79,511	273	70,028	12,387	13,822	3,461	19,216	198,698
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

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

(2) Sales Tax includes the pass-through half cent sales tax received from Orange County Transportation Authority for the use of transportation planning and implementation activities.

(3) Beginning in fiscal year 2022-23, the pass-through shared sales tax received from the Orange County Transportation Authority is not included in the Sales Tax total. These revenues are now recorded as Intergovernmental.

(4) Beginning in fiscal year 2022-23, the Transient Occupancy Tax total also includes the Irvine Hotel Improvement District Assessment.

**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 <sup>(1)</sup>			Tax Rate
	Secured	Unsecured	Assessed Value	Secured	Unsecured	Incremental Valuation	
2023	\$ 95,725,688	\$ 4,504,408	100,230,096	\$ 8,419,691	\$ 169,128	\$ 8,588,819	0.0871%
2022	89,758,310	5,435,422	95,193,732	7,385,968	182,691	7,568,659	0.0867%
2021	85,793,409	4,264,770	90,058,179	6,789,106	116,370	6,905,476	0.0870%
2020	80,881,596	4,163,416	85,045,012	5,640,707	119,674	5,760,381	0.0820%
2019	74,391,378	4,048,378	78,439,756	4,340,438	145,260	4,485,698	0.0822%
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%

**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.

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

	<u>2023 *</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Apparel stores	\$ *	\$ 300,944	\$ 280,685	\$ 206,416
General merchandise	*	461,129	415,558	369,818
Food stores	*	169,029	142,679	142,321
Eating & drinking places	*	997,573	833,220	563,070
Home furnishings & appliances	*	-	-	-
Building material & farm tools	*	179,212	172,702	146,802
Auto dealers & supplies	*	1,838,616	1,329,683	965,743
Service stations	*	345,227	299,551	160,528
Other retail stores	*	848,221	911,735	748,047
All other outlets	*	3,776,382	3,146,026	2,981,584
<b>Total</b>	<u>\$ -</u>	<u>\$ 8,916,333</u>	<u>\$ 7,531,839</u>	<u>\$ 6,284,329</u>
<b>City Direct Sales Tax Rate</b>	1.00%	1.00%	1.00%	1.00%

- (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.

\*Statistics for fiscal year 2022-23 is unavailable at the present time.

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

	2019	2018	2017	2016	2015	2014
\$	224,535	\$ 211,329	\$ 218,728	\$ 222,412	\$ 210,020	\$ 213,839
	429,098	423,188	385,098	404,982	411,544	370,563
	140,939	132,898	125,787	120,943	122,536	609,828
	880,875	832,162	776,070	724,466	669,075	151,152
	-	-	-	-	-	410,687
	144,896	169,673	143,658	137,627	121,412	106,565
	1,028,427	963,272	900,540	837,144	819,580	655,268
	283,159	299,396	247,127	235,122	264,856	277,156
	791,145	834,627	835,929	787,667	821,149	438,521
	2,940,504	2,743,558	2,668,557	2,680,024	2,617,234	1,766,788
\$	<u>6,863,578</u>	<u>\$ 6,610,103</u>	<u>\$ 6,301,494</u>	<u>\$ 6,150,387</u>	<u>\$ 6,057,406</u>	<u>\$ 5,000,367</u>
	1.00%	1.00%	1.00%	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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Basic Levy <sup>(1)</sup>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Irvine Ranch Water	0.19650	0.19650	0.21320	0.24300	0.24300	0.24300	0.20202	0.17102	0.17102	0.41339
Irvine Unified	0.02582	0.02310	0.02802	0.02533	0.02804	0.02714	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	0.00350	0.00350	0.00350
Orange Usd Series 2022 2018 2016	0.02555	0.01656	0.01664	0.02288	0.02685	0.00000	0.00000	0.00000	0.00000	0.00000
Rancho Santiago Community College	0.04691	0.04289	0.04520	0.05178	0.04537	0.05088	0.04945	0.05039	0.05078	0.03334
Saddleback Valley Unified	0.02227	0.02200	0.02336	0.02295	0.02392	0.02365	0.02688	0.03008	0.02806	0.03207
Santa Ana Unified	0.06976	0.06858	0.08127	0.07300	0.05561	0.06327	0.06377	0.06604	0.06869	0.07359
Tustin Unified General Fund	0.06647	0.06523	0.07102	0.06376	0.06687	0.06873	0.07001	0.07751	0.06955	0.08912
Total Direct and Overlapping Rates <sup>(2)</sup>	<u>1.45678</u>	<u>1.43836</u>	<u>1.48221</u>	<u>1.50620</u>	<u>1.49316</u>	<u>1.48017</u>	<u>1.41563</u>	<u>1.39854</u>	<u>1.39160</u>	<u>1.64501</u>
City's Share of 1% Levy Per Prop 13 <sup>(3)</sup>	0.03180	0.03180	0.03180	0.03180	0.03180	0.03180	0.03180	0.03180	0.03180	0.03180
Voter Approved City Debt Rate										
Total Direct Rates <sup>(4)</sup>	0.03031	0.03060	0.03051	0.03059	0.03090	0.03115	0.03157	0.03190	0.03229	0.03267

- (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) 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.

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

<u>Taxpayer</u>	<u>2023</u>			<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Irvine Company	\$ 2,348,311,416	1	2.34%	\$ 5,115,426,671	1	10.06%
LBA IV-PPI LLC	723,762,922	2	0.72%	272,157,527	9	0.54%
B Braun Medical Inc	601,979,563	3	0.60%	362,233,709	5	0.71%
Allergan USA Inc	551,243,778	4	0.55%	458,780,422	4	0.90%
Edwards Lifesciences LLC	525,175,008	5	0.52%	-		-
Irvine Apartment Communities LP	471,540,764	6	0.47%	732,650,150	2	1.44%
Jamboree Center LLC	442,888,807	7	0.44%	300,515,215	7	0.59%
Irvine Office Towers LLC	424,155,721	8	0.42%	-		-
Park Place Michelson LLC	391,731,858	9	0.39%	-		-
Park I/II Spectrum LLC	381,147,282	10	0.38%	-		-
John Hancock Life	-		-	280,438,817	8	0.55%
Heritage Fields El Toro LLC	-		-	582,825,230	3	1.15%
Broadcom Corporation	-		-	209,362,206	10	0.41%
Park Spectrum	-		-	330,192,625	6	0.65%
Totals	<u>\$ 6,861,937,119</u>		<u>6.85%</u>	<u>\$ 8,644,582,572</u>		<u>17.00%</u>

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

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year <sup>(1) (3)</sup></b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount <sup>(2)</sup></b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2023	\$ 98,309,458	\$ 97,608,496	99.29%	\$ 634,455	98,242,951	99.93%
2022	96,340,158	95,162,564	98.78%	836,224	95,998,788	99.65%
2021	94,289,660	93,592,424	99.26%	421,803	94,014,227	99.71%
2020	92,477,398	90,810,360	98.20%	365,026	91,175,386	98.59%
2019	90,281,935	89,869,241	99.54%	411,689	90,280,930	100.00%
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%	199,226	76,478,135	99.99%

(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.

**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	Capital Leases	Total Governmental Activities	Percentage of Personal Income <sup>(1)</sup>	% of Actual Assessed Value of Property <sup>(1)</sup>	Per Capita
2023	\$ -	\$ 326,280	2.00%	0.326%	1,077
2022	-	-	0.00%	0.000%	-
2021	-	-	0.00%	0.000%	-
2020	-	-	0.00%	0.000%	-
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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Population <sup>(1)</sup></b>	<b>Total General Obligation Bonds</b>	<b>Less Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Percent of Debt to Assessed Value</b>	<b>Debt per Capita</b>
2023	303	-	-	326,280	0.326%	1,077
2022	310	-	-	-	0.00%	-
2021	308	-	-	-	0.00%	-
2020	282	-	-	-	0.00%	-
2019	280	-	-	-	0.00%	-
2018	276	-	-	-	0.00%	-
2017	267	-	-	-	0.00%	-
2016	258	-	-	-	0.00%	-
2015	250	-	-	-	0.00%	-
2014	243	-	-	-	0.00%	-

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

**City of Irvine**  
**Schedule of Direct and Overlapping Bonded Debt**  
**June 30, 2023**

2022-23 Assessed valuation: \$100,230,096,499

	Total	%	City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Debt 6/30/23</u>	<u>Applicable (1)</u>	<u>Debt 6/30/23</u>
Metropolitan Water District	\$ 19,215,000	2.756 %	\$ 529,565
Rancho Santiago Community College District	176,539,286	12.032	21,241,207
Rancho Santiago Community College District School Facilities Improvement District No. 1	149,820,000	22.703	34,013,635
Irvine Unified School District Facilities Improvement District No. 1	155,185,000	97.217	150,866,201
Irvine Unified School District Community Facilities Districts	540,535,000	100	540,535,000
Orange Unified School District	277,865,000	.0001	278
Saddleback Valley Unified School District	83,545,000	4.288	3,582,410
Santa Ana Unified School District	418,970,373	27.906	116,917,872
Santa Ana Unified School District Community Facilities District No. 2004-1	6,045,000	100	6,045,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	40,350,000	9.381	3,785,234
Tustin Unified School District School Facilities Improvement District No. 2008-1	76,275,000	9.642	7,354,436
Tustin Unified School District School Facilities Improvement District No. 2012-1	51,825,000	22.149	11,478,719
Tustin Unified School District Community Facilities District No. 97-1	77,410,000	100	77,410,000
Tustin Unified School District Community Facilities District No. 2007-1	15,605,000	100	15,605,000
Tustin Unified School District Community Facilities District No. 2014-1	84,295,000	100	84,295,000
Irvine Ranch Water District Improvement Districts	480,800,416	11.607-100.	322,134,420
City of Irvine Community Facilities District No. 2004-1	16,105,000	100	16,105,000
City of Irvine Community Facilities District No. 2005-2	11,740,000	100	11,740,000
City of Irvine Community Facilities District No. 2013-3, I.A. 1	71,845,000	100	71,845,000
City of Irvine Community Facilities District No. 2013-3, I.A. 4	131,235,000	100	131,235,000
City of Irvine Community Facilities District No. 2013-3, I.A. 6	169,996,780	100	169,996,780
City of Irvine Community Facilities District No. 2013-3, I.A. 7	220,000,000	100	220,000,000
City of Irvine Community Facilities District No. 2013-3, I.A. 8	71,850,000	100	71,850,000
City of Irvine Community Facilities District No. 2013-3, I.A. 9	56,709,892	100	56,709,892
City of Irvine 1915 Act Bonds	616,894,000	100	616,894,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>2,762,169,649</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 451,165,000	13.828 %	\$ 62,387,096
Orange County Board of Education General Fund Obligations	10,860,000	13.828	1,501,721
Orange Unified School District Certificates of Participation and Benefit Obligation	71,515,618	0.0001	72
Santa Ana Unified School District General Fund Obligations	46,436,043	27.906	12,958,442
City of Irvine Contract Capital Payable	<b>76,000</b>	<b>100</b>	<b>76,000</b>
<b>City of Irvine General Fund Obligations</b>	<b>326,280,000</b>	<b>100</b>	<b>326,280,000</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 403,203,331</b>
 <b>TOTAL DIRECT DEBT</b>			<b>\$ 326,356,000</b>
<b>OVERLAPPING DEBT</b>			<b>\$ 2,839,016,980</b>
 <b>COMBINED TOTAL DEBT</b>			<b>\$ 3,165,372,980 <sup>(2)</sup></b>

<sup>(1)</sup>The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

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

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.76%
<b>Total Direct Debt (\$326,335,000).....</b>	<b>0.33%</b>
Combined Total Debt.....	3.16%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assessed valuation	\$100,230,096,499	\$ 95,193,731,766	\$ 90,058,178,619	\$ 85,045,012,271
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	25,057,524,125	23,798,432,942	22,514,544,655	21,261,253,068
Debit limit percentage	15%	15%	15%	15%
Debt limit	3,758,628,619	3,569,764,941	3,377,181,698	3,189,187,960
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 3,758,628,619</u>	<u>\$ 3,569,764,941</u>	<u>\$ 3,377,181,698</u>	<u>\$ 3,189,187,960</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.

**City of Irvine  
Legal Debt Margin (continued)  
Last Ten Fiscal Years**

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 78,439,755,961	\$ 71,898,708,288	\$ 65,754,243,380	\$ 60,912,693,965	\$ 55,693,885,275	\$ 51,002,248,297
25%	25%	25%	25%	25%	25%
19,609,938,990	17,974,677,072	16,438,560,845	15,228,173,491	13,923,471,319	12,750,562,074
15%	15%	15%	15%	15%	15%
2,941,490,849	2,696,201,561	2,465,784,127	2,284,226,024	2,088,520,698	1,912,584,311
-	-	-	-	-	-
<u>\$ 2,941,490,849</u>	<u>\$ 2,696,201,561</u>	<u>\$ 2,465,784,127</u>	<u>\$ 2,284,226,024</u>	<u>\$ 2,088,520,698</u>	<u>\$ 1,912,584,311</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

<b>Fiscal Year Ended June 30</b>	<b>Population <sup>(1)</sup></b>	<b>(in thousands) Personal Income <sup>(3)</sup></b>	<b>Per Capita Personal Income <sup>(3)</sup></b>	<b>Income per Median Household <sup>(3)</sup></b>	<b>Median Age <sup>(2)</sup></b>	<b>School Enrollment <sup>(4)(6)</sup></b>	<b>Unemployment Rate <sup>(5)</sup></b>
2023	303,051	\$ 16,321,418 <sup>(2)</sup>	\$ 53,857	\$ 114,027	33.8	36,248 <sup>(6)</sup>	3.9%
2022	310,250	13,944,948 <sup>(2)</sup>	51,138	108,318	33.8	36,083 <sup>(6)</sup>	2.8%
2021	307,670	13,662,292 <sup>(2)</sup>	50,016	105,126	34.2	37,889 <sup>(6)</sup>	5.8%
2020	281,707	12,788,062 <sup>(3)</sup>	48,166	100,969	34.1	37,048 <sup>(6)</sup>	11.3%
2019	280,202	12,272,130 <sup>(3)</sup>	46,246	104,185	34.4	36,332 <sup>(6)</sup>	2.9%
2018	276,176	12,272,130 <sup>(3)</sup>	45,140	93,823	34.5	34,617 <sup>(6)</sup>	3.3%
2017	267,086	12,840,224 <sup>(3)</sup>	43,836	92,278	34.4	33,480 <sup>(4)</sup>	2.9%
2016	258,386	10,946,242 <sup>(3)</sup>	43,456	91,999	34.0	31,621 <sup>(4)</sup>	3.3%
2015	250,384	10,593,508 <sup>(3)</sup>	43,096	90,585	34.2	30,638 <sup>(4)</sup>	3.2%
2014	242,651	9,595,168 <sup>(3)</sup>	43,271	92,663	33.6	30,170 <sup>(4)</sup>	3.9%

(1) California Department of Finance at January 1.

(2) HDL, Coren & Cone

(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	2023			2014		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	27,216	1	9.82%	15,750	1	7.80%
Peraton State and Local Inc.	17,000	2	6.13%	-	-	-
Irvine Unified School District	3,979	3	1.44%	4,285	2	2.12%
Mastec North America Inc.	3,395	4	1.22%	2,620	3	1.30%
Edwards Lifesciences LLC	3,272	5	1.18%	-	-	-
Digital Insurance Inc.	2,603	6	0.94%	2,575	5	1.28%
Blizzard Entertainment Inc.	2,327	7	0.84%	-	-	-
SA Recycling LLC	2,000	8	0.72%	-	-	-
B. Braun Medical Inc.	1,910	9	0.69%	1,370	9	0.68%
Center for Autism	1,892	10	0.68%	-	-	-
Broadcom	-	-	-	2,604	4	1.29%
Verizon Wireless	-	-	-	1,472	8	0.73%
Kaiser Permanente Hospital	-	-	-	-	-	-
Parker Hannifin	-	-	-	2,400	6	1.19%
Allergan	-	-	-	1,922	7	0.95%

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Full-time	141.70	124.70	103.70	106.70	103.70	103.00	94.00	92.00	87.00	88.00
Part-time	11.50	11.50	15.90	15.14	14.44	12.01	14.61	14.61	15.92	12.53
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	358.30	347.30	341.30	334.30	326.30	322.00	319.00	308.00	304.00	298.00
Part-time	42.64	41.20	41.19	40.50	38.62	38.30	32.87	33.35	31.44	30.95
Non-hourly	60.00	59.00	58.00	56.00	53.00	49.00	46.00	44.00	42.00	39.40
Public Works										
Full-time	191.00	169.00	169.00	140.25	142.25	139.25	155.00	150.00	140.00	142.00
Part-time	6.75	6.75	6.75	5.20	5.24	5.24	5.24	6.50	6.00	4.30
Non-hourly	5.00	5.00	5.00	-	-	-	-	-	-	-
Community Development										
Full-time	115.00	111.00	111.00	111.00	111.00	114.00	113.00	109.00	108.00	102.00
Part-time	3.00	3.00	2.00	2.00	2.80	3.30	2.80	2.80	1.80	1.80
Non-hourly	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Community Services										
Full-time	147.00	132.00	131.00	130.00	127.00	127.00	125.00	118.00	109.00	108.00
Part-time	272.16	271.60	286.91	286.90	282.73	274.77	262.33	250.44	212.95	197.69
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	21.75	15.75	-	-	-	-
Part-time	-	-	-	2.00	0.50	-	-	-	-	-
Non-hourly	-	-	-	5.00	5.00	5.00	-	-	-	-
<b>Total</b>	<u>1,381.05</u>	<u>1,309.05</u>	<u>1,299.75</u>	<u>1,284.74</u>	<u>1,262.33</u>	<u>1,236.62</u>	<u>1,197.85</u>	<u>1,156.70</u>	<u>1,086.11</u>	<u>1,052.67</u>

**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.

During fiscal year 2020-21, the Transportation department was combined with the Public Works department therefore all amounts are reported under Public Works.

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

FUNCTION	Fiscal Years as of June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police Safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	73	76	72	64	61	61	55	51	49	52
Fire stations <sup>(1)</sup>	12	12	12	12	12	12	12	12	11	11
Public Works										
Streets (miles) <sup>(2)</sup>	477	482	2,083	2,068	2,035	2,002	1,985	1,973	1,931	1,922
Traffic signals	380	378	376	366	366	356	344	344	341	338
Streetscape (acres)	943	940	940	938	938	918	918	911	889	872
Open space/greenbelts (acres)	6,673	6,673	6,673	6,673	6,672	6,638	6,638	6,638	5,600	5,590
Bicycle path-on/off street (miles) <sup>(2)</sup>	257	257	400	372	364	154	154	154	152	152
Culture and Recreation										
Community athletic parks	24	24	24	24	23	20	20	19	19	19
Multi use centers	20	20	20	20	18	16	15	15	14	14
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	70	70	70	70	63	41	41	41	40
Swimming pools	3	3	3	3	3	3	3	3	3	4
Batting cages	22	22	22	22	22	14	14	14	14	14
Basketball courts	37	37	37	37	36	35	31	31	31	30
Racquetball/handball courts	12	13	13	14	14	14	14	14	14	14
Tennis courts	97	98	98	98	98	91	64	64	64	64
Volleyball courts	23	23	23	23	23	22	17	17	17	16

(1) Joint Power Authority with Orange County Fire Authority

(2) Beginning in 2022 Street and Bicycle Path miles are now measured in centerline miles.

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

<b>FUNCTION</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>General Government</b>				
Checks/wire transfers	56,084	47,031	43,936	49,591
Number of purchase orders placed	1,824	1,661	2,162	2,179
<b>Police</b>				
Animal control service calls	11,939	10,637	12,190	9,608
Physical arrests	1,900	1,729	1,571	1,737
Parking citations	9,429	4,244	4,919	7,006
Traffic citations	16,955	14,185	16,793	16,513
<b>Highways and Streets</b>				
Arterial street resurfacing (centerline miles)	8.40	19.90	33.75	4.40
Arterial street sweeping (curb miles) <sup>(1)</sup>	23,000	23,000	40,361	40,361
<b>Community Development</b>				
Building inspections completed	98,466	105,233	97,080	140,808
Building permits issued	12,978	11,580	10,060	11,606
<b>Culture and Recreation</b>				
Recreational & instructional classes offered	18,852	18,185	13,123	9,345
Recreational & instructional enrollees	299,825	296,211	160,974	125,664
Recreational & internet registrants for classes	63%	61%	69%	54%
Youth services participation units	NA	NA	NA	NA

(1) Beginning in 2022 Arterial street sweeping curb miles do not include City-wide sweeping miles as in previous years.

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
50,333	51,905	47,912	46,499	46,112	44,607
2,192	2,324	2,151	2,146	1,681	1,936
7,785	8,635	8,741	9,975	9,741	10,580
2,155	2,501	2,811	3,109	2,506	2,774
6,853	6,272	5,171	4,413	4,056	4,824
22,050	18,848	20,151	19,641	21,266	23,541
42.22	49	65	58	36	40
40,346	39,817	39,542	39,189	38,884	38,449
174,363	220,565	225,782	194,718	190,409	160,718
16,764	15,924	15,165	14,187	13,577	12,635
9,345	11,530	9,624	9,238	8,826	8,890
164,380	136,857	108,711	101,252	95,618	99,811
64%	58%	56%	56%	57%	50%
NA	NA	NA	NA	NA	NA

**City of Irvine  
Miscellaneous Statistical Information  
June 30, 2023**

<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</u>	-	152,719
<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	-	943
Community Parks	-	1,698.6
Neighborhood Parks	-	178.6
Sports Field	-	188
<u>Facilities and Services Excluded in the Reporting Entity</u>		<u>Number</u>
Education:		
Elementary Schools	-	28
Middle Schools	-	6
High Schools	-	5
Continuation/Independent Study High School	-	2

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

## **About the Cover**

The Great Park has a rich history as the former Marine Corps Air Station El Toro, and its 1,300 acres embrace recreation, competitive sports, cultural activities, and the natural environment. Over 500 acres of the park are built and operating, and in 2022, the City of Irvine approved the Great Park Framework Plan to guide the next phase of development. The plan's initial phase brings 300 acres of exciting new park amenities, including a world-class outdoor amphitheater, new cultural attractions, and expansive space dedicated to unprogrammed passive enjoyment.