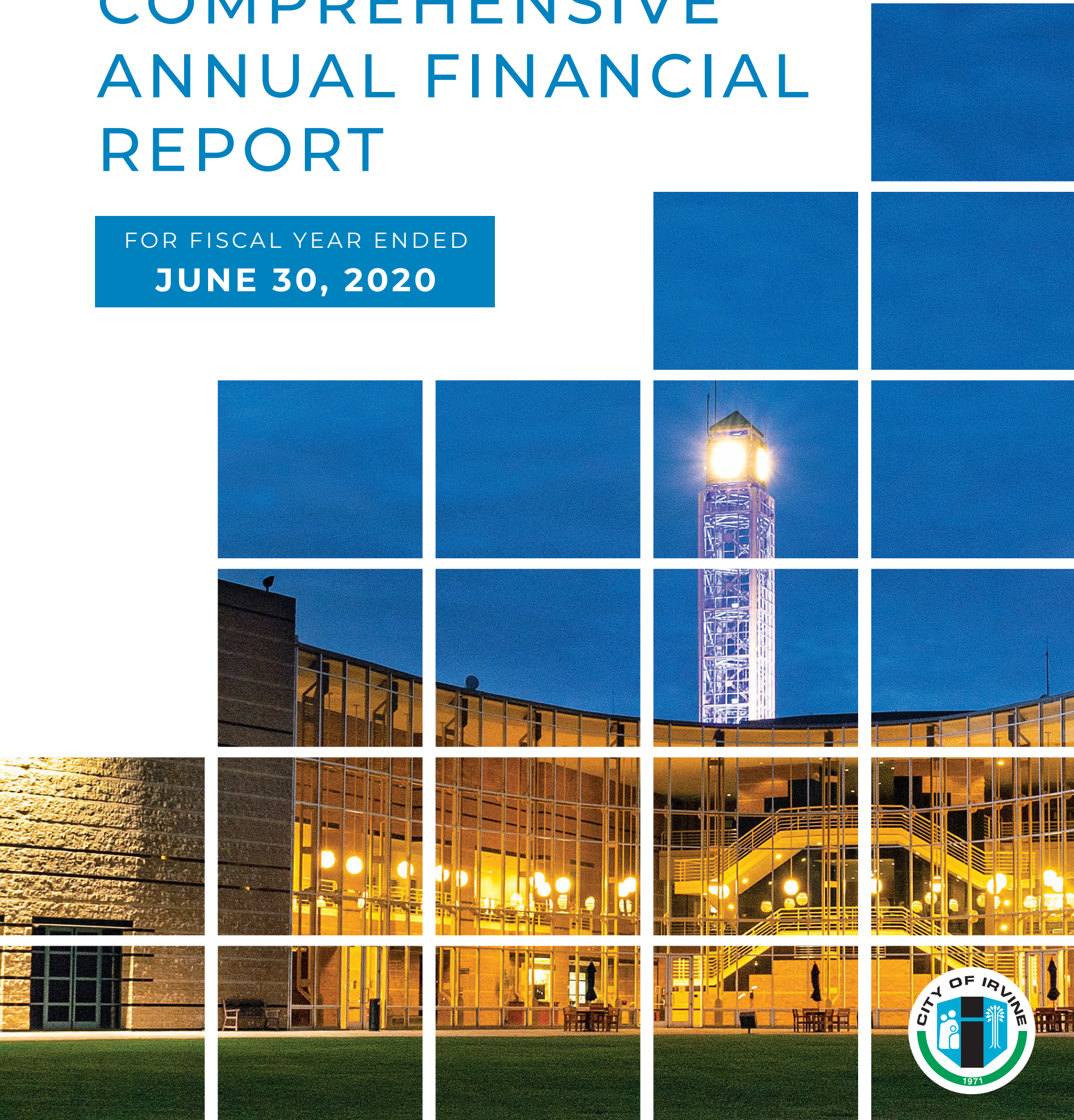


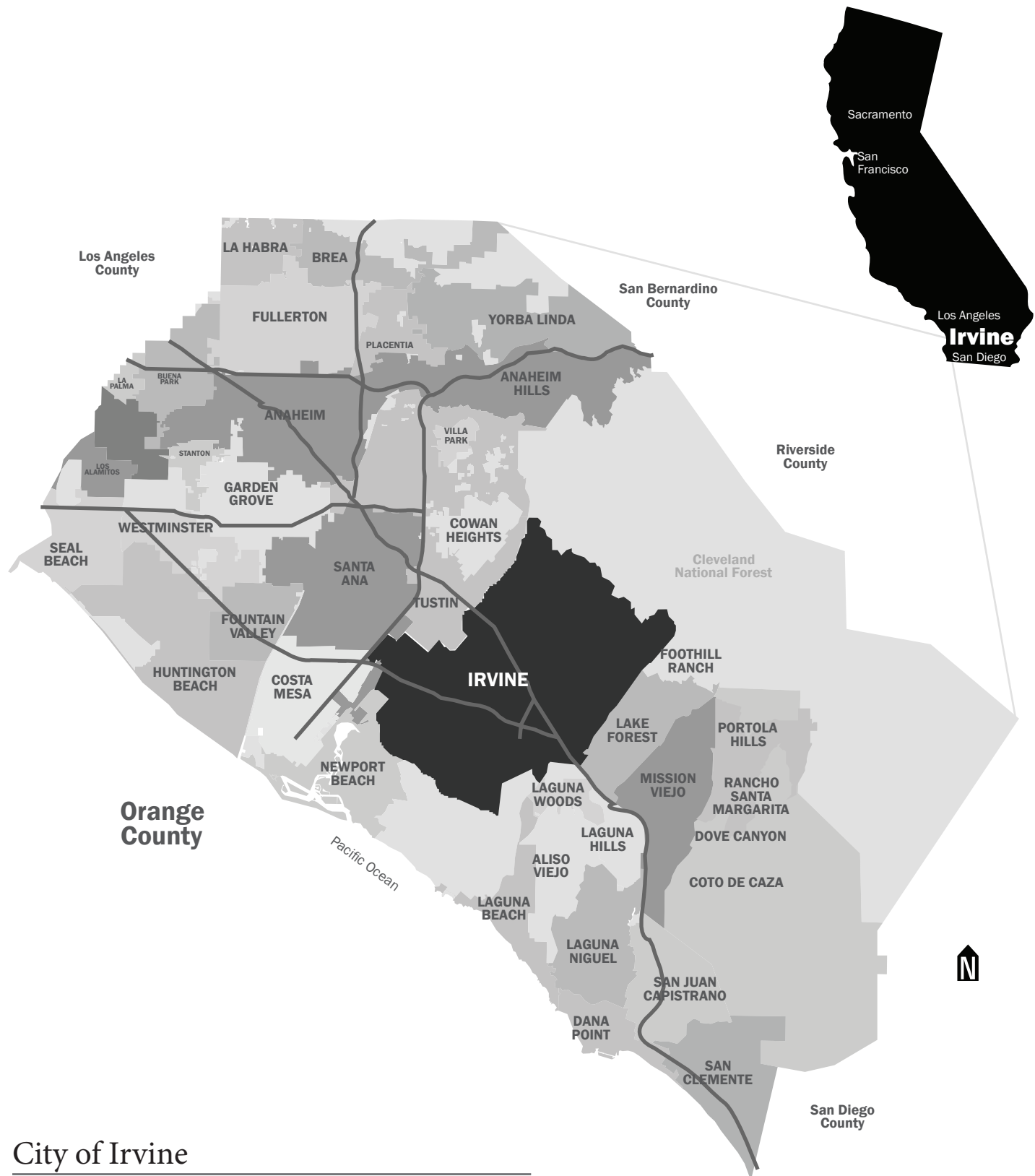
CITY OF IRVINE, CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED  
**JUNE 30, 2020**







## City of Irvine

Incorporation: December 28, 1971  
Population: 281,707  
Size: 66 square miles  
Sphere of Influence: 74 square miles (approx.)



**City of Irvine**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2020



**Prepared by Fiscal Services**





**City of Irvine**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2020**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
Government Finance Officers Association	
Certificate of Achievement for Excellence in Financial Reporting	8
Irvine City Officials	9
Organizational Chart	10
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	11
Management's Discussion and Analysis	14
<b><i>Basic Financial Statements</i></b>	
Government-wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	36
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Orange County Great Park	40
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Local Park Fees	42
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Fees & Exactions	43
Statement of Net Position – Proprietary Funds	44
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	45
Statement of Cash Flows – Proprietary Funds	47
Statement of Fiduciary Net Position – Fiduciary Funds	48
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	49
Notes to the Basic Financial Statements	51

# City of Irvine

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

### TABLE OF CONTENTS (CONTINUED) PAGE

#### FINANCIAL SECTION (CONTINUED)

##### *Required Supplementary Information*

Schedule of Changes in Net Pension Liability and Related Ratios - Defined Benefit Pension Plan for Sworn Employees	100
Schedule of Plan Contributions – Defined Benefit Pension Plan for Sworn Employees	102
Schedule of Changes in Net Pension Liability and Related Ratios - CalPERS Defined Benefit Pension Plan for Sworn Employees	104
Schedule of Plan Contributions – CalPERS Defined Benefit Pension Plan for Sworn Employees	106
Schedule of Changes in Net Pension Liability and Related Ratios - CalPERS Defined Benefit Pension Plan for Miscellaneous Employees	108
Schedule of Plan Contributions – CalPERS Defined Benefit Pension Plan for Miscellaneous Employees	110
Schedule of Changes in Total OPEB Liability and Related Ratios - Other Post Employment Plan	112

#### SUPPLEMENTAL STATEMENTS AND SCHEDULES

##### *Combining and Individual Fund Financial Statements and Schedules*

Other Governmental Funds:	113
Combining Balance Sheet	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	115
Other Special Revenue Funds:	117
Combining Balance Sheet	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	122
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County Sales Tax Measure M	126
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – State Gasoline Tax	127
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Systems Development	128
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Maintenance District	129
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Air Quality Improvement	130
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – OCFA Settlement Agreement	131
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Special Events	132

# City of Irvine

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

TABLE OF CONTENTS (CONTINUED)	PAGE
<b>SUPPLEMENTAL STATEMENTS AND SCHEDULES (CONTINUED)</b>	
<i>Combining and Individual Fund Financial Statements and Schedules (continued)</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Shuttle	133
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Grants	134
Other Capital Projects Funds:	137
Combining Balance Sheet	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	140
Permanent Fund:	143
Balance Sheet	144
Statement of Revenues, Expenditures, and Changes in Fund Balances	145
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Senior Services	146
Internal Service Funds:	149
Combining Statement of Net Position	150
Combining Statement of Revenues, Expenses, and Changes in Net Position	151
Combining Statement of Cash Flows	152
Fiduciary Funds:	155
Combining Statement of Fiduciary Net Position – Pension and Employee Benefit Trust Funds	156
Combining Statement of Changes in Fiduciary Net Position – Pension and Employee Benefit Trust Funds	157
Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds	158
Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds	159
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	160
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	168
<b>STATISTICAL SECTION</b>	
Statistical Section:	177
Net Position by Component – Last Ten Fiscal Years	178
Changes in Net Position – Last Ten Fiscal Years	180
Fund Balances of Governmental Funds – Last Ten Fiscal Years	182
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	184
Tax Revenues by Source – Governmental Funds – Last Ten Fiscal Years	186



**City of Irvine**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2020

<b>TABLE OF CONTENTS (CONTINUED)</b>	<b>PAGE</b>
<b>STATISTICAL SECTION (CONTINUED)</b>	
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	187
Taxable Sales by Category – Last Ten Fiscal Years	188
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	190
Principal Property Taxpayers – Current Year and Nine Years Ago	191
Property Tax Levies and Collections – Last Ten Fiscal Years	192
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	193
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	194
Schedule of Direct and Overlapping Bonded Debt	195
Legal Debt Margin – Last Ten Fiscal Years	196
Demographic and Economic Statistics – Last Ten Fiscal Years	198
Principal Employers – Current Year and Nine Years Ago	199
Budgeted Full-Time, Part-Time, and Non-Hourly Positions by Function – Last Ten Fiscal Years	200
Capital Assets Statistics – Last Ten Fiscal Years	201
Operating Indicators by Function – Last Ten Fiscal Years	202
Miscellaneous Statistical Information	204





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

November 16, 2020

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Irvine (City) for the fiscal year ended June 30, 2020. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

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

White Nelson Diehl Evans, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the City's financial statements for the fiscal year ended June 30, 2020 are free of material misstatement. The independent auditor concluded it was reasonable to render an unmodified opinion and that the City's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. Their report is presented in the beginning of the financial section of this report.

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 281,707 in 2020.

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 life-affirming programs and services it provides to the City's youngest, oldest, and most vulnerable populations. The City contracts with the Orange County Fire Authority 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 Orange County Great Park Corporation; a nonprofit corporation, the Irvine Community Land Trust; and a corporate public body created by the City for the construction, acquisition, maintenance, and improvements of public facilities and infrastructure within the City, the Irvine Public Facilities and Infrastructure Authority.

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

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

## ECONOMIC CONDITION

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

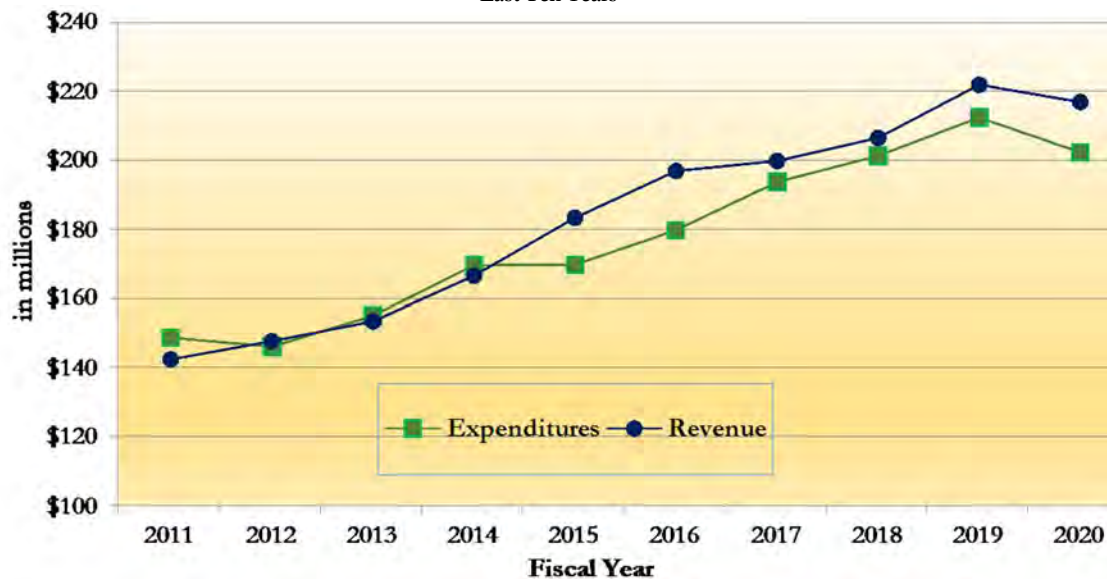
For example, Irvine ranked as the “4th Happiest City in America” by WalletHub for work environment and community. In the area of environmental sustainability, the City was awarded the “Integrated Pest Management Achievement Award” by the California Environmental Protection Agency, Department of Pesticide Regulation for its efforts to control pests in a non-toxic manner. The City was nationally recognized by LendEDU for having one of the “highest percentages of solar-powered homes in the U.S.” In addition, SmartAsset ranked Irvine as one of the “top 25 bike-friendly cities nationwide.”

For the second year in a row, the City received the “California Park & Recreation Society Marketing and Communications Award of Excellence” for the redesign of the Orange County Great Park website and social media platforms. The University of California, Irvine has been ranked number eight by U.S. News and World Report for best colleges among the nation's public universities. In addition to the many awards, the City has received for its safety, livability and fiscal strength, the local economy continues to prove resilient.

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

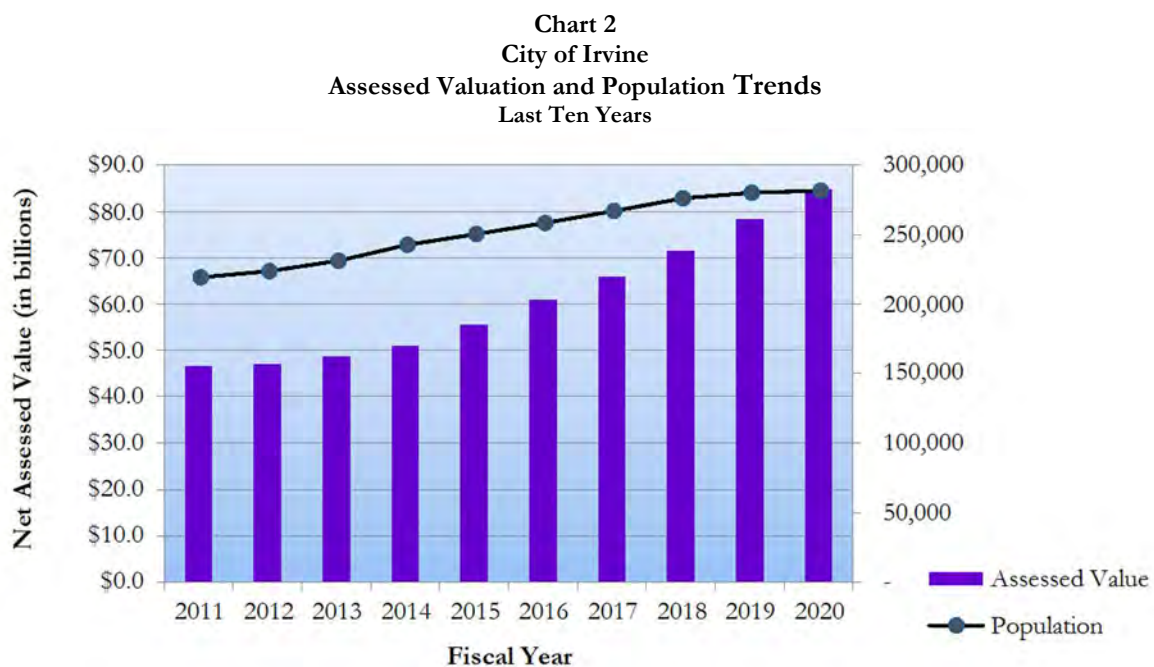
Overall, the City's General Fund revenue for the fiscal year 2019-20 decreased 2.3 percent from the prior fiscal year. Expenditures decreased by 4.8 percent. Chart 1 displays revenue and expenditure trends for the last 10 years.

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



Property tax is the City's largest General Fund revenue source with revenues of \$76.4 million, an increase of 7.2 percent over the prior fiscal year. Sales tax is the second largest General Fund revenue source with revenues of \$64.9 million, a decrease of 6.8 percent over the prior fiscal year. In addition, hotel taxes finished at \$12.4 million a decrease of 24.8 percent over the prior year. The decrease in sales and hotel taxes is in direct response to the coronavirus public health emergency and the closure of nonessential businesses. General Fund revenues are forecasted to decrease by less than one percent in fiscal year 2020-21.

Since 2004, when the State swapped cities' motor vehicle license fee (VLF) 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. In fiscal year 2019-20, the City's net assessed property value grew 8.4 percent from the previous fiscal year, to \$85.0 billion. In June, the Orange County Assessor reported Irvine's net assessed property valuation will increase 5.9 percent for fiscal year 2020-21, leading the county with an assessed value of \$90.0 billion. Chart 2 compares the total assessed valuation of property located in Irvine against the annual population for the past 10 fiscal years. The City's population has climbed steadily over the last 10 years, surpassing 281,000 in 2020.



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

- Maintain high quality essential City services
- Enhance City-wide mobility through transportation improvements
- Maintain the City's Contingency Reserve at 25 percent
- Reduce the City's unfunded pension liability
- Fund the City's key infrastructure



- Promote innovation through the effective use of Information Technology solutions
- Recruit and retain high quality employees

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

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

In June 2013, the Irvine City Council adopted a 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, 2019, the pension funding status was 79.7 percent funded for the Miscellaneous Plan and 78.2 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, 2020, the City has paid down an additional \$48.16 million towards the unfunded pension liability, since 2013.

**Financial policies.** The City maintains a host of policies designed to foster a culture of long-term fiscal sustainability. These policies were updated in June 2019, as part of the 2019-21 two-year budget development process. The policies cover long-term financial planning, infrastructure funding, debt management policy, and other related financial areas. One of the important policies puts into effect new 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, 2020, the contingency reserve balance is \$54.5 million or 26.4 percent of fiscal year 2019-20 General Fund adopted operating budget. The additional funding in the Contingency Reserve will be used at City Council's discretion to offset future commitments due to decreased revenues as a result of the coronavirus pandemic.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This

was the 41st consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published a CAFR that goes beyond the minimum requirement of GAAP and demonstrates the spirit of transparency and full disclosure that ensures users of the financial statements have the necessary information to assess the City's financial health. A Certificate of Achievement is valid for one year only and management believes that the current CAFR continues to meet the program's requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

The City's budget was also recognized for excellence when it received both the GFOA Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers (CSMFO) Excellence in Operational Budget Award for the fiscal years 2019-21 budget document. These award programs judge a government's budget document for compliance with national (GFOA) and statewide (CSMFO) budgeting best practices.

The CAFR reflects the hard work, talent, and commitment of the Fiscal Services Division staff in particular, and the cooperation of the entire Financial Management and Strategic Planning Department. This document could not have been completed without their effort and assistance and we express our appreciation to all members of the department who assisted and contributed to the preparation of the CAFR. Appreciation is also expressed to the Finance Commission, Investment Advisory Committee, the City Manager, and the entire executive team for their support of the financial operations of the City during this past fiscal year, and to the Mayor and Councilmembers for their steadfastness in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'K. Griffith'.

Kristin Griffith  
Director of Financial Management and Strategic Planning







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Irvine  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# IRVINE CITY OFFICIALS

June 30, 2020



**Christina L. Shea**  
Mayor



**Mike C. Carroll**  
Vice Mayor



**Melissa Fox**  
Councilmember



**Farrah N. Khan**  
Councilmember

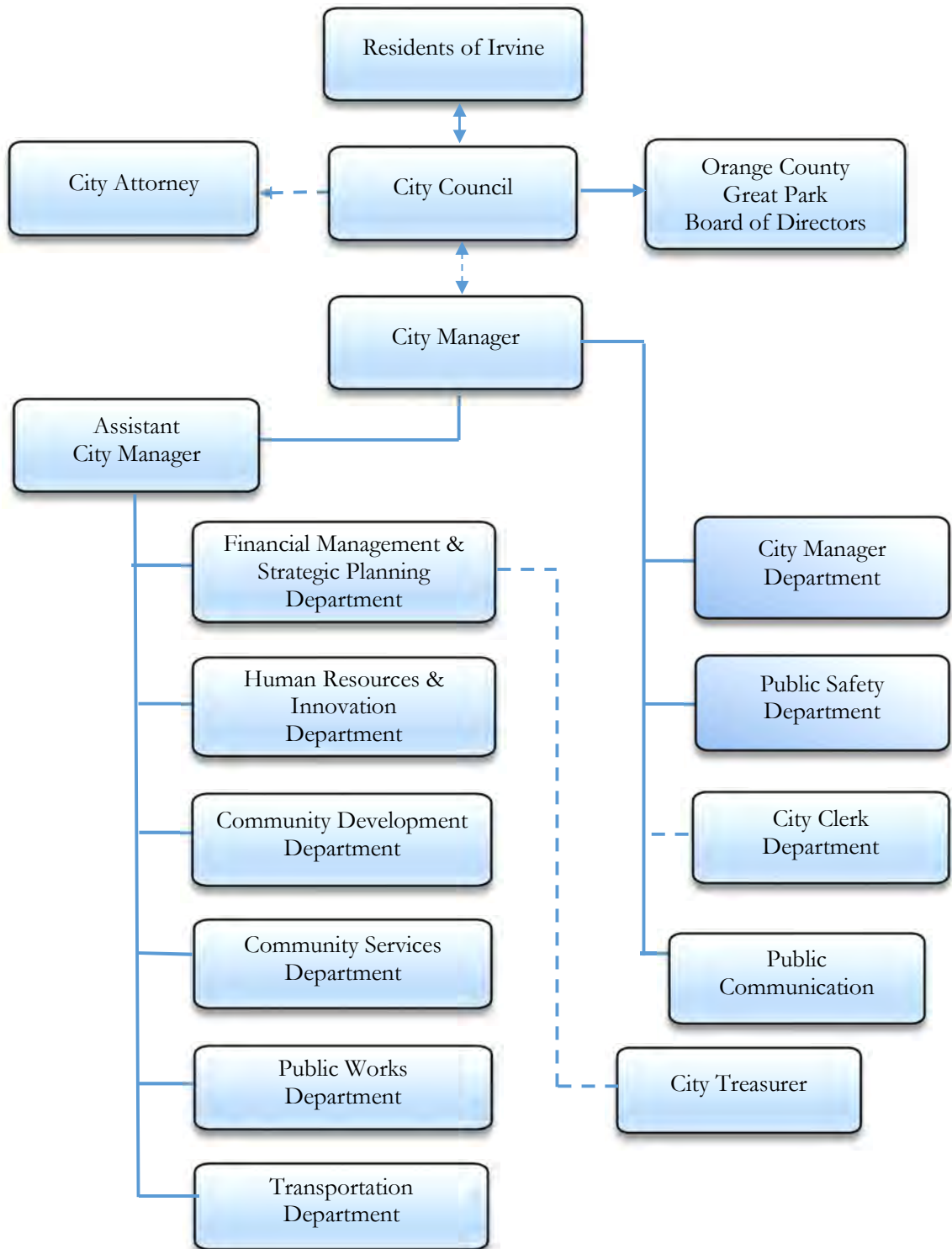


**Anthony Kuo**  
Councilmember

City Manager  
**John A. Russo**

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

# City of Irvine Organizational Chart June 30, 2020



----- Appointed by City Council



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Irvine (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

## **Auditors' Responsibility (Continued)**

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

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

## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Irvine as of June 30, 2020, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Orange County Great Park special revenue fund, Local Park Fees special revenue fund, and the Fees and Exactions special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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



## **Other Matters (Continued)**

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2020, on our consideration of the City of Irvine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Irvine's internal control over financial reporting and compliance.

*White Nelson Diehl Evans LLP*

Irvine, California  
October 30, 2020

# 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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report and with the City's financial statements, which follow this discussion.

### Overview of the Financial Statements

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

#### Government-wide financial statements

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

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

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also three legally separate entities: the Orange County Great Park Corporation, Irvine Public Facility Infrastructure Authority, and the Irvine Community Land Trust for which the City is financially accountable. The financial information for the Irvine Community Land Trust is reported separately from the financial information presented for the primary government itself. The Orange County Great Park Corporation and Irvine Public Facility Infrastructure Authority although also legally separate, function for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government. The government-wide financial statements immediately follow this discussion and analysis.

## **Fund financial statements**

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

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

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

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, Orange County Great Park Fund, Orange County Great Park Development Fund, Capital Improvement Projects Fund, Local Park Fees Fund, and Fees and Exactions 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, Orange County Great Park Fund, Local Park Fees Fund, and Fees and Exactions 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 because the resources of those funds are *not* available to support the City's programs. The basic fiduciary fund financial statements immediately follow the basic proprietary fund financial statements.

#### **Notes to the basic financial statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements immediately follows the basic fiduciary fund financial statements.

#### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's annual required contribution to the Defined Benefit Pension Plans and Other Post Employment Benefit Plan. Required supplementary information immediately follow the notes to the basic financial statements.

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

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## Financial Highlights

- At the fiscal year ended June 30, 2020, the government's total net position decreased by \$17.65 million. The decrease is a combination of a 50 percent decrease in total revenue and an 10 percent increase in expenses. A majority of the revenue decrease is derived from capital grants and contributions. In the prior fiscal year, the City received donations of \$307.85 million of capital infrastructure such as parks, buildings, and streets.
- As of June 30, 2020, the City's governmental funds reported a combined ending fund balance of \$1.14 billion, an increase of \$30.56 million in comparison with the prior year. Revenues decreased by 20 percent while expenditures increased by 5 percent. The City implemented cost saving measures when the coronavirus pandemic was announced, which enabled the City to contain expenditures while revenues decreased. The largest revenue decrease from year to year was within community facility district and assessment district bonds. In fiscal year 2019-20, no bonds were sold in these various districts for its capital improvements. The City also experienced a decrease in other revenue categories, taxes, investment income, fines and forfeitures, and charges for service.
- At June 30, 2020, committed, assigned, and unassigned fund balance for the general fund was \$157.42 million or 78 percent of total general fund expenditures. This represents an increase of \$32.52 million, or 26 percent, from the prior year. The City Council has designated all of the committed and assigned fund balance for specified purposes, in accordance with City policies and budgetary guidelines. The unassigned fund balance, which is unrestricted, is anticipated to be designated by City Council at a future City Council meeting.
- The City's total long-term liabilities increased by \$4.11 million during the current fiscal year, due to an increase of \$2.63 million of compensated absences (vacation and sick time) and \$1.48 million of claims payable (worker's compensation and general liability).

## Government-wide Financial Analysis

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

The largest portion of the City's net position, 65 percent, reflects its net investment in capital assets (e.g., land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Irvine**  
**Summary of Net Position**  
**June 30, 2020 and 2019**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Current and other assets	\$1,264,228	\$1,238,971
Capital assets	1,990,357	2,028,242
Total Assets	3,254,585	3,267,213
<b>Deferred Outflow of Resources</b>		
Pension and OPEB related items	59,988	76,750
<b>Liabilities</b>		
Other liabilities	67,202	80,122
Long-term liabilities	180,191	179,506
Total Liabilities	247,393	259,628
<b>Deferred Inflows of Resources</b>		
Pension related items	8,277	7,787
<b>Net Positions</b>		
Net investment in capital assets	1,986,371	2,028,242
Restricted	652,403	613,872
Unrestricted	420,129	434,434
Total Net Positions	\$3,058,903	\$3,076,548

During the fiscal year ended June 30, 2020, the net position of the City decreased to \$3.06 billion, of which \$1.99 billion was the net investment in capital assets such as equipment, buildings, and infrastructure. Of the remaining total, \$652.40 million, which is an increase of \$38.53 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 \$420.13 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.

**City of Irvine**  
**Summary of Changes in Net Position**  
**For the Years Ended June 30, 2020 and 2019**  
(amounts expressed in thousands)

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 90,339	\$ 82,383
Operating grants and contributions	44,589	40,146
Capital grants and contributions	45,591	432,784
General revenues:		
Property taxes	79,784	74,492
Sales taxes	64,278	69,597
Transient occupancy taxes	12,387	16,463
Franchise taxes	13,822	13,098
Document transfer taxes	3,461	4,385
Other taxes	-	5,095
Investment revenue	22,376	17,135
Other revenues	3,561	418
Total Revenues	<u>380,188</u>	<u>755,996</u>
<b>Expenses</b>		
General Government	31,233	37,912
Public Safety	99,254	80,988
Public Works	89,371	98,899
Community Services	47,703	41,163
Community Development	55,174	32,720
Transportation	7,481	6,320
Unallocated infrastructure depreciation	67,617	63,071
Total Expenses	<u>397,833</u>	<u>361,073</u>
<b>Change in Net Positions</b>	(17,645)	394,923
Beginning Net Positions	<u>3,076,548</u>	<u>2,681,625</u>
Ending Net Positions	<u><u>\$ 3,058,903</u></u>	<u><u>\$ 3,076,548</u></u>

Overall, Citywide revenues for the fiscal year ended June 30, 2020, decreased by \$375.81 million, a 50 percent decrease from the prior year. Most of the decrease is in capital grants and contributions, which was offset by modest increases in charges for service and property tax.

- Contributions from special districts decreased by \$98.39 million over the prior year. During the prior fiscal year the Great Park Community Facility District and two Assessment Districts sold bonds to finance the future infrastructure improvements for these special districts.
- Developer donated infrastructure such as parks, streets, streetscape, junction structures, and catch basins also decrease by \$285.47. The developed infrastructure is donated to the City, who will own, preserve, and maintain for the City's residents.



Total expenses increased \$36.76 million, an 10 percent increase from the previous year. The increase is due to a mixture of department decreases in General Government and Public Works which were out weighted by increases of expenses in Public Safety, Community Services, and Community Development.

- General Government is the administration of the City and Orange County Great Park. The decrease of \$6.68 million is primarily due to the one-time reduction in the annual discretionary payment for the City's unfunded accrued liability to the California Public Employees' Retirement System. As a result of the coronavirus global pandemic and as part of the cost savings measures, the City Council authorized the forgoing of this discretionary payment.
- Public Works is entrusted with developing, building and maintaining public infrastructure and facilities. The department had a \$9.53 million decrease from the prior fiscal year. This has to do with the modification in accounting methods between the government-wide financials and governmental financials. The governmental funds capital outlay for infrastructure was capitalized on the government-wide statements therefore reducing the expenses. Contract services within the department had an increase of \$3.34 which offset some of the decreases achieved by the capitalization of expenses.
- Public Safety is a combination of sworn and nonsworn personnel who are entrusted with providing for the public's safety within the City's residential communities, commercial and industrial centers, and recreational and open space areas. The department's expenses increased by \$18.27 million 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.
- 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 \$6.54 million from the prior year is due to a modification in accounting methods between the government-wide financial statements and governmental funds financial statements. The governmental funds capital outlay for park facilities were capitalized in the prior fiscal year on the government-wide statements therefore increasing the expenses in the current fiscal year.
- 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. An increase of \$22.45 million of expenses is due to the donation of land to the Irvine Community Land Trust, a new affordable housing loan, and minor increases in salaries and benefits and contract services.

## 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, 2020, the City's governmental funds reported total combined ending fund balances of \$1.14 billion, an increase of \$30.56 million from the prior year. Approximately 45 percent of the City's governmental funds ending fund balances, or \$511.78 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, \$624.81 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 \$0.50 million is an endowment for senior citizens services program. The remaining restricted funds totaling \$624.31 million are comprised of \$436.33 million for capital improvement projects, circulation improvements, development activities, and maintenance, \$127.11 million for parks and public facilities, \$50.34 million for Great Park development and operations, \$4.07 million for affordable housing activities, \$0.73 million for public education, \$1.08 million for public transportation, \$2.55 million for law enforcement purposes, \$0.56 million for air quality improvement activities, \$0.56 million for animal care, and \$0.98 million for senior, public, and community service activities.

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### General Fund Financial Highlights

The General Fund is the chief operating fund of the City. At June 30, 2020, committed, assigned, and unassigned fund balance of the General Fund was \$157.42 million, while total fund balance was \$157.77 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 78 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, 2020, the cash and investments balance in the General Fund was \$163.16 million, an increase of \$31.70 million from the previous fiscal year.

**City of Irvine**  
**Summary of Changes in Fund Balances - General Fund**  
**For the Years Ended June 30, 2020 and 2019**  
(amounts expressed in thousands)

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Taxes:		
Property	\$ 76,377	\$ 71,234
Sales	64,855	69,597
Other	28,388	33,641
Total Taxes	169,620	174,472
Charges for services	25,259	27,098
Intergovernmental	523	611
Investment income	7,115	5,270
Other	14,446	14,510
Total Revenues	<u>216,963</u>	<u>221,961</u>
<b>Expenditures</b>		
General Government	22,384	36,214
Public Safety	83,461	78,359
Public Works	28,679	27,721
Community Development	27,706	27,932
Community Services	36,124	38,068
Transportation	3,982	4,162
Total Expenditures	<u>202,336</u>	<u>212,456</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>14,627</u>	<u>9,505</u>
Proceeds from sale of property	15	-
Net transfers	<u>16,452</u>	<u>(7,966)</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ 31,094</u></u>	<u><u>\$ 1,539</u></u>

Overall, General Fund revenues for the fiscal year ended June 30, 2020, decreased by \$5.00 million, or 2 percent, over the prior year. Property taxes the City's largest tax revenue, increased \$5.14 million over last year, 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 sales tax, hotel tax, and franchise tax declined approximately \$10.0 million due to the coronavirus global pandemic which affected many of the businesses in Irvine.

Total General Fund expenditures decreased by \$10.12 million, or 5 percent, from the prior year. The significant changes in expenditures, by function, occurred as follows during the fiscal year:

- General Government expenditures decreased by \$13.83 million to \$22.38 million. As a result of the coronavirus global pandemic and as part of the cost saving measures, the City Council authorized the elimination of the one-time \$7.00 million annual discretionary payment for the City's unfunded accrued liability to the California Public Employees' Retirement System. In addition, as part of the realignment of expenditures during the last budget cycle, some administration expenditures were reassigned to the Orange County Great Park Fund.
- Public Safety expenditures increased by \$5.10 million to \$83.46 million. Public Safety is entrusted with providing for the public's safety within the City's residential communities, commercial and industrial centers, and recreational and open space areas. The increase is a result of an expansion in sworn personnel to service the new developments within the City.

### **General Fund Budgetary Highlights**

Differences between the General Fund original budget expenditures and the final amended budget were \$3.62 million and are briefly summarized as follows:

#### Increases (Decreases) for activities:

- \$1.62 million for General Government
- \$0.20 million for Public Safety
- \$1.19 million for Public Works
- \$0.86 million for Community Development
- \$0.02 million for Community Services
- (\$0.27) million for Transportation

In each of the functional expenditure categories, actual expenditures were less than final budgeted amounts, totaling \$202.34 million and \$219.17 million, respectively. Additionally, for the fiscal year ended June 30, 2020, revenues received were less than budgetary estimates, at \$216.96 million and \$225.80 million, respectively. Revenues received exceeded operating expenditures by \$14.63 million. In addition, there were net transfers from other funds of \$16.47 million. Overall, there was a \$31.09 million increase to the ending fund balance, bringing the fund balance at year-end to \$157.77 million.

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

The Orange County Great Park Fund accounts for transactions relating to the development and operations of the Orange County Great Park located on the site of the former Marine Corps Air Station (MCAS) at El Toro. Current year revenues totaled \$24.11 million of which \$4.00 million was received from developers and \$10.60 million from property owners within certain special districts. Current year expenditures and transfers out were \$44.75 million for the development and operations of the Orange County Great Park. The ending fund balance is a combination of \$50.34 million of restricted funding and \$251.30 million of assigned fund balance to be utilized for the operation, maintenance, and future development of the Orange County Great Park.

Orange County Great Park Development Fund accounts for expenditures related to the planning, design, demolition, and construction of the Orange County Great Park. Current year expenditures were \$8.93 million. Funding for these efforts are transfers from the Orange County Great Park Fund and Local Park Fees Fund. The ending fund balance of \$16.32 million is assigned to the purposes of this fund. Much of the development of the Orange County Great

Park during the 2019-20 fiscal year was completed by a developer through an agreement with the City. The developer is constructing 677 acres of the Orange County Great Park.

The Capital Improvement Projects Fund accounts for street, bridge, traffic signals, and other circulation related capital projects funded by grants, fees, gas tax, sales tax, and interest revenue. Fund balance decreased by \$2.05 million as a result of expenditure exceeding funding sources. In addition, the completion and closure of some street projects returned special funding of \$0.70 million to its special fund to be used for future projects as designated by City Council. The ending fund balance of \$9.92 million is committed to future circulation construction improvements.

The Local Park Fees Fund accounts for fees received under the Subdivision Map Act of the California State Constitution that requires developers to either contribute land or pay fees to provide recreational facilities within a development area. The fund received \$7.08 million in local park fees and expended \$5.09 million on park development. The remaining fund balance of \$127.11 million is restricted for the development of recreational facilities within the various development areas within the City.

Fees and Exactions Fund records the collection of fees imposed on developers and property owners for future capital improvement projects from which they will receive a direct benefit. Over the years, developer fees for affordable housing have been collected through this fund. These funds have been loaned to affordable housing development projects to expand the City's need for affordable housing. The fund received revenues of \$0.87 million and expended and transferred out \$8.46 million for capital improvement projects and developer loans to finance affordable housing projects. The fund balance of \$4.24 million is set aside for future capital improvements.

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## Capital Assets and Debt Administration

The City's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$1.99 billion net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, park facilities, streets and roads, trails, and bridges. The decrease over the previous fiscal year in the City's investment in capital assets was \$37.89 million, or 2 percent.

### City of Irvine Summary of Change in Capital Assets For the Year Ended June 30, 2020 (amounts expressed in thousands)

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 859,123	\$ 69	\$ 11,500	\$ 847,692
Construction in progress	97,522	8,863	6,738	99,647
Total capital assets not being depreciated	<u>956,645</u>	<u>8,932</u>	<u>18,238</u>	<u>947,339</u>
Capital assets, being depreciated:				
Buildings and systems	229,860	741	-	230,601
Improvements other than buildings	231,871	5,997	-	237,868
Machinery and equipment	36,871	3,203	1,049	39,025
Infrastructure	1,826,154	51,176	-	1,877,330
Total capital assets being depreciated	<u>2,324,756</u>	<u>61,117</u>	<u>1,049</u>	<u>2,384,824</u>
Less accumulated depreciation for:				
Buildings and systems	(70,595)	(5,500)	-	(76,095)
Improvements other than buildings	(101,984)	(13,089)	-	(115,073)
Machinery and equipment	(27,005)	(3,443)	1,002	(29,446)
Infrastructure	(1,053,575)	(67,617)	-	(1,121,192)
Total accumulated depreciation	<u>(1,253,159)</u>	<u>(89,649)</u>	<u>1,002</u>	<u>(1,341,806)</u>
Total capital assets, being depreciated, net	<u>1,071,597</u>	<u>(28,532)</u>	<u>47</u>	<u>1,043,018</u>
Governmental activities capital assets, net	<u>\$ 2,028,242</u>	<u>\$ (19,600)</u>	<u>\$ 18,285</u>	<u>\$ 1,990,357</u>

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

- Land decreased by \$11.43 million. In previous years the City received donations of land from a developers, this land has been deeded to a developer for the construction and management of low-income housing.
- Infrastructure additions were \$51.18 million. Street additions accounted for \$32.23 million, traffic signal additions totaled \$4.45 million, bridge additions totaled \$1.89 million, trail additions totaled \$7.92 million, and landscaping additions were \$4.69 million.
- Improvements other than Buildings were \$6.00 million and includes \$3.36 million for upgrades to Council Chambers, additional improvements of \$0.84 million to the Oak Creek Community Park, and \$1.80 million for playground improvements at the Orange County Great Park.
- Machinery and equipment acquisitions of \$3.20 million includes vehicles, computer hardware, computer software, and other types of machinery and equipment.

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

### Long-term Liabilities

Total outstanding long-term liability at June 30, 2020, was \$35.10 million, an increase of \$4.11 million from the prior year.

**City of Irvine**  
**Summary of Changes in Long-Term Liabilities**  
**For the Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Balance			Balance		
	June 30, 2019	Increases	Decreases	June 30, 2020	Long-Term	Due Within One Year
Compensated absences	\$ 14,698	\$ 7,761	\$ 5,131	\$ 17,328	\$ 12,179	\$ 5,149
Claims payable	16,291	4,400	2,918	17,773	13,224	4,549
Total Long-Term Liabilities	<u>\$ 30,989</u>	<u>\$ 12,161</u>	<u>\$ 8,049</u>	<u>\$ 35,101</u>	<u>\$ 25,403</u>	<u>\$ 9,698</u>

Long-term liability-related events during the fiscal year ended June 30, 2020, included:

- Compensated absences liabilities increased by \$7.76 million and payouts to employees upon termination amounted to \$5.13 million for a net increase of \$2.63 million.
- A net increase to claims payable of \$1.48 million to adjust for possible future general liability and workers' compensation claims.

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

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

The City's economy is linked to the national and state economy. However, because the City is still developing, its local economy can experience departures from other local, state or national trends with resultant recurring revenue fluctuations. Additionally, because the City's revenues are obtained from a limited number of sources, further revenue fluctuations may occur from year to year. To develop its budget model, the City uses the “Orange County Economic Forecast” prepared by Chapman University's Center for Economic Research, the UCLA Anderson Forecast, and the California State University at Fullerton Mihaylo College of Business and Economics, as well as projections provided by City consultants. Detailed information about the economic analysis, revenue assumptions, and other budgetary process parameters utilized in the biennial budget preparation, can be obtained from the City's fiscal year 2019-20 citywide budget, available through the Financial Management & Strategic Planning Department.

### Request for Information

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



# BASIC FINANCIAL STATEMENTS



**City of Irvine**  
**Statement of Net Position**  
**June 30, 2020**  
(amount expressed in thousands)

	Primary Government	Component Unit
	Governmental Activities	Irvine Community Land Trust
<b>ASSETS</b>		
Cash and investments	\$ 1,020,225	\$ 13,504
Receivables, net of allowances:		
Taxes	15,866	-
Accounts	4,588	4
Accrued interest	4,462	492
Escrow deposits	1,197	-
Prepaid items	713	22
Inventories	158	-
Advances to the Successor Agency	171,450	-
Due from the primary government	-	14,444
Due from other governments	14,915	-
Due from developers	23,810	-
Long-term notes receivable, net of allowances	6,844	11,143
Capital assets, not being depreciated:	-	-
Land	847,692	33,000
Construction in progress	99,647	-
Capital assets, net of accumulated depreciation:		
Buildings and systems	154,506	1,925
Improvements other than buildings	122,795	-
Machinery and equipment	9,579	3
Infrastructure	756,138	-
Housing project development costs	-	1,900
Total Assets	<u>3,254,585</u>	<u>76,437</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	59,391	-
Other post employment benefits related items	597	-
Total Deferred Outflows of Resources	<u>59,988</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable	15,237	-
Accrued liabilities	8,505	116
Due to component unit	14,444	-
Due to other governments	127	-
Deposits	9,874	9
Retentions payable	1,616	-
Unearned revenue	7,701	-
Noncurrent liabilities:		
Due within one year	9,698	-
Due in more than one year	25,403	-
Total other post employment benefits	8,219	-
Net pension	146,569	-
Total Liabilities	<u>247,393</u>	<u>125</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related items	8,277	-
Total Deferred Inflows of Resources	<u>8,277</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,986,371	-
Restricted:		
Expendable:		
Assessment infrastructure and capital improvements	633,631	-
Housing programs	11,422	-
Public safety programs	2,835	-
Other programs and activities	4,015	-
Nonexpendable:		
Senior Services Fund program	500	-
Unrestricted	420,129	76,312
Total Net Position	<u>\$ 3,058,903</u>	<u>\$ 76,312</u>

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2020**  
(amount expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
<b>Primary Government</b>						
<b>Governmental Activities:</b>						
General Government	\$ 31,233	\$ 12,068	\$ 5,926	\$ -	\$ (13,239)	\$ -
Public Safety	99,254	3,758	3,285	-	(92,211)	-
Public Works	89,371	39,737	25,970	43,707	20,043	-
Community Services	47,703	13,760	1,585	18	(32,340)	-
Community Development	55,174	20,261	7,529	1,866	(25,518)	-
Transportation	7,481	755	294	-	(6,432)	-
Unallocated infrastructure depreciation	67,617	-	-	-	(67,617)	-
Total Governmental Activities	<u>\$ 397,833</u>	<u>\$ 90,339</u>	<u>\$ 44,589</u>	<u>\$ 45,591</u>	<u>\$ (217,314)</u>	
<b>Component Unit</b>						
Irvine Community Land Trust	\$ 844	\$ 220	\$ -	\$ 11,500		10,876
Total Component Unit	<u>\$ 844</u>	<u>\$ 220</u>	<u>\$ -</u>	<u>\$ 11,500</u>		<u>10,876</u>
<b>General Revenues</b>						
Taxes:						
Property taxes					79,784	-
Sales taxes					64,278	-
Franchise taxes					13,822	-
Transient occupancy taxes					12,387	-
Document transfer taxes					3,461	-
Unrestricted motor vehicle in-lieu					222	-
Gain on sales of assets					118	-
Investment revenue					22,376	1,868
Other revenue					3,221	-
Total General Revenues					199,669	1,868
Change in Net Position					(17,645)	12,744
Total Net Position, Beginning					3,076,548	63,568
Total Net Position, Ending					<u>\$ 3,058,903</u>	<u>\$ 76,312</u>

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**  
(amount expressed in thousands)  
Page 1 of 2

	General	Orange County Great Park	Orange County Great Park Development	Capital Improvement Projects
<b>ASSETS</b>				
Cash and investments	\$ 163,155	\$ 148,126	\$ 15,835	\$ 12,365
Receivables, net of allowances:				
Taxes	14,997	6	-	-
Accounts	2,475	325	-	234
Accrued interest	372	192	38	27
Escrow deposits	-	-	1,135	62
Due from other governments	1,673	3,124	4	7,940
Due from developers	-	-	-	-
Due from the Successor Agency	-	171,450	-	-
Long-term notes receivable, net of allowances	-	-	-	-
Total Assets	<u>\$ 182,672</u>	<u>\$ 323,223</u>	<u>\$ 17,012</u>	<u>\$ 20,628</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,773	\$ 1,205	\$ 139	\$ 1,588
Accrued liabilities	6,852	63	-	5
Due to component unit	-	17,145	-	-
Due to other governments	106	1	-	-
Retentions payable	-	-	552	519
Deposits	9,366	-	-	427
Unearned revenue	4,783	50	-	-
Total Liabilities	<u>24,880</u>	<u>18,464</u>	<u>691</u>	<u>2,539</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	18	3,124	-	8,174
Total Deferred Inflows of Resources	<u>18</u>	<u>3,124</u>	<u>-</u>	<u>8,174</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	356	50,335	-	-
Committed	51,700	-	-	9,915
Assigned	95,729	251,300	16,321	-
Unassigned	9,989	-	-	-
Total Fund Balances (Deficits)	<u>157,774</u>	<u>301,635</u>	<u>16,321</u>	<u>9,915</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 182,672</u>	<u>\$ 323,223</u>	<u>\$ 17,012</u>	<u>\$ 20,628</u>

- continued -

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**  
(amount expressed in thousands)  
Page 2 of 2

	Local Park Fees	Fees & Exactions	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 126,787	\$ 6,852	\$ 499,950	\$ 973,070
Receivables, net of allowances:				
Taxes	-	65	798	15,866
Accounts	-	3	1,231	4,268
Accrued interest	323	19	1,055	2,026
Escrow deposits	-	-	-	1,197
Due from other governments	-	-	2,174	14,915
Due from developers	-	-	23,810	23,810
Due from the Successor Agency	-	-	-	171,450
Long-term notes receivable, net of allowances	-	462	6,382	6,844
<b>Total Assets</b>	<b>\$ 127,110</b>	<b>\$ 7,401</b>	<b>\$ 535,400</b>	<b>\$ 1,213,446</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2	\$ 6,444	\$ 13,151
Accrued liabilities	-	-	1,490	8,410
Due to component unit	-	-	-	17,145
Due to other governments	-	-	8	115
Retentions payable	-	-	545	1,616
Deposits	-	81	-	9,874
Unearned revenue	-	2,614	254	7,701
<b>Total Liabilities</b>	<b>-</b>	<b>2,697</b>	<b>8,741</b>	<b>58,012</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	462	7,075	18,853
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>462</b>	<b>7,075</b>	<b>18,853</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	500	500
Restricted	127,110	6,714	439,791	624,306
Committed	-	32	80,802	142,449
Assigned	-	-	-	363,350
Unassigned	-	(2,504)	(1,509)	5,976
<b>Total Fund Balances (Deficits)</b>	<b>127,110</b>	<b>4,242</b>	<b>519,584</b>	<b>1,136,581</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 127,110</b>	<b>\$ 7,401</b>	<b>\$ 535,400</b>	<b>\$ 1,213,446</b>

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, 2020**  
(amount expressed in thousands)

Total Fund Balances of Governmental Funds	\$ 1,136,581
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in government activities are nonfinancial resources and are not reported in the funds. The following is net of the Internal Service Funds of \$7,414.

Governmental capital assets	\$ 3,305,968	
Less: accumulated depreciation	(1,323,025)	
		1,982,943

Accrued interest and long-term receivables are not available to pay for current period expenditures and, therefore, are not reported in the funds.	2,462
--	-------

Long-term note receivable for the revolving loan programs are not available to pay current period expenditures and are shown as unavailable revenues in the funds.	6,844
--	-------

Deferred outflow related to pension contributions made subsequent to the measurement date, net of the Internal Service Funds of \$862.	58,529
--	--------

Deferred outflow related to other post employment benefits	597
--	-----

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:

General Fund	18	
Orange County Great Park Fund	3,124	
Capital Improvement Projects Funds	8,174	
Other Governmental Funds	693	
		12,009

The net other post employment benefit pension obligation is not due and payable in the current period and is not reported in the fund financial statements.	(8,219)
---	---------

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.	33,463
--	--------

Compensated absences long-term liabilities are not due and payable in the current period and are not reported in the funds, net of Internal Service fund of (\$593)	(16,735)
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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.	2,701
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The net pension obligation is not due and payable in the current period and is not reported in the funds, net of the Internal Service Fund of (\$2,453).	(144,116)
--	-----------

Deferred inflow related to pension items differences between expected and actual experience and net investment income, net of the Internal Service Funds of (\$121)	(8,156)
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Net Position of Governmental Activities	\$ 3,058,903
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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, 2020  
(amount expressed in thousands)  
Page 1 of 2

	General	Orange County Great Park	Orange County Great Park Development	Capital Improvement Projects
<b>REVENUES</b>				
Taxes	\$ 169,620	\$ -	\$ -	\$ -
Licenses and permits	9,399	-	-	-
Fines and forfeitures	1,167	-	-	-
Investment income	7,115	3,363	772	484
Intergovernmental	523	-	-	570
Charges for services	25,259	6,146	-	-
Contributions from property owners-				
Special districts contributions	-	-	-	-
Revenue from developers	-	4,000	-	-
Special assessments	-	10,601	-	-
Donations	21	-	-	-
Other revenue	3,859	3	-	55
Total Revenues	216,963	24,113	772	1,109
<b>EXPENDITURES</b>				
Current:				
General Government	22,384	3,677	3	34
Public Safety	83,461	740	-	-
Public Works	28,679	7,112	6	284
Community Development	27,706	77	-	-
Community Services	36,124	6,920	12	-
Transportation	3,982	11	-	66
Capital outlay	-	-	8,913	9,572
Total Expenditures	202,336	18,537	8,934	9,956
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,627	5,576	(8,162)	(8,847)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	15	-	-	-
Transfers in	25,656	-	5,687	7,497
Transfers out	(9,204)	(26,211)	-	(695)
Total Other Financing Sources (Uses)	16,467	(26,211)	5,687	6,802
Net Change in Fund Balances	31,094	(20,635)	(2,475)	(2,045)
Fund Balances, Beginning	126,680	322,270	18,796	11,960
Fund Balances, Ending	\$ 157,774	\$ 301,635	\$ 16,321	\$ 9,915

- continued -

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, 2020  
(amount expressed in thousands)  
Page 2 of 2

	Local Park Fees	Fees & Exactions	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ 274	\$ 28,804	\$ 198,698
Licenses and permits	-	79	-	9,478
Fines and forfeitures	-	-	-	1,167
Investment income	6,094	437	18,182	36,447
Intergovernmental	-	-	13,967	15,060
Charges for services	-	-	1,854	33,259
Contributions from property owners-				
Special districts contributions	-	76	6,249	6,325
Revenue from developers	7,077	-	5,454	16,531
Special assessments	-	-	24,089	34,690
Donations	-	-	453	474
Other revenue	-	-	279	4,196
Total Revenues	13,171	866	99,331	356,325
<b>EXPENDITURES</b>				
Current:				
General Government	-	28	2,724	28,850
Public Safety	-	-	6,190	90,391
Public Works	-	-	25,431	61,512
Community Development	-	7,099	7,022	41,904
Community Services	-	-	2,458	45,514
Transportation	-	-	1,406	5,465
Capital outlay	-	-	31,974	50,459
Total Expenditures	-	7,127	77,205	324,095
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,171	(6,261)	22,126	32,230
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	-	-	-	15
Transfers in	-	4	19,347	58,191
Transfers out	(5,091)	(1,334)	(17,337)	(59,872)
Total Other Financing Sources	(5,091)	(1,330)	2,010	(1,666)
Net Change in Fund Balances	8,080	(7,591)	24,136	30,564
Fund Balances, Beginning	119,030	11,833	495,448	1,106,017
Fund Balances, Ending	\$ 127,110	\$ 4,242	\$ 519,584	\$ 1,136,581

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, 2020**  
(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	\$ 30,696
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Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, as listed below:

Expenditures for capital outlays	\$ 50,459	
Expenditures for capital equipment purchases	1,313	
Less disposal of capital assets	(11,500)	
Less amounts not capitalized	(13,441)	
Depreciation expense (net of Internal Service Funds of \$2,544)	(87,105)	
		(60,274)

Governmental funds do not report the donation of capital assets not held for resale.

Such transactions are included as revenue on the Statement of Activities.

Donation of capital infrastructure assets	22,376
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Interest	(3,077)	
Charges for services	138	
Grants	2,562	
Revenue from developers	102	
Other revenue	(19)	
		(294)

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

245

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.

Defined Benefit Pension Plans	(14,471)	
Other Post Employment Benefit Plan	(455)	
		(14,926)

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.

Compensated absences	(2,382)	
Due to component unit	(908)	
		(3,290)

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.

7,954

Change in Net Position of Governmental Activities	\$ (17,513)
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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, 2020**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 172,958	\$ 172,958	\$ 169,620	\$ (3,338)
Licenses and permits	12,757	12,757	9,399	(3,358)
Fines and forfeitures	1,765	1,765	1,167	(598)
Investment income	1,590	1,590	7,115	5,525
Intergovernmental	362	362	523	161
Charges for services	32,266	32,266	25,259	(7,007)
Donations	8	8	21	13
Other revenue	4,509	4,509	3,859	(650)
Total Revenues	226,215	226,215	216,963	(9,252)
<b>EXPENDITURES</b>				
Current:				
City Manager	8,121	9,650	7,697	1,953
City Clerk	2,828	2,840	2,743	97
Human Resources & Innovation	3,988	4,065	3,370	695
Finance Management & Strategic Planning	10,061	10,069	8,574	1,495
Public Safety	86,574	86,774	83,461	3,313
Public Works	29,251	30,436	28,679	1,757
Community Development	28,740	29,596	27,706	1,890
Community Services	41,504	41,528	36,124	5,404
Transportation	4,479	4,209	3,982	227
Total Expenditures	215,546	219,167	202,336	16,831
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,669	7,048	14,627	7,579
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	-	-	15	15
Transfers in	25,156	25,656	25,656	-
Transfers out	(16,908)	(21,346)	(9,204)	12,142
Total Other Financing Sources (Uses)	8,248	4,310	16,467	12,157
Net Change in Fund Balances	18,917	11,358	31,094	19,736
Fund Balances, Beginning	126,680	126,680	126,680	-
Fund Balances, Ending	\$ 145,597	\$ 138,038	\$ 157,774	\$ 19,736

See Accompanying Notes to the Basic Financial Statements

City of Irvine  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Orange County Great Park  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 1 of 2

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment income	\$ 1,607	\$ 1,607	\$ 3,363	\$ 1,756
Charges for services	7,279	8,529	6,146	(2,383)
Revenue from developers	1,250	1,250	4,000	2,750
Special assessments	10,383	10,383	10,601	218
Other revenue	-	-	3	3
Total Revenues	20,519	21,769	24,113	2,344
<b>EXPENDITURES</b>				
Current:				
General Government:				
City Manager				
Personnel	2,127	2,127	1,830	297
Supplies	114	114	11	103
Internal service allocations	83	83	83	-
Contract services	2,245	2,955	915	2,040
Training and business expenses	40	40	9	31
Capital equipment	20	20	-	20
Miscellaneous	128	128	38	90
Total City Manager	4,757	5,467	2,886	2,581
City Clerk				
Personnel	207	207	179	28
Total City Clerk	207	207	179	28
Human Resources & Innovation				
Personnel	98	98	94	4
Total Human Resources & Innovation	98	98	94	4
Fiscal Management & Strategic Planning				
Personnel	724	724	499	225
Internal service allocations	16	16	16	-
Contract services	7	7	3	4
Training and business expenses	2	2	-	2
Total Fiscal Management & Strategic Planning	749	749	518	231
Total General Government	5,811	6,521	3,677	2,844
Public Safety				
Personnel	1,032	1,032	701	331
Supplies	7	7	-	7
Internal service allocations	39	39	39	-
Capital equipment	45	45	-	45
Total Public Safety	1,123	1,123	740	383
- continued -				

See Accompanying Notes to the Basic Financial Statements

City of Irvine  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
Orange County Great Park  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 2 of 2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current:				
Public Works				
Personnel	1,560	1,560	1,146	414
Supplies	199	199	164	35
Internal service allocations	86	86	86	-
Contract services	5,765	5,765	4,803	962
Training and business expenses	6	6	-	6
Utilities	1,164	1,164	913	251
Capital equipment	64	64	-	64
Total Public Works	8,844	8,844	7,112	1,732
Community Development				
Personnel	158	158	72	86
Supplies	3	3	-	3
Contract services	127	127	5	122
Total Community Development	288	288	77	211
Community Services				
Personnel	3,965	3,965	3,275	690
Supplies	402	402	214	188
Internal service allocations	1,496	1,496	1,496	-
Contract services	2,098	2,419	1,750	669
Training and business expenses	40	40	8	32
Capital equipment	15	119	88	31
Miscellaneous	118	155	89	66
Total Community Services	8,134	8,596	6,920	1,676
Transportation				
Personnel	15	15	11	4
Contract services	10	10	-	10
Total Transportation	25	25	11	14
Total Expenditures	24,225	25,397	18,537	***
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,706)	(3,628)	5,576	9,204
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(68,941)	(69,791)	(26,211)	43,580
Total Other Financing Sources (Uses)	(68,941)	(69,791)	(26,211)	43,580
Net Change in Fund Balances	(72,647)	(73,419)	(20,635)	52,784
Fund Balances, Beginning	322,270	322,270	322,270	-
Fund Balances, Ending	\$ 249,623	\$ 248,851	\$ 301,635	\$ 52,784

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, 2020**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Investment income	\$ 1,782	\$ 1,782	\$ 6,094	\$ 4,312
Revenue from developers	-	-	7,077	7,077
Total Revenues	1,782	1,782	13,171	11,389
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(27,266)	(46,055)	(5,091)	40,964
Total Other Financing Sources (Uses)	(27,266)	(46,055)	(5,091)	40,964
Net Change in Fund Balances	(25,484)	(44,273)	8,080	52,353
Fund Balances, Beginning	119,030	119,030	119,030	-
Fund Balances, Ending	<u>\$ 93,546</u>	<u>\$ 74,757</u>	<u>\$ 127,110</u>	<u>\$ 52,353</u>

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Fees & Exactions**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 300	\$ 300	\$ 274	\$ (26)
Licenses and permits	-	-	79	79
Investment income	286	286	437	151
Intergovernmental	664	664	-	(664)
Contributions from property owners-				
Special districts contributions	-	-	76	76
Total Revenues	1,250	1,250	866	(384)
<b>EXPENDITURES</b>				
Current:				
City Manager	100	100	28	72
Community Development	30	9,480	7,099	2,381
Total Expenditures	130	9,580	7,127	2,453
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,120	(8,330)	(6,261)	2,069
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4	4	4	-
Transfers out	(1,115)	(1,334)	(1,334)	-
Total Other Financing Sources (Uses)	(1,111)	(1,330)	(1,330)	-
Net Change in Fund Balances	9	(9,660)	(7,591)	2,069
Fund Balances, Beginning	11,833	11,833	11,833	-
Fund Balances, Ending	\$ 11,842	\$ 2,173	\$ 4,242	\$ 2,069

See Accompanying Notes to the Basic Financial Statements

**City of Irvine**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**  
(amounts expressed in thousands)

	<b>Governmental Activities- Internal Service Funds</b>
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 47,155
Receivables, net of allowances:	
Accounts	172
Accrued interest	122
Prepaid items	713
Inventories	158
Total Current Assets	<u>48,320</u>
Noncurrent Assets:	
Capital assets:	
Equipment	26,195
Less accumulated depreciation	<u>(18,781)</u>
Total Noncurrent Assets	<u>7,414</u>
Total Assets	<u>55,734</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related items	<u>862</u>
Total Deferred Outflows of Resources	<u>862</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	2,086
Accrued liabilities	95
Due to other governments	12
Compensated absences	176
Claims payable	4,549
Total Current Liabilities	<u>6,918</u>
Noncurrent Liabilities:	
Compensated absences	417
Claims payable	13,224
Net pension	2,453
Total Noncurrent Liabilities	<u>16,094</u>
Total Liabilities	<u>23,012</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	<u>121</u>
Total Deferred Inflows of Resources	<u>121</u>
<b>NET POSITION</b>	
Net investment in capital assets	7,414
Unrestricted	26,049
Total Net Position	<u>\$ 33,463</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, 2020**  
(amounts expressed in thousands)

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 35,846
Other	124
Total Operating Revenues	<u>35,970</u>
<b>OPERATING EXPENSES</b>	
Salaries and benefits	6,066
Supplies and equipment	6,710
Contract services	8,198
Administration	1,982
Self-insured losses	4,474
Insurance premiums	2,852
Depreciation	2,544
Total Operating Expenses	<u>32,826</u>
Operating Income (Loss)	<u>3,144</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest revenue	2,313
Gain (loss) on disposal of equipment	103
Total Nonoperating Revenues	<u>2,416</u>
Income (Loss) Before Capital Contributions and Transfers	5,560
Capital contributions	713
Transfers in	1,750
Transfers out	(69)
Change in Net Position	<u>7,954</u>
Total Net Position, Beginning	<u>25,509</u>
Total Net Position, Ending	<u><u>\$ 33,463</u></u>

See Accompanying Notes to the Basic Financial Statements



**City of Irvine**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	<b>Governmental Activities- Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers and users	\$ 108
Received from interfund services provided	35,747
Paid to suppliers and providers	(23,546)
Paid for salaries and benefits	(5,590)
Net Cash Provided (Used) by Operating Activities	6,719
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	1,750
Transfers to other funds	(69)
Net Cash Provided (Used) by Non-Capital Financing Activities	1,681
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from sale of equipment	152
Equipment purchases	(1,893)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,741)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received on investments	2,293
Net Cash Provided (Used) by Investing Activities	2,293
Net Increase (Decrease) in Cash and Cash Equivalents	8,952
Cash and Cash Equivalents, Beginning of Fiscal Year	38,203
Cash and Cash Equivalents, End of Fiscal Year	\$ 47,155
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ 3,144
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	2,544
(Increase) decrease in receivables, net of allowances	(115)
(Increase) decrease in prepaid items	583
(Increase) decrease in inventories	(75)
(Increase) decrease in deferred outflows	251
Increase (decrease) in accounts payable	(1,328)
Increase (decrease) in accrued liabilities	46
Increase (decrease) in due to other governments	11
Increase (decrease) in deferred revenue	(2)
Increase (decrease) in compensated absences	248
Increase (decrease) in claims payable	1,435
Increase (decrease) in net pension	(23)
Total Adjustments	3,575
Net Cash Provided (Used) by Operating Activities	\$ 6,719
<b>Schedule of Non-Cash and Related Financing Activities</b>	
Contribution of Capital Assets	\$ 713

See Accompanying Notes to the Basic Financial Statements



**City of Irvine**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2019 and June 30, 2020**  
(amounts expressed in thousand)

	<u>December 31, 2019</u>		
	<u>Pension and Employee Benefit Trust Funds</u>	<u>Successor Agency Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 400	\$ 10,384	\$ 133,899
Receivables, net of allowances:			
Taxes	-	-	2,103
Accounts	13	-	3,124
Accrued interest	-	24	129
Loans	33	-	-
Other receivable	1	-	-
Due from other governments	-	171,450	135
Due from developers	-	-	807
Investments:			
Pooled funds	24,306	-	-
Mutual funds - closed end funds equity	220	-	-
Mutual funds - equity	4,637	-	-
Mutual funds - corporate bonds	705	-	-
Mutual funds - balanced	417	-	-
Wells Fargo funds - balanced	1,048	-	-
Total Assets	<u>31,780</u>	<u>181,858</u>	<u>\$ 140,197</u>
<b>LIABILITIES</b>			
Accounts payable	6	3,275	91
Accrued liabilities	21	-	11
Due to other funds	-	-	135
Advances from the City of Irvine	-	171,450	-
Due to bondholders	-	-	136,746
Due to other governments	-	-	3,214
Total Liabilities	<u>27</u>	<u>174,725</u>	<u>\$ 140,197</u>
<b>NET POSITION</b>			
Net position restricted for pensions	31,753	-	
Held in trust for enforceable obligations	-	7,133	
Total Net Position	<u>\$ 31,753</u>	<u>\$ 7,133</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, 2019 and June 30, 2020  
(amounts expressed in thousands)

	<u>December 31, 2019</u>	
	Pension and Employee Benefit Trust Funds	Successor Agency Private- Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 388	\$ -
Plan members	91	-
Interest from participants' loan	2	-
Total Contributions	<u>481</u>	<u>-</u>
Investment income (loss):		
Interest and dividends	114	-
Net appreciation (depreciation) in fair value of investments	4,261	-
Total Investment Income	<u>4,375</u>	<u>-</u>
Less: investment expenses	(94)	-
Net Investment Income	<u>4,281</u>	<u>-</u>
Taxes	-	6,853
Investment income	-	396
Total Additions	<u>4,762</u>	<u>7,249</u>
<b>DEDUCTIONS</b>		
Benefit payments	1,488	-
Distributions to the County	-	3,255
Administration	57	22
Total Deductions	<u>1,545</u>	<u>3,277</u>
Change in Net Position	3,217	3,972
Total Net Position, Beginning	<u>28,536</u>	<u>3,161</u>
Total Net Position, Ending	<u>\$ 31,753</u>	<u>\$ 7,133</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, 2020**

**I. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

**Component Units**

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

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

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

**Blended Component Units**

The Irvine Public Facilities and Infrastructure Authority (Authority) was used to finance the acquisition and construction of the City's civic center and other infrastructure improvements in the City. The Authority is governed by a board comprised of elected City Councilmembers. Since the governing bodies of the City Council and the Authority are substantially the same, this entity is reported as component unit and its transactions are reported in the governmental fund financial statements as debt service funds. 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, 2020**

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

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

**Discretely Presented Component Unit**

The Irvine Community Land Trust (Land Trust) was established by the City Council on February 14, 2006, as a support agency to the City for the specific purpose of assisting the City to ensure that its residents are able to secure affordable housing by, among other things, developing, constructing, financing, managing, selling, renting, subsidizing, and monitoring single and multi-family housing. The Land Trust Board of Directors is comprised of seven at-large directors appointed by the Land Trust Board. The at-large directors must be residents of and/or work in the City. Two of the seven at-large directors may be nominated by the City. The Land Trust receives its primary income from rental activities and contributions from the City. Separately issued financial reports are available for the Land Trust. These reports may be obtained by contacting the Irvine Community Land Trust, 930 Roosevelt Avenue, Suite 106, Irvine, California, 92620.

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

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

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

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

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

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

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

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

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

The Fees and Exactions Fund, is a special revenue fund which records the collection of fees imposed on developers and property owners for 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.

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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**Proprietary Funds**

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

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

**Fiduciary Funds**

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

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

Agency Funds are used to account for debt service activities related to the Assessment District and Community Facilities District conduit debt issues, in which the City acts as an agent, not as a principal. The Inter-Agency Custodial Fund is used to account for cash seized by Public Safety and held until final disposition of the cases.

The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due 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/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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

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

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

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

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the *modified accrual basis of accounting*, revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if 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.

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**D. Use of Restricted and Unrestricted Resources**

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

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

**Cash and Investments**

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

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

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

**Inventories and Prepaid Items**

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

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

**Capital Assets**

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

The estimated historical cost of infrastructure asset networks, as of July 1, 2001, was derived by calculating the current construction or purchase cost from recent historical data and deflating that cost back in time to estimated prior in-service dates for network classes using a generally used cost index deflator. Infrastructure asset networks are included in the City's capital assets reporting at estimated

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

historical cost. Additions to the networks after June 30, 2001, are reported at actual cost consistent with the capitalization policy described above. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized.

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

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

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

**Deferred Outflow/Inflow of Resources**

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

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

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.



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

Unavailable revenues that are included in the governmental fund financial statements at June 30, 2020, are as follows (amounts expressed in thousands):

	General Fund	Orange County Great Park	Capital Improvement Projects	Fees & Exactions	Other Governmental Funds	Total
<b>Governmental Funds:</b>						
Grants	\$ -	\$ -	\$ 8,174	\$ -	637	\$ 8,811
Revenue from developer	-	3,124	-	-	-	3,124
Notes and long-term receivable	-	-	-	462	6,382	6,844
Charge for service	-	-	-	-	44	44
Other revenue	18	-	-	-	12	30
<b>Total</b>	<b>\$ 18</b>	<b>\$ 3,124</b>	<b>\$ 8,174</b>	<b>\$ 462</b>	<b>\$ 7,075</b>	<b>\$ 18,853</b>

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

**Net Position Flow Assumptions**

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

**Fund Balance Flow Assumptions**

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

**Long-Term Notes Receivable**

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

Due to the long-term nature and contingent repayment requirements for some of the loans, an allowance for doubtful accounts has been estimated, actual results can differ from the estimates. Some of the loans were funded from the Department of Housing and Urban Development and CalHOME grants and are part of a revolving loan program. In the governmental funds financial statements, disbursements for providing these revolving loan receivables are recorded as expenditures while the collection of these receivables are recorded as revenue. Due to the requirement of the granting agency, these receivable collections must be utilized for the purpose of the grant requirements. The City has recorded a deferred inflow of resources equal to the outstanding revolving loan principal of \$ 13,944,282.

(amounts expressed in thousands)	
Developer loans	\$ 21,117
Rehabilitation loans	2,198
First time home buyer assistance loans	713
Total	24,028
Allowance for doubtful accounts	(17,184)
Long-Term Notes Receivable, Net	<u>\$ 6,844</u>

**Property Taxes**

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

**Compensated Absences**

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

**Long-term Obligations**

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

**Pensions**

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

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

	Defined Benefit Pension Plan	CalPERS Pension Plans
Valuation Date (VD)	December 31, 2018	June 30, 2018
Measurement Date (MD)	December 31, 2019	June 30, 2019
Measurement Period (MP)	January 1, 2019 to December 31, 2019	July 1, 2018 to June 30, 2019

**Other Post Employment Benefits (OPEB)**

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

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

Valuation Date	July 1, 2018
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**Fund Balance-Net Position**

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

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

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

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

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

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

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

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

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

**F. Estimates**

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**G. Implementation of New GASB Pronouncements**

In fiscal year ended June 30, 2020, the City adopted the following accounting standards.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* which was effective immediately. This Statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Codes Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criterion in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. The requirement of these paragraphs did not impact the City.

GASB Statement No. 89, *Accounting For Interest Cost Incurred Before the End of a Construction Period*, becomes effective for reporting periods beginning after December 15, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The City has early implemented this standard which did not affect the City at this time.

**H. Pending GASB Accounting Pronouncements**

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

GASB Statement No. 84, *Fiduciary Activities* becomes effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases* becomes effective for fiscal year beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statement No. 14 and No. 61*, becomes effective for reporting periods beginning after December 15, 2019. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 91, *Conduit Debt Obligations*, becomes effective for periods beginning after December 15, 2021. The primary objective of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, becomes effective in phases beginning for reporting periods beginning after June 15, 2020, December 31, 2021, and June 15, 2021. The objective of this Statement is the preserve the consistency and comparability of reporting hedging derivatives instruments and leases after governments amend or replace agreements to replace an interbank offered rate.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, becomes effective for fiscal years beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, becomes effective for fiscal year beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, becomes effective for fiscal year beginning after June 15, 2021.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**II. Stewardship, Compliance and Accountability**

**A. Budgetary Information**

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

1. During May and June, the City Manager submits to the City's Finance Commission and the City Council a proposed two-year operating budget for all funds of the City for the fiscal year commencing the following July 1. In addition, during June, the Orange County Great Park funds' budget is submitted to the Orange County Great Park Board. The budget includes proposed expenditures and the means of financing them.
2. The Finance Commission, Orange County Great Park Board, and City Council hold public meetings to consider the proposed budget. Prior to July 1, the budget is legally enacted through adoption of an appropriation resolution.
3. After adoption, the two-year budget, except for the Orange County Great Park Funds, may be amended by the City Manager if amendments are less than \$50,000 and do not expand or add to the City's programs or services. The legal level of control in the General Fund is considered to be the department level. The City departments are: City Manager, City Clerk, Human Resources & Innovation, Financial Management & Strategic Planning, Community Development, Community Services, Public Safety, Public Works, and Transportation. The first four departments are classified together for reporting purposes as General Government, but City Manager, City Clerk, Human Resources & Innovation, and Financial Reporting & Strategic Planning operate separately as departments for budgetary control purposes. Review by the Finance Commission and approval by the City Council are required if an amendment is in excess of \$50,000. Amendments to the adopted General Fund budget for the fiscal year ended June 30, 2020, increased appropriations by \$3,621,160 to an amended total of \$219,166,776.

The legal level of control for the Orange County Great Park Funds is the budget category by department. Adjustments to the budget must be approved by the Orange County Great Park Board of Directors and a majority vote of the City Council. Amendments to the adopted Orange County Great Park budget for the fiscal year ended June 30, 2020, increased appropriations by \$1,171,650 to an amended total of \$25,397,266.

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

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**II. Stewardship, Compliance and Accountability (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 at June 30, 2020, are as follows (amounts expressed in thousands):

General Fund	\$ 3,318
Orange County Great Park	1,345
Orange County Great Park Development	2,031
Capital Improvement Projects	3,823
Fees & Exactions	5
Other Governmental Funds	7,148
Total	<u>\$ 17,970</u>

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**III. Detailed Notes on All Funds**

**A. Cash and Investments**

Cash and investments, as of June 30, 2020, are classified in the accompanying financial statements as follows (amounts expressed in thousands):

Statement of net position:	
Cash and investments	\$ 1,020,225
Total	<u>1,020,225</u>
Statement of fiduciary net position:	
Cash and investments - Agency funds	133,899
Cash and investments - Private purpose trust funds	<u>10,384</u>
Total	<u>144,283</u>
Total Cash and Investments	<u><u>\$ 1,164,508</u></u>

Cash and investments, as of June 30, 2020, consist of the following (amounts expressed in thousands):

Cash on hand	\$ 22
Cash - Private-purpose trust funds	661
Deposits with financial institutions	1,265
Cash with trustee	<u>63,327</u>
Total Cash	65,275
Investments - Private-purpose trust funds	9,723
Investments	<u>1,089,510</u>
Total Investments	<u>1,099,233</u>
Total Cash and Investments	<u><u>\$ 1,164,508</u></u>

Cash and investments, as of December 31, 2019, for the Pension and Employee Benefit Trust Funds consist of the following (amounts expressed in thousands):

Cash - Pension trust funds	\$ 400
Investments - Pension trust funds	<u>31,333</u>
Total Cash and Investments	<u><u>\$ 31,733</u></u>

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

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

Authorized Investment Type	Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasuries	5 years	None	None
U.S. Government Sponsored Enterprise Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	10%
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

**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, 2019. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2019.

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, 2019. 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, 2019.

**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 shows the distribution of the City's investments by maturity:

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

Investment Type	Amount	Remaining Maturity		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Government Sponsored Enterprise Securities	\$ 460,504	\$ 100,949	\$ 92,326	\$ 267,229
Commercial Paper	140,401	140,401	-	-
U.S. Treasuries	271,290	145,298	40,735	85,257
Corporate Medium Term Notes	97,536	28,216	40,869	28,451
Local Agency Investment Fund (LAIF)	91,222	91,222	-	-
Supranationals	33,222	1,030	13,343	18,849
Money Market Mutual Funds	5,058	5,058	-	-
	<u>\$ 1,099,233</u>	<u>\$ 512,174</u>	<u>\$ 187,273</u>	<u>\$ 399,786</u>

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

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

The City's investments (including investments held by trustees) in callable federal agency securities are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2020, is \$9,731,808.

**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, 2020 - Standard & Poor's						
		Legal Rating	Not Rated	AAAm	AAA	AA+	AA-	A-	A-1+	A-1
U.S. Government Sponsored Enterprise Securities	\$ 460,504	N/A	\$ 6,037	\$ -	\$ -	\$ 454,467	\$ -	\$ -	\$ -	\$ -
Commercial Paper	140,401	A-1	-	-	-	-	-	-	67,497	72,904
U.S. Treasuries	271,290	N/A	-	-	-	271,290	-	-	-	-
Corporate Medium Term Notes	97,536	AA	-	-	28,655	18,183	35,505	15,193	-	-
Local Agency Investment Fund (LAIF)	91,222	N/A	91,222	-	-	-	-	-	-	-
Supranationals	33,222	AAA	-	-	33,222	-	-	-	-	-
Money Market Mutual Funds	5,058	AAA	-	5,058	-	-	-	-	-	-
	<u>\$ 1,099,233</u>		<u>\$ 97,259</u>	<u>\$ 5,058</u>	<u>\$ 61,877</u>	<u>\$ 743,940</u>	<u>\$ 35,505</u>	<u>\$ 15,193</u>	<u>\$ 67,497</u>	<u>\$ 72,904</u>

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**Concentration of Credit Risk**

The City's investment policy generally limits the amount that can be invested in any obligations of one entity or single security except U.S. Treasuries, U.S. Government Sponsored Enterprise Securities, and LAIF, which is subject to 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
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 213,833
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	101,433
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	74,030

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
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 34,673
Exxon Mobil Corporation	Commercial Paper	27,187
Toyota Motor Corporation	Commercial Paper	25,607

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

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments, or collateral securities that are in the possession of another party.

The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal to at least 110 percent of the total amount deposited by the public agencies. The City's investment policy further limits pledged securities for all City deposits to U.S. Treasury securities with a cost value equal to at least 110 percent of the deposit amount. The City's repurchase agreements must be secured by pledging U.S. Treasury securities and/or U.S. Government Agency securities with a cost value equal to at least 102 percent of the par amount plus accrued interest. All securities owned by the City with the exception of LAIF and a portion of the money market mutual funds are held in safekeeping with a custodial bank different from the City's primary bank. Securities are not held in broker accounts. Investments held by LAIF and money market mutual funds are registered in the City's name.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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, 2020, uninsured and uncollateralized deposits held by trustee totaled \$58,504,498.

**Investment in State Investment Pool**

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

**Agency Deposits**

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

**Fair Value Measurements**

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

The City has the following recurring fair value measurement as of June 30, 2020:

- U.S. Government Sponsored Enterprise Securities of \$460,503,869, are valued using quoted prices in an active market for similar assets (Level 2 measurement).
- Commercial Paper of \$140,400,676, are valued using quoted prices in an active market for similar assets (Level 2 measurement).
- U.S. Treasuries of \$271,289,613, are valued using quoted prices in an active market for similar assets (Level 2 measurement).
- Corporate Medium Term Notes of \$97,536,099, are valued using quoted prices in an active market for similar assets (Level 2 measurement).
- Supranationals of \$33,221,977, are valued using quoted prices in an active market for similar assets (Level 2 measurement).

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

The fair value investment as of June 30, 2020, 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	\$ 460,504	\$ -	\$ -	\$ 460,504	\$ -
Commercial Paper	140,401	-	-	140,401	-
U.S. Treasuries	271,290	-	-	271,290	-
Corporate Medium Term Notes	97,536	-	-	97,536	-
Local Agency Investment Fund (LAIF)	91,222	91,222	-	-	-
Supranationals	33,222	-	-	33,222	-
Money Market Mutual Funds	5,058	5,058	-	-	-
	<u>\$ 1,099,233</u>	<u>\$ 96,280</u>	<u>\$ -</u>	<u>\$ 1,002,953</u>	<u>\$ -</u>

The fair value measurement as of December 31, 2019, for each investment type for the Pension and Employee Benefit Trust Funds (amount expressed in thousands).

Investment Type	Amount	Investment not Measured at Fair Value	Level		
			1	2	3
Mutual Funds - Equity	\$ 4,857	\$ -	\$ 4,857	\$ -	\$ -
Mutual Funds - Corporate Bonds	705	-	705	-	-
Mutual Funds - Balanced	1,465	-	1,465	-	-
Mutual Funds - Pooled	24,306	-	-	24,306	-
	<u>\$ 31,333</u>	<u>\$ -</u>	<u>\$ 7,027</u>	<u>\$ 24,306</u>	<u>\$ -</u>

**Restricted Cash**

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$844,829 at June 30, 2020, were nonspendable or restricted per terms of an agreement between the Irvine Senior Foundation and the City.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2020, was as follows (amounts expressed in thousands):

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 859,123	\$ 69	\$ 11,500	\$ 847,692
Construction in progress	97,522	8,863	6,738	99,647
Total capital assets not being depreciated	<u>956,645</u>	<u>8,932</u>	<u>18,238</u>	<u>947,339</u>
Capital assets, being depreciated:				
Buildings and systems	229,860	741	-	230,601
Improvements other than buildings	231,871	5,997	-	237,868
Machinery and equipment	36,871	3,203	1,049	39,025
Infrastructure	1,826,154	51,176	-	1,877,330
Total capital assets being depreciated	<u>2,324,756</u>	<u>61,117</u>	<u>1,049</u>	<u>2,384,824</u>
Less accumulated depreciation for:				
Buildings and systems	(70,595)	(5,500)	-	(76,095)
Improvements other than buildings	(101,984)	(13,089)	-	(115,073)
Machinery and equipment	(27,005)	(3,443)	1,002	(29,446)
Infrastructure	(1,053,575)	(67,617)	-	(1,121,192)
Total accumulated depreciation	<u>(1,253,159)</u>	<u>(89,649)</u>	<u>1,002</u>	<u>(1,341,806)</u>
Total capital assets, being depreciated, net	<u>1,071,597</u>	<u>(28,532)</u>	<u>47</u>	<u>1,043,018</u>
Governmental activities capital assets, net	<u>\$ 2,028,242</u>	<u>\$ (19,600)</u>	<u>\$ 18,285</u>	<u>\$ 1,990,357</u>

**Museum Collections**

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

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

General Government	\$ 1,366
Public Safety	280
Public Works	16,453
Community Services	1,378
Transportation	11
Internal Service Funds Depreciation-charged to programs based on asset usage	<u>2,544</u>
Allocated Depreciation	22,032
Unallocated Infrastructure Depreciation	<u>67,617</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 89,649</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**Construction Commitments**

The City has active construction projects as of June 30, 2020. 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):

	Orange County Great Park Development	Capital Improvement Projects	Other Governmental Funds	Remaining Commitment
Streets and drainage	\$ 112	\$ 2,805	\$ 1,883	\$ 4,800
Facilities	1,571	-	1,480	3,051
Bridges	-	-	1,050	1,050
Trails	-	-	1,038	1,038
Traffic signal projects	-	1,018	-	1,018
Parks	230	-	70	300
Landscape and streetscape	118	-	6	124
Total	<u>\$ 2,031</u>	<u>\$ 3,823</u>	<u>\$ 5,527</u>	<u>\$ 11,381</u>

Special assessment bonds that will be repaid by the benefiting property owners are financing the special assessment commitments. A mixture of outside federal and state grants supplemented by City funding finances the other commitments. City funding includes 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 39, Los Olivos. The agreement included a provision that over multiple years, 17 acres of land would be donated to the City for affordable housing. As of June 30, 2020 the City has received 10 of the 17 acres. The additional 7 acres of land for affordable housing will be donated by December 2023.

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

The composition of interfund balances as of June 30, 2020, was as follows:

Interfund Transfers (amounts expressed in thousands):

	Transfers in:						Total
	General Fund	Orange County Great Park Development	Capital Improvement Projects	Fees & Exactions	Other Governmental Funds	Internal Service Funds	
Transfers out:							
General Fund	\$ -	\$ -	\$ 103	\$ -	\$ 7,351	\$ 1,750	\$ 9,204
Orange County Great Park	25,100	985	-	-	126	-	26,211
Capital Improvement Projects	500	-	-	-	195	-	695
Local Park Fees	-	4,702	-	-	389	-	5,091
Fees & Exactions	-	-	-	-	1,334	-	1,334
Other Governmental Funds	56	-	7,394	4	9,883	-	17,337
Internal Service Funds	-	-	-	-	69	-	69
Total	<u>\$ 25,656</u>	<u>\$ 5,687</u>	<u>\$ 7,497</u>	<u>\$ 4</u>	<u>\$ 19,347</u>	<u>\$ 1,750</u>	<u>\$ 59,941</u>

Transfers provided funding for the development of capital projects, as well as capital acquisitions. In addition, transfers are used to move revenues from the fund that statute or budget requires to collect



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

it, to the fund that statute or budget requires to expend it, and the use of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

**D. Leases**

**Operating Revenue Lease**

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

**Orange County Great Park**

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

A lease with Tierra Verde Industries that began in May 2006 has been amended and restated over the years and is for two parcels located in the OCGP. The first parcel is used as a green waste recycling center. The quarterly rental for this property as of June 30, 2020, is \$97,629 per quarter. An additional \$0.69 per ton is charged as a Green Waste Host Fees and the amount collected as of June 30, 2020, was \$553,775. The second leased parcel are buildings used for office space, light maintenance and manufacturing. The rents received for both parcels for the fiscal year ended June 30, 2020, was \$517,901. The current lease agreement terminates May 20, 2022.

A farming lease with El Toro Farms, LLC to grow strawberries and vegetable crops began in July 2005 and has been renewed over the years. The lease terminates June 30, 2021. Rental revenue at June 30, 2020, was \$31,596.

A lease with Orange County Produce to grow strawberries and other crops began in July 2010. The lease terminates July 25, 2025. Rental revenue at June 30, 2020, was \$30,045.

A lease with AMCI/Omnicom for the use of other sites within OCGP is month to month with \$54,000 received in the fiscal year ended June 30, 2020.

The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2020, is as follows (amounts expressed in thousands):

Fiscal Year Ending June 30	Annual Rent
2021	\$ 763
2022	590
2023	30
2024	30
2025	30
2026-2029	2
	\$ 1,445

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**General Fund**

The City has ongoing operating lease agreements for farming, retail space, right of way, facilities, and cell sites which expire at various dates through 2043. Rental revenue reported by the operating lease agreements for the fiscal year ended June 30, 2020, amounted to \$811,699. The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2020, is as follows (amounts expressed in thousands):

Fiscal Year Ending June 30	Annual Rent
2021	\$ 751
2022	437
2023	430
2024	435
2025	440
2026-2030	2,087
2031-2035	1,197
2036-2040	427
Thereafter	30
	\$ 6,234

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

For the fiscal year ended June 30, 2020, changes in long-term liabilities are as follows (amounts expressed in thousands):

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Long- Term	Due Within One Year
Compensated absences	\$ 14,698	\$ 7,761	\$ 5,131	\$ 17,328	\$ 12,179	\$ 5,149
Claims payable	16,291	4,400	2,918	17,773	13,224	4,549
Total Long-Term Liabilities	\$ 30,989	\$ 12,161	\$ 8,049	\$ 35,101	\$ 25,403	\$ 9,698

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

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

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

The bonds are not general obligations of the City but are limited obligations, payable solely from special tax and assessments. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment and community facilities district bond payments. If delinquencies occur beyond the amounts held in the reserve funds that are created from bond proceeds, the City has

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

Non-committal debt amounts issued and outstanding at June 30, 2020, 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	5,416
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	28,262
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	16,107
94-15	Westpark II	32,700	-
97-16	Northwest Irvine	60,000	25,168
97-17	Lower Peters Canyon East	95,000	31,854
Total Variable Rate Issues		841,820	265,325
Fixed Rate Issues		Bonds Issued	Bonds Outstanding
04-20	Portola Springs 2013	11,795	-
04-20	Portola Springs 2014	14,460	1,544
04-20	Portola Springs 2015	21,485	19,898
04-20	Portola Springs 2017	30,200	28,455
04-20	Portola Springs 2019	40,490	40,490
05-21	Orchard Hills 2014	74,860	68,715
05-21	Orchard Hills 2016	16,235	15,835
05-21	Orchard Hills 2017	19,500	19,500
05-21	Orchard Hills 2018	27,995	27,995
07-22	Stonegate	28,350	21,864
10-23	Laguna Altura	12,695	-
11-24	Cypress Village	38,655	-
13-25	Eastwood	34,430	30,689
12-1	Reassessment District	126,220	59,655
13-1	Reassessment District	80,755	53,845
15-1	Reassessment District	47,360	30,450
15-2	Reassessment District	50,625	44,280
19-1	Reassessment District	48,860	48,860
CFD 2004-1	Central Park	18,510	17,250
CFD 2005-2	Columbus Grove	16,975	13,540
CFD 2013-3	Great Park 2014	72,700	72,540
CFD 2013-3	Great Park 2016	135,835	133,930
CFD 2013-3	Great Park 2018	72,420	72,155
Total Fixed Rate Issues		1,041,410	821,490
Total All Issues		\$ 1,883,230	\$ 1,086,815

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**G. Fund Balance Classifications**

Fund balances in the governmental funds at June 30, 2020 have been classified as follows (amounts expressed in thousands):

	General	Orange County Great Park	Orange County Great Park Development	Capital Improvement Projects	Local Park Fees	Fees & Exactions	Other Governmental Funds	Total Governmental Funds
Non Spendable								
Endowment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 500
Subtotal	-	-	-	-	-	-	500	500
Restricted for:								
Capital improvement projects	-	-	-	-	-	844	198,347	199,191
Park & public facilities	-	-	-	-	127,110	-	100	127,210
Great Park development and operations	-	50,335	-	-	-	-	-	50,335
Circulation improvement	-	-	-	-	-	876	235,808	236,684
Community services activities	-	-	-	-	-	-	52	52
Animal care activities	-	-	-	-	-	-	562	562
Public service activities	-	-	-	-	-	-	61	61
Development activities	356	-	-	-	-	-	-	356
Affordable housing activities	-	-	-	-	-	4,071	-	4,071
Air quality improvement activities	-	-	-	-	-	-	559	559
Public safety programs	-	-	-	-	-	-	2,553	2,553
ADA access activities	-	-	-	-	-	196	-	196
Public education	-	-	-	-	-	727	-	727
Public transportation	-	-	-	-	-	-	1,078	1,078
Senior nutrition programs and activities	-	-	-	-	-	-	600	600
Open space maintenance	-	-	-	-	-	-	71	71
Subtotal	356	50,335	-	-	127,110	6,714	439,791	624,306
Committed to:								
Capital improvement projects	-	-	-	-	-	32	-	32
Circulation improvements	-	-	-	9,915	-	-	28,842	38,757
Contingency reserve	51,700	-	-	-	-	-	-	51,700
Public facilities improvements	-	-	-	-	-	-	50,094	50,094
Public safety services	-	-	-	-	-	-	130	130
Lighting, landscape, & park maintenance	-	-	-	-	-	-	1,736	1,736
Subtotal	51,700	-	-	9,915	-	32	80,802	142,449
Assigned to:								
Great Park development and operations	-	246,728	16,321	-	-	-	-	263,049
Compensated absences	4,606	-	-	-	-	-	-	4,606
Development activities	1,719	-	-	-	-	-	-	1,719
Education	2,339	-	-	-	-	-	-	2,339
Infrastructure and rehabilitation	86,886	4,572	-	-	-	-	-	91,458
Technology innovation	179	-	-	-	-	-	-	179
Subtotal	95,729	251,300	16,321	-	-	-	-	363,350
Unassigned:	9,989	-	-	-	-	(2,504)	(1,509)	5,976
Total	\$ 157,774	\$ 301,635	\$ 16,321	\$ 9,915	\$ 127,110	\$ 4,242	\$ 519,584	\$ 1,136,581

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**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, 2020 were (amounts expressed in thousands):

Cash and investments	<u>\$ 10,384</u>
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**Advances from the City of Irvine**

Advances payable to the City for the year ended June 30, 2020, were as follows (amounts expressed in thousands):

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Advances from the City - Settlement agreement	\$ 209,082	\$ -	\$ 37,632	\$ 171,450
Total	<u>\$ 209,082</u>	<u>\$ -</u>	<u>\$ 37,632</u>	<u>\$ 171,450</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**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, 2020, the outstanding balance due to the City is \$171,449,608.

**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, 2020 were (amounts expressed in thousands):

Cash and investments	<u>\$ 13,504</u>
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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**Capital Assets**

Capital asset activity for the Land Trust for the year ended June 30, 2020, was as follows (amounts expressed in thousands):

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
<b>Component Unit Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 21,500	\$ 11,500	\$ -	\$ 33,000
Total capital assets not being depreciated	21,500	11,500	-	33,000
Capital assets, being depreciated:				
Buildings and systems	2,668	-	-	2,668
Machinery and equipment	4	2	-	6
Total capital assets being depreciated	2,672	2	-	2,674
Less accumulated depreciation for:				
Buildings and systems	(654)	(89)	-	(743)
Machinery and equipment	(3)	-	-	(3)
Total accumulated depreciation	(657)	(89)	-	(746)
Total capital assets, being depreciated, net	2,015	(87)	-	1,928
Component unit activities capital assets, net	\$ 23,515	\$ 11,413	\$ -	\$ 34,928

Depreciation expense charged to the Land Trust was \$89,395.

**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, 2020, were as follows (amounts expressed in thousands):

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Principal	\$ 11,162	\$ -	\$ 19	\$ 11,143
Interest	297	195	-	492
	\$ 11,459	\$ 195	\$ 19	\$ 11,635

**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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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, 2020, of \$14,444,159.

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, 2020, was \$17,144,961.

**J. Subsequent Events**

In May 2020, the State of California (State) received CARES Act funding, including Coronavirus Relief Funds (CRF) from the U.S. Treasury Office. The State developed a plan to pass through a portion of the CRF assistance to cities and counties within California. The City will be receiving \$3,478,278 of CRF assistance during fiscal year 2020-21, for eligible expenditures incurred beginning March 1, 2020 through December 31, 2020. The State did not make the appropriations of the CRF funds available to recipients until after July 1, 2020, therefore the City will recognize the CRF revenue in fiscal year 2020-21.

All other events occurring after June 30, 2020, have been evaluated for possible adjustment to the financial statement on disclosure as of October 30, 2020, which is the date the financial statement were available to be issued.

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information**

**A. Risk Management**

The City uses a combination of insured and self-insured programs to finance its property and casualty risk. The City is self-insured for workers' compensation, automobile and general liability risks. Excess liability coverage above \$350,000 per occurrence and a \$3,000,000 aggregate is provided through a risk-sharing pool, the California Insurance Pool Authority (CIPA). CIPA also purchases excess liability coverage up to a \$43,000,000 limit for the pool. Excess workers' compensation coverage above \$300,000 per occurrence and up to \$3,000,000 is provided through CIPA. Property risk is financed through insurance contracts and has various limits and deductibles.

The City is a member of CIPA in order to jointly purchase insurance coverage and to share costs for professional risk management, claim administration, and group purchasing of insurance products with 12 other cities from Orange, Los Angeles, and San Bernardino Counties. Premiums paid during the fiscal year ended June 30, 2020, were \$2,733,313. 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, 2020. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2020, \$17,773,105 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 2019-20 fiscal year. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2018, resulted in the following (amounts expressed in thousands):

	Workers' Compensation	General Liability	Total
Liability Balance, July 1, 2018	\$ 13,453	\$ 2,174	\$ 15,627
Changes in estimates	3,882	545	4,427
Claim payments during 2018-2019	(2,939)	(824)	(3,763)
Liability Balance, June 30, 2019	<u>14,396</u>	<u>1,895</u>	<u>16,291</u>
Changes in estimates	3,884	516	4,400
Claim payments during 2019-2020	(2,167)	(751)	(2,918)
Liability Balance, June 30, 2020	<u><u>\$ 16,113</u></u>	<u><u>\$ 1,660</u></u>	<u><u>\$ 17,773</u></u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

**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.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. As a result, the outbreak has caused uncertainty in the financial markets. Although many of the City's services are considered essential, City Hall was closed to the public, certain other services transitioned to online-only and because the City's major revenue sources are directly impacted by these events, it is possible that this matter will negatively impact the City. However, the ultimate financial impact and duration cannot be estimated at this time.

**C. Other Post Employment Benefits**

**Voluntary Employees' Beneficiary Association**

Plan Description The Voluntary Employees' Beneficiary Association (VEBA) known as "Premium Reimbursement Plan of the Irvine Employees Benefit Trust" is a defined contribution welfare benefit plan. The Plan provides health insurance premium and medical expense reimbursement benefits to retirees. The Plan was established by the Irvine Police Association (IPA), and later joined by the Irvine City Employees Association (ICEA) and Association of Supervisory and Administrative Personnel (ASAP). Separate accounts are maintained under the trust agreement for the three member groups but the amounts administered are pooled within each employee group. Eligible retirees receive a monthly reimbursement of health insurance premiums and eligible expenses under the plan in an amount to be determined by the Board of Trustees, from time to time, based on years of service. Eligibility requires five years of active service and five years of mandatory contributions to the plan. The Plan is administered by Benefit Solutions Inc. under the provisions of IRS Code Section 501(c)(9).

Funding Policy Participants and the City are required to contribute to the plan at a percentage of base pay per the various employee associations' Memorandum of Understanding (MOU). The contribution requirements of plan members and the City are established and may be amended by the MOU with the various employee associations. For the year ended June 30, 2020, employer contributions were \$2,607,677 and participant contributions were \$850,616. Copies of the MOUs may be obtained from City Hall.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

**Retirement Health Savings**

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

Funding Policy The City is required to contribute 2 or 3 percent of base salary depending on the employee association's MOU. For the year ended June 30, 2020, the City contributed \$321,361 to the RHS plan. The Plan is administered by Meritain Health.

**Other Post Employment Benefits (OPEB)**

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

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.

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

Employees Covered As of June 30, 2020, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employee	861
Inactive employees or beneficiaries currently receiving benefits	154
Total	<u>1,015</u>

Contributions The OPEB Plan and its contribution requirements are established by MOU with the applicable employee associations and may be amended by negotiation between the City and the associations. The retired plan members receiving benefits make contributions at the premium rates identical to those charged for the City's active employees. While the City does not directly contribute towards the cost of the premium, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the retirees, called an "implicit subsidy." The implicit subsidy is considered to be another post-employment benefit of the City. For the year ended June 30, 2020, the City's contribution (implicit subsidy) was \$431,277.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

**OPEB Liability** The City's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation dated July 1, 2018, rolled forward to June 20, 2020 using standard update procedures. The total OPEB liability was based on the following actuarial methods and assumptions:

Discount rate	2.45%
Salary increases	3.00%
Inflation rate	3.00%
Mortality rate	(1)
Healthcare trend rate	5.00% for 2020 and later years

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

**Discount Rate** The discount rate used to measure the total OPEB liability was 2.45 percent. GASB 75 requires a discount rate that reflects the following:

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

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

**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: 6/30/2019	\$ 7,417
Changes for the year:	
Service cost	537
Interest expense	242
Change of assumptions	454
Net investment income	-
Benefit payments	(431)
Administrative expenses	-
Net Change	802
Balance at: 6/30/2020	\$ 8,219

**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 2.45 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 (1.45 percent) or 1 percentage-point higher (3.45 percent) than the current rate (amounts expressed in thousands).

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

	Discount Rate -1% 1.45%	Current Discount Rate 2.45%	Discount Rate +1% 3.45%
Total OPEB Liability	<u>\$ 8,942</u>	<u>\$ 8,219</u>	<u>\$ 7,568</u>

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 4.00%	Healthcare Cost Trend Rates 5.00%	1% Increase 6.00%
Total OPEB Liability	<u>\$ 7,295</u>	<u>\$ 8,219</u>	<u>\$ 9,301</u>

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

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

Net difference between projected and actual earnings on OPEB plan investment      5 year straight-line amortization

All other amounts      Amortization over the average remaining service lifetime

OPEB Expense and Deferred Outflows and Deferred Inflow of Resources Related to OPEB As of the start of the measurement period (July 1, 2019), the total OPEB liability/(asset) was \$7,416,774. For the measurement period ending June 30, 2020 (the measurement date), the City incurred a OPEB expense of \$886,819 for the plan.

As of June 30, 2020, 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
Change in assumptions	<u>\$ 597</u>	<u>\$ -</u>
Total	<u>\$ 597</u>	<u>\$ -</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

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
2021	\$ 108
2022	108
2023	108
2024	108
2025	108
Thereafter	57

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

**City of Irvine Defined Benefit Pension Plan**

Plan Description Prior to February 2, 2002, the City provided pension benefits for all of its sworn employees through the City of Irvine Defined Benefit Pension Plan. 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, 2020. The City issues a publicly available financial report that includes financial statements and required supplementary information for the City of Irvine Defined Benefit Pension Plan. Copies of the annual financial report may be obtained from City Hall.

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

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

Employees Covered At December 31, 2019 (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	<u>35</u>

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

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 2019-20, employer contribution rates were are follows:

	Normal Cost	Unfunded Liabilities
July 1 to December 31, 2019	29.57%	67.35%
January 1 to June 30, 2020	37.39%	224.67%

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

Net Pension Liability The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of December 31, 2019, using an annual actuarial valuation as of January 1, 2020. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions The total pension liability in the January 1, 2020, actuarial valuations were determined using the following actuarial assumptions:

Valuation date	January 1, 2020
Measurement date	December 31, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	5.25%
Inflation	3.00%
Salary increases	5.00%
Mortality	RP-2014 Blue Collar Table with Improvement Scale MP-2018
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:

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

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

\*To accommodate the payment of withdrawals and benefits.

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

Change in Assumptions During the measurement period ended December 31, 2019 the following changes were made to assumptions:

- The assumed long-term rate of return was updated from 5.50 percent to 5.25 percent per year.
- The mortality assumption was updated from 1983 Group Annuity Mortality to RP-2014 Blue Collar mortality with mortality improvement scale MP-2018.
- The amortization period was changed from 10-year closed starting at January 1, 2019 to closed 20-year amortization for any future asset or liability gains or losses with the current 10-year closed amortization for losses existing at January 1, 2019.
- Added an expense assumption of \$80,000 (or average of last three years expenses rounded down by \$10,000 if greater).
- The asset valuation method was updated from 2-year asset smoothing to 5-year smoothing.

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: 12/31/2018	\$ 20,371	\$ 18,476	\$ 1,895
Changes for the year:			
Service cost	114	-	114
Interest expense	1,088	-	1,088
Change of assumptions	3,277	-	3,277
Differences between expected and actual experience	182	-	182
Contributions-employer	-	262	(262)
Contributions-employee	-	46	(46)
Net investment income	-	2,550	(2,550)
Benefit payments, including refunds of employee contributions	(1,271)	(1,271)	-
Administrative expenses	-	(27)	27
Net Change	3,390	1,560	1,830
Balance at: 12/31/2019	\$ 23,761	\$ 20,036	\$ 3,725



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

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 5.25 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 (4.25 percent) or 1 percentage-point higher (6.25 percent) than the current rate (amounts expressed in thousands):

	Discount Rate -1% 4.25%	Current Discount Rate 5.25%	Discount Rate +1% 6.25%
Plan's Net Pension Liability	\$ 6,628	\$ 3,725	\$ 1,322

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

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

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

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

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (January 1, 2019), the net pension liability/(asset) was \$1,894,659. For the measurement period ending December 31, 2019 (the measurement date), the City incurred a pension expense/(income) of \$3,698,342 for the Plan.

As of December 31, 2019, the City has deferred outflows and deferred inflows of resources related to pensions were as follows (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Change in assumptions	-	-
Contributions made after the measurement date	297	-
Net difference between projected and actual earnings on pension plan investments	-	615
Total	\$ 297	\$ 615

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

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, 2021. 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
2020	\$ (160)
2021	(145)
2022	2
2023	(312)
2024	-
Thereafter	-

**City of Irvine Defined Contribution Pension Plan**

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

Funding Policy Effective July 1, 2003, eligible participants were required to contribute 4 percent of their base compensation into the Plan and the City's contributions were 15 percent of participants' basic compensation. Effective August 10, 2012, pursuant to agreements with the City's employee associations, the City contributes 12.448 percent of the participants' base compensation, and eligible participants contributes 6.552 percent of their base compensation into the plan. Plan participants have the right to 100 percent of contributions made on their behalf and related earnings upon their death, permanent and total disability or upon attainment of normal retirement age, 59.5 under the Plan. If employment terminates prior to normal retirement age for reasons other than death, or permanent and total disability, the participant will achieve 50 percent vesting upon successful completion of a six-month probationary period or 55 percent vesting upon successful completion of a one-year probationary period. Following the probationary period, the participant will retain 5 percent vesting for each plan year in which the participant attains 1,000 hours of the credited service until the completion of the fifth year when full vesting will occur.

At December 31, 2019, the Plan had 54 members, consisting of seven active members, and 47 terminated members. All 54 members are fully vested in the Plan. Total Plan assets were \$11,723,605. Effective April 1996, the Plan became participant-directed. Participants may direct investment of employer contributions and earnings in 1 percent increments among investment options with the third party administrator, Wells Fargo Bank.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

Employer contributions to the Plan during the fiscal year ended December 31, 2019 were \$125,176 and participant contributions were \$45,801. 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, 2019, the City shall contribute 2 percent of eligible participants' base compensation into the Plan. 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, 2020, was \$302,882.

**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).

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**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

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 2019, are summarized as follows:

<b>Sworn Plan</b>			
<u>Hire Date</u>	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>	
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>			
<u>Hire Date</u>	<u>Prior to August 14, 2012</u>	<u>On or After August 14, 2012 and Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
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, 2019 (measurement date), the following employees were covered by the benefit terms for the Plan:

	<u>Sworn Plan</u>	<u>Miscellaneous Plan</u>
Active members	216	769
Retired members and beneficiaries	125	423
Terminated members	42	475
Transferred members	48	375
Total	<u>431</u>	<u>2,042</u>

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.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

The employer required contribution rates for the sworn and miscellaneous plans for fiscal year 2018-19 (measurement date of June 30, 2019) were as follows:

	Sworn	Miscellaneous
Normal Cost Rate	21.605	10.547
Employer Unfunded Accrued Liability Contribution <sup>(1)</sup>	18.852	16.850
	40.457	27.397

<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 \$4,957,404 and \$8,983,543 for the sworn and miscellaneous plans, respectively.

The employee required contribution rates for the sworn and miscellaneous plans for fiscal year 2018-19 (measurement date of June 30, 2019) were as follows:

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

<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
Employee contribution rate	8.00%	7.00%	6.75%

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

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

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, 2019, using an annual actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is provided below.

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

Actuarial Assumptions The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies on entry age and duration of service
Mortality <sup>(1)</sup>	Derived using CalPERS membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

<sup>(1)</sup> The mortality table used was developed based on CalPER's specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 year of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

Change in Assumptions In fiscal year 2019-20, there were no changes in assumptions.

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

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

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

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

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

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

<sup>(2)</sup> An expected inflation of 2.00% used for this period

<sup>(3)</sup> An expected inflation of 2.92% used for this period

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

Sworn Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 6/30/2018	\$ 283,050	\$ 219,412	\$ 63,638
Changes for the year:			
Service cost	9,169	-	9,169
Interest on total pension liability	20,284	-	20,284
Changes of benefits terms	-	-	-
Difference between expected and actual experience	1,733	-	1,733
Changes in assumptions	-	-	-
Contributions-employer	-	16,464	(16,464)
Contributions-employee	-	2,830	(2,830)
Net investment income	-	14,618	(14,618)
Benefit payments, including refunds of employee contributions	(11,362)	(11,362)	-
Administrative expense	-	(157)	157
Other changes	-	1	(1)
Net changes	19,824	22,394	(2,570)
Balance at 6/30/2019	\$ 302,874	\$ 241,806	\$ 61,068

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

<b>Miscellaneous Plan</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balance at 6/30/2018	\$ 410,433	\$ 326,448	\$ 83,985
Changes for the year:			
Service cost	11,066	-	11,066
Interest on total pension liability	29,415	-	29,415
Changes of benefits terms	-	-	-
Difference between expected and actual experience	4,525	-	4,525
Changes in assumptions	-	-	-
Contributions-employer	-	21,162	(21,162)
Contributions-employee	-	4,521	(4,521)
Net investment income	-	21,764	(21,764)
Benefit payments, including refunds of employee contributions	(18,171)	(18,171)	-
Administrative expense	-	(233)	233
Other changes	-	1	(1)
Net changes	26,835	29,044	(2,209)
Balance at 6/30/2019	\$ 437,268	\$ 355,492	\$ 81,776

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

<u>Plan's Net Pension Liability / (Assets)</u>	<u>Discount Rate -1% 6.15%</u>	<u>Current Discount Rate 7.15%</u>	<u>Discount Rate +1% 8.15%</u>
Sworn Plan	\$ 107,551	\$ 61,068	\$ 23,461
Miscellaneous Plan	141,880	81,776	32,250
Combined Total	\$ 249,431	\$ 142,844	\$ 55,711

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

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

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



**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

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

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

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

The Plan's EARSL for the 2018-19 measurement period, ended June 30, 2019, is 6.4 years for the Sworn Plan and 4.3 years for the Miscellaneous Plan, which was obtained by dividing the total service years (the sum of remaining service lifetimes of the active employees) by the total number of participants: active, inactive and retired. Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (July 1, 2018), the net pension liability/ (asset) was \$63,638,422 for the Sworn Plan and \$83,984,873 for the Miscellaneous Plan. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a pension expense/ (income) of \$17,498,988 and \$22,304,785 for the Sworn and Miscellaneous Plans, respectively.

As of June 30, 2019 (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	\$ 9,181	\$ 277	\$ 6,851	\$ 958
Change in assumptions	8,968	2,310	5,491	1,172
Contributions made after the measurement date	12,368	-	16,235	-
Net difference between projected and actual earnings on pension plan investments	-	1,048	-	1,896
Total	<u>\$ 30,517</u>	<u>\$ 3,635</u>	<u>\$ 28,577</u>	<u>\$ 4,027</u>

The amounts above are net of outflows and inflows recognized in the 2018-19 measurement period expense.

The \$12,367,764 and \$16,234,817 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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows (amounts expressed in thousands):

**City of Irvine**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**IV. Other Information (Continued)**

Measurement Period Ending June 30,	Sworn Plan Deferred Outflows/(Inflows) of Resources	Miscellaneous Plan Deferred Outflows/(Inflows) of Resources
<u>June 30,</u>	<u>Resources</u>	<u>Resources</u>
2020	\$ 4,889	\$ 7,491
2021	2,440	(724)
2022	3,591	872
2023	2,971	676
2024	595	-
Thereafter	28	-

At June 30, 2020, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**Public Agency Retirement System Defined Contribution Plan**

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

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

Annual Pension Cost At December 31, 2019, the Plan had 710 members. Total Plan assets were \$2,503,266. Employer and employee contributions to the Plan during the year ended December 31, 2019, were \$481,211.

**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 \$500,409, which is reported as part of Restricted Net Position, Nonspendable. Expendable donations and accrued interest of \$342,976 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, 2020**  
(amounts expressed in thousands)

**City of Irvine Defined Benefit Pension Plan for Sworn Employees**

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

	<u>2019</u>
<b>Total Pension Liability</b>	
Service cost	\$ 114
Interest on total pension liability	1,088
Changes of benefits terms	-
Difference between expected and actual experience	182
Changes in assumptions	3,277
Benefit payments, including refunds of employee contributions	<u>(1,271)</u>
Net Change in Total Pension Liability	\$ 3,390
Total Pension Liability - Beginning	<u>20,371</u>
Total Pension Liability - Ending (a)	<u><u>\$ 23,761</u></u>
<b>Plan Fiduciary Net Position</b>	
Contribution - employer	\$ 262
Contribution - employee	46
Net investment income	2,550
Benefit payments, including refunds of employee contributions	(1,271)
Administrative expenses	(27)
Other changes in fiduciary net position	<u>-</u>
Net Change in Plan Fiduciary Net Position	\$ 1,560
Plan Fiduciary Net Position - Beginning	<u>18,476</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 20,036</u></u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u><u>\$ 3,725</u></u>
Plan fiduciary net position as a percentage of the total pension liability funded status	84.32%
Covered payroll	\$ 379
Plan net pension liability/(asset) as a percentage of covered payroll	982.85%

<sup>(1)</sup> 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 six years are shown.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

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

2018	2017	2016	2015	2014
\$ 110	\$ 82	\$ 81	\$ 137	\$ 128
1,086	1,086	1,077	1,091	1,088
-	-	-	-	-
104	283	178	(280)	(5)
-	(261)	-	-	-
(1,224)	(1,198)	(1,165)	(1,171)	(1,145)
\$ 76	\$ (8)	\$ 171	\$ (223)	\$ 66
20,295	20,303	20,132	20,355	20,289
<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)
-	-	-	-	-
\$ (1,438)	\$ 708	\$ (17)	\$ (1,061)	\$ 380
19,914	19,206	19,223	20,284	19,904
<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, 2020**  
(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>**

	<b>2019-20</b>
Actuarially determined contribution <sup>(2)</sup>	\$ 425
Contribution in relation to the actuarially determined contribution	(427)
Contribution deficiency (excess)	\$ (2)
Covered payroll	\$ 323
Contributions as a percentage of covered payroll	131.58%

**Notes to Schedule**

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

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

- <sup>(1)</sup> 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 six years are shown.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> 10 year amortization of the unfunded liability
- <sup>(4)</sup> 50% at age 50, 20% from age 51 to 54, 100% at age 55
- <sup>(5)</sup> 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.
- <sup>(6)</sup> 15% from age 50 to 59, 100% at age 60
- <sup>(7)</sup> RP-2014 Blue Collar Table with Improvement Scale MP-2018
- <sup>(8)</sup> 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.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**  
(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
(232)	(194)	(136)	(109)	(187)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 324	\$ 379	\$ 369	\$ 350	\$ 330
71.60%	51.19%	36.86%	31.14%	56.67%

December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Entry age normal Market value	Entry age normal Market value	Entry age normal Market value	Entry age normal Market value	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, 2020**  
(amounts expressed in thousands)

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

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

	2019
<b>Total Pension Liability</b>	
Service cost	\$ 9,169
Interest on total pension liability	20,284
Changes of benefits terms	-
Difference between expected and actual experience	1,733
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(11,362)
Net Change in Total Pension Liability	\$ 19,824
Total Pension Liability - Beginning	283,050
Total Pension Liability - Ending (a)	<u>\$ 302,874</u>
<b>Plan Fiduciary Net Position</b>	
Contribution - employer	\$ 16,464
Contribution - employee	2,830
Net investment income	14,618
Benefit payments, including refunds of employee contributions	(11,362)
Net plan to plan resource movement	-
Administrative expense	(157)
Other miscellaneous income / (expense)	1
Net Change in Fiduciary Net Position	\$ 22,394
Plan Fiduciary Net Position - Beginning	219,412
Plan Fiduciary Net Position - Ending (b)	<u>\$ 241,806</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 61,068</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	79.84%
Covered payroll	\$ 29,489
Plan net pension liability/(asset) as a percentage of covered payroll	207.09%

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

<sup>(2)</sup> 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 2020, the discount rate was reduced from 7.50 percent to 7.25 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expenses) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amount reported were based on the 7.50 percent discount rate.



**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**  
(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>
260,258	227,911	208,387	195,279	182,668
<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>
196,690	172,204	169,307	163,428	132,157
<u>\$ 219,412</u>	<u>\$ 196,690</u>	<u>\$ 172,204</u>	<u>\$ 169,307</u>	<u>\$ 163,428</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%
\$ 27,997	\$ 28,642	\$ 25,076	\$ 22,824	\$ 20,142
227.30%	221.94%	222.15%	171.22%	158.13%

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**  
(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>2019-20</u>
Actuarially determined contribution	\$ 12,368
Contribution in relation to the actuarially determined contribution	<u>(12,368)</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Covered payroll	 \$ 30,190
Contributions as a percentage of covered payroll	40.97%

**Notes to Schedule of Plan Contributions:**

Valuation date:	June 30, 2017
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Asset valuation method	Market value
Amortization method	Level Percent of Pay
Inflation	2.625%
Salary increases	2.875%
Investment rate of return	7.25%
Retirement age	54
Mortality rate table	(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 six years are shown.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

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

2018-19	2017-18	2016-17	2015-16	2014-15
\$ 11,291	\$ 10,085	\$ 8,332	\$ 7,628	\$ 7,369
(16,577)	(14,085)	(11,332)	(8,628)	(8,369)
<u>\$ (5,286)</u>	<u>\$ (4,000)</u>	<u>\$ (3,000)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>

\$ 29,489	\$ 27,997	\$ 28,642	\$ 25,076	\$ 22,824
56.21%	50.31%	39.56%	34.41%	36.67%

June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Entry age normal Market value	Entry age normal Market value	Entry age normal Market value	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, 2020**  
(amounts expressed in thousands)

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

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

	2019
<b>Total Pension Liability</b>	
Service cost	\$ 11,066
Interest on total pension liability	29,415
Changes of benefits terms	-
Difference between expected and actual experience	4,525
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(18,171)
Net Change in Total Pension Liability	\$ 26,835
Total Pension Liability - Beginning	410,433
Total Pension Liability - Ending (a)	<u>\$ 437,268</u>
<b>Plan Fiduciary Net Position</b>	
Contribution - employer	\$ 21,162
Contribution - employee	4,521
Net investment income	21,764
Benefit payments, including refunds of employee contributions	(18,171)
Net plan to plan resource movement	-
Administrative expense	(233)
Other miscellaneous income / (expense)	1
Net Change in Fiduciary Net Position	\$ 29,044
Plan Fiduciary Net Position - Beginning	326,448
Plan Fiduciary Net Position - Ending (b)	<u>\$ 355,492</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 81,776</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	81.30%
Covered payroll	\$ 60,442
Plan net pension liability/(asset) as a percentage of covered payroll	135.30%

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

<sup>(2)</sup> 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 2020, the discount rate was reduced from 7.50 percent to 7.25 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expenses) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amount reported were based on the 7.50 percent discount rate.



**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**  
(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)
\$ 25,455	\$ 38,536	\$ 19,634	\$ 12,227	\$ 19,349
384,978	346,442	326,808	314,581	295,232
<u>\$ 410,433</u>	<u>\$ 384,978</u>	<u>\$ 346,442</u>	<u>\$ 326,808</u>	<u>\$ 314,581</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)	-	-	-	-
\$ 28,547	\$ 35,385	\$ 6,899	\$ 12,123	\$ 48,377
297,901	262,516	255,617	243,494	195,117
<u>\$ 326,448</u>	<u>\$ 297,901</u>	<u>\$ 262,516</u>	<u>\$ 255,617</u>	<u>\$ 243,494</u>
<u>\$ 83,985</u>	<u>\$ 87,077</u>	<u>\$ 83,926</u>	<u>\$ 71,191</u>	<u>\$ 71,087</u>
79.54%	77.38%	75.77%	78.22%	77.40%
\$ 57,214	\$ 55,877	\$ 49,344	\$ 46,821	\$ 43,710
146.79%	155.84%	170.08%	152.05%	162.63%

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

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

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

	<u>2019-20</u>
Actuarially determined contribution	\$ 16,235
Contribution in relation to the actuarially determined contribution	<u>(16,235)</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Covered payroll	 \$ 59,329
Contributions as a percentage of covered payroll	27.36%

**Notes to Schedule of Plan Contributions:**

Valuation date:	June 30, 2017
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Asset valuation method	Market value
Amortization method	Level Percent of Pay
Inflation	2.625%
Salary increases	2.875%
Investment rate of return	7.25%
Retirement age	59
Mortality rate table	(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
- (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 six years are shown.

**City of Irvine**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

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

2018-19	2017-18	2016-17	2015-16	2014-15
\$ 15,348	\$ 14,004	\$ 12,687	\$ 12,082	\$ 11,677
(21,224)	(17,004)	(16,687)	(16,082)	(15,677)
<u>\$ (5,876)</u>	<u>\$ (3,000)</u>	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>
\$ 60,442	\$ 57,214	\$ 55,877	\$ 49,344	\$ 46,821
35.11%	29.72%	29.86%	32.59%	33.48%

June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Entry age normal Market value	Entry age normal Market value	Entry age normal Market value	Entry age normal Market value	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, 2020**  
(amounts expressed in thousands)

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 537	\$ 505	\$ 490
Interest on total OPEB liability	242	239	227
Difference between expected and actual experience	-	-	-
Changes in assumptions	454	291	-
Benefit payments, including refunds of employee contributions	(431)	(401)	(380)
Net Change in Total OPEB Liability	\$ 802	\$ 634	\$ 337
Total OPEB Liability - Beginning	7,417	6,783	6,446
Total OPEB Liability - Ending (a)	<u>\$ 8,219</u>	<u>\$ 7,417</u>	<u>\$ 6,783</u>
<b>Plan Fiduciary Net Position</b>			
Contribution - employer	\$ 431	\$ 401	\$ 380
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(431)	(401)	(380)
Administrative expenses	-	-	-
Net Change in Plan Fiduciary Net Position	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability/(Assets) - Ending (a) - (b)	<u>\$ 8,219</u>	<u>\$ 7,417</u>	<u>\$ 6,783</u>
Plan fiduciary net position as a percentage of the total OPEB liability funded status	0.00%	0.00%	0.00%
Covered - employee payroll	\$ 77,898	\$ 78,178	\$ 74,034
Total OPEB Liability/(Asset) as a percentage of covered - employee payroll	10.55%	9.49%	9.16%

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

**Notes to Schedule**

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





## **OTHER GOVERNMENTAL FUNDS**

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

**City of Irvine**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2020**  
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund	Total Other Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 57,195	\$ 441,910	\$ 845	\$ 499,950
Receivables, net of allowances:				
Taxes	798	-	-	798
Accounts	777	454	-	1,231
Accrued interest	171	882	2	1,055
Due from other governments	1,724	450	-	2,174
Due from developers	-	23,810	-	23,810
Long-term notes receivable, net of allowances	6,382	-	-	6,382
Total Assets	<u>\$ 67,047</u>	<u>\$ 467,506</u>	<u>\$ 847</u>	<u>\$ 535,400</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,161	\$ 3,279	\$ 4	\$ 6,444
Accrued liabilities	66	1,424	-	1,490
Due to other governments	8	-	-	8
Retention payable	-	545	-	545
Unearned revenue	11	243	-	254
Total Liabilities	<u>3,246</u>	<u>5,491</u>	<u>4</u>	<u>8,741</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	6,624	451	-	7,075
Total Deferred Inflows of Resources	<u>6,624</u>	<u>451</u>	<u>-</u>	<u>7,075</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	500	500
Restricted	26,432	413,016	343	439,791
Committed	32,254	48,548	-	80,802
Unassigned	(1,509)	-	-	(1,509)
Total Fund Balances	<u>57,177</u>	<u>461,564</u>	<u>843</u>	<u>519,584</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 67,047</u>	<u>\$ 467,506</u>	<u>\$ 847</u>	<u>\$ 535,400</u>

**City of Irvine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund	Total Other Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 28,804	\$ -	\$ -	\$ 28,804
Investment income	3,211	14,932	39	18,182
Intergovernmental	13,349	618	-	13,967
Charges for services	1,281	573	-	1,854
Contributions from property owners-				
Special districts contributions	-	6,249	-	6,249
Revenue from developers	-	5,454	-	5,454
Special Assessments	10,511	13,578	-	24,089
Donations	436	-	17	453
Other revenue	115	164	-	279
Total Revenues	57,707	41,568	56	99,331
<b>EXPENDITURES</b>				
Current:				
General Government	350	2,374	-	2,724
Public Safety	6,190	-	-	6,190
Public Works	24,641	790	-	25,431
Community Development	7,010	12	-	7,022
Community Services	2,364	60	34	2,458
Transportation	1,044	362	-	1,406
Capital outlay	-	31,974	-	31,974
Total Expenditures	41,599	35,572	34	77,205
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,108	5,996	22	22,126
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,169	13,178	-	19,347
Transfers out	(17,064)	(273)	-	(17,337)
Total Other Financing Sources (Uses)	(10,895)	12,905	-	2,010
Net Change in Fund Balances	5,213	18,901	22	24,136
Fund Balances, Beginning	51,964	442,663	821	495,448
Fund Balances, Ending	\$ 57,177	\$ 461,564	\$ 843	\$ 519,584



## OTHER SPECIAL REVENUE FUNDS

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

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

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

Systems Development - This fund accounts for a 1% 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.

OCFA 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.

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

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2020**  
(amount expressed in thousands)  
Page 1 of 3

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
<b>ASSETS</b>			
Cash and investments	\$ 651	\$ 18,601	\$ 30,332
Receivables, net of allowances:			
Taxes	616	-	-
Accounts	-	538	-
Accrued interest	13	52	81
Due from other governments	-	741	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 1,280</u>	<u>\$ 19,932</u>	<u>\$ 30,413</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 332	\$ 25
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total Liabilities	<u>-</u>	<u>332</u>	<u>25</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	1,280	19,600	-
Committed	-	-	30,388
Unassigned	-	-	-
Total Fund Balances	<u>1,280</u>	<u>19,600</u>	<u>30,388</u>
Resources, and Fund Balances (Deficits)	<u>\$ 1,280</u>	<u>\$ 19,932</u>	<u>\$ 30,413</u>

- continued -



City of Irvine  
Combining Balance Sheet  
Other Special Revenue Funds  
June 30, 2020  
(amount expressed in thousands)  
Page 2 of 3

	Maintenance District	Air Quality Improvement	OCFA Settlement Agreement
<b>ASSETS</b>			
Cash and investments	\$ 3,636	\$ 485	\$ 197
Receivables, net of allowances:			
Taxes	182	-	-
Accounts	25	88	-
Accrued interest	11	1	1
Due from other governments	19	-	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 3,873</u>	<u>\$ 574</u>	<u>\$ 198</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,069	\$ 15	\$ 140
Accrued liabilities	36	-	1
Due to other governments	-	-	5
Unearned revenue	-	-	-
Total Liabilities	<u>2,105</u>	<u>15</u>	<u>146</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	32	-	-
Total Deferred Inflows of Resources	<u>32</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	-	559	52
Committed	1,736	-	-
Unassigned	-	-	-
Total Fund Balances	<u>1,736</u>	<u>559</u>	<u>52</u>
Resources, and Fund Balances (Deficits)	<u>\$ 3,873</u>	<u>\$ 574</u>	<u>\$ 198</u>

- continued -

**City of Irvine**  
**Combining Balance Sheet**  
**Other Special Revenue Funds**  
**June 30, 2020**  
(amount expressed in thousands)  
Page 3 of 3

	Major Special Events	iShuttle	Grants	Total Other Special Revenue Funds
<b>ASSETS</b>				
Cash and investments	\$ 121	\$ 1,164	\$ 2,008	\$ 57,195
Receivables, net of allowances:				
Taxes	-	-	-	798
Accounts	9	8	109	777
Accrued interest	-	3	9	171
Due from other governments	-	-	964	1,724
Long-term notes receivable, net of allowances	-	-	6,382	6,382
Total Assets	<u>\$ 130</u>	<u>\$ 1,175</u>	<u>\$ 9,472</u>	<u>\$ 67,047</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 63	\$ 517	\$ 3,161
Accrued liabilities	-	24	5	66
Due to other governments	-	-	3	8
Unearned revenue	-	6	5	11
Total Liabilities	<u>-</u>	<u>93</u>	<u>530</u>	<u>3,246</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	4	6,588	6,624
Total Deferred Inflows of Resources	<u>-</u>	<u>4</u>	<u>6,588</u>	<u>6,624</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	1,078	3,863	26,432
Committed	130	-	-	32,254
Unassigned	-	-	(1,509)	(1,509)
Total Fund Balances	<u>130</u>	<u>1,078</u>	<u>2,354</u>	<u>57,177</u>
Resources, and Fund Balances (Deficits)	<u>\$ 130</u>	<u>\$ 1,175</u>	<u>\$ 9,472</u>	<u>\$ 67,047</u>



City of Irvine  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Other Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 1 of 3

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
<b>REVENUES</b>			
Taxes	\$ 5,173	\$ 11,455	\$ 8,769
Investment income	258	1,006	1,496
Intergovernmental	-	315	-
Charges for services	-	-	-
Special assessments	-	-	-
Donations	-	-	-
Other revenue	-	-	-
Total Revenues	5,431	12,776	10,265
<b>EXPENDITURES</b>			
Current:			
General Government	27	23	-
Public Safety	-	-	-
Public Works	-	5,304	-
Community Development	-	-	-
Community Services	-	-	-
Transportation	121	-	545
Total Expenditures	148	5,327	545
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,283	7,449	9,720
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(5,932)	(3,951)	(7,013)
Total Other Financing Sources (Uses)	(5,932)	(3,951)	(7,013)
Net Change in Fund Balances	(649)	3,498	2,707
Fund Balances, Beginning	1,929	16,102	27,681
Fund Balances, Ending	\$ 1,280	\$ 19,600	\$ 30,388

- 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, 2020  
(amounts expressed in thousands)  
Page 2 of 3

	Maintenance District	Air Quality Improvement	OCFA Settlement Agreement
<b>REVENUES</b>			
Taxes	\$ 3,407	\$ -	\$ -
Investment income	193	23	17
Intergovernmental	-	355	618
Charges for services	101	-	-
Special assessments	10,511	-	-
Donations	3	-	-
Other revenue	115	-	-
Total Revenues	14,330	378	635
<b>EXPENDITURES</b>			
Current:			
General Government	59	16	-
Public Safety	-	161	583
Public Works	19,000	-	-
Community Development	-	-	-
Community Services	140	-	-
Transportation	35	58	-
Total Expenditures	19,234	235	583
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,904)	143	52
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	5,526	-	-
Transfers out	-	(113)	-
Total Other Financing Sources (Uses)	5,526	(113)	-
Net Change in Fund Balances	622	30	52
Fund Balances, Beginning	1,114	529	-
Fund Balances, Ending	\$ 1,736	\$ 559	\$ 52

- 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, 2020  
(amounts expressed in thousands)  
Page 3 of 3

	Major Special Events	iShuttle	Grants	Total Other Special Revenue Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 28,804
Investment income	-	52	166	3,211
Intergovernmental	-	-	12,061	13,349
Charges for services	1,005	-	175	1,281
Special assessments	-	-	-	10,511
Donations	-	42	391	436
Other revenue	-	-	-	115
Total Revenues	1,005	94	12,793	57,707
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	225	350
Public Safety	989	-	4,457	6,190
Public Works	-	-	337	24,641
Community Development	-	-	7,010	7,010
Community Services	-	-	2,224	2,364
Transportation	-	88	197	1,044
Total Expenditures	989	88	14,450	41,599
Excess (Deficiency) of Revenues Over (Under) Expenditures	16	6	(1,657)	16,108
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	96	547	6,169
Transfers out	(55)	-	-	(17,064)
Total Other Financing Sources	(55)	96	547	(10,895)
Net Change in Fund Balances	(39)	102	(1,110)	5,213
Fund Balances, Beginning	169	976	3,464	51,964
Fund Balances, Ending	\$ 130	\$ 1,078	\$ 2,354	57,177





**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, 2020**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 5,093	\$ 5,093	\$ 5,173	\$ 80
Investment income	-	-	258	258
Total Revenues	5,093	5,093	5,431	338
<b>EXPENDITURES</b>				
Current:				
General Government	40	40	27	13
Public Works	330	330	-	330
Transportation	175	175	121	54
Total Expenditures	545	545	148	397
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,548	4,548	5,283	735
Transfers out	(5,934)	(5,938)	(5,932)	6
Total Other Financing Sources (Uses)	(5,934)	(5,938)	(5,932)	6
Net Change in Fund Balances	(1,386)	(1,390)	(649)	741
Fund Balances, Beginning	1,929	1,929	1,929	-
Fund Balances, Ending	\$ 543	\$ 539	\$ 1,280	\$ 741

**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, 2020**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 11,494	\$ 11,494	\$ 11,455	\$ (39)
Investment income	-	-	1,006	1,006
Intergovernmental	311	311	315	4
Total Revenues	11,805	11,805	12,776	971
<b>EXPENDITURES</b>				
Current:				
General Government	37	37	23	14
Public Works	5,477	5,477	5,304	173
Total Expenditures	5,514	5,514	5,327	187
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,291	6,291	7,449	1,158
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(17,582)	(17,939)	(3,951)	13,988
Total Other Financing Sources (Uses)	(17,582)	(17,939)	(3,951)	13,988
Net Change in Fund Balances	(11,291)	(11,648)	3,498	15,146
Fund Balances, Beginning	16,102	16,102	16,102	-
Fund Balances, Ending	\$ 4,811	\$ 4,454	\$ 19,600	\$ 15,146

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Systems Development**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 11,250	\$ 11,250	\$ 8,769	\$ (2,481)
Investment income	623	623	1,496	873
Total Revenues	11,873	11,873	10,265	(1,608)
<b>EXPENDITURES</b>				
Current:				
Transportation	1,000	1,000	545	455
Total Expenditures	1,000	1,000	545	455
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,873	10,873	9,720	(1,153)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(6,687)	(7,013)	(7,013)	-
Total Other Financing Sources (Uses)	(6,687)	(7,013)	(7,013)	-
Net Change in Fund Balances	4,186	3,860	2,707	(1,153)
Fund Balances, Beginning	27,681	27,681	27,681	-
Fund Balances, Ending	\$ 31,867	\$ 31,541	\$ 30,388	\$ (1,153)

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Maintenance District**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 3,335	\$ 3,335	\$ 3,407	\$ 72
Investment income	-	-	193	193
Charges for services	95	95	101	6
Special assessments	10,379	10,379	10,511	132
Donations	-	3	3	-
Other revenue	60	60	115	55
Total Revenues	13,869	13,872	14,330	458
<b>EXPENDITURES</b>				
Current:				
General Government	71	82	59	23
Public Works	20,105	20,106	19,000	1,106
Community Services	-	-	140	(140)
Transportation	-	-	35	(35)
Total Expenditures	20,176	20,188	19,234	954
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,307)	(6,316)	(4,904)	1,412
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,526	5,526	5,526	-
Total Other Financing Sources (Uses)	5,526	5,526	5,526	-
Net Change in Fund Balances	(781)	(790)	622	1,412
Fund Balances, Beginning	1,114	1,114	1,114	-
Fund Balances, Ending	\$ 333	\$ 324	\$ 1,736	\$ 1,412

**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, 2020**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 23	\$ 23
Intergovernmental	310	310	355	45
Total Revenues	310	310	378	68
<b>EXPENDITURES</b>				
Current:				
General Government	16	16	16	-
Public Safety	180	180	161	19
Transportation	59	59	58	1
Total Expenditures	255	255	235	20
Excess (Deficiency) of Revenues	55	55	143	88
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(303)	(270)	(113)	157
Total Other Financing Sources (Uses)	(303)	(270)	(113)	157
Net Change in Fund Balances	(248)	(215)	30	245
Fund Balances, Beginning	529	529	529	-
Fund Balances, Ending	\$ 281	\$ 314	\$ 559	\$ 245

**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, 2020**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 17	\$ 17
Intergovernmental	-	2,118	618	(1,500)
Total Revenues	-	2,118	635	(1,483)
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	618	583	35
Total Expenditures	-	618	583	35
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,500	52	(1,448)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(1,500)	-	1,500
Total Other Financing Sources (Uses)	-	(1,500)	-	1,500
Net Change in Fund Balances	-	-	52	52
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ 52	\$ 52



**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, 2020**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Charges for services	\$ 2,015	\$ 2,015	\$ 1,005	\$ (1,010)
Total Revenues	2,015	2,015	1,005	(1,010)
<b>EXPENDITURES</b>				
Current:				
Public Safety	1,940	1,940	989	951
Transportation	33	33	-	33
Total Expenditures	1,973	1,973	989	984
Excess (Deficiency) of Revenues Over (Under) Expenditures	42	42	16	(26)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(55)	(55)	(55)	-
Total Other Financing Sources (Uses)	(55)	(55)	(55)	-
Net Change in Fund Balances	(13)	(13)	(39)	(26)
Fund Balances, Beginning	169	169	169	-
Fund Balances, Ending	\$ 156	\$ 156	\$ 130	\$ (26)



**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Shuttle**  
**For the Fiscal Year Ended June 30, 2020**  
(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	\$ -	\$ -	\$ 52	\$ 52
Donations	50	50	42	(8)
Total Revenues	50	50	94	44
<b>EXPENDITURES</b>				
Current:				
Transportation	602	746	88	658
Total Expenditures	602	746	88	658
Excess (Deficiency) of Revenues over (under) Expenditures	(552)	(696)	6	702
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	625	625	96	(529)
Total Other Financing Sources (Uses)	625	625	96	(529)
Net Change in Fund Balances	73	(71)	102	173
Fund Balances, Beginning	976	976	976	-
Fund Balances, Ending	<u>\$ 1,049</u>	<u>\$ 905</u>	<u>\$ 1,078</u>	<u>\$ 173</u>

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Grants**  
**For the Fiscal Year Ended June 30, 2020**  
(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	\$ -	\$ -	\$ 166	\$ 166
Intergovernmental	5,250	14,926	12,061	(2,865)
Charges for services	256	275	175	(100)
Donations	302	402	391	(11)
Total Revenues	5,808	15,603	12,793	(2,810)
<b>EXPENDITURES</b>				
Current:				
General Government	77	2,097	225	1,872
Public Safety	3,024	5,615	4,457	1,158
Public Works	149	149	337	(188)
Community Development	2,519	7,709	7,010	699
Community Services	1,648	2,126	2,224	(98)
Transportation	200	200	197	3
Total Expenditures	7,617	17,896	14,450	3,446
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,809)	(2,293)	(1,657)	636
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	549	549	547	(2)
Total Other Financing Sources (Uses)	549	549	547	(2)
Net Change in Fund Balances	(1,260)	(1,744)	(1,110)	634
Fund Balances, Beginning	3,464	3,464	3,464	-
Fund Balances, Ending	\$ 2,204	\$ 1,720	\$ 2,354	\$ 634





## OTHER CAPITAL PROJECTS FUNDS

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

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

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

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

Community Facilities District Fund – This fund accounts for the capital infrastructure improvements associated with the Central Park and Great Park Community Facilities Districts..

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

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, 2020**  
(amounts expressed in thousands)  
Page 1 of 2

	Slurry Seal Fees	Park Development	Irvine Business Complex	Community Facilities Districts
<b>ASSETS</b>				
Cash and investments	\$ 3,532	\$ 48,195	\$ 102,470	\$ 84,444
Receivables, net of allowances:				
Accounts	454	-	-	-
Accrued interest	2	117	260	152
Due from other governments	1	404	45	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 3,989</u>	<u>\$ 48,716</u>	<u>\$ 102,775</u>	<u>\$ 84,596</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,288	\$ 773	\$ 50	\$ -
Accrued liabilities	-	1	2	1,214
Retentions payable	348	39	57	-
Unearned revenue	-	202	41	-
Total Liabilities	<u>2,636</u>	<u>1,015</u>	<u>150</u>	<u>1,214</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	2	404	45	-
Total Deferred Inflows of Resources	<u>2</u>	<u>404</u>	<u>45</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	-	100	102,580	83,382
Committed	1,351	47,197	-	-
Total Fund Balances	<u>1,351</u>	<u>47,297</u>	<u>102,580</u>	<u>83,382</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 3,989</u>	<u>\$ 48,716</u>	<u>\$ 102,775</u>	<u>\$ 84,596</u>

- continued -

City of Irvine  
Combining Balance Sheet  
Other Capital Projects Funds  
June 30, 2020  
(amounts expressed in thousands)  
Page 2 of 2

	Assessment Districts	North Irvine Transportation Mitigation	Total Other Capital Projects Funds
<b>ASSETS</b>			
Cash and investments	\$ 115,044	\$ 88,225	\$ 441,910
Receivables, net of allowances:			
Accounts	-	-	454
Accrued interest	127	224	882
Due from other governments	-	-	450
Due from developers	-	23,810	23,810
Total Assets	<u>\$ 115,171</u>	<u>\$ 112,259</u>	<u>\$ 467,506</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 168	\$ 3,279
Accrued liabilities	206	1	1,424
Retentions payable	-	101	545
Unearned revenue	-	-	243
Total Liabilities	<u>206</u>	<u>270</u>	<u>5,491</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	-	-	451
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>451</u>
<b>FUND BALANCES (DEFICITS)</b>			
Restricted	114,965	111,989	413,016
Committed	-	-	48,548
Total Fund Balances	<u>114,965</u>	<u>111,989</u>	<u>461,564</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 115,171</u>	<u>\$ 112,259</u>	<u>\$ 467,506</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, 2020  
(amounts expressed in thousands)  
Page 1 of 2

	Slurry Seal Fees	Park Development	Irvine Business Complex	Community Facilities Districts
<b>REVENUES</b>				
Investment income	\$ 20	\$ 2,248	\$ 4,907	\$ 1,565
Intergovernmental	-	528	90	-
Charges for services	266	307	-	-
Contribution from property owners- Special districts contributions	-	-	-	326
Revenue from developers	-	-	3,587	-
Special assessments	-	-	-	13,578
Other revenue	-	-	164	-
Total Revenues	286	3,083	8,748	15,469
<b>EXPENDITURES</b>				
Current:				
General Government	7	31	25	-
Public Works	24	179	90	280
Community Development	-	2	9	1
Community Services	-	60	-	-
Transportation	-	-	348	1
Capital outlay	6,766	4,792	2,878	12,039
Total Expenditures	6,797	5,064	3,350	12,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,511)	(1,981)	5,398	3,148
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,794	6,187	197	-
Transfers out	-	-	(268)	-
Total Other Financing Sources (Uses)	6,794	6,187	(71)	-
Net Change in Fund Balances	283	4,206	5,327	3,148
Fund Balances, Beginning	1,068	43,091	97,253	80,234
Fund Balances, Ending	\$ 1,351	\$ 47,297	\$ 102,580	\$ 83,382

- 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, 2020  
(amounts expressed in thousands)  
Page 2 of 2

	Assessment Districts	North Irvine Transportation Mitigation	Total Other Capital Projects Funds
<b>REVENUES</b>			
Investment income	\$ 1,951	\$ 4,241	14,932
Intergovernmental	-	-	618
Charges for services	-	-	573
Contribution from property owners-			-
Special districts contributions	5,923	-	6,249
Revenue from developers	-	1,867	5,454
Special assessments	-	-	13,578
Other revenue	-	-	164
Total Revenues	7,874	6,108	41,568
<b>EXPENDITURES</b>			
Current:			
General Government	2,299	12	2,374
Public Works	138	79	790
Community Development	-	-	12
Community Services	-	-	60
Transportation	-	13	362
Capital outlay	3,352	2,147	31,974
Total Expenditures	5,789	2,251	35,572
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,085	3,857	5,996
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	13,178
Transfers out	(5)	-	(273)
Total Other Financing Sources (Uses)	(5)	-	12,905
Net Change in Fund Balances	2,080	3,857	18,901
Fund Balances, Beginning	112,885	108,132	442,663
Fund Balances, Ending	\$ 114,965	\$ 111,989	\$ 461,564



## 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, 2020**  
 (amounts expressed in thousands)

	<b>Senior Services Fund</b>
<b>ASSETS</b>	
Cash and investments	\$ 845
Receivables, net of allowances:	
Accrued interest	2
Total Assets	<u>\$ 847</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	4
Total Liabilities	<u>4</u>
Fund Balances:	
Nonspendable	500
Restricted	343
Total Fund Balances	<u>843</u>
Total Liabilities and Fund Balances	<u>\$ 847</u>

City of Irvine  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Permanent Fund  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)

	Senior Services Fund
<b>REVENUES</b>	
Investment income	39
Donations	\$ 17
Total Revenues	56
<b>EXPENDITURES</b>	
Current:	
Community Services	34
Total Expenditures	34
Excess (Deficiency) of Revenues Over (Under) Expenditures	22
<b>OTHER FINANCING SOURCES (USES)</b>	
Total Other Financing Sources (Uses)	-
Net Change in Fund Balances	22
Fund Balances, Beginning	821
Fund Balances, Ending	\$ 843

**City of Irvine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Senior Services**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 39	\$ 39
Donations	19	19	17	(2)
Total Revenues	19	19	56	37
<b>EXPENDITURES</b>				
Current:				
Community Services	97	97	34	63
Total Expenditures	97	97	34	63
Net Change in Fund Balances	(78)	(78)	22	100
Fund Balances, Beginning	821	821	821	-
Fund Balances, Ending	<u>\$ 743</u>	<u>\$ 743</u>	<u>\$ 843</u>	<u>\$ 100</u>







# INTERNAL SERVICE FUNDS

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

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

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

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

**City of Irvine**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2020**  
(amounts expressed in thousands)

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 20,608	\$ 26,532	\$ 15	\$ 47,155
Receivables, net of allowances:				
Accounts	144	28	-	172
Accrued interest	52	70	-	122
Prepaid items	-	713	-	713
Inventories	-	-	158	158
Total Current Assets	20,804	27,343	173	48,320
Noncurrent Assets:				
Capital assets:				
Equipment	20	26,175	-	26,195
Less accumulated depreciation	(20)	(18,761)	-	(18,781)
Total Noncurrent Assets	-	7,414	-	7,414
Total Assets	20,804	34,757	173	55,734
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	259	603	-	862
Total Deferred Outflows of Resources	259	603	-	862
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	124	1,956	6	2,086
Accrued liabilities	51	41	3	95
Due to other governments	-	6	6	12
Compensated absences	39	137	-	176
Claims payable	4,549	-	-	4,549
Total Current Liabilities	4,763	2,140	15	6,918
Noncurrent Liabilities:				
Compensated absences	92	324	1	417
Claims payable	13,224	-	-	13,224
Net pension	736	1,717	-	2,453
Total Noncurrent Liabilities	14,052	2,041	1	16,094
Total Liabilities	18,815	4,181	16	23,012
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	36	85	-	121
Total Deferred Inflows of Resources	36	85	-	121
<b>NET POSITION</b>				
Net investment in capital assets	-	7,414	-	7,414
Unrestricted	2,212	23,680	157	26,049
Total Net Position	\$ 2,212	\$ 31,094	\$ 157	\$ 33,463

**City of Irvine**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 7,587	\$ 27,974	\$ 285	\$ 35,846
Other	-	123	1	124
Total Operating Revenues	7,587	28,097	286	35,970
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,030	5,031	5	6,066
Supplies and equipment	65	6,367	278	6,710
Contract services	498	7,700	-	8,198
Administration	5	1,977	-	1,982
Self-insured losses	4,474	-	-	4,474
Insurance premiums	2,787	65	-	2,852
Depreciation	-	2,544	-	2,544
Total Operating Expenses	8,859	23,684	283	32,826
Operating Income (Loss)	(1,272)	4,413	3	3,144
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	960	1,352	1	2,313
Gain (loss) on disposal of equipment	-	103	-	103
Total Nonoperating Revenues	960	1,455	1	2,416
Income (Loss) Before Capital Contributions and Transfers	(312)	5,868	4	5,560
Capital contributions	-	713	-	713
Transfers in	-	1,750	-	1,750
Transfers out	-	(69)	-	(69)
Change in Net Position	(312)	8,262	4	7,954
Total Net Position, Beginning	2,524	22,832	153	25,509
Total Net Position, Ending	\$ 2,212	\$ 31,094	\$ 157	\$ 33,463

**City of Irvine**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service
<b>Cash Flows From Operating Activities</b>				
Received from customers and users	\$ -	108	\$ -	\$ 108
Received from interfund services provided	7,487	27,974	286	35,747
Paid to suppliers and providers	(6,361)	(16,826)	(359)	(23,546)
Paid for salaries and benefits	(936)	(4,649)	(5)	(5,590)
Net Cash Provided (Used) by Operating Activities	190	6,607	(78)	6,719
<b>Cash Flows From Non-Capital Financing Activities</b>				
Transfers from other funds	-	1,750	-	1,750
Transfers to other funds	-	(69)	-	(69)
Net Cash Provided (Used) by Non-Capital Financing Activities	-	1,681	-	1,681
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from sale of equipment	-	152	-	152
Equipment purchases	-	(1,893)	-	(1,893)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(1,741)	-	(1,741)
Interest received on investments	959	1,333	1	2,293
Net Cash Provided (Used) by Investing Activities	959	1,333	1	2,293
Net Increase (Decrease) in Cash and Cash Equivalents	1,149	7,880	(77)	8,952
Cash and Cash Equivalents, Beginning of Fiscal Year	19,459	18,652	92	38,203
Cash and Cash Equivalents, End of Fiscal Year	\$ 20,608	\$ 26,532	\$ 15	\$ 47,155
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
<b>Cash Flows from Operating Activities</b>				
Operating income (loss)	\$ (1,272)	\$ 4,413	\$ 3	\$ 3,144
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	2,544	-	2,544
(Increase) decrease in receivables, net of allowances	(100)	(15)	-	(115)
(Increase) decrease in prepaid items	6	577	-	583
(Increase) decrease in inventories	-	-	(75)	(75)
(Increase) decrease in deferred outflows	75	176	-	251
Increase (decrease) in accounts payable	(15)	(1,298)	(15)	(1,328)
Increase (decrease) in accrued liabilities	3	40	3	46
Increase (decrease) in due to other governments	-	5	6	11
Increase (decrease) in deferred inflow	(2)	-	-	(2)
Increase (decrease) in compensated absences	33	215	-	248
Increase (decrease) in claims payable	1,482	(47)	-	1,435
Increase (decrease) in net pension	(20)	(3)	-	(23)
Total Adjustments	1,462	2,194	(81)	3,575
Net Cash Provided (Used) by Operating Activities	\$ 190	\$ 6,607	\$ (78)	\$ 6,719
<b>Schedule of Non-Cash and Related Financing Activities</b>				
Contribution of Capital Assets	\$ -	\$ 713	\$ -	\$ 713







# FIDUCIARY FUNDS

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

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

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

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

**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Pension and Employee Benefit Trust Funds**  
**June 30, 2020**  
(amount expressed in thousands)

	<b>PENSION TRUST</b> <b>(December 31, 2019)</b>		
	<b>Defined Benefit Pension Plan</b>	<b>Defined Contribution Pension Plan</b>	<b>Total Pension and Employee Benefit Trust Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 400	\$ -	\$ 400
Receivables, net of allowances:			
Employer contributions	7	3	10
Plan member contributions	1	2	3
Loans	-	33	33
Other receivable	1	-	1
Investments:			
Pooled funds	19,428	4,878	24,306
Mutual funds - closed end funds equity	220	-	220
Mutual funds - equity	-	4,637	4,637
Mutual funds - corporate bonds	-	705	705
Mutual funds - balanced	-	417	417
Wells Fargo funds - balanced	-	1,048	1,048
Total Assets	20,057	11,723	31,780
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	-	6	6
Accrued liabilities	21	-	21
Total Liabilities	21	6	27
<b>NET POSITION</b>			
Net position restricted for pensions	20,036	11,717	31,753
Total Net Position	\$ 20,036	\$ 11,717	\$ 31,753

**City of Irvine**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension and Employee Benefit Trust Funds**  
**For the Fiscal Year Ended June 30, 2020**  
(amount expressed in thousands)

	<b>PENSION TRUST</b> <b>(December 31, 2019)</b>		
	<b>Defined Benefit Pension Plan</b>	<b>Defined Contribution Pension Plan</b>	<b>Total Pension and Employee Benefit Trust Funds</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 263	\$ 125	\$ 388
Plan members	45	46	91
Interest from participants' loan	-	2	2
Total Contributions	308	173	481
Investment income (loss):			
Interest and dividends	15	99	114
Net appreciation (depreciation) in fair value of investments	2,604	1,657	4,261
Total Investment Income	2,619	1,756	4,375
Less: investment expenses	(68)	(26)	(94)
Net Investment Income	2,551	1,730	4,281
Total Additions	2,859	1,903	4,762
<b>DEDUCTIONS</b>			
Benefit payments	1,271	217	1,488
Administrative expenses	28	29	57
Total Deductions	1,299	246	1,545
Change in Net Position	1,560	1,657	3,217
Total Net Position, Beginning	18,476	10,060	28,536
Total Net Position, Ending	\$ 20,036	\$ 11,717	\$ 31,753

**City of Irvine**  
**Combining Statement of Fiduciary Net Position**  
**Private-Purpose Trust Funds**  
**June 30, 2020**  
(amounts expressed in thousands)

	Successor Agency Debt Service	Redevelopment Obligation Retirement	Total Successor Agency Private-Purpose Trust Funds
<b>ASSETS</b>			
Cash and investments	\$ 30	\$ 10,354	\$ 10,384
Accrued interest	-	24	24
Due from other governments	171,450	-	171,450
Total Assets	<u>171,480</u>	<u>10,378</u>	<u>181,858</u>
<b>LIABILITIES</b>			
Accounts payable	-	3,275	3,275
Advances from the City of Irvine	171,450	-	171,450
Total Liabilities	<u>171,450</u>	<u>3,275</u>	<u>174,725</u>
<b>NET POSITION</b>			
Held in trust for enforceable obligations	<u>30</u>	<u>7,103</u>	<u>7,133</u>
Total Net Position	<u><u>\$ 30</u></u>	<u><u>\$ 7,103</u></u>	<u><u>\$ 7,133</u></u>

City of Irvine  
Combining Statement of Changes in Fiduciary Net Position  
Private-Purpose Trust Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)

	Successor Agency Debt Service	Redevelopment Obligation Retirement	Total Successor Agency Private-Purpose Trust Funds
<b>ADDITIONS</b>			
Taxes	\$ -	\$ 6,853	\$ 6,853
Investment income	2	394	396
Total Additions	2	7,247	7,249
<b>DEDUCTIONS</b>			
Distributions to the County	-	3,255	3,255
Administration	-	22	22
Total Deductions	-	3,277	3,277
Change in Net Position	2	3,970	3,972
Total Net Position, Beginning	28	3,133	3,161
Total Net Position, Ending	\$ 30	\$ 7,103	\$ 7,133

City of Irvine  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2020  
(amounts expressed in thousands)  
Page 1 of 7

	Eastwood Assessment District 13-25	Stonegate Assessment District 07-22	Orchard Hills Reassessment District 05-21
<b>ASSETS</b>			
Cash and investments	\$ 3,788	\$ 4,187	\$ 14,899
Receivables, net of allowances:			
Taxes	43	39	155
Accounts	-	-	-
Accrued interest	-	-	1
Due from other funds	-	-	135
Due from developers	-	35	106
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 3,831</u>	<u>\$ 4,261</u>	<u>\$ 15,296</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1	\$ 3	\$ 7
Accrued liabilities	-	-	2
Due to bondholders	3,830	4,258	15,287
Due to other funds	-	-	-
Due to other governments	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$ 3,831</u>	<u>\$ 4,261</u>	<u>\$ 15,296</u>
			- continued -



City of Irvine  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2020  
(amounts expressed in thousands)  
Page 2 of 7

	Portola Springs Reassessment District 04-20	Woodbury Assessment District 03-19	Shady Canyon/ Turtle Ridge Assessment District 00-18
<b>ASSETS</b>			
Cash and investments	\$ 11,759	\$ -	\$ 116
Receivables, net of allowances:			
Taxes	30	-	-
Accounts	-	-	-
Accrued interest	15	-	-
Due from other funds	-	-	-
Due from developers	13	143	35
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	\$ 11,817	\$ 143	\$ 151
	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 8	\$ 1
Accrued liabilities	1	-	-
Due to bondholders	11,816	29	150
Due to other funds	-	106	-
Due to other governments	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	\$ 11,817	\$ 143	\$ 151
	<u>          </u>	<u>          </u>	<u>          </u>

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City of Irvine  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2020  
(amounts expressed in thousands)  
Page 3 of 7

	Irvine Spectrum Reassessment District 85-7	Irvine Spectrum Assessment District 87-8	Irvine Spectrum Assessment District 93-14	Oak Creek Assessment District 94-13
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 182	\$ 7,161	\$ 309
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	30	-
Due from other funds	-	-	-	-
Due from developers	90	47	122	52
	<u>90</u>	<u>47</u>	<u>122</u>	<u>52</u>
Total Assets	<u>\$ 90</u>	<u>\$ 229</u>	<u>\$ 7,313</u>	<u>\$ 361</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 27	\$ 2	\$ -	\$ 4
Accrued liabilities	-	-	1	-
Due to bondholders	34	227	7,312	357
Due to other funds	29	-	-	-
Due to other governments	-	-	-	-
	<u>90</u>	<u>229</u>	<u>7,313</u>	<u>361</u>
Total Liabilities	<u>\$ 90</u>	<u>\$ 229</u>	<u>\$ 7,313</u>	<u>\$ 361</u>

- continued -

City of Irvine  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2020  
(amounts expressed in thousands)  
Page 4 of 7

	Northwest Assessment District 97-16	Lower Peters Canyon Assessment District 97-17	Reassessment District 12-1
<b>ASSETS</b>			
Cash and investments	\$ 446	\$ 395	\$ 21,553
Receivables, net of allowances:			
Taxes	-	-	228
Accounts	-	-	-
Accrued interest	-	-	15
Due from other funds	-	-	-
Due from developers	72	92	-
	<u>\$ 518</u>	<u>\$ 487</u>	<u>\$ 21,796</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	\$ 5	\$ 5	\$ 5
Accrued liabilities	1	1	1
Due to bondholders	512	481	21,790
Due to other funds	-	-	-
Due to other governments	-	-	-
	<u>\$ 518</u>	<u>\$ 487</u>	<u>\$ 21,796</u>
Total Liabilities			

- continued -

City of Irvine  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2020  
(amounts expressed in thousands)  
Page 5 of 7

	Reassessment District 13-1	Reassessment District 15-1	Reassessment District 15-2
<b>ASSETS</b>			
Cash and investments	\$ 14,407	\$ 10,124	\$ 6,731
Receivables, net of allowances:			
Taxes	145	149	57
Accounts	-	-	-
Accrued interest	32	1	-
Due from other funds	-	-	-
Due from developers	-	-	-
	<u>14,584</u>	<u>10,274</u>	<u>6,788</u>
Total Assets	<u>\$ 14,584</u>	<u>\$ 10,274</u>	<u>\$ 6,788</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 3	\$ 4	\$ 2
Accrued liabilities	1	1	-
Due to bondholders	14,580	10,269	6,786
Due to other funds	-	-	-
Due to other governments	-	-	-
	<u>14,584</u>	<u>10,274</u>	<u>6,788</u>
Total Liabilities	<u>\$ 14,584</u>	<u>\$ 10,274</u>	<u>\$ 6,788</u>

- continued -

**City of Irvine**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2020**  
(amounts expressed in thousands)  
Page 6 of 7

	Reassessment District 19-1	CFD - Central Park 2004-1	CFD - Columbus 2005-2
<b>ASSETS</b>			
Cash and investments	\$ 4,675	\$ 2,064	\$ 1,756
Receivables, net of allowances:			
Taxes	84	53	14
Accounts	-	-	-
Accrued interest	-	8	5
Due from other funds	-	-	-
Due from developers	-	-	-
	<u>\$ 4,759</u>	<u>\$ 2,125</u>	<u>\$ 1,775</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	\$ 2	\$ 2	\$ -
Accrued liabilities	-	-	-
Due to bondholders	4,757	2,123	1,775
Due to other funds	-	-	-
Due to other governments	-	-	-
	<u>\$ 4,759</u>	<u>\$ 2,125</u>	<u>\$ 1,775</u>
Total Liabilities			

- continued -

City of Irvine  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2020  
(amounts expressed in thousands)  
Page 7 of 7

	CFD - Great Park 2013-3	Inter-Agency Custodial Fund	Total Agency Funds
<b>ASSETS</b>			
Cash and investments	\$ 29,263	\$ 84	\$ 133,899
Receivables, net of allowances:			
Taxes	1,106	-	2,103
Accounts	3,124	-	3,124
Accrued interest	22	-	129
Due from other funds	-	-	135
Due from developers	-	-	807
	<u>\$ 33,515</u>	<u>\$ 84</u>	<u>\$ 140,197</u>
Total Assets			
<b>LIABILITIES</b>			
Accounts payable	\$ 10	\$ -	\$ 91
Accrued liabilities	2	-	11
Due to bondholders	30,373	-	136,746
Due to other funds	-	-	135
Due to other governments	3,130	84	3,214
	<u>\$ 33,515</u>	<u>\$ 84</u>	<u>\$ 140,197</u>
Total Liabilities			





City of Irvine  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 1 of 9

	June 30, 2019 Balance	Additions	Deductions	June 30, 2020 Balance
<b>Eastwood Assessment District 13-25</b>				
<b>ASSETS</b>				
Cash and investments	\$ 3,587	\$ 6,647	\$ 6,446	\$ 3,788
Receivables, net of allowances:				
Taxes	70	43	70	43
Accounts	-	-	-	-
Accrued interest	43	-	43	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 3,700</u>	<u>\$ 6,690</u>	<u>\$ 6,559</u>	<u>\$ 3,831</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 8	\$ 2,134	\$ 2,141	\$ 1
Accrued liabilities	-	-	-	-
Due to bondholders	3,692	138	-	3,830
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 3,700</u>	<u>\$ 2,272</u>	<u>\$ 2,141</u>	<u>\$ 3,831</u>
<b>Cypress Village Assessment District 11-24</b>				
<b>ASSETS</b>				
Cash and investments	\$ 3,411	\$ 27,553	\$ 30,964	\$ -
Receivables, net of allowances:				
Taxes	31	-	31	-
Accounts	-	-	-	-
Accrued interest	1	-	1	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 3,443</u>	<u>\$ 27,553</u>	<u>\$ 30,996</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1	\$ 31	\$ 32	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	3,442	-	3,442	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 3,443</u>	<u>\$ 31</u>	<u>\$ 3,474</u>	<u>\$ -</u>
<b>Laguna Alta Assessment District 10-23</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,505	\$ 12,690	\$ 14,195	\$ -
Receivables, net of allowances:				
Taxes	19	-	19	-
Accounts	-	-	-	-
Accrued interest	1	-	1	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 1,525</u>	<u>\$ 12,690</u>	<u>\$ 14,215</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 20	\$ 20	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	1,525	-	1,525	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,525</u>	<u>\$ 20</u>	<u>\$ 1,545</u>	<u>\$ -</u>

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City of Irvine  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 2 of 9

	June 30, 2019 Balance	Additions	Deductions	June 30, 2020 Balance
<b>Stonegate Assessment District 07-22</b>				
<b>ASSETS</b>				
Cash and investments	\$ 4,721	\$ 4,864	\$ 5,398	\$ 4,187
Receivables, net of allowances:				
Taxes	38	39	38	39
Accounts	-	-	-	-
Accrued interest	32	-	32	-
Due from other funds	-	-	-	-
Due from developers	-	35	-	35
Total Assets	<u>\$ 4,791</u>	<u>\$ 4,938</u>	<u>\$ 5,468</u>	<u>\$ 4,261</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 65	\$ 2,404	\$ 2,466	\$ 3
Accrued liabilities	-	-	-	-
Due to bondholders	4,726	-	468	4,258
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,791</u>	<u>\$ 2,404</u>	<u>\$ 2,934</u>	<u>\$ 4,261</u>
<b>Orchard Hills Reassessment District 05-21</b>				
<b>ASSETS</b>				
Cash and investments	\$ 15,857	\$ 14,474	\$ 15,432	\$ 14,899
Receivables, net of allowances:				
Taxes	125	155	125	155
Accounts	-	-	-	-
Accrued interest	69	1	69	1
Due from other funds	-	135	-	135
Due from developers	82	366	342	106
Total Assets	<u>\$ 16,133</u>	<u>\$ 15,131</u>	<u>\$ 15,968</u>	<u>\$ 15,296</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 81	\$ 7,277	\$ 7,351	\$ 7
Accrued liabilities	1	2	1	2
Due to bondholders	16,051	474	1,238	15,287
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 16,133</u>	<u>\$ 7,753</u>	<u>\$ 8,590</u>	<u>\$ 15,296</u>
<b>Portola Springs Reassessment District 04-20</b>				
<b>ASSETS</b>				
Cash and investments	\$ 8,466	\$ 70,430	\$ 67,137	\$ 11,759
Receivables, net of allowances:				
Taxes	60	30	60	30
Accounts	59	124	183	-
Accrued interest	6	14	5	15
Due from other funds	-	-	-	-
Due from developers	63	143	193	13
Total Assets	<u>\$ 8,654</u>	<u>\$ 70,741</u>	<u>\$ 67,578</u>	<u>\$ 11,817</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 130	\$ 7,239	\$ 7,369	\$ -
Accrued liabilities	-	1	-	1
Due to bondholders	8,524	4,786	1,494	11,816
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 8,654</u>	<u>\$ 12,026</u>	<u>\$ 8,863</u>	<u>\$ 11,817</u>

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City of Irvine  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 3 of 9

	June 30, 2019 Balance	Additions	Deductions	June 30, 2020 Balance
<b>Woodbury Assessment District 03-19</b>				
<b>ASSETS</b>				
Cash and investments	\$ 15	\$ 719	\$ 734	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	121	483	461	143
Total Assets	<u>\$ 136</u>	<u>\$ 1,202</u>	<u>\$ 1,195</u>	<u>\$ 143</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 107	\$ 570	\$ 669	\$ 8
Accrued liabilities	-	-	-	-
Due to bondholders	29	-	-	29
Due to other funds	-	106	-	106
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 136</u>	<u>\$ 676</u>	<u>\$ 669</u>	<u>\$ 143</u>
<b>Shady Canyon/Turtle Ridge Assessment District 00-18</b>				
<b>ASSETS</b>				
Cash and investments	\$ 147	\$ 130	\$ 161	\$ 116
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	23	116	104	35
Total Assets	<u>\$ 170</u>	<u>\$ 246</u>	<u>\$ 265</u>	<u>\$ 151</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 22	\$ 111	\$ 132	\$ 1
Accrued liabilities	-	-	-	-
Due to bondholders	148	2	-	150
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 170</u>	<u>\$ 113</u>	<u>\$ 132</u>	<u>\$ 151</u>
<b>Irvine Spectrum Reassessment District 85-7</b>				
<b>ASSETS</b>				
Cash and investments	\$ 32	\$ 451	\$ 483	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	77	323	310	90
Total Assets	<u>\$ 109</u>	<u>\$ 774</u>	<u>\$ 793</u>	<u>\$ 90</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 75	\$ 318	\$ 366	\$ 27
Accrued liabilities	-	-	-	-
Due to bondholders	34	-	-	34
Due to other funds	-	29	-	29
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 109</u>	<u>\$ 347</u>	<u>\$ 366</u>	<u>\$ 90</u>

-continued-

City of Irvine  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 4 of 9

	June 30, 2019 Balance	Additions	Deductions	June 30, 2020 Balance
<b>Irvine Spectrum Assessment District 87-8</b>				
<b>ASSETS</b>				
Cash and investments	\$ 873	\$ 205	\$ 896	\$ 182
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	1	-	1	-
Due from other funds	-	-	-	-
Due from developers	37	167	157	47
Total Assets	<u>\$ 911</u>	<u>\$ 372</u>	<u>\$ 1,054</u>	<u>\$ 229</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 36	\$ 162	\$ 196	\$ 2
Accrued liabilities	-	-	-	-
Due to bondholders	875	-	648	227
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 911</u>	<u>\$ 162</u>	<u>\$ 844</u>	<u>\$ 229</u>
<b>Irvine Spectrum Assessment District 93-14</b>				
<b>ASSETS</b>				
Cash and investments	\$ 7,121	\$ 902	\$ 862	\$ 7,161
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	47	30	47	30
Due from other funds	-	-	-	-
Due from developers	124	585	587	122
Total Assets	<u>\$ 7,292</u>	<u>\$ 1,517</u>	<u>\$ 1,496</u>	<u>\$ 7,313</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 176	\$ 508	\$ 684	\$ -
Accrued liabilities	1	1	1	1
Due to bondholders	7,115	197	-	7,312
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 7,292</u>	<u>\$ 706</u>	<u>\$ 685</u>	<u>\$ 7,313</u>
<b>Oak Creek Assessment District 94-13</b>				
<b>ASSETS</b>				
Cash and investments	\$ 350	\$ 201	\$ 242	\$ 309
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	42	187	177	52
Total Assets	<u>\$ 392</u>	<u>\$ 388</u>	<u>\$ 419</u>	<u>\$ 361</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 40	\$ 181	\$ 217	\$ 4
Accrued liabilities	-	-	-	-
Due to bondholders	352	5	-	357
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 392</u>	<u>\$ 186</u>	<u>\$ 217</u>	<u>\$ 361</u>

-continued-



City of Irvine  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 5 of 9

	June 30, 2019 Balance	Additions	Deductions	June 30, 2020 Balance
<b>Westpark II Assessment District 94-15</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,529	\$ 215	\$ 1,744	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	1	-	1	-
Due from other funds	-	-	-	-
Due from developers	5	4	9	-
Total Assets	<u>\$ 1,535</u>	<u>\$ 219</u>	<u>\$ 1,754</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 4	\$ 12	\$ 16	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	1,531	-	1,531	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,535</u>	<u>\$ 12</u>	<u>\$ 1,547</u>	<u>\$ -</u>
<b>Northwest Assessment District 97-16</b>				
<b>ASSETS</b>				
Cash and investments	\$ 502	\$ 335	\$ 391	\$ 446
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	67	281	276	72
Total Assets	<u>\$ 569</u>	<u>\$ 616</u>	<u>\$ 667</u>	<u>\$ 518</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 63	\$ 268	\$ 326	\$ 5
Accrued liabilities	1	1	1	1
Due to bondholders	505	7	-	512
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 569</u>	<u>\$ 276</u>	<u>\$ 327</u>	<u>\$ 518</u>
<b>Lower Peters Canyon Assessment District 97-17</b>				
<b>ASSETS</b>				
Cash and investments	\$ 475	\$ 645	\$ 725	\$ 395
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	1	-	1	-
Due from other funds	-	-	-	-
Due from developers	85	351	344	92
Total Assets	<u>\$ 561</u>	<u>\$ 996</u>	<u>\$ 1,070</u>	<u>\$ 487</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 86	\$ 432	\$ 513	\$ 5
Accrued liabilities	1	1	1	1
Due to bondholders	474	7	-	481
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 561</u>	<u>\$ 440</u>	<u>\$ 514</u>	<u>\$ 487</u>

-continued-

City of Irvine  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 6 of 9

	June 30, 2019 Balance	Additions	Deductions	June 30, 2020 Balance
<b>Reassessment District 12-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 21,144	\$ 26,456	\$ 26,047	\$ 21,553
Receivables, net of allowances:				
Taxes	197	228	197	228
Accounts	-	-	-	-
Accrued interest	128	16	129	15
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 21,469</u>	<u>\$ 26,700</u>	<u>\$ 26,373</u>	<u>\$ 21,796</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6	\$ 13,082	\$ 13,083	\$ 5
Accrued liabilities	-	1	-	1
Due to bondholders	21,463	327	-	21,790
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 21,469</u>	<u>\$ 13,410</u>	<u>\$ 13,083</u>	<u>\$ 21,796</u>
<b>Reassessment District 13-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 12,284	\$ 18,759	\$ 16,636	\$ 14,407
Receivables, net of allowances:				
Taxes	119	145	119	145
Accounts	-	-	-	-
Accrued interest	45	32	45	32
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 12,448</u>	<u>\$ 18,936</u>	<u>\$ 16,800</u>	<u>\$ 14,584</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2	\$ 9,267	\$ 9,266	\$ 3
Accrued liabilities	-	1	-	1
Due to bondholders	12,446	2,134	-	14,580
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 12,448</u>	<u>\$ 11,402</u>	<u>\$ 9,266</u>	<u>\$ 14,584</u>
<b>Reassessment District 15-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 9,956	\$ 11,524	\$ 11,356	\$ 10,124
Receivables, net of allowances:				
Taxes	101	149	101	149
Accounts	-	-	-	-
Accrued interest	111	1	111	1
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 10,168</u>	<u>\$ 11,674</u>	<u>\$ 11,568</u>	<u>\$ 10,274</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 4	\$ 5,651	\$ 5,651	\$ 4
Accrued liabilities	-	1	-	1
Due to bondholders	10,164	105	-	10,269
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 10,168</u>	<u>\$ 5,757</u>	<u>\$ 5,651</u>	<u>\$ 10,274</u>

-continued-

City of Irvine  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 7 of 9

	June 30, 2019 Balance	Additions	Deductions	June 30, 2020 Balance
<b>Reassessment District 15-2</b>				
<b>ASSETS</b>				
Cash and investments	\$ 6,041	\$ 8,978	\$ 8,288	\$ 6,731
Receivables, net of allowances:				
Taxes	28	58	29	57
Accounts	-	-	-	-
Accrued interest	73	-	73	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 6,142</u>	<u>\$ 9,036</u>	<u>\$ 8,390</u>	<u>\$ 6,788</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1	\$ 4,413	\$ 4,412	\$ 2
Accrued liabilities	-	-	-	-
Due to bondholders	6,141	645	-	6,786
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 6,142</u>	<u>\$ 5,058</u>	<u>\$ 4,412</u>	<u>\$ 6,788</u>
<b>Reassessment District 19-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 65,479	\$ 60,804	\$ 4,675
Receivables, net of allowances:				
Taxes	-	84	-	84
Accounts	32	44	76	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 32</u>	<u>\$ 65,607</u>	<u>\$ 60,880</u>	<u>\$ 4,759</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 3,402	\$ 3,400	\$ 2
Accrued liabilities	-	-	-	-
Due to bondholders	-	4,757	-	4,757
Due to other funds	-	-	-	-
Due to other governments	32	-	32	-
Total Liabilities	<u>\$ 32</u>	<u>\$ 8,159</u>	<u>\$ 3,432</u>	<u>\$ 4,759</u>
<b>CFD-Central Park 2004-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,343	\$ 2,442	\$ 2,721	\$ 2,064
Receivables, net of allowances:				
Taxes	35	53	35	53
Accounts	-	-	-	-
Accrued interest	23	8	23	8
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 2,401</u>	<u>\$ 2,503</u>	<u>\$ 2,779</u>	<u>\$ 2,125</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3	\$ 1,202	\$ 1,203	\$ 2
Accrued liabilities	-	-	-	-
Due to bondholders	2,398	24	299	2,123
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 2,401</u>	<u>\$ 1,226</u>	<u>\$ 1,502</u>	<u>\$ 2,125</u>

-continued-



City of Irvine  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 8 of 9

	June 30, 2019 Balance	Additions	Deductions	June 30, 2020 Balance
<b>CFD-Columbus Grove 2005-2</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,721	\$ 2,287	\$ 2,252	\$ 1,756
Receivables, net of allowances:				
Taxes	25	14	25	14
Accounts	-	-	-	-
Accrued interest	10	5	10	5
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 1,756</u>	<u>\$ 2,306</u>	<u>\$ 2,287</u>	<u>\$ 1,775</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2	\$ 1,136	\$ 1,138	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	1,754	21	-	1,775
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,756</u>	<u>\$ 1,157</u>	<u>\$ 1,138</u>	<u>\$ 1,775</u>
<b>CFD-Great Park 2013-3</b>				
<b>ASSETS</b>				
Cash and investments	\$ 28,088	\$ 61,307	\$ 60,132	\$ 29,263
Receivables, net of allowances:				
Taxes	1,021	1,106	1,021	1,106
Accounts	3,031	3,126	3,033	3,124
Accrued interest	166	22	166	22
Due from other funds	-	-	-	-
Due from developers	-	68	68	-
Total Assets	<u>\$ 32,306</u>	<u>\$ 65,629</u>	<u>\$ 64,420</u>	<u>\$ 33,515</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13	\$ 18,196	\$ 18,199	\$ 10
Accrued liabilities	2	2	2	2
Due to bondholders	29,258	1,329	214	30,373
Due to other funds	-	-	-	-
Due to other governments	3,033	3,130	3,033	3,130
Total Liabilities	<u>\$ 32,306</u>	<u>\$ 22,657</u>	<u>\$ 21,448</u>	<u>\$ 33,515</u>
<b>Inter-Agency Custodial Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 55	\$ 51	\$ 22	\$ 84
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 55</u>	<u>\$ 51</u>	<u>\$ 22</u>	<u>\$ 84</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1	\$ 10	\$ 11	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	54	40	10	84
Total Liabilities	<u>\$ 55</u>	<u>\$ 50</u>	<u>\$ 21</u>	<u>\$ 84</u>

-continued-

City of Irvine  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2020  
(amounts expressed in thousands)  
Page 9 of 9

	June 30, 2019 Balance	Additions	Deductions	June 30, 2020 Balance
<b>Total Agency Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 130,223	\$ 337,744	\$ 334,068	\$ 133,899
Receivables, net of allowances:				
Taxes	1,869	2,104	1,870	2,103
Accounts	3,122	3,294	3,292	3,124
Accrued interest	758	129	758	129
Due from other funds	-	135	-	135
Due from developers	726	3,109	3,028	807
Total Assets	<u>\$ 136,698</u>	<u>\$ 346,515</u>	<u>\$ 343,016</u>	<u>\$ 140,197</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 926	\$ 78,026	\$ 78,861	\$ 91
Accrued liabilities	6	11	6	11
Due to bondholders	132,647	14,958	10,859	136,746
Due to other funds	-	135	-	135
Due to other governments	3,119	3,170	3,075	3,214
Total Liabilities	<u>\$ 136,698</u>	<u>\$ 96,300</u>	<u>\$ 92,801</u>	<u>\$ 140,197</u>



# STATISTICAL SECTION

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

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

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- Tax Revenue by Source - Governmental Funds

Revenue Capacity Schedules - These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

- Assessed Value and Estimated Actual Value of Taxable Property
- Taxable Sales by Category
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Levies and Collections

Debt Capacity Schedules - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Ratio of Outstanding Debt by Type
- Ratio of General Bonded Debt Outstanding
- Schedule of Direct and Overlapping Bonded Debt
- Legal Debt Margin

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers
- Budgeted Full-Time, Part-Time, and Non-Hourly Positions by Function

Operating Information - These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

- Capital Asset Statistics
- Operating Indicators by Function
- Miscellaneous Statistical Information

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

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

	2020	2019	2018	2017
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 1,986,371	\$ 2,028,242	\$ 1,745,962	\$ 1,601,315
Restricted	652,403	613,872	493,547	583,855
Unrestricted	420,129	434,434	442,116	433,617
Total Governmental Activities Net Position	<u>\$ 3,058,903</u>	<u>\$ 3,076,548</u>	<u>\$ 2,681,625</u>	<u>\$ 2,618,787</u>
 <b>Primary Government</b>				
Net investment in capital assets	\$ 1,986,371	\$ 2,028,242	\$ 1,745,962	\$ 1,601,315
Restricted	652,403	613,872	493,547	583,855
Unrestricted	420,129	434,434	442,116	433,617
Total Primary Government Net Position	<u>\$ 3,058,903</u>	<u>\$ 3,076,548</u>	<u>\$ 2,681,625</u>	<u>\$ 2,618,787</u>

Source: City Fiscal Services Division

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

2016	2015	2014	2013	2012	2011
\$ 1,566,452	\$ 1,517,272	\$ 1,541,807	\$ 1,575,361	\$ 1,537,181	\$ 1,523,430
500,057	478,204	404,305	320,962	287,906	294,596
434,395	416,521	351,248	362,179	384,731	287,840
<u>\$ 2,500,904</u>	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>	<u>\$ 2,105,866</u>
\$ 1,566,452	\$ 1,517,272	\$ 1,541,807	\$ 1,575,361	\$ 1,537,181	\$ 1,523,430
500,057	478,204	404,305	320,962	287,906	294,596
434,395	416,521	351,248	362,179	384,731	287,840
<u>\$ 2,500,904</u>	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>	<u>\$ 2,105,866</u>

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

	2020	2019	2018	2017
<b>EXPENSES</b>				
<b>Governmental Activities</b>				
General Government	\$ 31,233	\$ 37,912	\$ 46,151	\$ 36,411
Public Safety	99,254	80,988	77,266	71,836
Public Works	89,371	98,899	99,067	106,478
Community Services	47,703	41,163	46,104	40,231
Community Development <sup>(1)</sup>	55,174	32,720	31,993	34,743
Transportation <sup>(1)</sup>	7,481	6,320	3,408	-
Great Park <sup>(2)</sup>	-	-	-	-
Interest on long-term debt	-	-	-	-
Unallocated infrastructure depreciation	67,617	63,071	58,997	55,529
Total Governmental Activities Expenses	\$ 397,833	\$ 361,073	\$ 362,986	\$ 345,228
<b>PROGRAM REVENUES</b>				
<b>Governmental Activities</b>				
Charges for services:				
General Government	\$ 12,068	\$ 11,177	\$ 9,805	\$ 12,259
Public Safety	3,758	3,213	2,870	2,984
Public Works	39,737	30,833	30,947	33,599
Community Services	13,760	16,340	15,230	13,526
Community Development <sup>(1)</sup>	20,261	19,955	25,296	29,367
Transportation <sup>(1)</sup>	755	865	227	-
Great Park <sup>(2)</sup>	-	-	-	-
Operating grants and contributions	44,589	40,146	36,550	26,790
Capital grants and contributions	45,591	432,784	185,320	170,654
Total Governmental Activities Program Revenues	180,519	555,313	306,245	289,179
<b>Total Net Revenues (Expenses)</b>	<b>\$ (217,314)</b>	<b>\$ 194,240</b>	<b>\$ (56,741)</b>	<b>\$ (56,049)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
<b>Governmental Activities</b>				
Taxes:				
Property tax <sup>(3)</sup>	\$ 79,784	\$ 74,492	\$ 68,135	\$ 62,374
Sales taxes	64,278	69,597	62,834	61,617
Franchise taxes	13,822	14,059	14,243	14,022
Transient occupancy taxes	12,387	20,597	18,632	15,708
Document transfer taxes	3,461	4,385	4,631	3,957
Business license taxes	-	-	-	-
Unrestricted motor vehicle in-lieu	222	133	140	116
Gain on sale of assets	118	71	3,884	-
Investment revenue	22,376	17,135	4,441	2,500
Other revenue	3,221	214	214	184
Total General Revenues	199,669	200,683	177,154	160,478
Extraordinary gain (loss)	-	-	-	-
Special item	-	-	-	-
<b>Changes in Net Position</b>	<b>\$ (17,645)</b>	<b>\$ 394,923</b>	<b>\$ 120,413</b>	<b>\$ 104,429</b>

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

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

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

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)

2016	2015	2014	2013	2012	2011
\$ 29,152	\$ 24,558	\$ 32,863	\$ 28,141	\$ 54,380	\$ 20,267
63,878	59,266	62,745	59,284	57,563	57,091
91,387	70,697	63,897	70,423	59,037	58,702
37,152	39,119	22,980	29,944	35,806	33,006
27,943	24,278	39,689	20,575	20,694	21,747
-	-	-	-	-	-
-	-	16,812	59,621	16,398	14,747
-	6	16	20	26	68
51,423	49,647	48,367	46,693	44,770	42,778
<u>\$ 300,935</u>	<u>\$ 267,571</u>	<u>\$ 287,369</u>	<u>\$ 314,701</u>	<u>\$ 288,674</u>	<u>\$ 248,406</u>
\$ 11,336	\$ 4,566	\$ 1,984	\$ 560	\$ 1,741	\$ 462
2,968	4,395	4,548	4,471	3,172	3,460
26,898	46,387	18,321	13,847	7,210	10,465
12,611	19,362	15,375	14,326	9,070	9,069
27,545	19,414	30,129	14,410	15,788	17,579
-	-	-	-	-	-
-	-	3,292	4,233	3,212	2,946
29,738	30,404	31,661	32,664	23,693	16,570
136,641	111,989	76,751	145,897	36,104	71,731
<u>247,737</u>	<u>236,517</u>	<u>182,061</u>	<u>230,408</u>	<u>99,990</u>	<u>132,282</u>
<u>\$ (53,198)</u>	<u>\$ (31,054)</u>	<u>\$ (105,308)</u>	<u>\$ (84,293)</u>	<u>\$ (188,684)</u>	<u>\$ (116,124)</u>
\$ 57,944	\$ 53,300	\$ 49,524	\$ 46,659	\$ 47,862	\$ 48,370
62,120	58,725	56,499	51,596	48,972	48,694
14,669	14,100	13,690	12,505	12,163	12,099
15,368	13,465	11,664	11,256	8,489	8,294
3,762	3,554	2,911	2,404	1,426	1,536
-	-	-	-	905	911
101	99	98	115	108	981
-	10,112	144	129	563	64
5,779	5,243	15,632	7,740	7,982	4,786
825	118	93	1,448	250	27
<u>160,568</u>	<u>158,716</u>	<u>150,255</u>	<u>133,852</u>	<u>128,720</u>	<u>125,762</u>
(7,781)	107,833	(5,500)	163,916	-	-
99	-	-	-	-	-
<u>\$ 99,688</u>	<u>\$ 235,495</u>	<u>\$ 39,447</u>	<u>\$ 213,475</u>	<u>\$ (59,964)</u>	<u>\$ 9,638</u>

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

	2020	2019	2018	2017
<b>GENERAL FUND</b>				
Non Spendable	\$ -	\$ 1,358	\$ 5	\$ -
Restricted	356	419	5,936	2,784
Committed	51,700	43,783	36,811	41,034
Assigned	95,729	69,526	72,601	79,242
Unassigned	9,989	11,594	9,788	3,912
Total General Fund	<u>\$ 157,774</u>	<u>\$ 126,680</u>	<u>\$ 125,141</u>	<u>\$ 126,972</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Non Spendable	\$ 500	\$ 501	\$ 499	\$ 518
Restricted	623,950	607,503	499,515	585,466
Committed	90,749	84,846	77,230	106,858
Assigned	267,621	289,001	305,023	269,151
Unassigned	(4,013)	(2,514)	(2,907)	(3,495)
Total All Other Governmental Funds	<u>\$ 978,807</u>	<u>\$ 979,337</u>	<u>\$ 879,360</u>	<u>\$ 958,498</u>
<b>ALL GOVERNMENTAL FUNDS</b>	<u>\$ 1,136,581</u>	<u>\$ 1,106,017</u>	<u>\$ 1,004,501</u>	<u>\$ 1,085,470</u>

Source: City Fiscal Services Division

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

2016	2015	2014	2013	2012	2011
\$ 87	\$ 7,617	\$ 8,033	\$ 7,987	\$ 7,736	\$ 7,816
8,188	5,682	5,730	5,378	5,435	4,927
30,090	25,946	18,904	16,538	16,033	7,863
77,713	63,790	66,581	70,987	74,850	74,674
12,163	23,867	8,666	11,105	7,878	13,474
<u>\$ 128,241</u>	<u>\$ 126,902</u>	<u>\$ 107,914</u>	<u>\$ 111,995</u>	<u>\$ 111,932</u>	<u>\$ 108,754</u>
\$ 526	\$ 496	\$ 586	\$ 136,400	\$ 136,178	\$ 175,116
502,440	750,871	501,039	296,160	269,852	281,699
374,603	79,880	50,195	63,194	82,706	148,216
2,899	5,256	7,148	5,062	12,621	10,712
(2,493)	(2,483)	-	(2,453)	(1,536)	(224,542)
<u>\$ 877,975</u>	<u>\$ 834,020</u>	<u>\$ 558,968</u>	<u>\$ 498,363</u>	<u>\$ 499,821</u>	<u>\$ 391,201</u>
<u>\$ 1,006,216</u>	<u>\$ 960,922</u>	<u>\$ 666,882</u>	<u>\$ 610,358</u>	<u>\$ 611,753</u>	<u>\$ 499,955</u>

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

	2020	2019	2018	2017
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 79,784	\$ 74,492	\$ 68,135	\$ 62,374
Sales and use taxes	64,278	74,661	68,543	67,622
All other taxes	54,636	53,573	53,989	47,472
Licenses & permits	9,478	8,521	9,806	9,301
Fines & forfeitures	1,167	1,348	1,415	1,394
Investment income	36,447	29,870	4,453	2,941
Intergovernmental	15,060	8,054	7,583	9,870
Charges for services	33,259	35,367	34,226	39,332
Contributions from property owners-				
Special districts contributions	6,325	104,714	19,676	137,228
Revenue from developers	16,531	22,404	34,726	45,527
Special assessments	34,690	25,165	20,240	17,559
Donations	474	562	627	549
Other revenue	4,196	5,850	5,138	4,165
Total Revenues	<u>356,325</u>	<u>444,581</u>	<u>328,557</u>	<u>445,334</u>
<b>EXPENDITURES</b>				
Current:				
General Government	28,850	41,069	44,549	34,962
Public Safety	90,391	82,172	77,210	73,116
Public Works	61,512	57,472	51,149	53,331
Community Development	41,904	33,694	30,578	35,494
Community Services	45,514	45,223	44,912	40,618
Transportation <sup>(1)</sup>	5,465	5,374	3,398	-
Great Park <sup>(2)</sup>	-	-	-	-
Street lighting	-	-	-	-
Capital Outlay	50,459	76,320	121,663	128,972
Debt Services:				
Principal retirement	-	-	-	-
Interest & fiscal charges	-	-	-	-
Administration	-	-	-	-
Total Expenditures	<u>324,095</u>	<u>341,324</u>	<u>373,459</u>	<u>366,493</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>32,230</u>	<u>103,257</u>	<u>(44,902)</u>	<u>78,841</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	15	-	4,027	21
Transfers in	58,191	73,441	46,581	71,162
Transfers out	(59,872)	(75,182)	(45,981)	(71,187)
Total Other Financing Sources (Uses)	<u>(1,666)</u>	<u>(1,741)</u>	<u>4,627</u>	<u>(4)</u>
<b>EXTRAORDINARY GAIN (LOSS)</b>				
Forgiveness of debts	-	-	-	-
Dissolution of redevelopment agency	-	-	-	-
Settlement agreement	-	-	-	-
Special item	-	-	-	-
Total Extraordinary Gain (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 30,564</u>	<u>\$ 101,516</u>	<u>\$ (40,275)</u>	<u>\$ 78,837</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	0.0%	0.0%	0.0%	0.0%

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

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

Source: City Fiscal Services Division

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

2016	2015	2014	2013	2012	2011
\$ 67,060	\$ 53,300	\$ 49,524	\$ 46,659	\$ 47,861	\$ 50,608
70,047	62,925	59,385	54,663	52,566	48,487
51,291	48,373	41,891	37,445	30,732	33,371
9,594	10,750	7,401	6,865	6,091	6,122
1,453	1,531	1,830	1,780	2,065	1,916
7,098	4,216	4,496	(283)	4,146	10,488
14,317	11,663	16,312	18,694	14,072	35,419
36,023	33,673	31,834	27,702	24,057	33,496
77,699	69,650	25,257	31,520	2,489	38,318
53,373	49,110	59,124	53,469	16,539	7,641
6,809	32,615	6,172	6,015	5,673	5,372
724	664	915	655	572	574
4,660	5,014	3,394	4,234	3,400	4,392
400,148	383,484	307,535	289,418	210,263	276,204
29,957	29,446	31,305	26,446	52,183	28,346
70,062	65,624	63,130	60,211	56,264	55,586
60,261	50,841	40,451	41,330	34,663	27,188
31,341	26,390	25,839	23,321	22,873	27,234
39,673	35,920	38,861	34,839	33,965	32,054
-	-	-	-	-	-
-	-	12,364	15,235	16,079	14,779
-	-	-	-	6,403	6,892
121,094	53,138	48,558	86,345	60,461	95,986
-	-	-	-	-	8,260
-	-	-	-	4,866	16,336
-	-	-	-	-	11
352,388	261,359	260,508	287,727	287,757	312,672
47,760	122,125	47,027	1,691	(77,494)	(36,468)
125	14,224	46	40	1,125	322
55,454	47,426	23,505	31,166	16,304	215,415
(55,617)	(47,735)	(23,408)	(33,417)	(16,309)	(213,141)
(38)	13,915	143	(2,211)	1,120	2,596
-	-	-	-	25,823	-
-	-	-	-	162,349	-
(6,568)	158,000	(5,500)	-	-	-
99	158,000	(5,500)	-	-	-
(6,469)	316,000	(11,000)	-	188,172	-
\$ 41,253	\$ 452,040	\$ 36,170	\$ (520)	\$ 111,798	\$ (33,872)
0.0%	0.0%	0.0%	0.0%	2.1%	11.4%



**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)</sup>	Transient Occupancy Tax	Franchise Tax	Document Transfer Tax	Other	Total
	City	Redevelopment Agency <sup>(1)</sup>						
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
2013	46,564	95	54,663	9,005	11,950	2,404	14,086	138,767
2012	44,549	3,312	52,566	8,489	11,591	1,426	9,226	131,159
2011	44,122	6,486	48,487	8,294	11,548	1,536	11,993	132,466

(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.

Source: City Fiscal Services Divisions

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

Fiscal Year Ended June 30	City			Redevelopment Agency <sup>(1)</sup>			Tax Rate
	Secured	Unsecured	Assessed Value	Secured	Unsecured	Incremental Valuation	
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%
2013	45,033,193	3,612,900	48,646,093	601,935	3,758	605,693	0.0947%
2012	43,706,257	3,429,975	47,136,232	634,613	6,549	641,162	0.1002%
2011	43,014,470	3,524,106	46,538,576	615,471	6,958	622,429	0.1073%

**Note:**

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

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

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



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

	2020 *	2019 <sup>(1)</sup>	2018 <sup>(1)</sup>	2017 <sup>(1)</sup>
Apparel stores	\$ *	\$ 224,535	\$ 211,329	\$ 218,728
General merchandise	*	429,098	423,188	385,098
Food stores	*	140,939	132,898	125,787
Eating & drinking places	*	880,875	832,162	776,070
Home furnishings & appliances	*	-	-	-
Building material & farm tools	*	144,896	169,673	143,658
Auto dealers & supplies	*	1,028,427	963,272	900,540
Service stations	*	283,159	299,396	247,127
Other retail stores	*	791,145	834,627	835,929
All other outlets	*	2,940,504	2,743,558	2,668,557
<b>Total</b>	<b>\$ -</b>	<b>\$ 6,863,578</b>	<b>\$ 6,610,103</b>	<b>\$ 6,301,494</b>
<b>City Direct Sales Tax Rate</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>

- (1) The State Board of Equalization no longer provides the Taxable Sales by Category. Beginning in the fiscal year 2014-15, the information was provided by the HdL Companies.
- (2) The State reduced the actual sales tax allocation by 0.25%, and used this 0.25% as security for the State's "Economic Recovery Bonds." The State has replaced the 0.25% reduction of sales tax with a dollar-for-dollar allocation of local property tax from the County ERAF funds.
- (3) Beginning in March 2016, which represents sales activity starting January 1, 2016, and thereafter, the sales tax allocation will revert back to the original 1% amount.

\*Statistical for fiscal year 2019-20 is unavailable at the present time.

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

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

	2016 <sup>(1)</sup>	2015	2014	2013	2012	2011
\$	222,412	\$ 210,020	\$ 213,839	\$ 209,566	\$ 195,765	\$ 182,997
	404,982	411,544	370,563	333,813	290,142	295,272
	120,943	122,536	609,828	148,776	142,268	137,485
	724,466	669,075	151,152	563,941	520,632	471,740
	-	-	410,687	372,189	340,419	308,224
	137,627	121,412	106,565	95,815	90,901	83,541
	837,144	819,580	655,268	626,940	570,374	536,199
	235,122	264,856	277,156	276,639	268,934	230,887
	787,667	821,149	438,521	428,451	387,844	286,806
	2,680,024	2,617,234	1,766,788	1,600,281	1,628,911	1,585,799
\$	6,150,387	\$ 6,057,406	\$ 5,000,367	\$ 4,656,411	\$ 4,436,190	\$ 4,118,950
	1.00%	0.75% <sup>(2)</sup>	0.75% <sup>(2)</sup>	0.75% <sup>(2)</sup>	0.75% <sup>(2)</sup>	0.75% <sup>(2)</sup>

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

Agency	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	0.24300	0.24300	0.24300	0.20202	0.17102	0.17102	0.41339	0.41339	0.41344	0.52028
Irvine Unified	0.02533	0.02804	0.02714	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00370	0.00370
Orange Used Series 2018 2016	0.02288	0.02685	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Rancho Santiago Community College	0.05178	0.04537	0.05088	0.04945	0.05039	0.05078	0.03334	0.03241	0.03146	0.03141
Saddleback Valley Unified	0.02295	0.02392	0.02365	0.02688	0.03008	0.02806	0.03207	0.03265	0.03163	0.03194
Santa Ana Unified	0.07300	0.05561	0.06327	0.06377	0.06604	0.06869	0.07359	0.07749	0.07147	0.07167
Tustin Unified General Fund	0.06376	0.06687	0.06873	0.07001	0.07751	0.06955	0.08912	0.06729	0.05586	0.05962
Total Direct and Overlapping Rates <sup>(2)</sup>	<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>	<u>1.62673</u>	<u>1.60756</u>	<u>1.71862</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	0.01226	0.03180	0.03180
Voter Approved City Debt Rate										
Redevelopment Rate <sup>(4)</sup>	-	-	-	-	-	-	-	-	1.00370	1.00430
Total Direct Rates <sup>(5)</sup>	0.03059	0.03090	0.03115	0.03157	0.03190	0.03229	0.03267	0.04014	0.04138	0.04144

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

Source: HdL, Coren & Cone

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

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Irvine Company	\$ 2,572,452,171	1	3.03%	\$ 5,654,582,848	1	13.05%
B Braun Medical Inc	483,821,730	2	0.57%	299,112,522	5	0.69%
Allergan USA Inc	463,434,524	3	0.55%	291,140,446	6	0.67%
Irvine Apartment Communities LP	444,280,885	4	0.52%	713,571,672	2	1.60%
Five Point Office Venture I LLC	441,763,714	5	0.52%	-	-	-
Jamboree Center LLC <sup>(1)</sup>	419,714,237	6	0.49%	-	-	-
Irvine Office Towers 1 LLC	402,549,757	7	0.47%	-	-	-
Park Place Michelson LLC <sup>(1)</sup>	371,561,875	8	0.44%	-	-	-
Park I/II Spectrum LLC	361,279,591	9	0.43%	-	-	-
Edwards Lifesciences LLC	357,585,130	10	0.42%	-	-	-
Heritage Fields El Toro	-	-	-	634,826,440	3	1.44%
LBA IV-PPI LLC	-	-	-	471,281,277	4	1.08%
Lakeshore Properties LLC	-	-	-	178,972,092	7	0.41%
Capital Research Company	-	-	-	156,735,000	8	0.36%
Central Park West	-	-	-	147,774,648	9	0.34%
Kilroy Realty	-	-	-	135,513,812	10	0.31%
Totals	<u>\$ 6,318,443,614</u>		<u>7.44%</u>	<u>\$ 8,683,510,757</u>		<u>19.95%</u>

Source: HdL, Coren & Cone

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year <sup>(1) (3)</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount <sup>(2)</sup>	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 92,477,398	\$ 90,810,360	99.37%	\$ 365,026	\$ 90,810,361	99.76%
2019	90,281,935	89,869,241	99.54%	418,609	90,287,850	100.01%
2018	85,775,306	84,940,559	99.03%	458,377	85,398,936	99.56%
2017	82,074,158	81,122,025	98.84%	526,453	81,648,478	99.48%
2016	80,233,275	79,071,170	98.55%	625,501	79,696,671	99.33%
2015	86,003,581	85,186,715	99.05%	159,584	85,346,299	99.24%
2014	76,486,915	76,278,909	99.73%	729,226	77,008,135	100.68%
2013	70,528,865	69,549,205	98.61%	739,919	70,289,124	99.66%
2012	79,604,976	77,405,056	97.24%	1,066,687	78,471,743	98.58%
2011	77,520,820	75,332,973	97.18%	1,137,627	76,470,600	98.65%

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

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

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

Source: Orange County Auditor-Controller

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

<b>Fiscal Year Ended June 30</b>	<b>Capital Leases</b>	<b>Total Governmental Activities</b>	<b>Percentage of Personal Income <sup>(1)</sup></b>	<b>% of Actual Assessed Value of Property <sup>(1)</sup></b>	<b>Per Capita</b>
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
2013	470	470	0.00%	0.001%	2
2012	386	386	0.01%	0.001%	2
2011	689	689	0.01%	0.001%	3

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

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

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

<b>Fiscal Year</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>
2019	280	-	-	-	0.00%	-
2018	276	-	-	-	0.00%	-
2017	267	-	-	-	0.00%	-
2016	258	-	-	-	0.00%	-
2015	250	-	-	-	0.00%	-
2014	243	-	-	-	0.00%	-
2013	231	-	-	-	0.00%	-
2012	224	-	-	-	0.00%	-
2011	219	-	-	-	0.00%	-
2010	218	-	-	-	0.00%	-

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

Source: City Fiscal Services Division



**City of Irvine**  
**Schedule of Direct and Overlapping Bonded Debt**  
**June 30, 2020**

2019-20 Assessed valuation: \$ 85,045,012,271

	Total Debt 6/30/20	%Applicable <sup>(1)</sup>	City's Share of Debt 6/30/20
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 37,300,000	2.75 %	\$ 1,025,750
Rancho Santiago Community College District	220,164,038	12.024	26,472,524
Rancho Santiago Community College District			
School Facilities Improvement District No. 1	166,020,000	22.701	37,688,200
Irvine Unified School District Facilities Improvement District No. 1	123,400,000	97.097	119,817,698
Irvine Unified School District Community Facilities Districts	582,815,000	99.793-100	582,784,819
Saddleback Valley Unified School District	107,545,000	3.777	4,061,975
Santa Ana Unified School District	285,682,392	28.009	80,016,781
Santa Ana Unified School District Community Facilities District No. 2004-1	6,865,000	100	6,865,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	41,157,228	9.740	4,008,714
Tustin Unified School District School Facilities Improvement District No. 2008-1	83,175,000	10.034	8,345,780
Tustin Unified School District School Facilities Improvement District No. 2012-1	39,895,000	23.221	9,264,018
Tustin Unified School District Community Facilities District No. 97-1	83,810,000	100	83,810,000
Tustin Unified School District Community Facilities District No. 2007-1	15,745,000	100	15,745,000
Tustin Unified School District Community Facilities District No. 2014-1	85,055,000	100	85,055,000
Irvine Ranch Water District Improvement Districts	519,418,870	12.584-100.	344,860,876
City of Irvine Community Facilities District No. 2004-1	17,250,000	100	17,250,000
City of Irvine Community Facilities District No. 2005-2	13,540,000	100	13,540,000
City of Irvine Community Facilities District No. 2013-3, I.A. 1	72,540,000	100	72,540,000
City of Irvine Community Facilities District No. 2013-3, I.A. 4	133,930,000	100	133,930,000
City of Irvine Community Facilities District No. 2013-3, I.A. 8	72,155,000	100	72,155,000
City of Irvine 1915 Act Bonds	777,400,099	100	777,400,099
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>2,496,637,234</b>

<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 386,745,000	13.590 %	\$ 52,558,646
Orange County Pension Obligation Bonds	466,863,754	13.590	63,446,784
Orange County Board of Education Certificates of Participation	12,930,000	13.590	1,757,187
Orange Unified School District Certificates of Participation and Benefit Obligation	88,516,384	0.0001	89
Santa Ana Unified School District Certificates of Participation	62,467,085	28.009	17,496,406
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 135,259,112</b>

TOTAL DIRECT DEBT \$ -

OVERLAPPING DEBT \$ 2,631,896,346

COMBINED TOTAL DEBT \$ 2,631,896,346 <sup>(2)</sup>

<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 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 2.94%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt ..... 0.00%

Net Combined Total Debt..... 3.09%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assessed valuation	\$ 85,045,012,271	\$ 78,439,755,961	\$ 71,898,708,288	\$ 65,754,243,380
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 21,261,253,068	\$ 19,609,938,990	\$ 17,974,677,072	\$ 16,438,560,845
Debit limit percentage	15%	15%	15%	15%
Debt limit	3,189,187,960	2,941,490,849	2,696,201,561	2,465,784,127
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 3,189,187,960</u>	<u>\$ 2,941,490,849</u>	<u>\$ 2,696,201,561</u>	<u>\$ 2,465,784,127</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

**Note:**

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

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

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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 60,912,693,965	\$ 55,693,885,275	\$ 51,002,248,297	\$ 48,646,093,255	\$ 47,136,231,043	\$ 46,538,576,173
25%	25%	25%	25%	25%	25%
\$ 15,228,173,491	\$ 13,923,471,319	\$ 12,750,562,074	\$ 12,161,523,314	\$ 11,784,057,761	\$ 11,634,644,043
15%	15%	15%	15%	15%	15%
2,284,226,024	2,088,520,698	1,912,584,311	1,824,228,497	1,767,608,664	1,745,196,606
-	-	-	-	-	-
<u>\$ 2,284,226,024</u>	<u>\$ 2,088,520,698</u>	<u>\$ 1,912,584,311</u>	<u>\$ 1,824,228,497</u>	<u>\$ 1,767,608,664</u>	<u>\$ 1,745,196,606</u>
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>(2) (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>(3)</sup></b>	<b>School Enrollment <sup>(4) (6)</sup></b>	<b>Unemployment Rate <sup>(5)</sup></b>
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%
2013	231,117	8,174,011 <sup>(3)</sup>	43,102	92,599	34.0	29,000 <sup>(4)</sup>	4.6%
2012	223,729	8,886,628 <sup>(3)</sup>	41,898	90,939	33.1	27,411 <sup>(4)</sup>	6.0%
2011	219,156	8,481,794 <sup>(2)</sup>	41,759	93,258	33.2	27,202 <sup>(4)</sup>	6.9%

(1) California Department of Finance at January 1.

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

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

(4) Irvine Unified School District

(5) Employment Development Department

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

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

Employer	2020			2011		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	25,827	1	9.40%	14,227	1	6.48%
Blizzard Entertainment Inc.	4,022	2	1.46%	1,695	7	0.89%
Master North America Inc	4,000	3	1.46%	-	-	-
Irvine Unified School District	3,959	4	1.44%	2,706	2	1.23%
Edwards Lifesciences LLC	3,152	5	1.15%	2,337	4	-
B Braun Medical	1,910	6	0.70%	1,400	10	0.73%
Broadcom	1,900	7	0.69%	2,604	3	1.19%
Parker Hannifin Corporation	1,650	8	0.60%	1,650	8	0.87%
Glidewell Laboratories	1,538	9	0.56%	-	-	-
Western Digital	1,350	10	0.49%	-	-	-
Allergan	-	-	-	1,922	6	1.01%
Cellco Partnership / Verizon Wireless	-	-	-	2,305	5	1.21%
St John Knits	-	-	-	1,517	9	0.80%

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Full-time	106.70	103.70	103.00	94.00	92.00	87.00	88.00	82.00	80.00	80.00
Part-time	15.14	14.44	12.01	14.61	14.61	15.92	12.53	9.28	8.60	9.06
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	334.30	326.30	322.00	319.00	308.00	304.00	298.00	290.00	290.00	291.00
Part-time	40.50	38.62	38.30	32.87	33.35	31.44	30.95	30.95	31.05	31.33
Non-hourly	56.00	53.00	49.00	46.00	44.00	42.00	39.40	32.40	32.40	30.40
Public Works										
Full-time	140.25	142.25	139.25	155.00	150.00	140.00	142.00	122.00	121.00	123.00
Part-time	5.20	5.24	5.24	5.24	6.50	6.00	4.30	1.75	1.75	3.50
Community Development										
Full-time	111.00	111.00	114.00	113.00	109.00	108.00	102.00	99.00	101.00	101.00
Part-time	2.00	2.80	3.30	2.80	2.80	1.80	1.80	1.80	2.60	2.60
Non-hourly	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	11.00	11.00
Community Services										
Full-time	130.00	127.00	127.00	125.00	118.00	109.00	108.00	113.00	114.00	114.50
Part-time	286.90	282.73	274.77	262.33	250.44	212.95	197.69	196.63	185.11	177.54
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	-	-	-	-	-	-	-
Great Park										
Full-time	-	-	-	-	-	-	-	30.00	33.00	29.50
Part-time	-	-	-	-	-	-	-	7.13	4.88	4.68
Non-hourly	-	-	-	-	-	-	-	5.00	9.00	9.00
<b>Total</b>	<b>1,284.74</b>	<b>1,262.33</b>	<b>1,236.62</b>	<b>1,197.85</b>	<b>1,156.70</b>	<b>1,086.11</b>	<b>1,052.67</b>	<b>1,048.94</b>	<b>1,047.39</b>	<b>1,040.11</b>

**Note:**

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

Transportation department was established in fiscal year 2017-18.

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

Source: Various City departments



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

FUNCTION	Fiscal Years as of June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police Safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	64	61	61	55	51	49	52	46	46	44
Fire stations <sup>(1)</sup>	12	12	12	12	12	11	11	11	11	11
Public Works										
Streets (miles)	2,068	2,035	2,002	1,985	1,973	1,931	1,922	1,879	1,851	1,827
Traffic signals	366	366	356	344	344	341	338	337	330	330
Streetscape (acres)	938	938	918	918	911	889	872	834	808	781
Open space/greenbelts (acres)	6,673	6,672	6,638	6,638	6,638	5,600	5,590	5,250	5,250	5,250
Bicycle path-on/off street (miles)	372	364	154	154	154	152	152	151	151	151
Culture and Recreation										
Community athletic parks	24	23	20	20	19	19	19	19	18	18
Multi use centers	20	18	16	15	15	14	14	14	13	12
Dog parks	1	1	1	1	1	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Soccer fields	70	70	63	41	41	41	40	40	38	38
Swimming pools	3	3	3	3	3	3	4	4	4	4
Batting cages	22	22	14	14	14	14	14	14	14	14
Basketball courts	37	36	35	31	31	31	30	29	29	29
Racquetball/handball courts	14	14	14	14	14	14	14	14	14	14
Tennis courts	98	98	91	64	64	64	64	64	64	61
Volleyball courts	23	23	22	17	17	17	16	16	16	16

(1) Joint Power Authority with Orange County Fire Authority

Source: Various City departments



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

<b>FUNCTION</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
General Government				
Checks/wire transfers	49,591	50,333	51,905	47,912
Number of purchase orders placed	2,179	2,192	2,324	2,151
Police				
Animal control service calls	9,608	7,785	8,635	8,741
Physical arrests	1,737	2,155	2,501	2,811
Parking citations	7,006	6,853	6,272	5,171
Traffic citations	16,513	22,050	18,848	20,151
Highways and Streets				
Arterial street resurfacing (centerline miles)	4.40	42.22	49	65
Arterial street sweeping (curb miles)	40,361	40,346	39,817	39,542
Community Development				
Building inspections completed	140,808	174,363	220,565	225,782
Building permits issued	11,606	16,764	15,924	15,165
Culture and Recreation				
Recreational & instructional classes offered	9,345	9,345	11,530	9,624
Recreational & instructional enrollees	125,664	164,380	136,857	108,711
Recreational & internet registrants for classes	54%	64%	58%	56%
Youth services participation units	NA	NA	NA	NA
Redevelopment <sup>(1)</sup>				
Number of discretionary applications processed	-	-	-	-
Number of demolition permits issued	-	-	-	-
Number of grading/building permits issued	-	-	-	-

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

Source: Various City departments

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

2016	2015	2014	2013	2012	2011
46,499	46,112	44,607	45,105	44,672	44,422
2,146	1,681	1,936	1,953	2,316	2,211
9,975	9,741	10,580	10,664	10,309	8,639
3,109	2,506	2,774	2,824	2,802	2,579
4,413	4,056	4,824	6,934	4,702	4,793
19,641	21,266	23,541	23,221	26,395	19,426
58	36	40	47	44	17
39,189	38,884	38,449	38,401	38,300	38,204
194,718	190,409	160,718	151,835	127,964	87,563
14,187	13,577	12,635	12,029	10,201	10,582
9,238	8,826	8,890	8,151	8,203	7,671
101,252	95,618	99,811	90,027	81,271	71,853
56%	57%	50%	52%	54%	56%
NA	NA	NA	NA	NA	87,517
-	-	-	-	-	231
-	-	-	-	-	9
-	-	-	-	-	47

**City of Irvine**  
**Miscellaneous Statistical Information**  
**June 30, 2020**

<u>Date of Incorporation</u>	-	December 28, 1971
<u>Form of Government</u>	-	Charter, Council-Manager
<u>Incorporated Area</u>	-	66 square miles
<u>City Tree</u>	-	Camphor
<u>City Flower</u>	-	Lily of the Nile
<u>Registered Voters as of September 4, 2020</u>	-	139,035
<u>Fire Protection</u>	-	Orange County Fire Authority (Joint Powers Authority)
<u>Water Supply</u>	-	Irvine Ranch Water District
<u>City Park and Landscape Areas</u>		<u>Acres</u>
Streetscape	-	938
Community Parks	-	1,098.6
Neighborhood Parks	-	178.6
Sports Field	-	188
<u>Educational Facilities and Services Excluded in the Reporting Entity</u>		
Education:		<u>Number</u>
Elementary Schools	-	26
Middle Schools	-	6
High Schools	-	5
Continuation/Independent Study High School	-	2

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

### ***About the Cover***

Since its incorporation in 1971, Irvine has become a nationally recognized city, with a population of 281,707 that spans 66 square miles and is recognized as one of America's safest and most successful master-planned urban communities. Top-rated educational institutions, an enterprising business atmosphere, sound environmental stewardship, and respect for diversity all contribute to Irvine's enviable quality of life. This family-friendly city features more than 16,000 acres of parks, sports fields and dedicated open space and is the home of the Orange County Great Park.

Special thanks to the Irvine Public Information Office for design of the cover and the Irvine Duplicating Center for the print of the cover and report.

General Fund  
Combining Schedule of Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2020  
Amounts Expressed in Thousands

<b>FUND</b>	<b>BEGINNING FUND BALANCE</b>	<b>REVENUES</b>	<b>EXPENDITURES</b>	<b>OTHER FINANCING SOURCES/(USES)</b>	<b>ENDING FUND BALANCE</b>
General Fund	\$ 13,027	\$ 191,974	\$ 180,645	\$ (21,261)	\$ 3,095
Asset Management Plan	44,789	4,570	-	20,470	69,829
Compensated Absences	5,091	1,000	1,486	-	4,605
Development Services	345	2,760	2,398	(351)	356
Contingency Reserve	43,783	2,643	-	8,100	54,526
Educational Partnership	2,248	93	4,002	4,000	2,339
Revenue Clearing	-	722	722	-	-
Infrastructure & Rehabilitation	17,048	783	1,109	336	17,058
Innovation	171	8	-	-	179
Labor Agreement		-	-	6,959	6,959
Building & Safety	(1,159)	13,070	13,231	(1,568)	(2,888)
Development Engineering	1,337	1,747	1,135	(233)	1,716
	<u>\$ 126,680</u>	<u>\$ 219,370</u>	<u>* \$ 204,728 *</u>	<u>\$ 16,452</u>	<u>\$ 157,774</u>
Eliminating Entries for CAFR					
PERS Rate Savings		(1,697)	(1,697)		
Separation Liability		(695)	(695)		
CAFR Totals	<u>\$ 126,680</u>	<u>\$ 216,978</u>	<u>\$ 202,336</u>	<u>\$ 16,452</u>	<u>\$ 157,774</u>

\* Totals include the interfund eliminations recorded in the CAFR financials.

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and aggregate remaining fund information of the City of Irvine (the City) as of and for the year ended June 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the Irvine Community Land Trust, the discretely presented component unit of the City, as described in our report on the City's financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated April 30, 2020, and in our letter on planning matters dated May 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note I to the financial statements. No new accounting policies were adopted, and the application of other existing policies was not changed during the year ended June 30, 2020. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

## **Significant Audit Findings (Continued)**

### *Qualitative Aspects of Accounting Practices (Continued)*

The most sensitive estimates affecting the City's financial statements are as follows:

- a. Management's estimate of the fair value of investments, the price that would be received to sell an asset in an orderly transaction between market participants, is based on market values provided by outside sources.
- b. The estimated useful lives of capital assets for depreciation purposes are based on industry standards.
- c. The annual required contributions, pension expense, net pension liability, and corresponding deferred outflows of resources and deferred inflows of resources for the City's agent multiple employer defined benefit pension plans are based on actuarial valuations provided by California Public Employee Retirement System actuaries and for the City's single employer defined benefit pension plan are based on an actuarial valuation provided by a third-party actuary.
- d. The other postemployment benefits ("OPEB") expense and total OPEB liability, and corresponding deferred outflows of resources for the City's OPEB plan are based on an actuarial valuation provided by a third-party actuary.
- e. The claims liability for workers' compensation and general liabilities are based on certain actuarial assumptions and methods prepared by an outside consultant.
- f. The allowance for doubtful accounts related to certain long-term notes receivable is based on management's assessment of the related agreements and the determination of whether annual compliance requirements will be met and whether the collection of note repayments scheduled to be made 30 or more years out will occur.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were reported in Note IV A regarding risk management, Note IV C regarding the City's OPEB plan, and Note IV D regarding the defined benefit pension plans.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.



## **Significant Audit Findings (Continued)**

### *Qualitative Aspects of Accounting Practices (Continued)*

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following significant misstatements detected as a result of audit procedures were corrected by management: adjustments were made to reduce accounts payable in two funds for transactions pertaining to the fiscal year ended June 30, 2021.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 30, 2020.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Other Matters**

We applied certain limited procedures to the management's discussion and analysis, the schedules of changes in the net pension liability and related ratios, the schedules of pension plan contributions, and the schedule of changes in the total OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements and individual fund schedules (supplementary information), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and the statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on them.

## **Restriction of Use**

This information is intended solely for the use of the City Council and management of the City of Irvine and is not intended to be, and should not be, used by anyone other than these specified parties.

*White Nelson Diehl Evans LLP*

Irvine, California  
October 30, 2020

Client: **IRV008 - City of Irvine**  
Engagement: **2020 Audit - IRVINE CITY**  
Period Ending: **6/30/2020**

Account	Description	Debit	Credit
<b>Proposed JE # 1</b>			
KNOWN - to record LAIF FMV adjustment to actual.			
001-0201	Market Value Receivable	286,159.00	
001-3670	Market Value Gain-Loss		286,159.00
<b>Total</b>		<b>286,159.00</b>	<b>286,159.00</b>

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the Irvine Community Land Trust, the discretely presented component unit of the City, as described in our report on the City's financial statements. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of the Irvine Community Land Trust, the discretely presented component unit of the City, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances or reportable noncompliance associated with the Irvine Community Land Trust.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## **Internal Control over Financial Reporting (Continued)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify the following deficiency in internal control that we consider to be significant deficiency.

### **Significant Deficiency – Accrued Liabilities**

During our search for unrecorded liabilities, we identified 2 instances out of sample of 59, where the City had accrued a liability for expenditures that should not have been recognized in the fiscal year ended June 30, 2020. Both instances involved the receipt of goods that occurred after year end. We recommend that the City enhance the year-end closing procedures related to accrued liabilities to specifically identify transactions involving the receipt of goods at or near the fiscal year end to ensure that such transactions are accounted for in the proper period.

### **City's Response**

The City is in the process of implementing a new invoice routing system which will include the receiver for the goods or services received. This new process will provide additional information required to ensure that goods or services received are recorded in the correct fiscal year.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain other matter that we have reported to management and the City Council in a separate letter dated October 30, 2020.

### **City's Response to Finding**

The City's response to the finding identified in our audit is described above. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*White Nelson Diehl Evans LLP*  
Irvine, California  
October 30, 2020

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

In planning and performing our audit of the 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, 2020 and the related notes to the financial statements, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control that we consider to be a significant deficiency and that deficiency had been disclosed in a separate report dated October 30, 2020.

As discussed below, we identified a certain other matter involving the internal control and operations that is presented for your consideration. This letter does not affect our report dated October 30, 2020 on the financial statements of the City. Our comment and recommendation, which have been discussed with appropriate members of management, are intended to improve the City's internal control. Our comment is as follows:



## Investment Reports

The City uses a third-party to prepare investment reports that are used to present investment performance to the City Council. One component the third-party provides is a fair market value adjustment for the City's investment in the Local Agency Investment Fund (LAIF). We noted that the LAIF adjustment factor used in the June 30, 2020 investment report had not been updated since December 31, 2019 which resulted in a lower fair market value adjustment in the report provided to City Council. In order to ensure the accuracy of the fair value of the LAIF investment in the investment reports, we recommend that a City staff person perform an independent review of the information prior to the presentation of the report to the City Council. The fair value information for LAIF is readily available on the California State Treasurer's website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

This communication is intended solely for the information and use of Management, the City Council, and others within the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

*White Nelson Dickel Evans LLP*

Irvine, California  
October 30, 2020