

CITY OF IRVINE, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR FISCAL YEAR ENDED
JUNE 30, 2012





City of Irvine

Incorporation: December 28, 1971
 Population: 223,729 (Jan. 1, 2012, est.)
 Size: 66 square miles
 Sphere of Influence: 74 square miles (approx.)



City of Irvine, California
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012



Prepared by Fiscal Services



City of Irvine

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

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

November 5, 2012

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Irvine (City) for the fiscal year ended June 30, 2012. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

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

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

Lance, Soll & Lunghard, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended June 30, 2012 are free of material misstatement. The independent auditor concluded there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

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

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

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

CITY OF IRVINE PROFILE

The City, incorporated in 1971, is located in Orange County, California, approximately 40 miles southeast of Los Angeles. Irvine is one of the nation's largest planned urban communities with 66 square miles of land, which includes residential communities, commercial retail centers, several industrial/office complexes, a 1,500-acre University of California campus, as well as civic, cultural, and recreational facilities. The City's residential population has grown from 7,500 in 1971 to 223,729 in 2012.

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

The City provides a wide range of services, including, public safety; building safety regulation and inspection; infrastructure and public facility capital improvement construction; street and park maintenance; street lighting; recreational activities and cultural programs. The City contracts with the Orange County Fire Authority for fire protection and emergency medical aid services. The Orange County Transportation Authority provides transportation services in the City alongside the City's transportation service, iShuttle. Independent special districts provide educational, library, and utility services to Irvine residents.

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

The annual budget serves as the foundation for the City's financial planning and control. The City Council is required to adopt a budget by the start of the fiscal year. The budget is prepared by fund, program (e.g. senior services) and department (e.g. Community Development). After adoption, the City Manager may amend the adopted general fund budget provided that the

change does not increase or decrease overall fund balance. Departmental requests for budget amendments over \$50,000 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, entitled "Budgetary Information".

ECONOMIC CONDITION

Local economy. Irvine is renowned as the nation's most successful master-planned community. In September 2011, *Businessweek* ranked Irvine as the 5th best city in the United States and in September 2012, *Money Magazine* ranked Irvine 6th out of the 100 best places to live. According to the Federal Bureau of Investigations statistics released in June 2012, Irvine marked its eighth consecutive year as the City with the lowest violent crime rate with populations of more than 100,000 residents. In January, 2012 the *24/7 Wall St.* website ranked Irvine as the second best-run City in America. Irvine is home to over 14,000 businesses, many of which are headquarters for well-known national corporations. These businesses represent a wide range of industries such as manufacturing, legal, finance, software, accounting, scientific, and medical research firms

The recovery from the Great Recession of 2007-2009 has been slow and erratic. While still sluggish, a variety of recent economic reports have outperformed expectations indicating that national business activity has accelerated in recent months. The local economy is also improving. Orange County's (County) economy, which benefited during the real estate boom from an abundance of high-paying financial services and real estate industry jobs, has been significantly impacted by job losses resulting from the real estate downturn. As a result, the unemployment rate in the County has increased from an average annual rate of 3.4% in 2006 to 7.9% in June 2012 (Bureau of Labor Statistics), which is down from 9.2% in June 2011. Like the County, the City's unemployment rate has increased sharply in the last five years. Irvine's unemployment rate is reported at 6.0% for June 2012, according to the Bureau of Labor Statistics, up from a recent low of 2.5% enjoyed six years earlier and exceeding the high of 4.0% experienced in the midst of the 2001 recession. The City's unemployment rate has also realized a slight improvement from the June 2011 rate of 6.9%. Nevertheless, Irvine's unemployment rate remains below the unemployment rate of the County.

Despite the difficult economic environment, Irvine continues to attract expanding businesses, including software and legal firms, helping to offset some of the job losses resulting from the mortgage and housing industry downturn. Attracting business to the City is the area's high-quality schools, including the University of California at Irvine (UCI). UCI is a relatively young and fast-growing educational institution, recently ranked in the *U.S. News & World Report's Best Colleges 2012* as the 13th best public university and the 45th best university overall in the United States. According to the ranking, "UCI combines the strengths of a major research university with the highly personalized experience of a small college".

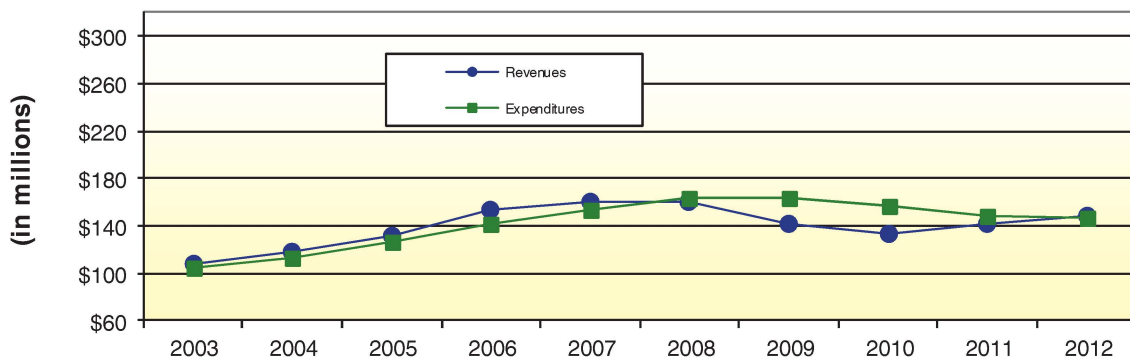
As businesses move to Irvine they build on each other's efforts in research and innovation resulting in compounding growth and an expanding circle of productivity and wealth. With the City's entrepreneurial and technological orientation, Irvine is a center of innovation not unlike Silicon Valley. The Irvine Chamber of Commerce's website describes the City as "...the heart of

Southern California's 'Technology Coast' with more than 40 percent of Orange County's high tech and biomedical companies engaged in research and development.”

Overall, the City's general fund revenue for fiscal year 2011-12 increased 3.7% from the prior fiscal year, while related expenditures decreased 1.8%. The economic recovery has been predicted to be less robust and slower than historic recoveries from recession; however, general fund revenues are forecasted to increase 0.6% during the next fiscal year. The City continues the tradition of effectively utilizing available resources to provide the services and staff necessary to accomplish the City Council's top priorities: public safety, enhanced public transit, development of the Orange County Great Park Western Sector, public school support, outstanding and aesthetically pleasing facilities, environmental stewardship, and excellent services, including health and human services.

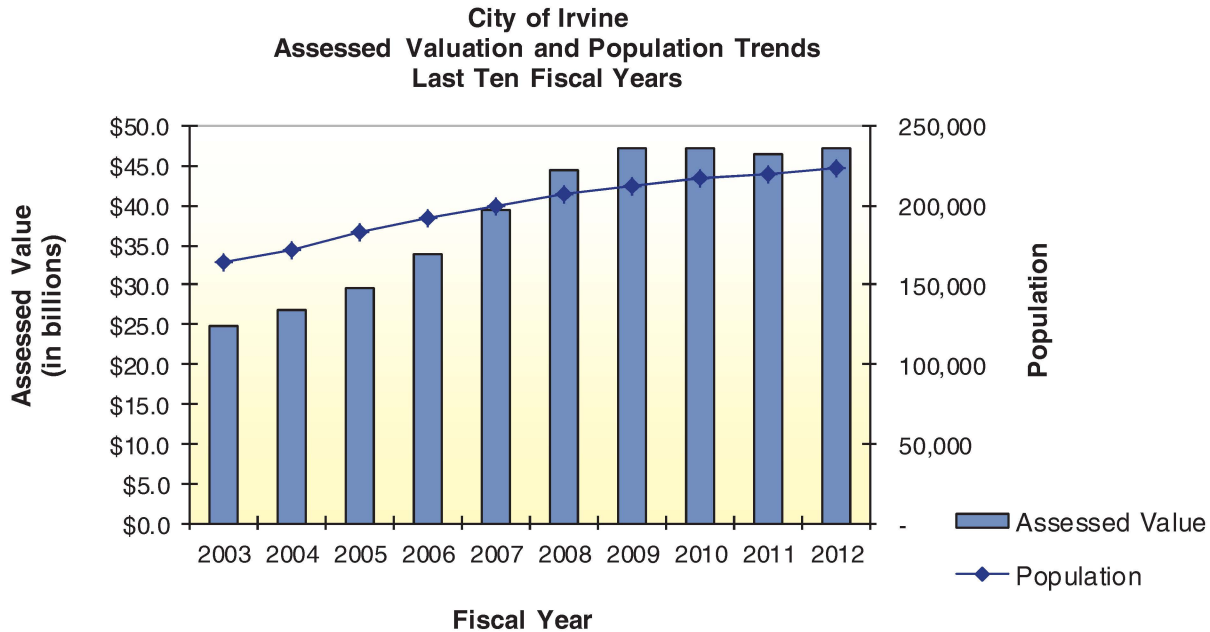
On January 31, 2012, the Irvine Redevelopment Agency (Agency) was dissolved after the California Supreme Court upheld Assembly Bill X1 26, and the City has elected to become the Successor Agency. The Successor Agency is responsible for winding down the remaining activities of the dissolved Agency. The Agency was engaged in redeveloping the closed former Marine Corps Air Station at El Toro into the Orange County Great Park, the first great metropolitan park of the 21st century. The dissolution of the Agency will impact the timing of construction of the Orange County Great Park as the City works with the State of California through legal channels to recover the funding for construction.

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



Property taxes have become a more significant revenue source since 2004, when the State swapped cities' motor vehicle license fee (VLF) allocations for additional property tax revenue (property tax in-lieu of VLF revenues). The general fund property tax and property tax in-lieu of VLF revenues received in fiscal year 2011-12 totaled \$42.3 million. The increasing importance of property tax revenue to the City is a concern in the short term given the difficult conditions currently gripping the nation's residential real estate market. The price of residential properties has continued to stagnate this year. Following this trend, the general outlook for home prices will continue to remain flat. New residential construction in Irvine, however is expected to dramatically surpass the rest of the County. In 2011, 3,290 (or 62 percent) of the 5,299 new residential units developed in Orange County were built in Irvine.

The following chart compares total assessed valuation of property located in Irvine against annual population for the past ten fiscal years. As the City's population has increased, the assessed valuation of property has outpaced the population increase, demonstrating the stability of property tax revenue.



Sales tax is the City's largest general fund revenue source with actual revenues in fiscal year 2011-12 of \$49.2 million. Projections for next year estimate sales tax revenue increasing 3.6% to \$51.0 million in the general fund. The City's sales tax consultant anticipates sales tax revenues will not return to prerecession levels until after FY 2015-16.

Major initiatives. Through its Strategic Business Plan, Irvine's City Council seeks to assure a high quality of life endures and improves as the City ages and grows in size. The Strategic Business Plan was first created in 1994 as a way to help the City Council assess the effect of today's economic decisions on the City's future quality of life. As a blueprint for the City's future, the Strategic Business Plan is a five-year fiscal forecast and capital plan updated annually that defines the City Council's goals and evaluates the City's financial capacity to achieve them. The following four strategic goals set priorities for the City operations and the annual budget.

A clean and well maintained environment through: maintenance and rehabilitation of streets, landscape, and facilities; upgrade of the traffic control systems; graffiti removal; modernization of older City facilities; code enforcement and planning with an eye toward preventing deterioration.

Maintain a safe community through: community policing and problem-solving; meeting emergency response standards; prevention of crime through community programs and after-school programs that support youth; increasing community involvement; and development of a wide variety of recreational opportunities for families.

Promote economic prosperity and a livable community through: the City's General Plan and Zoning Ordinance; creation of the Great Park; enhancing economic development and business retention; strengthening the City's revenue base; supporting legislation that protects the City's tax revenues; and increasing the number of businesses located in Irvine that generate sales tax.

Promote effective government by: providing civic information to the community; connecting the community with the past, present and future of Irvine; evaluating the staffing mix of employees, consultants and contractors; implementing the strategic technology plan; developing performance measurements for services; and measuring and evaluating citizen satisfaction.

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

To provide for future infrastructure rehabilitation needs, the City established the Asset Management Plan (AMP) Fund in 1985. The fund balance is \$61.6 million as of June 30, 2012 and continues to make annual contributions to meet the City's infrastructure needs. During FY 2011-12, the AMP's contribution for City infrastructure rehabilitation was \$1.2 million. Future contributions will be based on investment earnings in order to preserve core assets.

Financial policies. City Council policy sets the Contingency Reserve at 15% of general fund expenditures, with a minimum reserve of 3%. The contingency reserve may be used at the discretion of the City Council to provide resources to make up for temporary decreases in revenues, in the event of an economic downturn while expenditure reductions are implemented, or to provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslides, or other natural disasters. At June 30, 2012 the fund balance is \$20.1 million; of which, \$4.1 million has been set aside for the 3% minimum reserve.

AWARDS AND ACKNOWLEDGEMENTS


The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the thirty-third consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

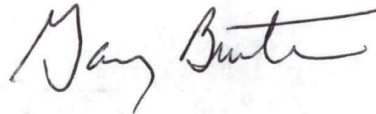
In addition, the City's Budget Office also received the GFOA Distinguished Budget Presentation Award for its fiscal year 2011-12 budget document. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of the CAFR could not have been accomplished without the efficient and dedicated service of the Fiscal Services Division staff. We would like to express our appreciation to all members of the division who assisted and contributed to the preparation of this report, particularly the financial reporting team. Appreciation is also expressed to the Finance Commission, Investment Advisory Committee, Budget Office, and City departments for their assistance and support in planning and conducting the financial operations of the City during this fiscal year, as well as the Mayor and Councilmembers for their steadfast support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Donna Mullally
Manager of Fiscal Services



Gary Burton
Director of Administrative Services



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Irvine
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Emswiler

Executive Director

IRVINE CITY OFFICIALS



SUKHEE KANG
Mayor



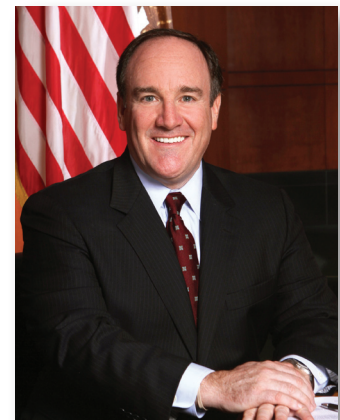
BETH KROM
Mayor Pro Tem



LARRY AGRAN
Councilmember



STEVEN CHOI
Councilmember



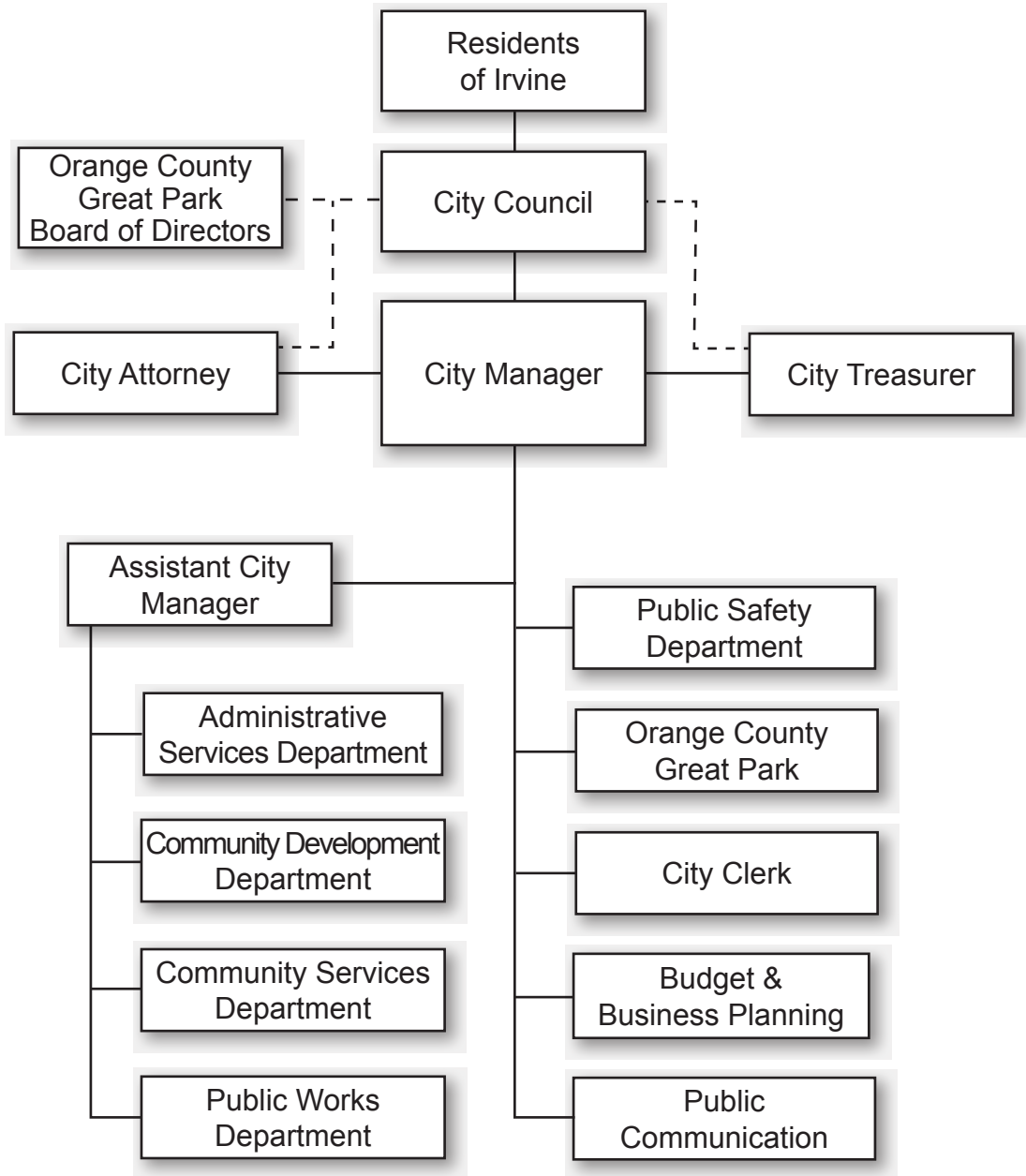
JEFFREY LALLOWAY
Councilmember

City Manager • Sean Joyce

Assistant City Manager.....	Sharon Landers
Orange County Great Park CEO.....	Mike Ellzey
City Attorney.....	Phil Kohn
City Clerk	Sharie Apodaca
Director of Administrative Services.....	Gary Burton
Director of Community Development.....	Eric Tolles
Director of Community Services.....	Brian Fisk
Director of Public Affairs & Communications ...	Craig Reem
Director of Public Safety.....	Dave Maggard
Director of Public Works.....	Manuel Gomez



City of Irvine Organizational Chart









CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Irvine, California, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Irvine, California's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Irvine, California, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Irvine Business Complex, Orange County Great Park and Irvine Redevelopment Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2012, on our consideration of the City of Irvine, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the defined benefit pension plan schedule of employer contributions and schedules of funding progress for the defined benefit pension plan, the CalPERS defined benefit pension plans and the other post-employment benefit plan, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate



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

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Irvine, California's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and supplementary schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lance, Solt & Lughard, LLP

Brea, California
October 25, 2012

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also three legally separate entities: the Orange County Great Park Corporation, the Irvine Redevelopment Agency, and the Irvine Community Land Trust. The City is financially accountable for these entities and financial information for these *blended component units* is reported within the financial information presented for the primary government itself. Financial information for two other blended component units, the Irvine Public Facilities Corporation and the Irvine Public Facility Infrastructure Authority is also included with the activities of the primary government.

See Independent Auditors' Report.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund financial statements

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

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

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

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet, and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, Irvine Business Complex Fund, Orange County Great Park Fund, Irvine Redevelopment Fund, Capital Improvement Projects Fund, Assessment Districts Fund, and the RDA Debt Service Fund; all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic financial statements also include budgetary comparison statements for the General Fund, Irvine Business Complex Fund, Orange County Great Park Fund, and the Irvine Redevelopment Fund, to demonstrate compliance with the annual budget as adopted and amended.

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

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

See Independent Auditors' Report.

functions, they have been included within *governmental activities* in the government-wide financial statements.

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

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

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

Notes to the basic financial statements

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

Other information

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

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

The *blended component units* referred to earlier in connection with the government-wide financial statements, although legally separate, function at the discretion and direction of the City's management. Their financial position and results of operations, therefore, have been included as an integral part of the primary government, and are presented in the fund financial statements.

See Independent Auditors' Report.

Financial Highlights

- The assets of the City exceeded its liabilities, at June 30, 2012, by \$2.21 billion (*net assets*). Of this amount, \$384.73 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to residents and creditors, but is subject to allocation for specific City programs. Some of these designations are \$60.61 million for capital improvement projects, \$69.45 million for future infrastructure and rehabilitation, and \$34.72 million for the development of various non-circulation projects such as parks and public facilities.
- At the fiscal year ended June 30, 2012, the government's total net assets increased by \$103.95 million. The increase in net assets is attributable to an extraordinary gain due to the dissolution of the Irvine Redevelopment Agency. Additional information on the dissolution of the redevelopment agency can be found under Section III. H. and Section IV. F. of the Notes to the Basic Financial Statements section of this report.
- As of June 30, 2012, the City's governmental funds reported combined ending fund balances of \$611.75 million, an increase of \$111.80 million in comparison with the prior year. Approximately 31% of this total amount, \$192.55 million, is available for spending at the government's discretion (*committed, assigned, and unassigned fund balance*) within the guidelines of the funding sources.
- At June 30, 2012, committed, assigned, and unassigned fund balance for the general fund was \$98.76 million or 67% of total general fund expenditures. This represents an increase of \$2.75 million or 3% from the prior year. The City Council has designated all of this fund balance for specified purposes, in accordance with City policies and budgetary guidelines.
- The governmental funds had an extraordinary gain of \$188.17 million due to the dissolution of the Irvine Redevelopment Agency as of February 1, 2012. All assets and liabilities of the former redevelopment agency were transferred to the fiduciary funds. Additional information on the dissolution of the redevelopment agency can be found under Section III. H. and Section IV. F. of the Notes to the Basic Financial Statements section of this report.
- The City's total long-term liabilities increased by \$1.83 million, less than one percent, during the current fiscal year. The key factor in this increase is the additional accrual for general liability and workers' compensation claims.

Government-wide Financial Analysis

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

The largest portion of the City's net assets, 70%, reflects its investment in capital assets (e.g., land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

See Independent Auditors' Report.

City of Irvine
Summary of Net Assets
June 30, 2012 and 2011
(amounts expressed in thousands)

	Governmental	
	Activities	
	<u>2012</u>	<u>2011</u>
Assets		
Current and other assets	\$ 733,825	\$ 650,587
Capital assets	<u>1,537,567</u>	<u>1,524,119</u>
Total Assets	<u>2,271,392</u>	<u>2,174,706</u>
Liabilities		
Other liabilities	43,989	52,198
Long-term liabilities	<u>17,585</u>	<u>16,642</u>
Total Liabilities	<u>61,574</u>	<u>68,840</u>
Net Assets		
Invested in capital assets, net of related debt	1,537,181	1,523,430
Restricted	287,906	294,596
Unrestricted	<u>384,731</u>	<u>287,840</u>
Total Net Assets	<u><u>\$ 2,209,818</u></u>	<u><u>\$ 2,105,866</u></u>

During the fiscal year ended June 30, 2012, net assets of the City increased to \$2.21 billion, of which \$1.54 billion is invested in capital assets such as equipment, buildings and infrastructure. Of the remaining total, \$287.91 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties. The remaining, \$384.73 million, is subject to designation for specific purposes as approved by the City Council. Some of the designations are, \$34.72 million for non-circulation projects such as the Orange County Great Park, various neighborhood parks, and public facilities, \$69.45 million for future infrastructure and rehabilitations, and \$60.61 million for capital improvement projects.

See Independent Auditors' Report.

City of Irvine
Summary of Changes in Net Assets
For the Years Ended June 30, 2012 and 2011
(amounts expressed in thousands)

	Governmental Activities	
	2012	2011
Revenues		
Program revenues:		
Charges for services	\$ 40,193	\$ 43,981
Operating grants and contributions	23,693	16,570
Capital grants and contributions	36,104	71,731
General revenues:		
Property taxes	47,862	48,370
Sales taxes	48,972	48,694
Investment revenue	7,982	4,786
Other taxes	23,091	23,821
Other revenues	813	91
Total Revenues	228,710	258,044
Expenses		
General Government	54,380	20,267
Public Safety	57,563	57,091
Public Works	59,037	58,702
Community Services	35,806	33,006
Community Development	20,694	21,747
Great Park	16,398	14,747
Interest on long-term debt	26	68
Unallocated infrastructure depreciation	44,770	42,778
Total Expenses	288,674	248,406
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Extraordinary Items	(59,964)	9,638
Extraordinary Gain (Loss)	163,916	-
Change in Net Assets	103,952	9,638
Beginning Net Assets, as restated	2,105,866	2,096,228
Ending Net Assets	\$ 2,209,818	\$ 2,105,866

See Independent Auditors' Report.

Overall, Citywide revenues for the fiscal year ended June 30, 2012 decreased by \$29.33 million, an 11% decrease from the prior year. The majority of the decrease was attributed to capital grants and contributions. As the City's infrastructure and capital improvement projects have completed construction, the amount of funding received from outside funding sources such as federal and state grants have decreased. In addition:

- Total program revenues of \$99.99 million were 44% of total revenues. Capital grants and contributions related to infrastructure and capital improvements accounted for 16% of total revenues.
- Total general revenues of \$128.72 million were 56% of total revenues. The largest general revenue, sales tax, accounted for 21% of total revenues.

Total expenses increased by \$40.27 million, a 16% increase from the prior year. The majority of the expense increase is from General Government in the Assessment District Fund. The excess funding in the Assessment District Fund was used to redeem outstanding bonds in conjunction with a refunding transaction. Public Safety and Public Works expenses each accounted for 20% of the total expenses and, Community Services accounted for 12% of total expenses.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements.

As of June 30, 2012, the City's governmental funds reported total combined ending fund balances of \$611.75 million, an increase of \$111.80 million from the prior year. Approximately 31% of the City's governmental funds ending fund balances, or \$192.55 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 remainder of fund balance, \$419.20 million, is either nonspendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation. The nonspendable portion total of \$143.91 million consists of an endowment to generate income to pay for senior citizen services programs of \$0.47 million, \$141.92 million of long-term advances to other funds, and \$1.52 million of prepaid expenditures. The remaining restricted funds totaling \$275.29 million are comprised of \$263.70 million for capital improvement projects, circulation improvement maintenance and public transportation, \$1.04 million for community service activities, a contingency reserve of \$4.08 million, \$3.03 million for low-income housing, \$1.09 million for development activities, \$0.79 million for pollution remediation, and for law enforcement purposes \$1.56 million.

See Independent Auditors' Report.

General Fund Financial Highlights

The general fund is the chief operating fund of the City. At June 30, 2012, committed, assigned, and unassigned fund balance of the general fund was \$98.76 million, while total fund balance was \$111.93 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 68% of the total general fund expenditures. As mentioned above, however, the City Council has designated all of this committed, assigned, and unassigned fund balance for specified purposes.

For the fiscal year ended June 30, 2012, the cash and investments balance in the general fund was \$106.17 million, an increase of \$3.59 million from the prior fiscal year. Long-term notes receivable in the amount of \$10.71 million in the general fund, are a result of various housing loans made during the years.

City of Irvine
Summary of Changes in Fund Balances - General Fund
For the Years Ended June 30, 2012 and 2011
(amounts expressed in thousands)

	<u>2012</u>	<u>2011</u>
Revenues		
Taxes:		
Sales	\$ 49,226	\$ 45,788
Property	42,297	41,884
Other	21,178	21,377
Total Taxes	<u>112,701</u>	<u>109,049</u>
Charges for services	19,188	18,422
Intergovernmental	3,525	2,617
Investment revenue	1,650	1,661
Other	10,646	10,694
Total Revenues	<u>147,710</u>	<u>142,443</u>
Expenditures		
General Government	15,816	25,968
Public Safety	54,607	53,847
Public Works	27,098	24,180
Community Development	18,017	15,891
Community Services	30,559	28,865
Total Expenditures	<u>146,097</u>	<u>148,751</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,613</u>	<u>(6,308)</u>
Other Financing Sources (Uses)		
Proceeds from sale of capital assets	1,125	11
Net transfers	440	11,102
Net Change in Fund Balance	<u>\$ 3,178</u>	<u>\$ 4,805</u>

See Independent Auditors' Report.

Overall, General Fund revenues for the fiscal year ended June 30, 2012 increased by \$5.27 million, or 4%, over the prior year. The majority of this increase is attributable to higher tax revenues, charges for service, and intergovernmental revenues.

Total related General Fund expenditures decreased by \$2.65 million, or 2%, from the prior year. Changes in expenditures, by function, occurred as follows during the fiscal year ended June 30, 2012:

- General Government expenditures decreased by \$10.15 million, to \$15.82 million due to final payment of bond debt in the prior fiscal.
- Public Safety expenditures increased by \$0.76 million to \$54.61 million, due to additional expenditures for staffing.
- Public Works expenditures increased by \$2.92 million, to \$27.10 million, due to the addition of a new route for the iShuttle, additional staff expenditures, and an increase in maintenance for new infrastructure.
- Community Development expenditures increased by \$2.13 million, to \$18.02 million, due to an increase in staffing and consultant costs as a result of an increase in development.
- Community Services expenditures increased by \$1.69 million, to \$30.56 million, driven by an increase in rehabilitation projects delayed in prior fiscal years.

General Fund Budgetary Highlights

Differences between the general fund original budget expenditures and the final amended budget were \$1.02 million and can be briefly summarized as follows:

Increases for activities:

- \$0.05 million for general government.
- \$0.05 million for community development.
- \$0.18 million for public works.
- \$0.20 million for public safety.
- \$0.53 million for community services.

In each of the functional expenditure categories actual expenditures were less than final budgeted amounts, totaling \$146.10 million, and \$153.20 million, respectively. Additionally, for the fiscal year ended June 30, 2012, actual revenues exceeded budgetary estimates, at \$147.71 million and \$146.60 million, respectively. Since revenues exceeded expenditures, there was no need to draw upon the existing fund balance. Furthermore, actual net transfers into the general fund were more than final budget amounts by \$2.64 million, as a result of the closure of capital projects and programs with savings. These savings were transferred back to the original funding sources. In addition, the general fund sold a building capital asset, for \$1.1 million.

See Independent Auditors' Report.

Financial Analysis of the Other Major Funds

The Irvine Business Complex Fund utilizes developer fees, gas tax, and interest revenue to fund multi-year arterial streets projects in the Irvine Business Complex area. For the fiscal year ended June 30, 2012, developer fees of \$1.72 million were received. Actual expenditures were less than budgeted amounts because project delays have resulted in the postponement of capital outlay expenditures to future fiscal years. The ending fund balance of \$44.21 million is restricted for future construction of various Irvine Business Complex projects.

The Orange County Great Park Fund accounts for transactions relating to the development, management, operation and maintenance of the Orange County Great Park to be located on the site of the former Marine Corps Air Station (MCAS) at El Toro. Current year expenditures, primarily for planning, operations, and programs for the Orange County Great Park amounted to \$14.43 million. The fund also has an extraordinary loss of \$34.78 million for the forgiveness of debt due to the dissolution of the Irvine Redevelopment Agency as of February 1, 2012. Additional information on the dissolution of the Irvine Redevelopment Agency can be found in Section III. H. and Section IV. F. of the Notes to the Basic Financial Statements section of this report. The ending fund balance of \$162.23 million is designated for the future development of the Orange County Great Park.

The Capital Improvement Projects Fund accounts for street, bridge, traffic signal and other circulation related capital projects funded by grants, fees, gas tax, sales tax, and interest revenue. The fund balance increased by \$2.06 million due to a delay in expenditures in capital outlay for circulation capital projects. The fund balance of \$15.32 million is reserved for future construction.

The Assessment Districts Fund accounts for the 1915 Improvement Bond Act bond proceeds to fund major road and drainage improvements throughout the City. Capital outlays were \$20.45 million for improvements related to new development in the City. The ending fund balance of \$129.29 million is restricted for future construction of these projects.

The Irvine Redevelopment Fund accounts for the operational activities of the Irvine Redevelopment Agency to enable and facilitate the redevelopment of the project area located on the site of the former MCAS El Toro through January 31, 2012.

The RDA Debt Service Fund accounts for the accumulation of tax increment receipts, debt service payments, and statutory pass-through payments of property tax to affected agencies of the redevelopment project area and plans for the non-aviation reuse of the former MCAS El Toro base property through January 31, 2012.

On February 1, 2012, the Irvine Redevelopment Agency was dissolved in accordance with Assembly Bill X1 26. Prior to that date, the final seven months of the activity of the Agency continued to be reported as a governmental fund of the City. After the date of dissolution, the assets and liabilities of the dissolved redevelopment agency were reported in a fiduciary fund (private-purpose trust fund). See Section III. H. and Section IV. F. of the Notes to the Basic Financial Statements section of this report for more detailed information about the dissolution of the Agency.

See Independent Auditors' Report.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$1.54 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, park facilities, roads, highways, and bridges. The total increase over prior fiscal year in the City's investment in capital assets was \$13.45 million, or a 1% increase.

City of Irvine
Summary of Changes in Capital Assets
For the Year Ended June 30, 2012
(amounts expressed in thousands)

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 598,510	\$ 14,320	\$ -	\$ 612,830
Construction in progress	95,690	10,999	69,807	36,882
Total capital assets not being depreciated	<u>694,200</u>	<u>25,319</u>	<u>69,807</u>	<u>649,712</u>
Capital assets, being depreciated:				
Buildings	109,811	13,761	650	122,922
Improvements other than buildings	72,897	56,810	-	129,707
Machinery and equipment	42,124	3,210	2,334	43,000
Infrastructure	1,350,570	39,519	-	1,390,089
Total capital assets being depreciated	<u>1,575,402</u>	<u>113,300</u>	<u>2,984</u>	<u>1,685,718</u>
Less accumulated depreciation for:				
Buildings	(43,320)	(2,858)	(49)	(46,129)
Improvements other than buildings	(34,920)	(3,665)	-	(38,585)
Machinery and equipment	(32,167)	(3,410)	(2,274)	(33,303)
Infrastructure	(635,076)	(44,770)	-	(679,846)
Total accumulated depreciation	<u>(745,483)</u>	<u>(54,703)</u>	<u>(2,323)</u>	<u>(797,863)</u>
Total capital assets, being depreciated, net	<u>829,919</u>	<u>58,597</u>	<u>661</u>	<u>887,855</u>
Governmental activities capital assets, net	<u>\$ 1,524,119</u>	<u>\$ 83,916</u>	<u>\$ 70,468</u>	<u>\$ 1,537,567</u>

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

- Infrastructure additions were \$39.52 million. Street additions accounted for \$36.81 million, traffic signal additions totaled \$2.32 million, bridge additions were \$0.03 million, trail additions totaled \$0.34 million, and landscaping additions were \$0.02 million.

See Independent Auditors' Report.

- Machinery and equipment acquisitions of \$3.21 million included vehicles, and hardware and software per the Strategic Technology Plan.

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

Long-term Debt

Total outstanding long-term debt at June 30, 2012 is \$22.60, an increase of \$2.17 million from the prior year.

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

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012	Long- Term	Due Within One Year
Compensated absences	\$ 9,902	\$ 2,847	\$ 2,447	\$ 10,302	\$ 7,719	\$ 2,583
Claims payable	9,841	4,629	2,557	11,913	8,908	3,005
Capital lease obligation	689	-	303	386	198	188
Total Long-Term Liabilities	<u>\$ 20,432</u>	<u>\$ 7,476</u>	<u>\$ 5,307</u>	<u>\$ 22,601</u>	<u>\$ 16,825</u>	<u>\$ 5,776</u>

Long-term debt-related events during the fiscal year ended June 30, 2012 included:

- Compensated absences liabilities increased by \$0.40 million and payouts to employees upon termination amounted to \$2.45 million.
- A net increase to claim payable of \$2.07 million to adjust for possible future general liability and workers' compensation claims.

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

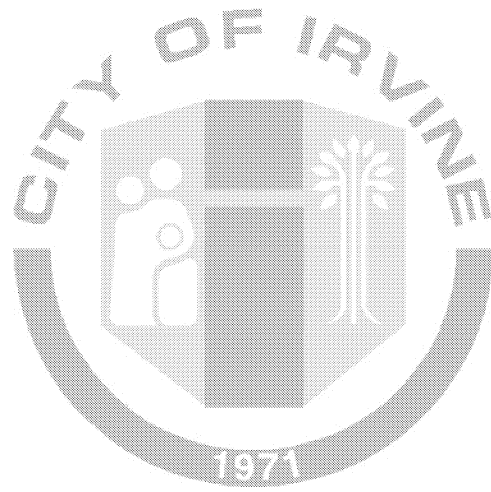
Economic Factors and Next Year's Budgets and Rates

The City's economy is linked to the national and state economy. However, because the City is still developing, its local economy can experience departures from other local, state or national trends; with resultant recurring revenue fluctuations. Additionally, because the City's revenues are obtained from a limited number of sources, further revenue fluctuations may occur from year to year. To develop its budget model, the City uses the “Orange County Economic Forecast” prepared by Chapman University's Center for Economic Research, the UCLA Anderson Forecast, and the California State University at Fullerton Mihaylo College of Business and Economics as well as projections provided by City consultants. Detailed information about the economic analysis, revenue assumptions, and other budgetary process parameters utilized in the annual budget preparation, can be obtained from the City's fiscal year 2012-13 citywide budget, available through the City Manager's Office.

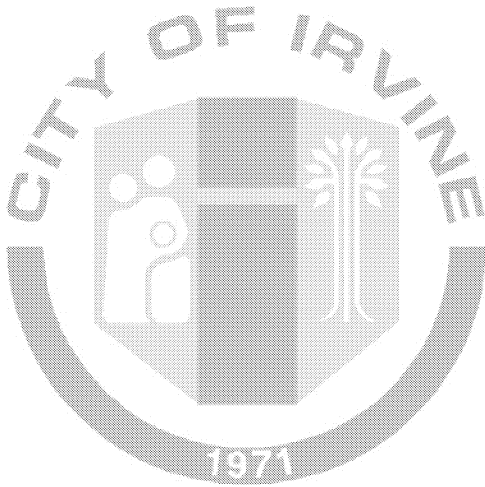
See Independent Auditors' Report.

Requests for Information

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



BASIC FINANCIAL STATEMENTS



City of Irvine
Statement of Net Assets
June 30, 2012
(amounts expressed in thousands)

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 381,660
Cash and investments held by trustee	132,978
Receivables, net of allowances:	
Taxes	15,035
Accounts	3,125
Accrued interest	672
Prepaid	1,529
Inventories	91
Advances to the Successor Agency	173,961
Due from other governments	5,658
Long-term note receivable	17,607
Net pension asset	1,509
Capital assets, net of accumulated depreciation:	
Land	612,830
Buildings and systems	76,793
Improvements other than buildings	91,122
Machinery and equipment	9,697
Infrastructure	710,243
Construction in progress	36,882
	<u>2,271,392</u>
Total Assets	<u>2,271,392</u>
LIABILITIES	
Accounts payable and other accrued liabilities	19,645
Due to other governments	455
Deposits	4,436
Unearned revenue	13,677
Noncurrent liabilities:	
Due within one year	5,776
Due in more than one year	16,825
Net OPEB	760
	<u>61,574</u>
Total Liabilities	<u>61,574</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,537,181
Restricted	
Expendable:	
Assessment infrastructure and capital improvements	280,772
Housing programs	3,247
Public safety programs	1,582
Other programs and activities	1,836
Nonexpendable:	
Senior Services Fund program	469
Unrestricted	384,731
	<u>2,209,818</u>
Total Net Assets	<u>\$ 2,209,818</u>

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

City of Irvine
Statement of Activities
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government					
Governmental Activities:					
General Government	\$ 54,380	\$ 1,741	\$ 2,126	\$ -	\$ (50,513)
Public Safety	57,563	3,172	1,327	19	(53,045)
Public Works	59,037	7,210	12,856	29,926	(9,045)
Community Services	35,806	9,070	1,935	3,119	(21,682)
Community Development	20,694	15,788	1,537	2,837	(532)
Great Park	16,398	3,212	3,912	203	(9,071)
Interest on Long-Term Debt	26	-	-	-	(26)
Unallocated infrastructure depreciation	44,770	-	-	-	(44,770)
Total Governmental Activities	<u>\$ 288,674</u>	<u>\$ 40,193</u>	<u>\$ 23,693</u>	<u>\$ 36,104</u>	<u>(188,684)</u>
General Revenues					
Taxes:					
Property taxes					47,862
Sales taxes					48,972
Franchise taxes					12,163
Transient occupancy taxes					8,489
Document transfer taxes					1,426
Business license taxes					905
Unrestricted motor vehicle in-lieu					108
Gain on sales of assets					563
Investment revenue					7,982
Other revenue					250
Total General Revenues					<u>128,720</u>
Extraordinary Gain (Loss)					<u>163,916</u>
Change in Net Assets					103,952
Total Net Assets, Beginning					<u>2,105,866</u>
Total Net Assets, Ending					<u>\$ 2,209,818</u>

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

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2012
(amounts expressed in thousands)
Page 1 of 2

	General	Irvine Business Complex	Orange County Great Park	Irvine Redevelopment
ASSETS				
Cash and investments	\$ 106,169	\$ 49,207	\$ 29,030	\$ -
Receivables, net of allowances:				
Taxes	9,041	-	-	-
Accounts	1,655	-	144	-
Accrued interest	139	49	31	-
Prepaid	1,168	-	338	-
Due from other funds	160	-	-	-
Due from other governments	1,133	1,508	84	-
Advances to the Successor Agency	7,718	-	166,243	-
Advances to other funds	-	-	-	-
Long-term note receivable	10,711	-	-	-
Total Assets	<u>\$ 137,894</u>	<u>\$ 50,764</u>	<u>\$ 195,870</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other accrued liabilities	\$ 6,724	\$ 5,541	\$ 1,234	\$ -
Due to General Fund	-	-	-	-
Due to other governments	14	-	7	-
Deposits	3,468	-	41	-
Deferred revenue	15,756	1,018	32,358	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>25,962</u>	<u>6,559</u>	<u>33,640</u>	<u>-</u>
Fund Balances:				
Nonspendable				
Prepaid	1,168	-	338	-
Advances to other funds	6,568	-	134,000	-
Endowment	-	-	-	-
Restricted				
Capital improvement projects	-	-	-	-
Circulation improvements	-	44,205	-	-
Community services activities	97	-	-	-
Contingency reserve	4,085	-	-	-
Development activities	1,085	-	-	-
Lighting, landscape, & park maintenance	-	-	-	-
Low-income housing activities	-	-	-	-
Pollution remediation	-	-	-	-
Public safety programs	-	-	-	-
Public transportation	168	-	-	-
Committed				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	-	-
Contingency reserve	16,033	-	-	-
Public facilities improvements	-	-	27,892	-
Assigned				
Capital improvement projects	-	-	-	-
Compensated absences	1,876	-	-	-
Development activities	2,013	-	-	-
Education	1,510	-	-	-
Infrastructure and rehabilitation	69,451	-	-	-
Unassigned	7,878	-	-	-
Total Fund Balances	<u>111,932</u>	<u>44,205</u>	<u>162,230</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 137,894</u>	<u>\$ 50,764</u>	<u>\$ 195,870</u>	<u>\$ -</u>

- continued -

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

**City of Irvine
Balance Sheet
Governmental Funds
June 30, 2012**

(amounts expressed in thousands)

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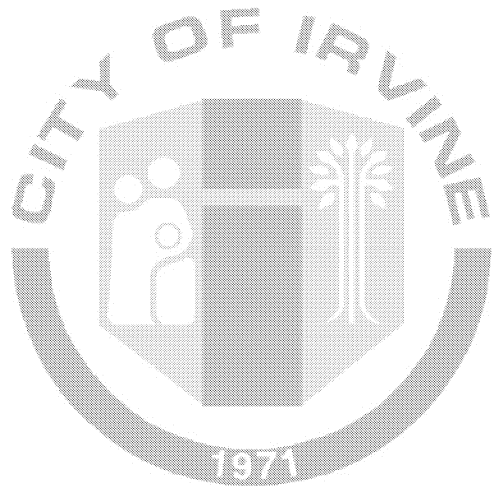
	Capital Improvement Projects	Assessment Districts	RDA Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 19,357	\$ 129,858	\$ -	\$ 157,177	\$ 490,798
Receivables, net of allowances:					
Taxes	-	-	-	1,509	10,550
Accounts	875	3	-	219	2,896
Accrued interest	19	6	-	161	405
Prepaid	-	-	-	21	1,527
Due from other funds	-	-	-	-	160
Due from other governments	1,872	-	-	1,060	5,657
Advances to the Successor Agency	-	-	-	-	173,961
Advances to other funds	-	-	-	1,350	1,350
Long-term note receivable	-	-	-	5,296	16,007
Total Assets	<u>\$ 22,123</u>	<u>\$ 129,867</u>	<u>\$ -</u>	<u>\$ 166,793</u>	<u>\$ 703,311</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 1,070	\$ 37	\$ -	\$ 3,696	\$ 18,302
Due to General Fund	-	-	-	160	160
Due to other governments	-	413	-	17	451
Deposits	427	125	-	360	4,421
Deferred revenue	5,307	-	-	12,435	66,874
Advances from other funds	-	-	-	1,350	1,350
Total Liabilities	<u>6,804</u>	<u>575</u>	<u>-</u>	<u>18,018</u>	<u>91,558</u>
Fund Balances:					
Nonspendable					
Prepaid	-	-	-	21	1,527
Advances to other funds	-	-	-	1,350	141,918
Endowment	-	-	-	469	469
Restricted					
Capital improvement projects	-	129,292	-	44,810	174,102
Circulation improvements	-	-	-	44,371	88,576
Community services activities	-	-	-	941	1,038
Contingency reserve	-	-	-	-	4,085
Development activities	-	-	-	-	1,085
Lighting, landscape, & park maintenance	-	-	-	855	855
Low-income housing activities	-	-	-	3,029	3,029
Pollution remediation	-	-	-	786	786
Public safety programs	-	-	-	1,563	1,563
Public transportation	-	-	-	-	168
Committed					
Capital improvement projects	8,982	-	-	34,206	43,188
Circulation improvements	-	-	-	4,803	4,803
Contingency reserve	-	-	-	-	16,033
Public facilities improvements	-	-	-	6,823	34,715
Assigned					
Capital improvement projects	6,337	-	-	6,284	12,621
Compensated absences	-	-	-	-	1,876
Development activities	-	-	-	-	2,013
Education	-	-	-	-	1,510
Infrastructure and rehabilitation	-	-	-	-	69,451
Unassigned	-	-	-	(1,536)	6,342
Total Fund Balances	<u>15,319</u>	<u>129,292</u>	<u>-</u>	<u>148,775</u>	<u>611,753</u>
Total Liabilities and Fund Balances	<u>\$ 22,123</u>	<u>\$ 129,867</u>	<u>\$ -</u>	<u>\$ 166,793</u>	<u>\$ 703,311</u>

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

City of Irvine
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2012
(amounts expressed in thousands)

Total Fund Balances of Governmental Funds		\$ 611,753
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in government activities are nonfinancial resources and are not reported in the funds. The following is net of the Internal Service Funds of \$6,959.		
Governmental capital assets	2,301,071	
Less: accumulated depreciation	<u>(770,463)</u>	1,530,608
Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.		17,607
Intergovernmental revenues are not collected within current period and are deferred in the funds. However, on an accrual basis revenues are included in the government-wide statements. These revenues include:		
Orange County Great Park Fund	32,369	
Capital Improvement Projects Funds	1,872	
General Fund	1,645	
Irvine Business Complex Fund	1,018	
Park Development Fund	218	
Grant Fund	<u>68</u>	37,190
Other revenues are not available to pay for current period expenditures and are not reported in the funds.		369
The net pension asset is not an available financial resources and is excluded from the funds.		1,509
The net other post employment benefit pension obligation is not due and payable in the current period and are not reported in the funds.		(760)
A portion of sales tax receivable is not reported in the fund financial statements.		4,485
Internal service funds are used by management to charge the cost of activities involved in rendering services to departments within the City. The assets and liabilities of the internal services funds are included in the Statement of Net Assets.		17,157
Compensated absences long-term liabilities not due and payable in the current period and are not reported in the funds.		(10,099)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(1)
Net Assets of Governmental Activities		<u><u>\$2,209,818</u></u>

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



City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
Page 1 of 2

	<u>General</u>	<u>Irvine Business Complex</u>	<u>Orange County Great Park</u>	<u>Irvine Redevelopment</u>
REVENUES				
Taxes	\$ 112,701	\$ -	\$ -	\$ -
Licenses and permits	6,091	-	-	-
Fines and forfeitures	2,065	-	-	-
Investment income	1,650	456	284	-
Intergovernmental	3,525	706	56	-
Charges for services	19,188	-	3,258	-
Assessment districts contributions	-	-	-	-
Revenue from developers	19	1,715	3,800	-
Revenue from property owners	-	-	-	-
Donations	17	-	29	-
Other revenue	2,454	-	-	-
	<u>147,710</u>	<u>2,877</u>	<u>7,427</u>	<u>-</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	15,816	16	107	113
Public Safety	54,607	-	-	-
Public Works	27,098	4,728	67	-
Community Development	18,017	40	-	478
Community Services	30,559	-	-	-
Great Park	-	-	14,257	-
Street lighting	-	-	-	-
Capital outlay	-	4,967	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
	<u>146,097</u>	<u>9,751</u>	<u>14,431</u>	<u>591</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,613</u>	<u>(6,874)</u>	<u>(7,004)</u>	<u>(591)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	1,125	-	-	-
Transfers in	1,379	1,538	-	500
Transfers out	(939)	-	(2,138)	-
	<u>1,565</u>	<u>1,538</u>	<u>(2,138)</u>	<u>500</u>
Total Other Financing Sources (Uses)				
EXTRAORDINARY GAIN (LOSS)				
Forgiveness of debts	-	-	(34,779)	-
Dissolution of redevelopment agency	-	-	-	(1)
	<u>-</u>	<u>-</u>	<u>(34,779)</u>	<u>(1)</u>
Total Extraordinary Gain (Loss)				
Net Change in Fund Balances	3,178	(5,336)	(43,921)	(92)
Fund Balances, Beginning	<u>108,754</u>	<u>49,541</u>	<u>206,151</u>	<u>92</u>
Fund Balances, Ending	<u>\$ 111,932</u>	<u>\$ 44,205</u>	<u>\$ 162,230</u>	<u>\$ -</u>

- continued -

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

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
Page 2 of 2

	Capital Improvement Projects	Assessment Districts	RDA Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ -	\$ -	\$ 2,651	\$ 15,807	\$ 131,159
Licenses and permits	-	-	-	-	6,091
Fines and forfeitures	-	-	-	-	2,065
Investment income	203	37	-	1,516	4,146
Intergovernmental	4,551	-	-	5,234	14,072
Charges for services	-	-	-	1,611	24,057
Assessment districts contributions	-	2,489	-	-	2,489
Revenue from developers	113	-	-	10,892	16,539
Revenue from property owners	-	-	-	5,673	5,673
Donations	-	-	-	526	572
Other revenue	875	12	-	59	3,400
	<u>5,742</u>	<u>2,538</u>	<u>2,651</u>	<u>41,318</u>	<u>210,263</u>
Total Revenues					
EXPENDITURES					
Current:					
General Government	42	35,924	-	165	52,183
Public Safety	-	-	-	1,657	56,264
Public Works	781	401	-	1,588	34,663
Community Development	-	1	915	3,422	22,873
Community Services	-	-	-	3,406	33,965
Great Park	-	-	-	1,822	16,079
Street lighting	-	-	-	6,403	6,403
Capital outlay	8,436	20,449	-	26,609	60,461
Debt service:					
Interest and fiscal charges	-	-	4,866	-	4,866
	<u>9,259</u>	<u>56,775</u>	<u>5,781</u>	<u>45,072</u>	<u>287,757</u>
Total Expenditures					
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(3,517)</u>	<u>(54,237)</u>	<u>(3,130)</u>	<u>(3,754)</u>	<u>(77,494)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of property	-	-	-	-	1,125
Transfers in	6,023	-	-	6,864	16,304
Transfers out	(450)	-	(500)	(12,282)	(16,309)
	<u>5,573</u>	<u>-</u>	<u>(500)</u>	<u>(5,418)</u>	<u>1,120</u>
Total Other Financing Sources (Uses)					
EXTRAORDINARY GAIN (LOSS)					
Forgiveness of debts	-	-	60,602	-	25,823
Dissolution of redevelopment agency	-	-	167,007	(4,657)	162,349
	<u>-</u>	<u>-</u>	<u>227,609</u>	<u>(4,657)</u>	<u>188,172</u>
Total Extraordinary Gain (Loss)					
Net Change in Fund Balances	2,056	(54,237)	223,979	(13,829)	111,798
Fund Balances, Beginning	<u>13,263</u>	<u>183,529</u>	<u>(223,979)</u>	<u>162,604</u>	<u>499,955</u>
Fund Balances, Ending	<u>\$ 15,319</u>	<u>\$ 129,292</u>	<u>\$ -</u>	<u>\$ 148,775</u>	<u>\$ 611,753</u>

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



City of Irvine
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

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

Net Change in Fund Balances - Total Governmental Funds		\$ 111,798
Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital outlays	60,461	
Expenditures for capital equipment purchases	1,890	
Less amounts not capitalized	(16,694)	
Depreciation expense	<u>(50,645)</u>	(4,988)
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		18,340
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Interest	4,210	
Grants	(3,217)	
Sales taxes	(253)	
Charges for services	346	
Other revenue	<u>(28)</u>	1,058
Long-term receivables and related deferred revenues are recognized as expenditures in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. However, these payments reduce the deferred revenue in the Statement of Net Assets and do not result in an expense in the Statement of Activities.		
		5,516
Governmental funds do not report the changes in the net pension asset or obligation, since it does not provide or require the use of current financial resources.		
Defined Benefit Pension Plan		(102)
Other Post Employment Benefit Plans		(152)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.		
Accrued interest	(26)	
Compensated absences	<u>(400)</u>	(426)
Extraordinary gain and losses relating to long term liabilities reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.		
		(24,256)
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.		
		<u>(2,836)</u>
Change in Net Assets of Governmental Activities		<u>\$ 103,952</u>

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



City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 109,745	\$ 109,745	\$ 112,701	\$ 2,956
Licenses and permits	7,209	7,209	6,091	(1,118)
Fines and forfeitures	1,758	1,758	2,065	307
Investment income	1,879	1,879	1,650	(229)
Intergovernmental	3,681	3,717	3,525	(192)
Charges for services	20,180	20,180	19,188	(992)
Revenue from developers	16	16	19	3
Donations	-	-	17	17
Other revenue	2,094	2,094	2,454	360
Total Revenues	146,562	146,598	147,710	1,112
EXPENDITURES				
Current:				
General Government:				
City Manager	9,085	9,120	7,131	1,989
Administrative Services	9,849	9,867	8,685	1,182
Public Safety	55,526	55,730	54,607	1,123
Public Works	28,574	28,752	27,098	1,654
Community Development	18,011	18,061	18,017	44
Community Services	31,141	31,672	30,559	1,113
Total Expenditures	152,186	153,202	146,097	7,105
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(5,624)	(6,604)	1,613	8,217
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	10	10	1,125	1,115
Transfers in	1,721	1,721	1,379	(342)
Transfers out	(3,968)	(3,925)	(939)	2,986
Total Other Financing Sources (Uses)	(2,237)	(2,194)	1,565	3,759
Net Change in Fund Balances				
	(7,861)	(8,798)	3,178	11,976
Fund Balances, Beginning				
	108,754	108,754	108,754	-
Fund Balances, Ending				
	<u>\$ 100,893</u>	<u>\$ 99,956</u>	<u>\$ 111,932</u>	<u>\$ 11,976</u>

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

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Irvine Business Complex
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 764	\$ 764	\$ 456	\$ (308)
Intergovernmental	1,627	1,627	706	(921)
Revenue from developers	942	2,086	1,715	(371)
Total Revenues	3,333	4,477	2,877	(1,600)
EXPENDITURES				
Current:				
General Government	15	15	16	(1)
Public Works	377	4,877	4,728	149
Community Development	-	40	40	-
Capital outlay	7,170	7,946	4,967	2,979
Total Expenditures	7,562	12,878	9,751	3,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,229)	(8,401)	(6,874)	1,527
OTHER FINANCING SOURCES (USES)				
Transfers in	1,577	1,495	1,538	43
Total Other Financing Sources (Uses)	1,577	1,495	1,538	43
Net Change in Fund Balances	(2,652)	(6,906)	(5,336)	1,570
Fund Balances, Beginning	49,541	49,541	49,541	-
Fund Balances, Ending	\$ 46,889	\$ 42,635	\$ 44,205	\$ 1,570

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

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Orange County Great Park
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

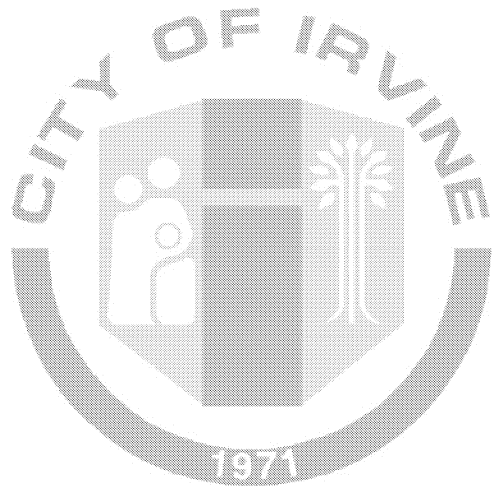
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 470	\$ 470	\$ 284	\$ (186)
Intergovernmental	706	316	56	(260)
Charges for services	4,706	3,361	3,258	(103)
Revenue from developers	3,300	3,800	3,800	-
Donations	1	30	29	(1)
Other revenue	60,240	60,240	-	(60,240)
	<u>69,423</u>	<u>68,217</u>	<u>7,427</u>	<u>(60,790)</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	118	118	107	11
Public Works	-	-	67	(67)
Great Park	17,571	19,006	14,257	4,749
	<u>17,689</u>	<u>19,124</u>	<u>14,431</u>	<u>4,693</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>51,734</u>	<u>49,093</u>	<u>(7,004)</u>	<u>(56,097)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,088)	(2,138)	(2,138)	-
	<u>(2,088)</u>	<u>(2,138)</u>	<u>(2,138)</u>	<u>-</u>
Total Other Financing Sources (Uses)				
EXTRAORDINARY GAIN (LOSS)				
Forgiveness of debt	-	-	(34,779)	(34,779)
	<u>-</u>	<u>-</u>	<u>(34,779)</u>	<u>(34,779)</u>
Total Extraordinary Loss				
Net Change in Fund Balances	49,646	46,955	(43,921)	(90,876)
Fund Balances, Beginning	206,151	206,151	206,151	-
Fund Balances, Ending	<u>\$ 255,797</u>	<u>\$ 253,106</u>	<u>\$ 162,230</u>	<u>\$ (90,876)</u>

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

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Irvine Redevelopment
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 4	\$ 4	\$ -	\$ (4)
Total Revenues	<u>4</u>	<u>4</u>	<u>-</u>	<u>(4)</u>
EXPENDITURES				
Current:				
General Government	204	204	113	91
Community Development	<u>1,021</u>	<u>1,021</u>	<u>478</u>	<u>543</u>
Total Expenditures	<u>1,225</u>	<u>1,225</u>	<u>591</u>	<u>634</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,221)</u>	<u>(1,221)</u>	<u>(591)</u>	<u>630</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,200</u>	<u>1,200</u>	<u>500</u>	<u>(700)</u>
Total Other Financing Sources (Uses)	<u>1,200</u>	<u>1,200</u>	<u>500</u>	<u>(700)</u>
EXTRAORDINARY GAIN (LOSS)				
Dissolution of redevelopment agency	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Total Extraordinary Loss	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net Change in Fund Balances	(21)	(21)	(92)	(71)
Fund Balances, Beginning	<u>92</u>	<u>92</u>	<u>92</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 71</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ (71)</u>

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



City of Irvine
Statement of Net Assets
Proprietary Funds
June 30, 2012
(amounts expressed in thousands)

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 23,840
Receivables, net of allowances:	
Accounts	103
Accrued interest	24
Prepaid	2
Inventories	91
Due from other governments	1
Total Current Assets	<u>24,061</u>
Noncurrent Assets:	
Capital assets:	
Equipment	34,359
Less accumulated depreciation	<u>(27,400)</u>
Total Noncurrent Assets	<u>6,959</u>
Total Assets	<u>31,020</u>
LIABILITIES	
Current Liabilities:	
Accounts payable and other accrued liabilities	1,342
Due to other governments	4
Deposits	15
Lease payable	188
Compensated absences	51
Claims payable	3,005
Total Current Liabilities	<u>4,605</u>
Noncurrent Liabilities:	
Lease payable	198
Compensated absences	152
Claims payable	8,908
Total Noncurrent Liabilities	<u>9,258</u>
Total Liabilities	<u>13,863</u>
NET ASSETS	
Invested in capital assets, net of related debt	6,573
Unrestricted	10,584
Total Net Assets	<u>\$ 17,157</u>

See Independent Auditors' Reports and the Basic Financial Statements

City of Irvine
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 17,792
Other	373
Total Operating Revenues	18,165
OPERATING EXPENSES	
Personal services	2,507
Supplies & equipment	4,452
Contract services	5,409
Administration	1,007
Self-insured losses	4,016
Insurance premiums	2,009
Depreciation	2,752
Total Operating Expenses	22,152
Operating Loss	(3,987)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	222
Interest expense	(28)
Gain on disposal of equipment	39
Total Nonoperating Revenues	233
Loss Before Capital Contributions and Transfers	(3,754)
Capital contributions	913
Transfers in	31
Transfers out	(26)
Change in Net Assets	(2,836)
Total Net Assets, Beginning	19,993
Total Net Assets, Ending	\$ 17,157

See Independent Auditors' Reports and the Basic Financial Statements

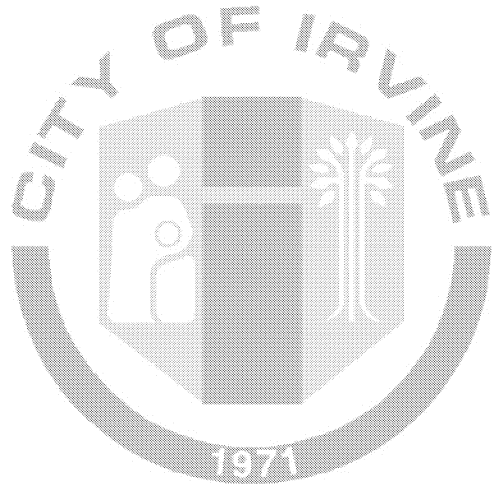
City of Irvine
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

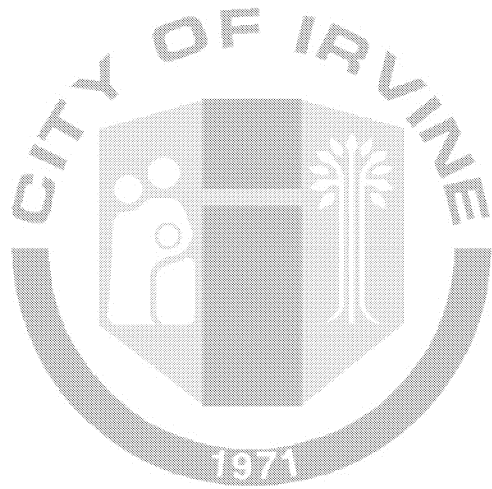
	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers and users	\$ 141
Received from interfund services provided	17,969
Paid to suppliers	(834)
Paid for interfund services provided	(14,123)
Paid to employees	(2,499)
Net Cash Provided by Operating Activities	<u>654</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	31
Transfers out	(26)
Net Cash Provided by Non-Capital Financing Activities	<u>5</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of equipment	39
Interest paid	(28)
Equipment purchases	(1,936)
Net Cash Used by Capital and Related Financing Activities	<u>(1,925)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	226
Net Cash Provided by Investing Activities	<u>226</u>
Net Decrease in Cash and Cash Equivalents	(1,040)
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>24,880</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 23,840</u>

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

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	\$ (3,987)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	2,752
Changes in assets and liabilities:	
(Increase) decrease in receivables, net of allowances	(67)
(Increase) decrease in prepaid costs	(2)
(Increase) decrease in due from other governments	12
(Increase) decrease in inventories	24
Increase (decrease) in accounts payable	129
Increase (decrease) in accrued liabilities	10
Increase (decrease) in due to other governments	(1)
Increase (decrease) in deposits	15
Increase (decrease) in lease payable	(303)
Increase (decrease) in claims payable	2,072
Total Adjustments	<u>4,641</u>
Net Cash Provided by Operating Activities	<u>\$ 654</u>
Schedule of Non-Cash and Related Financing Activities	
Contribution of Capital Assets	<u>\$ 913</u>

See Independent Auditors' Reports and the Basic Financial Statements





City of Irvine
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011 and June 30, 2012
(amounts expressed in thousands)

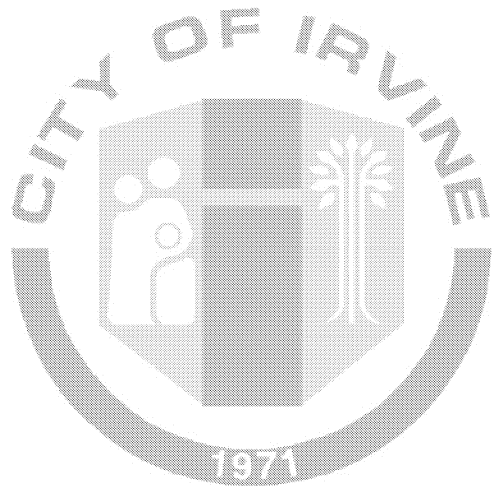
	<u>December 31, 2011</u>		
	<u>Pension and Employee Benefit Trust Funds</u>	<u>Successor Agency Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash	\$ -	\$ 3,234	\$ 75,880
Investments:			
Collective trust funds	17,813	-	-
Short-term investments	269	-	-
Participant-directed investments	10,558	-	-
Receivables, net of allowances:			
Taxes	-	-	1,843
Accrued interest	-	-	15
Loans	74	-	-
Due from other funds	-	-	336
Due from developers	-	-	1,192
Total Assets	<u>28,714</u>	<u>3,234</u>	<u>79,266</u>
LIABILITIES			
Accrued liabilities	27	-	115
Accounts payable and other accrued liabilities	123	879	354
Advances from the City of Irvine	-	173,961	-
Due to other funds	-	-	336
Due to bondholders	-	-	78,054
Due to other governments	-	1,586	407
Total Liabilities	<u>150</u>	<u>176,426</u>	<u>79,266</u>
NET ASSETS			
Held in trust for pension benefits	28,564	-	-
Held in trust for Successor Agency	-	(173,192)	-
Total Net Assets	<u>\$ 28,564</u>	<u>\$ (173,192)</u>	<u>\$ -</u>

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

City of Irvine
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2011 and June 30, 2012
(amounts expressed in thousands)

	<u>December 31, 2011</u>	
	Pension and Employee Benefit Trust Funds	Successor Agency Private- Purpose
ADDITIONS		
Contributions:		
Employer	\$ 492	\$ -
Plan members	57	-
Interest from participants' loan	3	-
Total Contributions	<u>552</u>	<u>-</u>
Investment income (loss):		
Interest and dividends	6	-
Net appreciation (depreciation) in fair value of investments	999	-
Total Investment Income	<u>1,005</u>	<u>-</u>
Less investment expenses	<u>(137)</u>	<u>-</u>
Net Investment Income	<u>868</u>	<u>-</u>
Taxes	<u>-</u>	<u>201</u>
Total Additions	<u>1,420</u>	<u>201</u>
DEDUCTIONS		
Benefit payments	1,542	-
Administration	5	162
County implementation payment	-	667
Grant obligations	-	4,657
Forfeitures to the City of Irvine	4	-
Interest and fiscal charges	-	3,991
Total Deductions	<u>1,551</u>	<u>9,477</u>
TRANSFERS		
Transfers in	-	271
Transfers out	-	(271)
Total Transfers	<u>-</u>	<u>-</u>
EXTRAORDINARY GAIN (LOSS)		
Dissolution of redevelopment agency	-	(163,916)
Total Extraordinary Loss	<u>-</u>	<u>(163,916)</u>
Change in Net Assets	(131)	(173,192)
Total Net Assets, Beginning	<u>28,695</u>	<u>-</u>
Total Net Assets, Ending	<u>\$ 28,564</u>	<u>\$ (173,192)</u>

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





City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

Blended Component Units

The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board (GASB) Statement 14. The Irvine Public Facilities Corporation (Corporation) and the Irvine Public Facilities and Infrastructure Authority (Authority) were used to finance the acquisition and construction of the City's civic center, operations support facility, animal services facilities, and other infrastructure improvements in the City. The Corporation and Authority are governed by boards comprised of appointed Finance Commissioners and the elected City Councilmembers, respectively. The transactions of the Corporation and the Authority are reported in the governmental fund financial statements as debt service funds. The Corporation's debt was retired in fiscal year 2001-02 and the Authority's debt was retired in fiscal year 2010-11; no additional activity has occurred in these funds. Separate financial statements are not available for the Corporation and the Authority.

The Irvine Redevelopment Agency (Agency) was created in 1999 to prepare a redevelopment project area and plan for the non-aviation reuse of the former Marine Corps Air Station at El Toro. As of February 1, 2012, the Agency was dissolved and the City has elected to become the Successor Agency. The Successor Agency is responsible for winding down the remaining activities of the dissolved Agency. Additional information on the dissolution of the redevelopment agency can be found under Section III. H., entitled "Successor Agency Trust for Assets of Former Redevelopment Agency".

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

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

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The Irvine Business Complex Fund, a special revenue fund, accounts for related capital project activities and fee revenue generated by development within the Irvine Business Complex.

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

The Irvine Redevelopment Fund, a special revenue fund, accounts for the activities of the Irvine Redevelopment Agency to administer the redevelopment project area and plan for the non-aviation reuse of the former MCAS El Toro. For more information on the dissolution of the Irvine Redevelopment Agency, see Note III H and IV F.

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

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

The RDA Debt Service Fund accounts for the accumulation of property tax increment receipts, debt service payments, and statutory pass through payments of tax increment to

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

affected agencies of the redevelopment project area. For more information on the dissolution of the Irvine Redevelopment Agency, see Note III H and IV F.

Additionally, the City reports the following fund types:

Governmental Funds

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

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

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

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. 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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with, or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City does not have business-type activities or enterprise funds; all City activities are governmental activities.

D. Use of Restricted and Unrestricted Resources

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

E. Assets, Liabilities, and Net Assets or Equity

Cash and Investments

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

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

Receivables and Payables

All outstanding balances between funds are reported as "Due to/from other funds" if expected to be repaid within one fiscal year. Noncurrent interfund receivables and payables are classified as "Advances to/from other funds."

Property taxes are attached as enforceable liens on the related property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of Orange bills and collects the property taxes and remits the amounts to the City in installments during the year. California State legislation (known as the "Teeter Plan") allowed the City and County to adopt an alternative property tax allocation plan whereby the City receives 100% of the tax levied. The City is

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

not responsible to reimburse the County for unpaid property taxes; in return the County receives all penalty charges or delinquent property taxes and is also responsible for any foreclosure proceedings.

Inventories and Prepaid Costs

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

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

Capital Assets

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

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

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

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

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

Compensated Absences

It is the City's policy to allow employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. The vesting method is used to calculate the liability. Depending on the bargaining group and years of service, an employee will be paid between 0% and 90% of earned sick

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

pay benefits, and 100% of earned vacation and compensatory time upon separation. All vacation pay, compensatory time, and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements; the current portion of the liability is estimated from prior year payments and adjusted for material expected variances. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate the compensated absences liabilities.

Long-term Obligations

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

Deferred Revenue

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

Revenues earned, but not yet received, may not be available in a timely manner to pay current expenditures or obligations. Such receivables, not meeting the availability criteria necessary for accrual under modified accrual basis accounting principles, are reclassified as deferred revenues for that period in the fund financial statements. In the government-wide financial statements, however, availability criteria are not considered. Instead, revenues become, and remain receivable from the point in time when revenue is earned through performance or similar recognition standards, until received.

Fund Equity

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

I. Summary of Significant Accounting Policies (Continued)

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 and resolutions. 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 (ordinance and resolution) it employed previously to commit those amounts.

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

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

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

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

F. Estimates

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

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

1. The budget includes proposed expenditures and their financing sources. During May and June, the City Manager submits to the City's Finance Commission and the City Council a proposed operating budget for all funds of the City for the fiscal year commencing the following July 1.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

II. Stewardship, Compliance, and Accountability (Continued)

2. The Finance Commission and City Council hold public meetings to obtain residents' comments. Prior to July 1, the budget is legally enacted through adoption of an appropriation resolution.
3. After adoption, the annual budget may be amended by the City Manager, if amendments are less than \$50,000 (amount not rounded) and do not expand or add to city programs or services, except for the General Fund that has no limit if the amendments do not expand or add to the City's programs or services. The legal level of control in the General Fund is considered to be at the department level. The City departments are: City Manager, Administrative Services, Community Development, Community Services, Public Safety, Public Works, and Great Park. The first two departments are classified together for reporting purposes as General Government, but City Manager and Administrative Services operate separately as departments for budgetary control purposes. Review by the Finance Commission and approval by the City Council are required if an amendment is in excess of \$50,000 (amount not rounded). Amendments to the adopted General Fund budget for the fiscal year ended June 30, 2012, increased appropriations by \$1,016 to an amended total of \$153,202. The legal level of control for all governmental funds other than the General Fund is considered to be at the fund level.
4. Budgets for the General, Special Revenue, Debt Service Funds, and Permanent Fund are adopted on a basis consistent with generally accepted accounting principles. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items. Budgeted amounts contained within this report are the original and final amended amounts, as approved by the City Council. No budgetary comparisons are presented for the Capital Projects Funds since budgets are adopted on a project basis as opposed to an annual basis. Also, no budgetary comparisons are presented for the Internal Service and Fiduciary funds.

B. Excess of Expenditures over Appropriations

Nonmajor Funds

For the year-ended June 30, 2012, the expenditures in the Irvine Community Land Trust Fund exceeded appropriations by \$389. The expenditures were in part a purchase of two additional condominiums for use in the low to moderate income rental program.

C. Deficit Fund Balances

Nonmajor Funds

For the year-ended June 30, 2012, the Major Special Events Fund had a deficit fund balance of \$50, primarily as a result of revenues not realized since the revenues were not both measureable and available of the end of the fiscal year as required under the modified accrual basis of accounting.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds

A. Cash and Investments

Cash and investments, as of June 30, 2012, are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 381,660
Cash and investments held by trustee	132,978
Total	514,638
Fiduciary funds:	
Cash and investments	22,665
Cash and investments held by trustee	52,753
Agency deposits	462
Cash and investments - Pension trust funds	28,640
Cash and investments - Private purpose trust funds	3,234
Total	107,754
Total Cash and Investments	\$ 622,392

Cash and investments, as of June 30, 2012, consist of the following:

Cash on hand	\$ 20
Deposits with financial institutions	6,531
Investments	583,967
Total	590,518
Cash and investments - Pension trust funds	28,640
Cash and investments - Private-purpose trust funds	3,234
Total Cash and Investments	\$ 622,392

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

The following table identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also addresses interest rate risk, credit risk and concentration of credit risk by virtue of the limitations imposed by the California Government Code (or the City's investment policy, where more restrictive). The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of the bond indentures rather than the general provisions of the California Government Code or the City's investment policy.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

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

Investments Authorized By Bond Indentures

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

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Government Sponsored Enterprise Securities	\$ 371,170	\$ 47,676	\$ 63,399	\$260,095
Local Agency Investment Fund (LAIF)	58,247	58,247	-	-
Money Market Mutual Funds	154,550	154,550	-	-
	<u>\$ 583,967</u>	<u>\$ 260,473</u>	<u>\$ 63,399</u>	<u>\$260,095</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments (including investments held by trustees) in callable federal agency securities are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2012 is \$240,510.

Disclosures Relating to Credit Risk

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

Investment Type	Total	Minimum Legal Rating	Rating Not Required	AAA _m	AA ⁺
U.S. Government Sponsored Enterprise Securities	\$ 371,170	N/A	\$ -	\$ 371,170	\$ -
Local Agency Investment Fund (LAIF)	58,247	N/A	58,247	-	-
Money Market Mutual Funds	154,550	AAA	-	-	154,550
	<u>\$ 583,967</u>		<u>\$ 58,247</u>	<u>\$ 371,170</u>	<u>\$ 154,550</u>

Concentration of Credit Risk

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

Issuer	Investment Type	Market Value
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 122,483
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 31,211
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 92,068
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 85,747

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

Issuer	Investment Type	Market Value
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 23,666
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 15,995
Dreyfus Government Prime Cash Fund	Money Market Mutual Fund	\$ 143,867

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

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

Custodial Credit Risk

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

A provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction account at all FDIC-insured institutions. This provision was effective from December 31, 2010 and will remain effective until December 31, 2012. Noninterest-bearing transaction accounts is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the FDIC-insured depository institutions does not reserve the right to require advance notice of an intended withdrawal. As of June 30, 2012, the City maintains cash deposits that are temporarily covered by this provision.

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

As of June 30, 2012, the City's investments in the following uninsured and uncollateralized investment types were held by the City's safekeeping agent or trustee:

Investment Type	Market Value
U.S. Government Sponsored Enterprise Securities	\$ 331,509

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

Investment Type	Market Value
U.S. Government Sponsored Enterprise Securities	\$ 39,661

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Investment in State Investment Pool

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

Cash and Investments - Pension Trust Funds

Defined Benefit Plan - Investments in the Plan are administered by the City's Defined Benefit Pension Plan Trustees and are subject to the investment policies stipulated in the Plan document rather than the general provisions of the California Government Code or the City's investment policy. Cash and investments of the Defined Benefit Plan are included in the basic financial statements as of December 31, 2011. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2011.

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, 2011. 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, 2011.

Agency Deposits

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

Restricted Cash

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$591 at June 30, 2012, were restricted per terms of an agreement with the Irvine Senior Foundation and the City.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 598,510	\$ 14,320	\$ -	\$ 612,830
Construction in progress	95,690	10,999	69,807	36,882
Total capital assets not being depreciated	<u>694,200</u>	<u>25,319</u>	<u>69,807</u>	<u>649,712</u>
Capital assets, being depreciated:				
Buildings and systems	109,811	13,761	650	122,922
Improvements other than buildings	72,897	56,810	-	129,707
Machinery and equipment	42,124	3,210	2,334	43,000
Infrastructure	1,350,570	39,519	-	1,390,089
Total capital assets being depreciated	<u>1,575,402</u>	<u>113,300</u>	<u>2,984</u>	<u>1,685,718</u>
Less accumulated depreciation for:				
Buildings and systems	(43,320)	(2,858)	(49)	(46,129)
Improvements other than buildings	(34,920)	(3,665)	-	(38,585)
Machinery and equipment	(32,167)	(3,410)	(2,274)	(33,303)
Infrastructure	(635,076)	(44,770)	-	(679,846)
Total accumulated depreciation	<u>(745,483)</u>	<u>(54,703)</u>	<u>(2,323)</u>	<u>(797,863)</u>
Total capital assets, being depreciated, net	<u>829,919</u>	<u>58,597</u>	<u>661</u>	<u>887,855</u>
Governmental activities capital assets, net	<u>\$ 1,524,119</u>	<u>\$ 83,916</u>	<u>\$ 70,468</u>	<u>\$ 1,537,567</u>

Museum Collections

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

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

Public Works	\$ 3,629
General Government	1,381
Community Services	1,266
Public Safety	356
Great Park	479
Community Development	70
Internal Service Funds Depreciation-charged to programs based on asset usage	2,752
Allocated Depreciation	9,933
Unallocated Infrastructure Depreciation	44,770
Total Depreciation Expense - Governmental Activities	\$ 54,703

Construction Commitments

The City has active construction projects as of June 30, 2012. The projects include signals, streets and drainage, bridges, trails, landscape, and facilities. At fiscal year-end the City's encumbrances with contractors were as follows:

	Spent-to-date	Remaining Commitment
Streets and drainage	\$ 37,408	\$ 14,384
Facilities and equipment	12,001	7,989
Traffic signal projects	1,901	280
Landscape	1,776	145
Bridges	439	30
Trails	406	30
Total	\$ 53,931	\$ 22,858

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

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, was as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	\$ 160

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	Other Governmental Funds	\$ 1,350

The advance balance represent balances due under a financing agreement between the City Housing Successor Fund and the Fees and Exactions Fund. Agreement terms stipulate City Housing Successor Fund repayment from future housing in lieu fees.

Interfund Transfers:

	Transfers in:						Total
	General Fund	Irvine Business Complex	Capital Improvement Projects	Irvine Redevelopment	Other Governmental Funds	Internal Service Funds	
Transfers out:							
General Fund	\$ -	\$ -	\$ 208	\$ -	\$ 730	\$ 1	\$ 939
Orange County Great Park	100	-	-	-	2,038	-	2,138
Capital Improvement Projects	-	-	-	-	450	-	450
RDA Debt Service	-	-	-	500	-	-	500
Other Governmental Funds	1,279	1,538	5,815	-	3,620	30	12,282
Internal Service Funds	-	-	-	-	26	-	26
Total	\$ 1,379	\$ 1,538	\$ 6,023	\$ 500	\$ 6,864	\$ 31	\$ 16,335

Transfers provided funding for the development of capital projects, as well as capital acquisitions. Transfers are used to move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them 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, which are described as follows:

Orange County Great Park

The Orange County Great Park (OCGP) fund receives revenue for three operating leases for sites within the former MCAS El Toro. The first lease is with All Star Services Corporation for recreational vehicle storage. The original lease was a five-month lease beginning in July 2005. In March 2010, the City entered into its seventh amendment of the lease, amending the lease term to a month-to-month lease, with a monthly rent of \$121. Rental revenue for the fiscal year ended June 30, 2012, was \$1,447.

Tierra Verde Industries entered into a lease beginning in May 2006 and terminating May 2010. In May 2010, the City amended and restated the lease. The new lease term is for eight years with an option to renew the lease for three successive two year terms. The lease is for two parcels within the OCGP.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

The first parcel is approximately 60 acres of land for green waste recycling. Rent is paid quarterly in advance at \$91 per quarter. The rent for parcel one is adjusted at the end of each lease year and shall be increased by the percentage increase in the consumer price index during the lease year. Parcel two, is for an office and warehouse building within the OCGP, used for general office, light maintenance, and manufacturing. The lessee also pays additional rent for Green Waste Host Fees at \$0.60 per ton. Rental revenue for the fiscal year ended June 30, 2012, for parcels one and two was \$467 and Green Waste Host Fees was \$205.

The final lease in the OCGP fund is with El Toro Farms, LLC, for the use of approximately 65.8 acres of farming land for the purpose of cultivating, irrigation, raising, and harvesting of strawberry and vegetable crops. The original lease was a one-year lease beginning in July 2005. In July 2009, the City entered into its fourth amendment to the lease, extending the lease termination date to June 30, 2010, and reducing the acres usage to approximately 35.4 acres. In July 2012, the City entered into its seventh amendment, extending the lease termination date to June 30, 2013, and providing an option to renew the lease for two one-year periods. The base monthly rent is \$5,565 (amount not rounded). Rental revenue at June 30, 2012, was \$96.

The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2012, is as follows:

Fiscal Year Ending June 30	Annual Rent
2013	\$ 327
2014	209
2015	202
2016	104
2017	104
2018-2022	99
	\$ 1,045

General Fund

The City has ongoing operating lease agreements for farming, retail space, right of way, facilities, and cell sites which expire at various dates through 2031. Rental revenue reported by the operating lease agreements for the fiscal year ended June 30, 2012, amounted to \$586. The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2012, is as follows:

Fiscal Year Ending June 30	Annual Rent
2013	\$ 453
2014	405
2015	418
2016	314
2017	315
2018-2022	1,564
2023-2027	1,476
2028-2032	1,017
	\$ 5,962

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Operating Lease Commitments

Orange County Great Park

The OCGP has an ongoing commitment under a multi-tenant operating lease agreement with Heritage Fields El Toro, LLC. The lease is a five-year operating lease beginning April 2006. Rental expenditures at June 30, 2012, were \$175. The lease agreement was completed in April 2011 and the OCGP is currently without a lease agreement. OCGP is leasing on a month-to-month basis.

Capital Leases

Total assets acquired through capital leases at June 30, 2012 were as follows:

Governmental Activities	
Machinery and equipment	\$ 566
Less: Accumulated depreciation	(40)
Total	\$ 526

The City entered into a lease agreement with Ford Motor Credit Company in June 2009 for sixteen patrol cars at a cost of \$380. The lease meets the capitalization policy and the vehicles have been recorded as assets of the Equipment and Services Internal Service Fund. The interest rate on the lease is 4.80%. The term of the lease is three years. Payments are due quarterly under the terms of the lease. The remaining balance was paid in full during fiscal year 2011-12.

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

Fiscal Year Ending June 30	Internal Service Fund		
	Principal	Interest	Total
2013	\$ 188	\$ 15	\$ 203
2014	198	6	204
	\$ 386	\$ 21	\$ 407

E. Changes in Long-term Liabilities

For the fiscal year ended June 30, 2012, changes in long-term liabilities are as follows:

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012	Long- Term	Due Within One Year
Compensated absences	\$ 9,902	\$ 2,847	\$ 2,447	\$ 10,302	\$ 7,719	\$ 2,583
Claims payable	9,841	4,629	2,557	11,913	8,908	3,005
Capital lease obligation	689	-	303	386	198	188
Total Long-Term Liabilities	\$ 20,432	\$ 7,476	\$ 5,307	\$ 22,601	\$ 16,825	\$ 5,776

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

F. Conduit Financing

The City entered into conduit financing on behalf of Jamboree Housing Corporation to assist with the acquisition of a qualified residential rental project. In accordance with the loan documents, the City has no obligation for debt service payments and therefore, the debt is not reflected in the accompanying basic financial statements. These revenue bonds were issued on March 1, 1998, and the final maturity is March 1, 2028. The outstanding amount of this financing at June 30, 2012, was \$20,500.

G. 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 Assessment debt.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Non-committal debt amounts issued and outstanding at June 30, 2012, are as follows:

<u>Variable Rate Issues:</u>		<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
07-22	Stonegate	\$ 40,000	\$ 35,995
05-21	Orchard Hills	79,265	79,265
04-20	Portola Springs	78,605	74,375
03-19	Northern Sphere	121,600	43,717
00-18	Shady Canyon/Turtle Ridge/Quail Hill	84,800	8,683
85-7	Irvine Spectrum	41,150	41,150
87-8	Spectrum 5	74,700	15,750
89-10	Westpark	43,640	7,489
93-14	Spectrum 6 & 7	72,400	54,537
94-13	Oak Creek	61,600	16,231
94-15	Westpark II	32,700	5,599
97-16	Northwest Irvine	60,000	25,168
97-17	Lower Peters Canyon East	95,000	32,654
	Total Variable Rate Issues	<u>885,460</u>	<u>440,613</u>

-Continued-

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Non-committal debt amounts issued and outstanding at June 30, 2012, are as follows:

Fixed Rate Issues:		Bonds Issued	Bonds Outstanding
00-18	Shady Canyon/Turtle Ridge/Quail Hill	18,040	14,025
00-18	Shady Canyon/Turtle Ridge/Quail Hill	6,705	5,275
04-20	Portola Springs	37,885	33,785
04-20	Portola Springs	7,450	7,450
03-19	Northern Sphere	6,795	5,150
03-19	Northern Sphere	28,890	22,795
03-19	Northern Sphere	8,885	6,940
03-19	Northern Sphere	15,725	12,625
03-19	Northern Sphere	17,875	14,855
03-19	Northern Sphere	4,275	4,034
87-8	Spectrum 5	10,825	6,405
87-8	Spectrum 5	17,300	4,250
87-8	Spectrum 5	11,015	6,790
93-14	Spectrum 6 & 7	875	660
93-14	Spectrum 6 & 7	4,475	3,510
93-14	Spectrum 6 & 7	2,120	1,730
93-14	Spectrum 6 & 7	1,335	1,135
97-16	Northwest Irvine	1,320	920
97-17	Lower Peters Canyon East	3,040	2,210
97-17	Lower Peters Canyon East	1,650	1,215
IPFIA	Revenue Bonds, Series B	57,575	32,410
01-1	Reassessment District	8,755	6,099
01-2	Reassessment District	48,814	27,987
IPFIA	Revenue Bonds, Series C	91,175	57,630
03-1	Reassessment District	9,665	7,021
03-2	Reassessment District	81,519	52,438
CFD 2005-2	Columbus Grove	24,375	22,320
10-23	Laguna Altura	25,855	25,855
07-22	Stonegate	20,415	20,415
07-22	Stonegate	3,095	3,095
11-1	Reassessment District	34,855	34,855
IPFIA	Revenue Bonds, 2012 Series A	33,570	33,570
11-2	Reassessment District	33,570	33,570
	Total Fixed Rate Issues	<u>679,718</u>	<u>513,024</u>
	Total All Issues	<u>\$ 1,565,178</u>	<u>\$ 953,637</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

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 upheld Assembly Bill X1 26 (Bill). That Bill, as modified by the California Supreme Court, provided for the dissolution of all redevelopment agencies in the State of California as of February 1, 2012. Prior to that date, the activity of the redevelopment agency was reported in the governmental funds of the City. After that date, the assets and activities of the dissolved redevelopment agency have been (and continue to be) reported in a fiduciary fund (Private-Purpose Trust Fund) in the financial statements of the City, as described in greater detail below.

Upon dissolution of a redevelopment agency, the Bill provides that either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets of the dissolved redevelopment agency until they are distributed to other units of state and local government.

On January 10, 2012, pursuant to both the Bill and City Council Resolution number 12-10, the City, through the City Council, elected to become the successor agency (Successor Agency) for the former redevelopment agency. Successor Agency activities are reported in the aforementioned Private-Purpose Trust fund.

Also on January 10, 2012, and pursuant to both the Bill and City Council Resolution number 12-11, the City, through the City Council, elected to retain the housing assets and functions of the former redevelopment agency. The City continues to report the housing assets and functions in the governmental special revenue fund designated “City Housing Successor.”

After enactment of the Bill, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the direction of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution.

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the former redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

City management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the Successor Agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is possible that a legal

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

The transfer of the assets and liabilities of the former redevelopment agency from and after February 1, 2012, from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary gain for funds with a negative fund balance and an extraordinary loss for funds with a positive fund balance. The receipt of these assets and liabilities as of January 31, 2012, was reported in the Private-Purpose Trust Fund as an extraordinary loss and gain.

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary gain recognized in the governmental funds was not the same amount as the extraordinary loss that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary gain recognized in the fund financial statements and the extraordinary loss recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in the governmental funds - decrease to net assets of the Successor Agency Trust Fund	\$ 188,172
Long-term debt reported in the government-wide financial statements- decrease to net assets of the Successor Agency Trust Fund:	
Long-term note	\$ 1,567
Forgiveness of debt	<u>(25,823)</u>
	<u>(24,256)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u>\$ 163,916</u>

Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments	<u>\$ 3,234</u>
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Interfund Transfers:

	Transfers in:		
Transfers out:	Successor Agency-Operations	Successor Agency-Debt Service	Total
Successor Agency-Debt Service	\$ 70	\$ -	\$ 70
Redevelopment Obligation Retirement	-	201	201
Total	\$ 70	\$ 201	\$ 271

Transfers move receipts from the fund collecting the receipts to the debt service fund for payments of enforceable obligations due.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Advances from the City of Irvine

Advances payable to the City for the year ended June 30, 2012, were as follows:

	Balance February 1, 2012	Additions	Deletions	Balance June 30, 2012
Advances from the City - Principal	\$ 140,568	\$ -	\$ -	\$ 140,568
Advances from the City - Interest	29,421	3,972	-	33,393
Total	<u>\$ 169,989</u>	<u>\$ 3,972</u>	<u>\$ -</u>	<u>\$ 173,961</u>

The advances from the City represent balances due under a series of financing agreements, including accrued interest at the interest rate allowable under Assembly Bill 1484. Two of the financing agreements dated June 14, 2005, and January 24, 2006, funded startup operation of the Irvine Redevelopment Agency. These advances are scheduled to begin repayment in fiscal year 2015-16 and are payable over ten years thereafter. As of June 30, 2012, the balance on the advances including accrued interest of \$1,150 totaled \$7,718.

On August 14, 2007, the Board of Directors of the Irvine Redevelopment Agency approved a purchase and sale financing agreement with the City of Irvine whereby the Irvine Redevelopment Agency borrowed \$134,000 from the City of Irvine in order to purchase real property from the City of Irvine that is located within the Orange County Great Park Redevelopment Area. The repayment terms call for an annual calculation of the project area cash flow. As of June 30, 2012, the balance on this advance including accrued interest of \$32,243 totaled \$166,243.

Long-term Note

On May 2, 2007, the former Irvine Redevelopment Agency received a \$1,350 HELP (Housing Enabled by Local Partnership) loan from the California Housing Finance Agency. The proceeds of the loan were loaned to the City for the purpose of developing an affordable housing rental project. The loan bears simple interest at a rate of 3.5% per annum. The term of the loan is 10 years. Payment of principal and interest on the loan is deferred until May 2, 2017. At June 30, 2012, principal and interest outstanding totaled \$1,586.

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.

Contingency

On April 20, 2012, pursuant to Health and Safety Code Section 34167.5, the California State Controller issued an order to cities, counties, and agencies, directly or indirectly receiving assets from a redevelopment agency after January 1, 2011, to reverse the transfer and return assets to the successor agency. The California State Controller will specifically review and audit cities, counties, and public agencies to ensure that all applicable asset transfers have been reversed. In March 2011 and June 2011, the Irvine Redevelopment Agency repaid advances totaling \$5.5 million and \$61.4 million respectively, to the Orange County Great Park Fund. This transaction has not been reviewed by the California State

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

III. Detailed Notes on All Funds (Continued)

Controller as of the date of this report and any reversals of transfers are not reflected in these financial statements.

On June 27, 2012, the Governor of California approved Assembly Bill 1484, which requires the Successor Agency to remit to the County auditor-controller three payments as determined by the auditor-controller which consist of a payment to be made in July 2012 for taxing entities' share of December 2011 property tax distribution to the Redevelopment Agency/Successor Agency, a payment to be made in November 2012 related to Low-Moderate Income Housing Fund Due Diligence Review for unencumbered cash, and a payment to be made in April 2013 related to the other Redevelopment Funds Due Diligence Review for unencumbered cash. As of the date of the report, the payment in July 2012 was made in the amount of \$121, the Low-Moderate Income Housing Due Diligence Review resulted in no amount due which has not been confirmed by the Department of Finance, and the other Redevelopment Funds Due Diligence Review is in progress and has not been determined.

On October 14, 2012, the Department of Finance denied two of the Successor Agency's enforceable obligations on the Recognized Obligation Payment Schedule for the period of January through June 2013. The Successor Agency has requested a Meet and Confer with the Department of Finance on these issues. A final determination on these disputed items will be made by the Department of Finance after the completion of the Meet and Confer session and final review by the Department of Finance. The Successor Agency may take legal action concerning the denied enforceable obligation(s) if a resolution is not agreed upon during the Meet and Confer and Review process by the Department of Finance.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information

A. Risk Management

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

The City is a member of CIPA in order to jointly purchase insurance coverage and to share costs for professional risk management, claim administration, and group purchasing of insurance products with twelve other cities from Orange, Los Angeles and San Bernardino Counties. Premiums paid during the fiscal year ended June 30, 2012, were \$1,851. 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 government retains a risk of loss, due to the fact that actual losses may exceed estimated claims or coverage amounts. Settled claims have not exceeded any of the City's coverage amounts in any of the last three fiscal years and there were no reductions in the City's coverage during the fiscal year ended June 30, 2012. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2012, \$11,913 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 fiscal year 2011-12. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2010, resulted in the following:

	Workers' Compensation	General Liability	Total
Liability Balance, July 1, 2010	\$ 6,506	\$ 2,078	\$ 8,584
Changes in estimates	3,251	688	3,939
Claim payments during 2010-2011	<u>(1,464)</u>	<u>(1,218)</u>	<u>(2,682)</u>
Liability Balance, June 30, 2011	<u>8,293</u>	<u>1,548</u>	<u>9,841</u>
Changes in estimates	2,522	1,511	4,033
Claim payments during 2011-2012	<u>(1,279)</u>	<u>(682)</u>	<u>(1,961)</u>
Liability Balance, June 30, 2012	<u>\$ 9,536</u>	<u>\$ 2,377</u>	<u>\$ 11,913</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

B. Contingent Liabilities

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

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

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 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 Delta Health Systems under the provisions of IRS Code Section 501(c)(9).

Funding Policy Participants and the City are required to contribute to the plan at a percentage of base pay per the various employee associations' Memorandum of Understanding (MOU). The contribution requirements of plan members and the City are established and may be amended by the MOU with the various employee associations. For the year ended June 30, 2012, employer contributions were \$751 and participant contributions were \$794. Copies of the MOUs may be obtained from City Hall.

Retirement Health Savings

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

Funding Policy The City is required to contribute 2% or 3% of base salary depending on the employee association's MOU. For the year ended June 30, 2012, the City contributed \$249 to the RHS plan. The Plan is administered by Vantagecare Retiree Health Savings Plan.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

Other Post Employment Benefits (OPEB)

Plan Description The City provides retirees the ability to purchase healthcare insurance benefits through the City. This benefit coverage is determined by negotiation between the City and the employee associations and detailed along with other wage and benefit issues in MOUs between those entities. Copies of the MOUs may be obtained from City Hall. Employees who have attained age 50 and completed at least five years of service with the City, or who have attained age 60 regardless of years of service, or who medically retire and have coverage immediately prior to retirement, are eligible to retire and participate in the City's healthcare plans by paying the full cost of premiums. As of June 30, 2012, there were 197 retired employees purchasing healthcare benefits. A separate financial statement is not issued.

Funding Policy The retired plan members receiving benefits make contributions at the premium rates identical to those charged for the City's active employees. Employers are now required under the Governmental Accounting Standard Board (GASB) accounting principles to account for and report the annual cost of OPEB and accrue any outstanding obligations and commitments in essentially the same manner as they do for pensions.

The GASB principles do not require that the unfunded liabilities actually be funded, only that employers account for the unfunded accrued liability and compliance in meeting the Annual Required Contribution (ARC). The ARC is the sum of the present value of future benefits being earned by current employees plus amortization of benefits already earned by current and former employees but not yet provided for. The amortization of benefits previously earned (unfunded actuarial liabilities) is being amortized on a thirty-year level dollar, open period.

Annual OPEB Cost and Net OPEB Obligation The City's annual OPEB cost (expense) \$518, is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed a thirty-year period. The following table shows the components of the City's annual OPEB cost for the year:

	June 30, 2012
Annual required contribution (ARC)	\$ 527
Interest adjustment	30
Amortization adjustment	(39)
Annual OPEB cost	518
Employer contribution	(366)
Net change in OPEB obligation	152
Net OPEB obligation - beginning of year	608
Net OPEB obligation - end of year	\$ 760

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

The percentage of annual OPEB cost contributed to the plan (implicit subsidy), and the net OPEB obligation is as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 483	62.9%	\$ 398
6/30/2011	521	59.5%	608
6/30/2012	518	70.6%	760

Funded Status and Funding Progress As of July 1, 2010, the date of the latest actuarial valuation, there were 675 active employees and 107 retirees. The actuarial accrued liability for benefits was \$4,031, the covered payroll (annual payroll of active employees covered by the plan) was \$59,615, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 6.8% as of June 30, 2011. The City is currently funding the program on a pay-as-you-go basis. The Net OPEB Obligation is accrued in the amount of \$760 as part of the liabilities in the Statement of Net Assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined to be the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the projected unit credit with service pro-rate method. The actuarial assumptions included a discount rate of 5% and a medical trend assumption of 8% for fiscal year 2010-11, graded down by 1% per year to an ultimate rate of 5% per year beginning in 2013, and inflation rate of 3%. The amortization method is a 30-year level dollar, open period.

D. Employee Retirement Systems and Pension Plans

City of Irvine Defined Benefit Pension Plan

Plan Description Prior to February 2, 2002, the City provided pension benefits for all of its sworn employees through the City of Irvine Defined Benefit Pension Plan. On February 2, 2002, the City contracted with the California Public Employees' Retirement system (CalPERS) to provide retirement

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

benefits for sworn employees. The City of Irvine Defined Benefit Pension Plan is a single-employer defined benefit pension plan established by City resolution and administered in accordance with the provisions of the Plan document adopted on April 1, 1975, and subsequently restated on January 1, 1984, July 1, 1996, and January 1, 2004. As of December 31, 2011, there were 3 active plan participants and 33 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them. The Plan is now closed to new participants. An actuarial valuation is performed bi-annually to determine the actuarial implication of the Plan's funding policy. The last actuarial valuation date was January 1, 2012. The City issues a publicly available financial report that includes financial statements and required supplementary information for the City of Irvine Defined Benefit Pension Plan. Copies of the annual financial report may be obtained from City Hall.

Funding Policy The City makes the contributions required of City employees on their behalf and for their accounts. As of December 31, 2011, the City contributed a minimum of \$320, which met the actuarial determined rate of 96.81%. The contribution requirement of the City is established and may be amended by Defined Benefit Pension Plan Trustees.

Annual Pension Cost and Net Pension Obligation For 2011, the City's annual required contributions of \$303 was less than the City's actual contributions, which totaled \$320. The method of valuation used to calculate the costs of the Plan is the Entry Age Normal. This method is a common method used, it allows for project benefits of each individual to be allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The components of the annual pension cost for the fiscal year ended December 31, 2011, are as follows:

Annual required contribution	\$	303
Interest on net pension obligation		(89)
Adjustment to annual required contribution		208
Annual pension cost		422
Contributions made		(320)
Increase (decrease) in net pension obligation		102
Net pension obligation (asset) - beginning of year		(1,611)
Net pension obligation (asset) - end of year	\$	(1,509)

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

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

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
12/31/2009	\$ 295	79.7%	\$ (1,819)
12/31/2010	445	53.3%	(1,611)
12/31/2011	422	76.3%	(1,509)

Actuarial Methods and Assumptions The actuarial assumptions included a 5.5% investment rate of return, annual salary increases of 5%, inflation rate of 3%, and post-retirement benefit increases of 2%. The actuarial method for valuing assets is average of expected actuarial value of assets and market value of assets. The amortization method is a flat 10-year based on unfunded entry age normal accrued liability, open period.

Funded Status and Funding Progress As of January 1, 2012, the most recent actuarial valuation date, the Plan was 88.8% funded. The actuarial accrued liability for benefits was \$19,899, and the actuarial value of assets was \$17,680, resulting in unfunded actuarial accrued liability (UAAL) of \$2,219. The covered payroll (annual payroll of active employees covered by the Plan) was \$361, and the ratio of the UAAL to the covered payroll was 614.5%. The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents multi-year trend information whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrual liability for benefits.

City of Irvine Defined Contribution Pension Plan

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

Funding Policy Effective July 1, 2003, eligible participants were required to contribute 4% of their base compensation into the Plan. Pursuant to agreements with the City's employee associations, the City's contributions were 15% of the participants' basic compensation for the fiscal year ended December 31, 2011. Plan participants have the right to 100% of their account balance upon their death, permanent and total disability or upon attainment of normal retirement age 59.5 under the Plan. If employment terminates prior to normal retirement age for reasons other than death, or permanent and total disability, the participant will retain 50% vesting upon successful completion of the six month to one year probationary period and 5% vesting for each calendar year in which the employee attains 1,000 hours of credited service until the completion of the fifth year when full vesting will occur.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

At December 31, 2011, the Plan had a membership of 102, consisting of 13 active members, 68 terminated and 21 non-employee or other members. All 102 members are fully vested in the Plan. Total Plan assets were \$10,632. Effective April 1996, the Plan became participant-directed. Participants may direct investment of employer contributions and earnings in 1% increments among investment options with the third party administrator, Wells Fargo Bank. Employer contributions to the Plan during the fiscal year ended December 31, 2011 were \$204 and participant contributions were \$57. For additional details concerning the transition to CalPERS, see the note below related to miscellaneous (non-sworn) employees.

CalPERS Defined Benefit Pension Plan for Sworn Employees

Plan Description The City's sworn employees not in the City's Defined Benefit Pension Plan participate in the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. Initial participation was determined during the employees' ratification vote during October 2001. New employees are required to join CalPERS. CalPERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

Funding Policy Participants are required to contribute 9% of their annual covered salary. The City makes the contributions required of City sworn employees on their behalf and for their accounts. The City is also required to contribute the employer's share at an actuarially determined rate. The contribution requirements of plan members and the City are established and may be amended by CalPERS. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

Annual Pension Cost For the fiscal year ended June 30, 2012, the City's annual pension cost of \$9,174 for CalPERS was equal to the City's required and actual contributions. The required contribution was determined by actuarial valuation using the Entry Age Normal Actuarial Cost Method as of June 30, 2009. The amortization method used is a level percentage of payroll. The actuarial assumptions included: (a) a 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by age, length of service and type of employment from 3.55% to 13.15%, (c) a 3.00% inflation rate, (d) a 3.25% payroll growth rate, and (e) a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%. Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent Plan amendments will be amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a 30-year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of Plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 7,963	100%	\$ -
6/30/2011	7,998	100%	-
6/30/2012	9,174	100%	-

Funding Status and Funding Progress As of June 30, 2011, the most recent actuarial valuation date, the Plan was 81.9% funded. The actuarial accrued liability for benefits was \$152,794 and the actuarial value of assets was \$125,203, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,590. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,509, and the ratio of the UAAL to the covered payroll was 141.4%. The Schedule of Funding Progress is presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents multi-year trend information whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CalPERS Defined Benefit Pension Plan for Miscellaneous (Non-Sworn) Employees

Plan Description The City's non-sworn employees not in the City's Defined Contribution Pension Plan are eligible to participate in the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. Initial participation was determined during the employees' ratification vote November 2002. New employees are required to join CalPERS. CalPERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

Funding Policy Participants are required to contribute up to 8% of their annual covered salary depending on the employee association's MOU. The City contributes 2.552 % of the contribution required for ASAP employees. Beginning August 11, 2011, all other miscellaneous employee groups contribute the required 8%. Starting August 10, 2012, all miscellaneous employees will be contributing the required 8% of their annual covered payroll. The City is also required to contribute additional amounts at an actuarially determined rate. The contribution requirements of plan members and the City are established and may be amended by CalPERS. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

Annual Pension Cost For the fiscal year ended June 30, 2012, the City's annual pension cost of \$9,915 for CalPERS was equal to the City's required and actual contributed pension costs. The required contribution was determined by actuarial valuation as of June 30, 2009, using the entry age normal actuarial cost method. The amortization method used is a level percentage of payroll. The actuarial assumptions included: (a) a 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases that vary by age, length of service and type of employment from 3.55% to

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

14.45%, (c) a 3.00% inflation rate, (d) a 3.25% payroll growth rate, (e) and a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%. Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. All changes in liability due to Plan amendments, changes in actuarial assumptions, or methodology will be amortized as a level percentage of pay over a 20-year period. Gains and losses that occur in the operation of the Plan are amortized over a 30-year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the Plan's accrued liability exceeds the actuarial value of Plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year period.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 9,732	100%	\$ -
6/30/2011	9,136	100%	-
6/30/2012	9,915	100%	-

Funding Status and Funding Progress As of June 30, 2011, the most recent actuarial valuation date, the Plan was 74.1% funded. The actuarial accrued liability for benefits was \$245,667 and the actuarial value of assets was \$182,154, resulting in an unfunded actuarial accrued liability (UAAL) of \$63,514. The covered payroll (annual payroll of active employees covered by the Plan) was \$43,515, and the ratio of the UAAL to the covered payroll was 146.1%. The Schedule of Funding Progress is presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents multi-year trend information whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Public Agency Retirement System Defined Contribution Plan

Plan Description The City's part-time, seasonal and temporary employees that are ineligible for another retirement plan are eligible to participate in the Public Agency Retirement Systems Trust (PARS), pursuant to the requirements of 3121(6)(7)(F) of the Internal Revenue Code. 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 their executive office: P.O. Box 1291, Newport Beach, California 92658.

Funding Policy Effective June 30, 2003, eligible participants are required to contribute 1.75% of their base compensation into the Plan. The City shall contribute an amount equal to 5.75% of the base salary compensation. Plan participants have the right to 100% of their account balance upon their death, termination of employment, permanent and total disability, or upon attainment of normal retirement age of 59.5 under the Plan.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

Annual Pension Cost At December 31, 2011, the Plan had 534 members. Total Plan assets were \$1,885. Employer and employee contributions to the Plan during the year ended December 31, 2011, were \$286.

E. Permanent Fund

The City has one permanent fund, which was established during the fiscal year ended June 30, 2002. The Senior Services Fund was created with a contribution received in conjunction with the Agreement to Terminate the Irvine Senior Foundation/City of Irvine Distribution of Funds Agreement (Agreement), approved by the City Council in March 2002. This Agreement directs the City to use the interest income earned by investment of the nonexpendable portion to fund projects at specific senior citizen and adult day health centers, and to use other contributed amounts and their investment earnings in the same manner as previously used by the Irvine Senior Foundation.

The net assets of the fund include a nonexpendable amount of \$469 which is reported as part of Restricted Net Assets. Expendable donations and accrued interest of \$121 are available for expenditure and are reflected as Restricted Net Assets, Expendable.

F. California Redevelopment Agency Dissolution

On July 18, 2011, the California Redevelopment Association (CRA) and the League of California Cities (League) filed a petition for writ of mandate with the California Supreme Court, requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB X1 26 and 27 (*California Redevelopment Association v. Matosantos*). AB X1 26 dissolves redevelopment agencies effective October 1, 2011. AB X1 27 gave redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts. In 2011-12, these payments amounted to a state-wide total of \$1.7 billion. In 2012-13 and subsequent years, the payments totaled \$400 million, annually. Each city or county's share of these payments was determined based on its proportionate share of state-wide tax increment.

On August 17, 2011 the Supreme Court issued a stay of the implementation of AB X1 26 and 27 which allowed a redevelopment agency to continue if it adopted an AB X1 27 ordinance. However, because of the effect of the stay order, the authority for the Redevelopment Agency to engage in most activities was suspended.

The Supreme Court heard oral arguments on November 10, 2011, and on December 29, 2011 announced its decision in *California Redevelopment Association v. Matosantos*. The court upheld AB X1 26 which dissolves redevelopment agencies, but invalidated in its entirety AB X1 27 which allowed redevelopment agencies to continue as long as they made the required payments. AB X1 26 established deadlines for the process of Redevelopment Agency dissolution and the handling of existing obligations. The full text of AB X1 26 may be obtained from the California legislative information website maintained by the Legislative Counsel of the State of California at: <http://www.leginfo.ca.gov/bilinfo.html>.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

IV. Other Information (Continued)

G. Subsequent Events

On July 19, 2012, the City issued Assessment District No. 07-22 Limited Obligation Improvement Bonds, Group 3 in the amount of \$5,840 on convert portion of Assessment District No. 07-22 variable interest rate bonds to fixed interest rate bonds.

Only July 25, 2012, the City issued Reassessment District No. 12-1 Limited Obligation Improvement Bonds in the amount of \$126,220 to refund ten fixed rate assessment district bond issues. The decline of interest rates allowed the City to refinance these fixed rate assessment district bonds and provided savings to the property owners within these districts.

Payment to Orange County

Assembly Bill 1484, established a requirement for the Successor Agency to remit to the County auditor-controller three payments as determined by the auditor-controller which consist of a payment to be made in July 2012 for taxing entities' share of December 2011 property tax distribution to the Redevelopment Agency/Successor Agency, a payment to be made in November 2012 related to Low-Moderate Income Housing Fund Due Diligence Review for unencumbered cash, and a payment to be made in April 2013 related to the other Redevelopment Funds Due Diligence Review for unencumbered cash. As of the date of the report, the payment in July 2012 was made in the amount of \$121, the Low-Moderate Income Housing Due Diligence Review resulted in no amount due which has not been confirmed by the Department of Finance, and the other Redevelopment Funds Due Diligence Review is in progress and has not been determined.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

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

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

The Plan uses the Entry Age Normal method to determine its annual pension cost.

Schedule of Employer Contributions
For the three years ended December 31, 2011

Year	Actuarial Valuation Date	Annual Required Contributions (ARC)*	Percentage of ARC Contributed
2009	1/1/2008	\$ 170	138.1%
2010	1/1/2010	295	80.3%
2011	1/1/2011	290	107.5%

* Annual required contributions were determined by multiplying the actual covered payroll by the ARC rate in order to ensure an appropriate comparison of contributions required versus contributions made.

Provided below is the Schedule of Funding Progress for the City of Irvine's Defined Benefit Pension Plan:

Schedule of Funding Progress
For the three years ended December 31, 2011

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
1/1/2006	\$ 17,367	\$ 17,367	\$ -	100.0%	\$ 335	0.0%
1/1/2008	19,071	18,792	279	98.5%	274	101.8%
1/1/2010	19,423	18,166	1,257	93.5%	313	401.6%

* The actuarial valuation is performed bi-annually.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

Schedules of Funding Progress – CalPERS Defined Benefit Pension Plans

CalPERS Defined Benefit Pension Plan for Sworn Employees

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

Schedule of Funding Progress
For the three years ended June 30, 2012

Actuarial Valuation Date *	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
6/30/2009	132,438	104,470	27,968	78.9%	19,907	140.5%
6/30/2010	139,868	114,403	25,465	81.8%	20,232	125.9%
6/30/2011	152,794	125,203	27,590	81.9%	19,509	141.4%

* Most recent information available.

CalPERS Defined Benefit Pension Plan for Non-Sworn Employees

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

Schedule of Funding Progress
For the three years ended June 30, 2012

Actuarial Valuation Date *	Actuarial Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (A-B)	Funded Ratio (B)/(A)	Covered Payroll (C)	UAAL, % of Covered Payroll (A-B)/C
6/30/2009	212,035	149,267	62,768	70.4%	48,127	130.4%
6/30/2010	226,607	165,709	60,898	73.1%	44,960	135.5%
6/30/2011	245,667	182,154	63,513	74.1%	43,515	146.1%

* Most recent information available.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2012 (Continued)
(amounts expressed in thousands)

Schedule of Funding Progress – Other Post Employment Benefit Plan

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

Schedule of Funding Progress
For the three years ended June 30, 2012

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

* Most recent information available



OTHER GOVERNMENTAL FUNDS

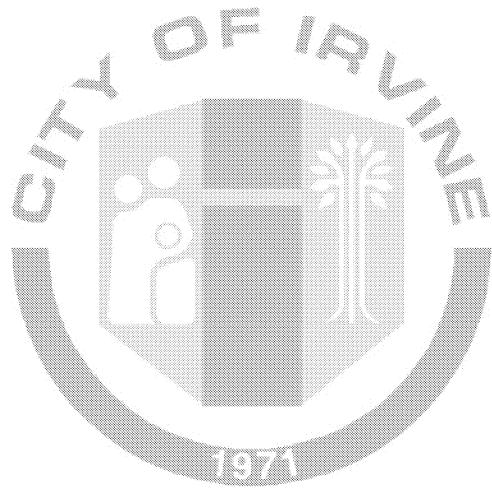
The combining statements for Other Governmental Funds represent a consolidation of the information for specific funds contained in the Supplementary Financial Statements. These statements summarize the financial information contained in Other Special Revenue Funds, Debt Service Funds, Other Capital Projects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

City of Irvine
Combining Balance Sheet
Other Governmental Funds
June 30, 2012
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS					
Cash and investments	\$ 104,009	\$ -	\$ 52,577	\$ 591	\$ 157,177
Receivables, net of allowances:					
Taxes	1,509	-	-	-	1,509
Accounts	138	-	81	-	219
Accrued interest	112	-	48	1	161
Prepaid	21	-	-	-	21
Due from other governments	773	-	287	-	1,060
Advances to other funds	1,350	-	-	-	1,350
Long-term note receivable	5,296	-	-	-	5,296
Total Assets	<u>\$ 113,208</u>	<u>\$ -</u>	<u>\$ 52,993</u>	<u>\$ 592</u>	<u>\$ 166,793</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 1,518	\$ -	\$ 2,176	\$ 2	\$ 3,696
Due to General Fund	160	-	-	-	160
Due to other governments	15	-	2	-	17
Deposits	110	-	250	-	360
Deferred revenue	12,097	-	338	-	12,435
Advances from other funds	1,350	-	-	-	1,350
Total Liabilities	<u>15,250</u>	<u>-</u>	<u>2,766</u>	<u>2</u>	<u>18,018</u>
Fund Balances:					
Nonspendable					
Prepaid	21	-	-	-	21
Advances to other funds	1,350	-	-	-	1,350
Endowment	-	-	-	469	469
Restricted					
Capital improvement projects	34,308	-	10,502	-	44,810
Circulation improvements	44,371	-	-	-	44,371
Community services activities	820	-	-	121	941
Lighting, landscape, & park maintenance	855	-	-	-	855
Low-income housing activities	3,029	-	-	-	3,029
Pollution remediation	786	-	-	-	786
Public safety programs	1,563	-	-	-	1,563
Committed					
Capital improvement projects	765	-	33,441	-	34,206
Circulation improvements	4,803	-	-	-	4,803
Public facilities improvements	6,823	-	-	-	6,823
Assigned					
Capital improvement projects	-	-	6,284	-	6,284
Unassigned	(1,536)	-	-	-	(1,536)
Total Fund Balances	<u>97,958</u>	<u>-</u>	<u>50,227</u>	<u>590</u>	<u>148,775</u>
Total Liabilities and Fund Balances	<u>\$ 113,208</u>	<u>\$ -</u>	<u>\$ 52,993</u>	<u>\$ 592</u>	<u>\$ 166,793</u>

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
REVENUES					
Taxes	\$ 15,807	\$ -	\$ -	\$ -	\$ 15,807
Investment income	1,086	-	424	6	1,516
Intergovernmental	4,968	-	251	15	5,234
Charges for services	1,610	-	-	1	1,611
Revenue from developers	10,892	-	-	-	10,892
Revenue from property owners	5,673	-	-	-	5,673
Donations	322	-	204	-	526
Other revenue	-	-	34	25	59
Total Revenues	40,358	-	913	47	41,318
EXPENDITURES					
Current:					
General Government	117	-	48	-	165
Public Safety	1,657	-	-	-	1,657
Public Works	1,363	-	225	-	1,588
Community Development	3,417	-	5	-	3,422
Community Services	3,202	-	155	49	3,406
Great Park	-	-	1,822	-	1,822
Street lighting	6,403	-	-	-	6,403
Capital outlay	7,301	-	19,308	-	26,609
Total Expenditures	23,460	-	21,563	49	45,072
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,898	-	(20,650)	(2)	(3,754)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,109	-	4,755	-	6,864
Transfers out	(12,134)	(121)	(27)	-	(12,282)
Total Other Financing Sources (Uses)	(10,025)	(121)	4,728	-	(5,418)
EXTRAORDINARY GAIN (LOSS)					
Dissolution of redevelopment agency	(4,657)	-	-	-	(4,657)
Total Extraordinary Loss	(4,657)	-	-	-	(4,657)
Net Change in Fund Balances	2,216	(121)	(15,922)	(2)	(13,829)
Fund Balances, Beginning	95,742	121	66,149	592	162,604
Fund Balances, Ending	\$ 97,958	\$ -	\$ 50,227	\$ 590	\$ 148,775



OTHER SPECIAL REVENUE FUNDS

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

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

State Gasoline Tax - This fund accounts for gasoline taxes received under Sections 2103, 2105, 2106, 2107 and 2107.5 of the Streets and Highways Code. These funds are utilized solely for street related purposes.

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

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

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

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

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

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

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

RDA Housing - This fund accounted for the accumulation receipts of 20% tax increment to be set aside for affordable housing and accounts for the Irvine Redevelopment Agency housing related activities until dissolution on February 1, 2012.

City Housing Successor - This fund accounts for the former housing assets and function of the former RDA Housing fund. On January 10, 2012, the City elected to retain the housing assets and function, it is given the right to enforce affordability covenants and take other actions consistent with the former RDA's authority with respect to affordable housing.

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

Irvine Community Land Trust - This fund accounts for the activities of the 501(C)(3) originated for the purpose of assisting the City in securing low income housing for its residents.

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

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2012
(amounts expressed in thousands)
Page 1 of 4

	<u>County Sales Tax Measure M</u>	<u>State Gasoline Tax</u>	<u>Systems Development</u>	<u>Local Park Fees</u>
ASSETS				
Cash and investments	\$ 6,078	\$ 9,727	\$ 11,614	\$ 32,980
Receivables, net of allowances:				
Taxes	600	613	-	-
Accounts	-	-	-	-
Accrued interest	7	10	12	35
Prepaid	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Long-term note receivable	-	-	-	-
Total Assets	<u>\$ 6,685</u>	<u>\$ 10,350</u>	<u>\$ 11,626</u>	<u>\$ 33,015</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other accrued liabilities	\$ 58	\$ 280	\$ -	\$ -
Due to General Fund	-	-	-	-
Due to other governments	-	-	-	-
Deposits	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>58</u>	<u>280</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable				
Prepaid	-	-	-	-
Advances to other funds	-	-	-	-
Restricted				
Capital improvement projects	-	-	-	33,015
Circulation improvements	6,627	10,070	-	-
Community services activities	-	-	-	-
Lighting, landscape, & park maintenance	-	-	-	-
Low-income housing activities	-	-	-	-
Pollution remediation	-	-	-	-
Public safety programs	-	-	-	-
Committed				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	4,803	-
Public facilities improvements	-	-	6,823	-
Unassigned	-	-	-	-
Total Fund Balances	<u>6,627</u>	<u>10,070</u>	<u>11,626</u>	<u>33,015</u>
Total Liabilities and Fund Balances	<u>\$ 6,685</u>	<u>\$ 10,350</u>	<u>\$ 11,626</u>	<u>\$ 33,015</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2012
(amounts expressed in thousands)
Page 2 of 4

	<u>Slurry Seal Fees</u>	<u>Maintenance District</u>	<u>Air Quality Improvement</u>	<u>Fees and Exactions</u>
ASSETS				
Cash and investments	\$ 746	\$ 1,253	\$ 717	\$ 7,470
Receivables, net of allowances:				
Taxes	-	148	-	148
Accounts	-	3	-	-
Accrued interest	1	2	1	10
Prepaid	-	-	-	-
Due from other governments	-	4	68	-
Advances to other funds	-	-	-	-
Long-term note receivable	-	-	-	-
Total Assets	<u>\$ 747</u>	<u>\$ 1,410</u>	<u>\$ 786</u>	<u>\$ 7,628</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other accrued liabilities	\$ 180	\$ 555	\$ -	\$ -
Due to General Fund	-	-	-	-
Due to other governments	-	-	-	-
Deposits	-	-	-	81
Deferred revenue	-	-	-	2,614
Advances from other funds	-	-	-	1,350
Total Liabilities	<u>180</u>	<u>555</u>	<u>-</u>	<u>4,045</u>
Fund Balances:				
Nonspendable				
Prepaid	-	-	-	-
Advances to other funds	-	-	-	-
Restricted				
Capital improvement projects	-	-	-	1,293
Circulation improvements	567	-	-	-
Community services activities	-	-	-	-
Lighting, landscape, & park maintenance	-	855	-	-
Low-income housing activities	-	-	-	3,011
Pollution remediation	-	-	786	-
Public safety programs	-	-	-	-
Committed				
Capital improvement projects	-	-	-	765
Circulation improvements	-	-	-	-
Public facilities improvements	-	-	-	-
Unassigned	-	-	-	(1,486)
Total Fund Balances	<u>567</u>	<u>855</u>	<u>786</u>	<u>3,583</u>
Total Liabilities and Fund Balances	<u>\$ 747</u>	<u>\$ 1,410</u>	<u>\$ 786</u>	<u>\$ 7,628</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2012
(amounts expressed in thousands)
Page 3 of 4

	<u>Major Special Events</u>	<u>RDA Housing</u>	<u>City Housing Successor</u>	<u>North Irvine Transportation Mitigation</u>
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ 27,081
Receivables, net of allowances:				
Taxes	-	-	-	-
Accounts	95	-	-	-
Accrued interest	-	-	-	28
Prepaid	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	1,350	-
Long-term note receivable	-	-	-	-
Total Assets	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 1,350</u>	<u>\$ 27,109</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other accrued liabilities	\$ 15	\$ -	\$ -	\$ 2
Due to General Fund	130	-	-	-
Due to other governments	-	-	-	-
Deposits	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>145</u>	<u>-</u>	<u>-</u>	<u>2</u>
Fund Balances:				
Nonspendable				
Prepaid	-	-	-	-
Advances to other funds	-	-	1,350	-
Restricted				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	-	27,107
Community services activities	-	-	-	-
Lighting, landscape, & park maintenance	-	-	-	-
Low-income housing activities	-	-	-	-
Pollution remediation	-	-	-	-
Public safety programs	-	-	-	-
Committed				
Capital improvement projects	-	-	-	-
Circulation improvements	-	-	-	-
Public facilities improvements	-	-	-	-
Unassigned	(50)	-	-	-
Total Fund Balances	<u>(50)</u>	<u>-</u>	<u>1,350</u>	<u>27,107</u>
Total Liabilities and Fund Balances	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 1,350</u>	<u>\$ 27,109</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2012
(amounts expressed in thousands)
Page 4 of 4

	<u>Irvine Community Land Trust</u>	<u>Grants</u>	<u>Total Other Special Revenue Funds</u>
ASSETS			
Cash and investments	\$ 4,167	\$ 2,176	\$ 104,009
Receivables, net of allowances:			
Taxes	-	-	1,509
Accounts	9	31	138
Accrued interest	5	1	112
Prepaid	21	-	21
Due from other governments	-	701	773
Advances to other funds	-	-	1,350
Long-term note receivable	1,671	3,625	5,296
Total Assets	<u>\$ 5,873</u>	<u>\$ 6,534</u>	<u>\$ 113,208</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other accrued liabilities	\$ 37	\$ 391	\$ 1,518
Due to General Fund	-	30	160
Due to other governments	-	15	15
Deposits	6	23	110
Deferred revenue	5,791	3,692	12,097
Advances from other funds	-	-	1,350
Total Liabilities	<u>5,834</u>	<u>4,151</u>	<u>15,250</u>
Fund Balances:			
Nonspendable			
Prepaid	21	-	21
Advances to other funds	-	-	1,350
Restricted			
Capital improvement projects	-	-	34,308
Circulation improvements	-	-	44,371
Community services activities	-	820	820
Lighting, landscape, & park maintenance	-	-	855
Low-income housing activities	18	-	3,029
Pollution remediation	-	-	786
Public safety programs	-	1,563	1,563
Committed			
Capital improvement projects	-	-	765
Circulation improvements	-	-	4,803
Public facilities improvements	-	-	6,823
Unassigned	-	-	(1,536)
Total Fund Balances	<u>39</u>	<u>2,383</u>	<u>97,958</u>
Total Liabilities and Fund Balances	<u>\$ 5,873</u>	<u>\$ 6,534</u>	<u>\$ 113,208</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, 2012
(amounts expressed in thousands)
Page 1 of 4

	County Sales Tax Measure M	State Gasoline Tax	Systems Development	Local Park Fees
REVENUES				
Taxes	\$ 3,341	\$ 6,094	\$ 3,131	\$ -
Investment income	67	97	112	322
Intergovernmental	31	-	-	-
Charges for services	-	-	-	-
Revenue from developers	-	-	-	2,610
Revenue from property owners	-	-	-	-
Donations	-	-	-	-
Total Revenues	3,439	6,191	3,243	2,932
EXPENDITURES				
Current:				
General Government	13	18	-	-
Public Safety	-	-	-	-
Public Works	193	837	-	-
Community Development	-	-	-	-
Community Services	-	-	-	-
Street lighting	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	206	855	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,233	5,336	3,243	2,932
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	450	-
Transfers out	(1,100)	(6,135)	(1,814)	-
Total Other Financing Sources (Uses)	(1,100)	(6,135)	(1,364)	-
EXTRAORDINARY GAIN (LOSS)				
Dissolution of redevelopment agency	-	-	-	-
Total Extraordinary Gain (Loss)	-	-	-	-
Net Change in Fund Balances	2,133	(799)	1,879	2,932
Fund Balances, Beginning	4,494	10,869	9,747	30,083
Fund Balances, Ending	\$ 6,627	\$ 10,070	\$ 11,626	\$ 33,015

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City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Special Revenue Funds

For the Fiscal Year Ended June 30, 2012

(amounts expressed in thousands)

Page 2 of 4

	Slurry Seal Fees	Maintenance District	Air Quality Improvement	Fees and Exactions
REVENUES				
Taxes	\$ -	\$ 2,251	\$ -	\$ 327
Investment income	4	1	9	124
Intergovernmental	-	-	275	-
Charges for services	362	3	-	-
Revenue from developers	-	-	-	2,837
Revenue from property owners	-	5,673	-	-
Donations	-	-	-	-
Total Revenues	<u>366</u>	<u>7,928</u>	<u>284</u>	<u>3,288</u>
EXPENDITURES				
Current:				
General Government	4	54	4	-
Public Safety	-	-	-	-
Public Works	264	-	6	-
Community Development	-	-	-	-
Community Services	-	2,199	-	-
Street lighting	-	6,403	-	-
Capital outlay	<u>1,801</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,069</u>	<u>8,656</u>	<u>10</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,703)</u>	<u>(728)</u>	<u>274</u>	<u>3,288</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,659	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(188)</u>	<u>(2,525)</u>
Total Other Financing Sources (Uses)	<u>1,659</u>	<u>-</u>	<u>(188)</u>	<u>(2,525)</u>
EXTRAORDINARY GAIN (LOSS)				
Dissolution of redevelopment agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Extraordinary Gain (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(44)	(728)	86	763
Fund Balances, Beginning	<u>611</u>	<u>1,583</u>	<u>700</u>	<u>2,820</u>
Fund Balances, Ending	<u>\$ 567</u>	<u>\$ 855</u>	<u>\$ 786</u>	<u>\$ 3,583</u>

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City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

Page 3 of 4

	Major Special Events	RDA Housing	City Housing Successor	North Irvine Transportation Mitigation
REVENUES				
Taxes	\$ -	\$ 663	\$ -	\$ -
Investment income	-	-	-	272
Intergovernmental	-	-	-	-
Charges for services	978	-	-	-
Revenue from developers	-	-	-	5,445
Revenue from property owners	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>978</u>	<u>663</u>	<u>-</u>	<u>5,717</u>
EXPENDITURES				
Current:				
General Government	-	-	-	10
Public Safety	990	-	-	-
Public Works	-	-	-	63
Community Development	-	356	-	1
Community Services	-	-	-	-
Street lighting	-	-	-	-
Capital outlay	-	-	-	5,500
Total Expenditures	<u>990</u>	<u>356</u>	<u>-</u>	<u>5,574</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12)</u>	<u>307</u>	<u>-</u>	<u>143</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXTRAORDINARY GAIN (LOSS)				
Dissolution of redevelopment agency	-	(6,007)	1,350	-
Total Extraordinary Gain (Loss)	<u>-</u>	<u>(6,007)</u>	<u>1,350</u>	<u>-</u>
Net Change in Fund Balances	(12)	(5,700)	1,350	143
Fund Balances, Beginning	<u>(38)</u>	<u>5,700</u>	<u>-</u>	<u>26,964</u>
Fund Balances, Ending	<u>\$ (50)</u>	<u>\$ -</u>	<u>\$ 1,350</u>	<u>\$ 27,107</u>

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City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
Page 4 of 4

	Irvine Community Land Trust	Grants	Total Other Special Revenue Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 15,807
Investment income	55	23	1,086
Intergovernmental	1,154	3,508	4,968
Charges for services	51	216	1,610
Revenue from developers	-	-	10,892
Revenue from property owners	-	-	5,673
Donations	-	322	322
	<u>1,260</u>	<u>4,069</u>	<u>40,358</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government	10	4	117
Public Safety	-	667	1,657
Public Works	-	-	1,363
Community Development	1,473	1,587	3,417
Community Services	-	1,003	3,202
Street lighting	-	-	6,403
Capital outlay	-	-	7,301
	<u>1,483</u>	<u>3,261</u>	<u>23,460</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(223)</u>	<u>808</u>	<u>16,898</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	2,109
Transfers out	-	(372)	(12,134)
	<u>-</u>	<u>(372)</u>	<u>(10,025)</u>
Total Other Financing Sources (Uses)			
EXTRAORDINARY GAIN (LOSS)			
Dissolution of redevelopment agency	-	-	(4,657)
	<u>-</u>	<u>-</u>	<u>(4,657)</u>
Total Extraordinary Gain (Loss)			
Net Change in Fund Balances	(223)	436	2,216
Fund Balances, Beginning	<u>262</u>	<u>1,947</u>	<u>95,742</u>
Fund Balances, Ending	<u>\$ 39</u>	<u>\$ 2,383</u>	<u>\$ 97,958</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
County Sales Tax Measure M
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,911	\$ 2,911	\$ 3,341	\$ 430
Investment income	47	47	67	20
Intergovernmental	-	365	31	(334)
Total Revenues	2,958	3,323	3,439	116
EXPENDITURES				
Current:				
General Government	28	28	13	15
Public Works	594	594	193	401
Total Expenditures	622	622	206	416
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	2,336	2,701	3,233	532
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,135)	(6,713)	(1,100)	5,613
Total Other Financing Sources (Uses)	(7,135)	(6,713)	(1,100)	5,613
Net Change in Fund Balances				
	(4,799)	(4,012)	2,133	6,145
Fund Balances, Beginning	4,494	4,494	4,494	-
Fund Balances, Ending	\$ (305)	\$ 482	\$ 6,627	\$ 6,145

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, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,823	\$ 5,823	\$ 6,094	\$ 271
Investment income	113	113	97	(16)
Total Revenues	<u>5,936</u>	<u>5,936</u>	<u>6,191</u>	<u>255</u>
EXPENDITURES				
Current:				
General Government	25	25	18	7
Public Works	<u>1,035</u>	<u>1,058</u>	<u>837</u>	<u>221</u>
Total Expenditures	<u>1,060</u>	<u>1,083</u>	<u>855</u>	<u>228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,876</u>	<u>4,853</u>	<u>5,336</u>	<u>483</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(14,460)</u>	<u>(13,822)</u>	<u>(6,135)</u>	<u>7,687</u>
Total Other Financing Sources (Uses)	<u>(14,460)</u>	<u>(13,822)</u>	<u>(6,135)</u>	<u>7,687</u>
Net Change in Fund Balances	(9,584)	(8,969)	(799)	8,170
Fund Balances, Beginning	<u>10,869</u>	<u>10,869</u>	<u>10,869</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,285</u>	<u>\$ 1,900</u>	<u>\$ 10,070</u>	<u>\$ 8,170</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Systems Development
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,517	\$ 2,517	\$ 3,131	\$ 614
Investment income	121	121	112	(9)
Total Revenues	2,638	2,638	3,243	605
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,638	2,638	3,243	605
OTHER FINANCING SOURCES (USES)				
Transfers in	-	450	450	-
Transfers out	(1,191)	(1,814)	(1,814)	-
Total Other Financing Sources (Uses)	(1,191)	(1,364)	(1,364)	-
Net Change in Fund Balances	1,447	1,274	1,879	605
Fund Balances, Beginning	9,747	9,747	9,747	-
Fund Balances, Ending	\$ 11,194	\$ 11,021	\$ 11,626	\$ 605

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Local Park Fees
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 451	\$ 451	\$ 322	\$ (129)
Revenue from developers	-	-	2,610	2,610
Total Revenues	451	451	2,932	2,481
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	451	451	2,932	2,481
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	451	451	2,932	2,481
Fund Balances, Beginning	30,083	30,083	30,083	-
Fund Balances, Ending	\$ 30,534	\$ 30,534	\$ 33,015	\$ 2,481

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Slurry Seal Fees
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 3	\$ 3	\$ 4	\$ 1
Charges for services	176	394	362	(32)
Total Revenues	179	397	366	(31)
EXPENDITURES				
Current:				
General Government	1	1	4	(3)
Public Works	63	272	264	8
Capital outlay	3,293	3,293	1,801	1,492
Total Expenditures	3,357	3,566	2,069	1,497
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,178)	(3,169)	(1,703)	1,466
OTHER FINANCING SOURCES (USES)				
Transfers in	8,126	7,858	1,659	(6,199)
Total Other Financing Sources (Uses)	8,126	7,858	1,659	(6,199)
Net Change in Fund Balances	4,948	4,689	(44)	(4,733)
Fund Balances, Beginning	611	611	611	-
Fund Balances, Ending	\$ 5,559	\$ 5,300	\$ 567	\$ (4,733)

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Maintenance District
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,294	\$ 2,294	\$ 2,251	\$ (43)
Investment income	2	2	1	(1)
Charges for services	-	-	3	3
Revenue from property owners	5,555	5,555	5,673	118
	7,851	7,851	7,928	77
EXPENDITURES				
Current:				
General Government	59	59	54	5
Community Services	2,195	2,189	2,199	(10)
Street lighting	6,397	6,408	6,403	5
	8,651	8,656	8,656	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(800)	(805)	(728)	77
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(800)	(805)	(728)	77
Fund Balances, Beginning	1,583	1,583	1,583	-
Fund Balances, Ending	\$ 783	\$ 778	\$ 855	\$ 77

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, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 8	\$ 8	\$ 9	\$ 1
Intergovernmental	235	235	275	40
Total Revenues	<u>243</u>	<u>243</u>	<u>284</u>	<u>41</u>
EXPENDITURES				
Current:				
General Government	6	6	4	2
Public Works	10	10	6	4
Total Expenditures	<u>16</u>	<u>16</u>	<u>10</u>	<u>6</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>227</u>	<u>227</u>	<u>274</u>	<u>47</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(530)	(530)	(188)	342
Total Other Financing Sources (Uses)	<u>(530)</u>	<u>(530)</u>	<u>(188)</u>	<u>342</u>
Net Change in Fund Balances	(303)	(303)	86	389
Fund Balances, Beginning	<u>700</u>	<u>700</u>	<u>700</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 397</u>	<u>\$ 397</u>	<u>\$ 786</u>	<u>\$ 389</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fees and Exactions
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ -	\$ -	\$ 327	\$ 327
Investment income	67	67	124	57
Revenue from developers	-	-	2,837	2,837
Total Revenues	<u>67</u>	<u>67</u>	<u>3,288</u>	<u>3,221</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>67</u>	<u>67</u>	<u>3,288</u>	<u>3,221</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,679)</u>	<u>(2,679)</u>	<u>(2,525)</u>	<u>154</u>
Total Other Financing Sources (Uses)	<u>(2,679)</u>	<u>(2,679)</u>	<u>(2,525)</u>	<u>154</u>
Net Change in Fund Balances	(2,612)	(2,612)	763	3,375
Fund Balances, Beginning	<u>2,820</u>	<u>2,820</u>	<u>2,820</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 208</u>	<u>\$ 208</u>	<u>\$ 3,583</u>	<u>\$ 3,375</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Major Special Events
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,066	\$ 1,066	\$ 978	\$ (88)
Total Revenues	<u>1,066</u>	<u>1,066</u>	<u>978</u>	<u>(88)</u>
EXPENDITURES				
Current:				
Public Safety	<u>1,047</u>	<u>1,047</u>	<u>990</u>	<u>57</u>
Total Expenditures	<u>1,047</u>	<u>1,047</u>	<u>990</u>	<u>57</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19</u>	<u>19</u>	<u>(12)</u>	<u>(31)</u>
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	19	19	(12)	(31)
Fund Balances, Beginning	<u>(38)</u>	<u>(38)</u>	<u>(38)</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (19)</u>	<u>\$ (19)</u>	<u>\$ (50)</u>	<u>\$ (31)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
RDA Housing
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,244	\$ 1,244	\$ 663	\$ (581)
Total Revenues	1,244	1,244	663	(581)
EXPENDITURES				
Current:				
Community Development	1,291	1,291	356	935
Total Expenditures	1,291	1,291	356	935
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47)	(47)	307	354
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
EXTRAORDINARY GAIN (LOSS)				
Dissolution of redevelopment agency	-	-	(6,007)	(6,007)
Total Extraordinary Gain (Loss)	-	-	(6,007)	(6,007)
Net Change in Fund Balances	(47)	(47)	(5,700)	(5,653)
Fund Balances, Beginning	5,700	5,700	5,700	-
Fund Balances, Ending	\$ 5,653	\$ 5,653	\$ -	\$ (5,653)

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
City Housing Successor
For the Fiscal Year Ended June 30, 2012
 (amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
EXTRAORDINARY GAIN (LOSS)				
Dissolution of redevelopment agency	-	-	1,350	1,350
Total Extraordinary Gain (Loss)	-	-	1,350	1,350
Net Change in Fund Balances	-	-	1,350	1,350
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
North Irvine Transportation Mitigation
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

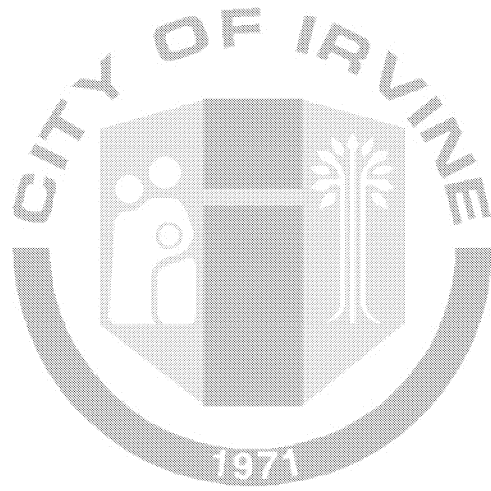
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 323	\$ 323	\$ 272	\$ (51)
Revenue from developers	-	5,445	5,445	-
Total Revenues	<u>323</u>	<u>5,768</u>	<u>5,717</u>	<u>(51)</u>
EXPENDITURES				
Current:				
General Government	11	11	10	1
Public Works	212	212	63	149
Community Development	-	-	1	(1)
Capital outlay	<u>8,116</u>	<u>13,561</u>	<u>5,500</u>	<u>8,061</u>
Total Expenditures	<u>8,339</u>	<u>13,784</u>	<u>5,574</u>	<u>8,210</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,016)</u>	<u>(8,016)</u>	<u>143</u>	<u>8,159</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(8,004)	(8,016)	143	8,159
Fund Balances, Beginning	<u>26,964</u>	<u>26,964</u>	<u>26,964</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 18,960</u>	<u>\$ 18,948</u>	<u>\$ 27,107</u>	<u>\$ 8,159</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Irvine Community Land Trust
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 62	\$ 62	\$ 55	\$ (7)
Intergovernmental	1,234	1,234	1,154	(80)
Charges for services	1	1	51	50
	<u>1,297</u>	<u>1,297</u>	<u>1,260</u>	<u>(37)</u>
EXPENDITURES				
Current:				
General Government	-	-	10	(10)
Community Development	1,094	1,094	1,473	(379)
	<u>1,094</u>	<u>1,094</u>	<u>1,483</u>	<u>(389)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>203</u>	<u>203</u>	<u>(223)</u>	<u>(426)</u>
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	203	203	(223)	(426)
Fund Balances, Beginning	<u>262</u>	<u>262</u>	<u>262</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 465</u>	<u>\$ 465</u>	<u>\$ 39</u>	<u>\$ (426)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Grants
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 19	\$ 19	\$ 23	\$ 4
Intergovernmental	4,324	5,327	3,508	(1,819)
Charges for services	141	141	216	75
Donations	386	386	322	(64)
	<u>4,870</u>	<u>5,873</u>	<u>4,069</u>	<u>(1,804)</u>
EXPENDITURES				
Current:				
General Government	41	41	4	37
Public Safety	2,349	3,275	667	2,608
Community Development	2,252	2,252	1,587	665
Community Services	1,384	1,455	1,003	452
	<u>6,026</u>	<u>7,023</u>	<u>3,261</u>	<u>3,762</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,156)</u>	<u>(1,150)</u>	<u>808</u>	<u>1,958</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>(195)</u>	<u>(372)</u>	<u>(177)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(195)</u>	<u>(372)</u>	<u>(177)</u>
Net Change in Fund Balances	(1,156)	(1,345)	436	1,781
Fund Balances, Beginning	<u>1,947</u>	<u>1,947</u>	<u>1,947</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 791</u>	<u>\$ 602</u>	<u>\$ 2,383</u>	<u>\$ 1,781</u>



DEBT SERVICE FUNDS

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

Major Fund

RDA Debt Service – This fund accounts for the accumulation of property tax increment receipts, debt service payments, and statutory pass through payments of tax increment to affected agencies of the redevelopment project areas, until dissolution of redevelopment agencies on February 1, 2012.

Other Debt Service Fund

Infrastructure Financing Plan - This fund accounts for the preliminary work on an infrastructure financing plan. This Fund ceased activity in the fiscal year 2010-11. All residual balances were transferred back to the original funding source.

City of Irvine
Balance Sheet
Other Debt Service Funds
June 30, 2012
 (amounts expressed in thousands)

	Infrastructure Financing Plan
ASSETS	
Total Assets	<u>\$ -</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Total Liabilities	<u>\$ -</u>
Fund Balances:	
Total Fund Balances	<u>-</u>
Total Liabilities and Fund Balances	<u><u>\$ -</u></u>

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Debt Service Funds
For the Fiscal Year Ended June 30, 2012
 (amounts expressed in thousands)

	Infrastructure Financing Plan
REVENUES	
Total Revenues	<u>\$ -</u>
EXPENDITURES	
Total Expenditures	<u>-</u>
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(121)</u>
Total Other Financing Sources (Uses)	<u>(121)</u>
Net Change in Fund Balances	(121)
Fund Balances, Beginning	<u>121</u>
Fund Balances, Ending	<u><u>\$ -</u></u>

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
RDA Debt Service
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 4,976	\$ 4,976	\$ 2,651	\$ (2,325)
Investment income	37	37	-	(37)
Total Revenues	<u>5,013</u>	<u>5,013</u>	<u>2,651</u>	<u>(2,362)</u>
EXPENDITURES				
Current:				
Community Development	1,740	1,740	915	825
Capital outlay	60,240	60,240	-	60,240
Debt service:				
Interest and fiscal charges	<u>16,705</u>	<u>16,705</u>	<u>4,866</u>	<u>11,839</u>
Total Expenditures	<u>78,685</u>	<u>78,685</u>	<u>5,781</u>	<u>72,904</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,672)</u>	<u>(73,672)</u>	<u>(3,130)</u>	<u>(75,266)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,200)</u>	<u>(1,200)</u>	<u>(500)</u>	<u>700</u>
Total Other Financing Sources (Uses)	<u>(1,200)</u>	<u>(1,200)</u>	<u>(500)</u>	<u>700</u>
EXTRAORDINARY GAIN (LOSS)				
Forgiveness of debt	-	-	60,602	(60,602)
Dissolution of redevelopment agency	<u>-</u>	<u>-</u>	<u>167,007</u>	<u>(167,007)</u>
Total Extraordinary Gain	<u>-</u>	<u>-</u>	<u>227,609</u>	<u>(227,609)</u>
Net Change in Fund Balances	(74,872)	(74,872)	223,979	(298,851)
Fund Balances, Beginning	<u>(223,979)</u>	<u>(223,979)</u>	<u>(223,979)</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (298,851)</u>	<u>\$ (298,851)</u>	<u>\$ -</u>	<u>\$ 298,851</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Infrastructure Financing Plan
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(121)	(121)	(121)	-
Total Other Financing Sources (Uses)	(121)	(121)	(121)	-
Net Change in Fund Balances	(121)	(121)	(121)	-
Fund Balances, Beginning	121	121	121	-
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



OTHER CAPITAL PROJECTS FUNDS

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

Community Facilities Districts - This fund accounts for infrastructure improvements associated with Columbus Grove and Central Park.

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

Orange County Great Park Infrastructure - This fund accounts for expenditures related to the planning, design, and construction of the Great Park Communities Backbone Infrastructure for the Orange County Great Park.

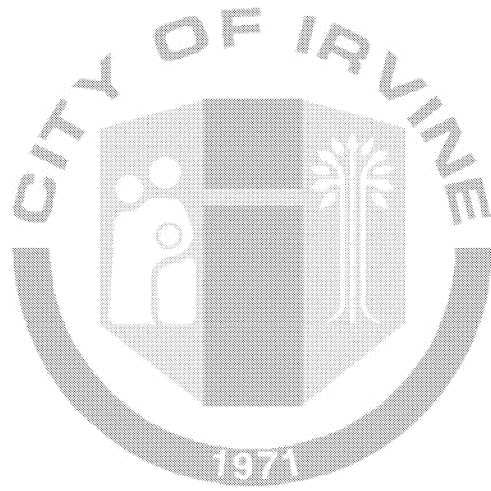
Great Park Development - This fund is used to account for expenditures related to the planning, design, demolition, and construction of the Orange County Great Park.

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2012
(amounts expressed in thousands)

	<u>Community Facilities Districts</u>	<u>Park Development</u>	<u>Orange County Great Park Infrastructure</u>	<u>Great Park Development</u>	<u>Total Other Capital Projects Funds</u>
ASSETS					
Cash and investments	\$ 6,969	\$ 16,229	\$ 896	\$ 28,483	\$ 52,577
Receivables, net of allowances:					
Accounts	-	77	-	4	81
Accrued interest	1	16	1	30	48
Due from other governments	-	287	-	-	287
Total Assets	<u>\$ 6,970</u>	<u>\$ 16,609</u>	<u>\$ 897</u>	<u>\$ 28,517</u>	<u>\$ 52,993</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 1	\$ 603	\$ 21	\$ 1,551	\$ 2,176
Due to other governments	-	2	-	-	2
Deposits	250	-	-	-	250
Deferred revenue	-	338	-	-	338
Total Liabilities	<u>251</u>	<u>943</u>	<u>21</u>	<u>1,551</u>	<u>2,766</u>
Fund Balances:					
Restricted					
Capital improvement projects	6,719	3,783	-	-	10,502
Committed					
Capital improvement projects	-	5,599	876	26,966	33,441
Assigned					
Capital improvement projects	-	6,284	-	-	6,284
Total Fund Balances	<u>6,719</u>	<u>15,666</u>	<u>876</u>	<u>26,966</u>	<u>50,227</u>
Total Liabilities and Fund Balances	<u>\$ 6,970</u>	<u>\$ 16,609</u>	<u>\$ 897</u>	<u>\$ 28,517</u>	<u>\$ 52,993</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, 2012
(amounts expressed in thousands)

	Community Facilities Districts	Park Development	Orange County Great Park Infrastructure	Great Park Development	Total Other Capital Projects
REVENUES					
Investment income	\$ 5	\$ 168	\$ 9	\$ 242	\$ 424
Intergovernmental	-	251	-	-	251
Donations	-	204	-	-	204
Other revenue	-	34	-	-	34
Total Revenues	5	657	9	242	913
EXPENDITURES					
Current:					
General Government	-	46	-	2	48
Public Works	37	188	-	-	225
Community Development	-	2	-	3	5
Community Services	-	155	-	-	155
Great Park	-	-	-	1,822	1,822
Capital outlay	6,886	3,542	99	8,781	19,308
Total Expenditures	6,923	3,933	99	10,608	21,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,918)	(3,276)	(90)	(10,366)	(20,650)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	2,717	-	2,038	4,755
Transfers out	(27)	-	-	-	(27)
Total Other Financing Sources (Uses)	(27)	2,717	-	2,038	4,728
Net Change in Fund Balances	(6,945)	(559)	(90)	(8,328)	(15,922)
Fund Balances, Beginning	13,664	16,225	966	35,294	66,149
Fund Balances, Ending	<u>\$ 6,719</u>	<u>\$ 15,666</u>	<u>\$ 876</u>	<u>\$ 26,966</u>	<u>\$ 50,227</u>



PERMANENT FUND

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

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

City of Irvine
Balance Sheet
Permanent Fund
June 30, 2012
(amounts expressed in thousands)

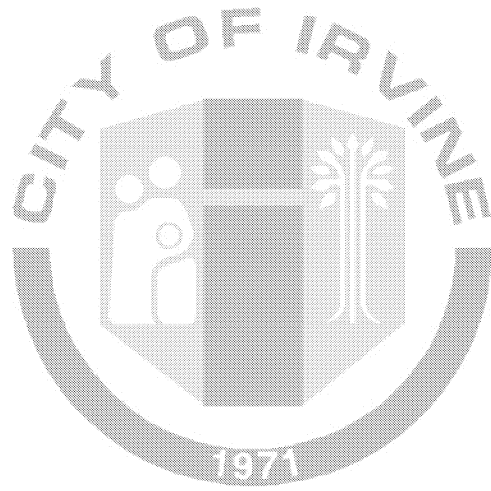
	Senior Services Fund
ASSETS	
Cash and investments	\$ 591
Receivables, net of allowances:	
Accrued interest	1
Total Assets	<u>\$ 592</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and other accrued liabilities	\$ 2
Total Liabilities	<u>2</u>
Fund Balances:	
Nonspendable	
Endowment	469
Restricted	
Community services activities	121
Total Fund Balances	<u>590</u>
Total Liabilities and Fund Balances	<u>\$ 592</u>

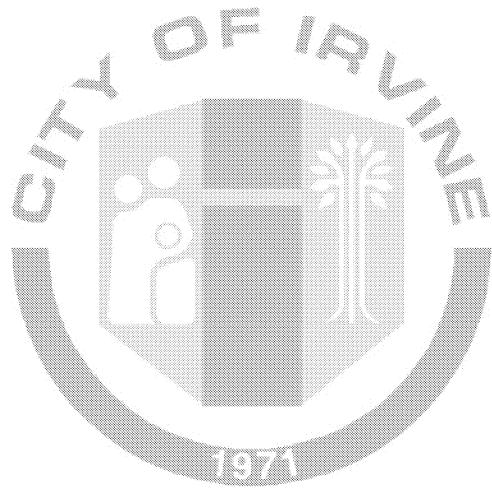
City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Permanent Fund
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	<u>Senior Services Fund</u>
REVENUES	
Investment income	\$ 6
Intergovernmental	15
Charges for services	1
Donations	<u>25</u>
Total Revenues	<u>47</u>
EXPENDITURES	
Current:	
Community Services	<u>49</u>
Total Expenditures	<u>49</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2)</u>
OTHER FINANCING SOURCES (USES)	
Total Other Financing Sources (Uses)	<u>-</u>
Net Change in Fund Balances	(2)
Fund Balances, Beginning	<u>592</u>
Fund Balances, Ending	<u>\$ 590</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Permanent Fund - Senior Services
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 9	\$ 9	\$ 6	\$ (3)
Intergovernmental	-	-	15	15
Charges for services	-	-	1	1
Donations	10	10	25	15
	<u>19</u>	<u>19</u>	<u>47</u>	<u>28</u>
Total Revenues				
EXPENDITURES				
Current:				
Community Services	66	66	49	17
	<u>66</u>	<u>66</u>	<u>49</u>	<u>17</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47)	(47)	(2)	45
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(47)	(47)	(2)	45
Fund Balances, Beginning	592	592	592	-
Fund Balances, Ending	<u>\$ 545</u>	<u>\$ 545</u>	<u>\$ 590</u>	<u>\$ 45</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 Assets
Internal Service Funds
June 30, 2012
(amounts expressed in thousands)

	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 12,191	\$ 11,574	\$ 75	\$ 23,840
Receivables, net of allowances:				
Accounts	-	103	-	103
Accrued interest	12	12	-	24
Prepaid	-	2	-	2
Inventories	-	-	91	91
Due from other governments	-	1	-	1
	<u>12,203</u>	<u>11,692</u>	<u>166</u>	<u>24,061</u>
Total Current Assets				
Noncurrent Assets:				
Capital assets:				
Equipment	20	34,339	-	34,359
Less accumulated depreciation	<u>(20)</u>	<u>(27,380)</u>	<u>-</u>	<u>(27,400)</u>
	<u>-</u>	<u>6,959</u>	<u>-</u>	<u>6,959</u>
Total Noncurrent Assets				
	<u>12,203</u>	<u>18,651</u>	<u>166</u>	<u>31,020</u>
Total Assets				
LIABILITIES				
Current Liabilities:				
Accounts payable and other accrued liabilities	159	1,146	37	1,342
Due to other governments	-	4	-	4
Deposits	-	15	-	15
Lease payable	-	188	-	188
Compensated absences	11	40	-	51
Claims payable	<u>3,005</u>	<u>-</u>	<u>-</u>	<u>3,005</u>
	<u>3,175</u>	<u>1,393</u>	<u>37</u>	<u>4,605</u>
Total Current Liabilities				
Noncurrent Liabilities:				
Lease payable	-	198	-	198
Compensated absences	33	119	-	152
Claims payable	<u>8,908</u>	<u>-</u>	<u>-</u>	<u>8,908</u>
	<u>8,941</u>	<u>317</u>	<u>-</u>	<u>9,258</u>
Total Noncurrent Liabilities				
	<u>12,116</u>	<u>1,710</u>	<u>37</u>	<u>13,863</u>
Total Liabilities				
NET ASSETS				
Invested in capital assets, net of related debt	-	6,573	-	6,573
Unrestricted	<u>87</u>	<u>10,368</u>	<u>129</u>	<u>10,584</u>
	<u>\$ 87</u>	<u>\$ 16,941</u>	<u>\$ 129</u>	<u>\$ 17,157</u>
Total Net Assets				

City of Irvine
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

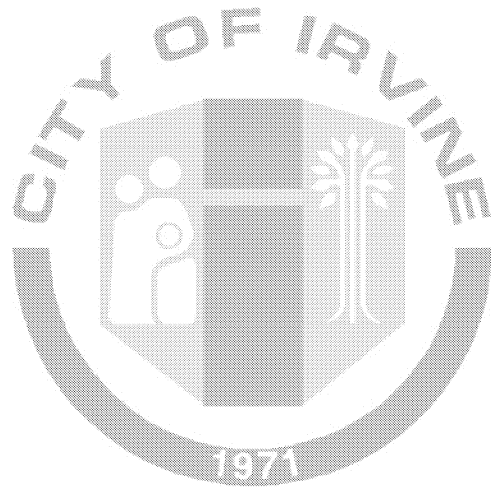
	<u>Self- Insurance</u>	<u>Equipment and Services</u>	<u>Inventory</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 4,634	\$ 13,158	\$ -	\$ 17,792
Other	1	82	290	373
Total Operating Revenues	<u>4,635</u>	<u>13,240</u>	<u>290</u>	<u>18,165</u>
OPERATING EXPENSES				
Personal services	573	1,930	4	2,507
Supplies & equipment	39	4,117	296	4,452
Contract services	383	5,026	-	5,409
Administration	2	1,005	-	1,007
Self-insured losses	4,009	7	-	4,016
Insurance premiums	1,971	38	-	2,009
Depreciation	-	2,752	-	2,752
Total Operating Expenses	<u>6,977</u>	<u>14,875</u>	<u>300</u>	<u>22,152</u>
Operating Loss	<u>(2,342)</u>	<u>(1,635)</u>	<u>(10)</u>	<u>(3,987)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	109	112	1	222
Interest expense	-	(28)	-	(28)
Gain on disposal of equipment	-	39	-	39
Total Nonoperating Revenues	<u>109</u>	<u>123</u>	<u>1</u>	<u>233</u>
Loss Before Capital Contributions and Transfers	<u>(2,233)</u>	<u>(1,512)</u>	<u>(9)</u>	<u>(3,754)</u>
Capital contributions	-	913	-	913
Transfers in	-	31	-	31
Transfers out	-	(26)	-	(26)
Change in Net Assets	<u>(2,233)</u>	<u>(594)</u>	<u>(9)</u>	<u>(2,836)</u>
Total Net Assets, Beginning	<u>2,320</u>	<u>17,535</u>	<u>138</u>	<u>19,993</u>
Total Net Assets, Ending	<u>\$ 87</u>	<u>\$ 16,941</u>	<u>\$ 129</u>	<u>\$ 17,157</u>

City of Irvine
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	Self- Insur- ance	Equip- ment and Services	Inven- tory	Total Internal Service Funds
Cash Flows From Operating Activities				
Received from customers and users	\$ 128	13	\$ -	\$ 141
Received from interfund services provided	4,521	13,158	290	17,969
Paid to suppliers	25	(584)	(275)	(834)
Paid for interfund services provided	(4,293)	(9,830)	-	(14,123)
Paid to employees	(586)	(1,909)	(4)	(2,499)
Net Cash Provided (Used) by Operating Activities	<u>(205)</u>	<u>848</u>	<u>11</u>	<u>654</u>
Cash Flows From Non-Capital Financing Activities				
Transfers in	-	31	-	31
Transfers out	-	(26)	-	(26)
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of equipment	-	39	-	39
Interest paid	-	(28)	-	(28)
Equipment purchases	-	(1,936)	-	(1,936)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(1,925)</u>	<u>-</u>	<u>(1,925)</u>
Cash Flows from Investing Activities				
Interest received on investments	109	116	1	226
Net Cash Provided by Investing Activities	<u>109</u>	<u>116</u>	<u>1</u>	<u>226</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(96)	(956)	12	(1,040)
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>12,287</u>	<u>12,530</u>	<u>63</u>	<u>24,880</u>
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 12,191</u>	<u>\$ 11,574</u>	<u>\$ 75</u>	<u>\$ 23,840</u>

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

Cash Flows from Operating Activities				
Operating loss	\$ (2,342)	\$ (1,635)	\$ (10)	\$ (3,987)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	-	2,752	-	2,752
Changes in assets and liabilities:				
(Increase) decrease in receivables, net of allowances	12	(79)	-	(67)
(Increase) decrease in prepaid costs	-	(2)	-	(2)
(Increase) decrease in due from other governments	2	10	-	12
(Increase) decrease in inventories	-	-	24	24
Increase (decrease) in accounts payable	63	69	(3)	129
Increase (decrease) in accrued liabilities	-	10	-	10
Increase (decrease) in due to other governments	-	(1)	-	(1)
Increase (decrease) in deposits	-	15	-	15
Increase (decrease) in lease payable	-	(303)	-	(303)
Increase (decrease) in compensated absences	(12)	12	-	-
Increase (decrease) in claims payable	2,072	-	-	2,072
Total Adjustments	<u>2,137</u>	<u>2,483</u>	<u>21</u>	<u>4,641</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (205)</u>	<u>\$ 848</u>	<u>\$ 11</u>	<u>\$ 654</u>
Schedule of Non-Cash and Related Financing Activities				
Contribution of Capital Assets	<u>\$ -</u>	<u>\$ 913</u>	<u>\$ -</u>	<u>\$ 913</u>





FIDUCIARY FUNDS

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

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

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

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

City of Irvine
Combining Statement of Fiduciary Net Assets
Pension and Employee Benefit Trust Funds
June 30, 2012
(amounts expressed in thousands)

	PENSION TRUST		
	(December 31, 2011)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total Pension and Employee Benefit Trust Funds
	Plan	Plan	Funds
ASSETS			
Investments:			
Collective trust funds	\$ 17,813	\$ -	\$ 17,813
Short-term investments	269	-	269
Participant-directed investments	-	10,558	10,558
Receivables, net of allowances:			
Loans	-	74	74
	<u>18,082</u>	<u>10,632</u>	<u>28,714</u>
Total Assets			
	<u>18,082</u>	<u>10,632</u>	<u>28,714</u>
LIABILITIES			
Accounts payable and other accrued liabilities	-	123	123
Accrued liabilities	27	-	27
	<u>27</u>	<u>123</u>	<u>150</u>
Total Liabilities			
	<u>27</u>	<u>123</u>	<u>150</u>
NET ASSETS			
Held in trust for pension benefits	<u>18,055</u>	<u>10,509</u>	<u>28,564</u>
Total Net Assets	<u>\$ 18,055</u>	<u>\$ 10,509</u>	<u>\$ 28,564</u>

City of Irvine
Combining Statement of Changes in Fiduciary Net Assets
Pension and Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)

	PENSION TRUST		
	(December 31, 2011)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total Pension and Employee Benefit Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 312	\$ 180	\$ 492
Plan members	-	57	57
Interest from participants' loan	-	3	3
Total Contributions	<u>312</u>	<u>240</u>	<u>552</u>
Investment income (loss):			
Interest and dividends	6	-	6
Net appreciation (depreciation) in fair value of investments	952	47	999
Total Investment Income	<u>958</u>	<u>47</u>	<u>1,005</u>
Less investment expenses	<u>(109)</u>	<u>(28)</u>	<u>(137)</u>
Net Investment Income	<u>849</u>	<u>19</u>	<u>868</u>
Total Additions	<u>1,161</u>	<u>259</u>	<u>1,420</u>
DEDUCTIONS			
Benefit payments	1,072	470	1,542
Administrative expenses	5	-	5
Forfeitures to the City of Irvine	-	4	4
Total Deductions	<u>1,077</u>	<u>474</u>	<u>1,551</u>
Change in Net Assets	84	(215)	(131)
Total Net Assets, Beginning	<u>17,971</u>	<u>10,724</u>	<u>28,695</u>
Total Net Assets, Ending	<u>\$ 18,055</u>	<u>\$ 10,509</u>	<u>\$ 28,564</u>

City of Irvine
Combining Statement of Fiduciary Net Assets
Private-Purpose Trust Funds
June 30, 2012
(amounts expressed in thousands)

	Successor Agency Operations	Successor Agency Housing	Successor Agency Debt Service	Redevelopment Obligation Retirement	Total Successor Agency Private-Purpose Trust Funds
ASSETS					
Cash and investments	\$ -	\$ -	\$ 3,113	\$ 121	\$ 3,234
Total Assets	<u>-</u>	<u>-</u>	<u>3,113</u>	<u>121</u>	<u>3,234</u>
LIABILITIES					
Accounts payable and accrued liabilities	-	-	758	121	879
Advances from the City of Irvine	-	-	173,961	-	173,961
Due to other governments	<u>-</u>	<u>1,586</u>	<u>-</u>	<u>-</u>	<u>1,586</u>
Total Liabilities	<u>-</u>	<u>1,586</u>	<u>174,719</u>	<u>121</u>	<u>176,426</u>
NET ASSETS					
Held in trust for enforceable obligations	<u>-</u>	<u>(1,586)</u>	<u>(171,606)</u>	<u>-</u>	<u>(173,192)</u>
Total Net Assets	<u>\$ -</u>	<u>\$ (1,586)</u>	<u>\$ (171,606)</u>	<u>\$ -</u>	<u>\$ 3,234</u>

City of Irvine
Combining Statement of Changes in Fiduciary Net Assets
Private-Purpose Trust Funds
For Five Months Ended June 30, 2012
(amounts expressed in thousands)

	Successor Agency Operations	Successor Agency Housing	Successor Agency Debt Service	Redevelopment Obligation Retirement	Total Successor Agency Private-Purpose Trust Funds
ADDITIONS					
Taxes	\$ -	\$ -	\$ -	\$ 201	\$ 201
Total Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>201</u>	<u>201</u>
DEDUCTIONS					
Administration	71	-	91	-	162
County implementation payment	-	-	667	-	667
Grant obligations	-	4,657	-	-	4,657
Debt service:					
Interest and fiscal charges	-	19	3,972	-	3,991
Total Deductions	<u>71</u>	<u>4,676</u>	<u>4,730</u>	<u>-</u>	<u>9,477</u>
TRANSFERS					
Transfers in	70	-	201	-	271
Transfers out	-	-	(70)	(201)	(271)
Total Transfers	<u>70</u>	<u>-</u>	<u>131</u>	<u>(201)</u>	<u>-</u>
EXTRAORDINARY GAIN (LOSS)					
Dissolution of redevelopment agency	<u>1</u>	<u>3,090</u>	<u>(167,007)</u>	<u>-</u>	<u>(163,916)</u>
Total Extraordinary Gain (Loss)	<u>1</u>	<u>3,090</u>	<u>(167,007)</u>	<u>-</u>	<u>(163,916)</u>
Change in Net Assets	-	(1,586)	(171,606)	-	(173,192)
Total Net Assets, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Assets, Ending	<u>\$ -</u>	<u>\$ (1,586)</u>	<u>\$ (171,606)</u>	<u>\$ -</u>	<u>\$ (173,192)</u>

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2012
(amounts expressed in thousands)
Page 1 of 8

	Cypress Village Assessment District 11-24	Laguna Altura Assessment District 10-23	Stonegate Assessment District 07-22	Orchard Hills Assessment District 05-21
ASSETS				
Cash and investments	\$ 18	\$ 3,821	\$ 4,685	\$ -
Taxes	-	-	832	-
Investment interest	-	-	1	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	255
	<u>18</u>	<u>3,821</u>	<u>5,518</u>	<u>255</u>
Total Assets	18	3,821	5,518	255
LIABILITIES				
Accounts payable	-	-	6	-
Accrued liabilities	-	1	2	-
Due to other funds	-	-	-	232
Due to bondholders	18	3,820	5,510	23
Due to other governments	-	-	-	-
	<u>18</u>	<u>3,821</u>	<u>5,518</u>	<u>255</u>
Total Liabilities	18	3,821	5,518	255
NET ASSETS				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2012
(amounts expressed in thousands)
Page 2 of 8

	Portola Springs Assessment District 04-20	Northern Sphere Assessment District 03-19	Shady Canyon/ Turtle Ridge Assessment District 00-18	Irvine Spectrum Reassessment District 85-7
ASSETS				
Cash and investments	\$ 5,385	\$ 10,054	\$ 3,306	\$ -
Taxes	69	172	91	-
Investment interest	2	3	1	-
Due from other funds	-	336	-	-
Due from developers	91	166	30	133
	<u>5,547</u>	<u>10,731</u>	<u>3,428</u>	<u>133</u>
Total Assets				
LIABILITIES				
Accounts payable	-	9	2	-
Accrued liabilities	92	4	2	1
Due to other funds	-	-	-	104
Due to bondholders	5,455	10,718	3,424	28
Due to other governments	-	-	-	-
	<u>5,547</u>	<u>10,731</u>	<u>3,428</u>	<u>133</u>
Total Liabilities				
NET ASSETS				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- continued -

City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2012
(amounts expressed in thousands)
Page 3 of 8

	Irvine Spectrum Assessment District 87-8	Westpark Assessment District 89-10	Irvine Spectrum Assessment District 93-14	Oak Creek Assessment District 94-13
ASSETS				
Cash and investments	\$ 3,464	\$ 530	\$ 7,950	\$ 217
Taxes	73	-	17	-
Investment interest	1	-	-	-
Due from other funds	-	-	-	-
Due from developers	51	26	192	46
	<u>3,589</u>	<u>556</u>	<u>8,159</u>	<u>263</u>
Total Assets				
LIABILITIES				
Accounts payable	3	2	192	3
Accrued liabilities	3	1	4	-
Due to other funds	-	-	-	-
Due to bondholders	3,583	553	7,963	260
Due to other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,589</u>	<u>556</u>	<u>8,159</u>	<u>263</u>
NET ASSETS				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2012
(amounts expressed in thousands)
Page 4 of 8

	Westpark II Assessment District 94-15	Northwest Assessment District 97-16	Lower Peters Canyon Assessment District 97-17	Irvine Public Facilities and Infrastructure Authority Series A
ASSETS				
Cash and investments	\$ 1,373	\$ 691	\$ 1,071	\$ -
Taxes	-	-	14	-
Investment interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	19	72	111	-
	<u>1,392</u>	<u>763</u>	<u>1,196</u>	<u>-</u>
Total Assets				
LIABILITIES				
Accounts payable	1	72	7	-
Accrued liabilities	1	-	2	-
Due to other funds	-	-	-	-
Due to bondholders	1,390	691	1,187	-
Due to other governments	-	-	-	-
	<u>1,392</u>	<u>763</u>	<u>1,196</u>	<u>-</u>
Total Liabilities				
NET ASSETS				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2012
(amounts expressed in thousands)
Page 5 of 8

	Irvine Public Facilities and Infrastructure Authority Series B	Irvine Public Facilities and Infrastructure Authority Series C	Irvine Public Facilities and Infrastructure Authority 2012 Series A	Reassessment District 99-1
ASSETS				
Cash and investments	\$ 2,508	\$ 5,964	\$ -	\$ -
Taxes	-	-	-	-
Investment interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
	<u>2,508</u>	<u>5,964</u>	<u>-</u>	<u>-</u>
Total Assets				
LIABILITIES				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	2,508	5,964	-	-
Due to other governments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities				
	<u>2,508</u>	<u>5,964</u>	<u>-</u>	<u>-</u>
NET ASSETS				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2012
(amounts expressed in thousands)
Page 6 of 8

	Reassessment District 99-2	Reassessment District 01-1	Reassessment District 01-2	Reassessment District 03-1
ASSETS				
Cash and investments	\$ -	\$ 493	\$ 3,662	\$ 687
Taxes	-	42	118	25
Investment interest	-	-	1	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	-	535	3,781	712
LIABILITIES				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to bondholders	-	535	3,781	712
Due to other governments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	-	535	3,781	712
NET ASSETS				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2012
(amounts expressed in thousands)
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	Reassessment District 03-2	Reassessment District 11-1	Reassessment District 11-2	CFD - Central Park 2004-1
ASSETS				
Cash and investments	\$ 5,970	\$ 4,779	\$ 4,968	\$ 851
Taxes	123	90	134	-
Investment interest	2	2	1	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
	<u>6,095</u>	<u>4,871</u>	<u>5,103</u>	<u>851</u>
LIABILITIES				
Accounts payable	-	-	2	-
Accrued liabilities	-	1	-	-
Due to other funds	-	-	-	-
Due to bondholders	6,095	4,870	5,101	851
Due to other governments	-	-	-	-
	<u>6,095</u>	<u>4,871</u>	<u>5,103</u>	<u>851</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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City of Irvine
Combining Statement of Net Assets
Agency Funds
June 30, 2012
(amounts expressed in thousands)
Page 8 of 8

	CFD - Columbus Grove 2005-2	Inter-Agency Custodial Fund	Total Agency Funds
ASSETS			
Cash and investments	\$ 2,971	\$ 462	\$ 75,880
Taxes	43	-	1,843
Investment interest	1	-	15
Due from other funds	-	-	336
Due from developers	-	-	1,192
	<u>3,015</u>	<u>462</u>	<u>79,266</u>
Total Assets			
LIABILITIES			
Accounts payable	-	55	354
Accrued liabilities	1	-	115
Due to other funds	-	-	336
Due to bondholders	3,014	-	78,054
Due to other governments	-	407	407
	<u>3,015</u>	<u>462</u>	<u>79,266</u>
Total Liabilities			
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
Page 1 of 11

	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
Cypress Village Assessment District 11-24				
ASSETS				
Cash and investments	\$ 34	\$ -	\$ 16	\$ 18
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 18</u>
LIABILITIES				
Accounts payable	\$ 1	\$ -	\$ 1	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	33	-	15	18
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 18</u>
Laguna Altura Assessment District 10-23				
ASSETS				
Cash and investments	\$ 5,224	\$ 54	\$ 1,457	\$ 3,821
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 5,224</u>	<u>\$ 54</u>	<u>\$ 1,457</u>	<u>\$ 3,821</u>
LIABILITIES				
Accounts payable	\$ 3	\$ 11	\$ 14	\$ -
Accrued liabilities	10	1	10	1
Due to bondholders	5,211	-	1,391	3,820
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ 5,224</u>	<u>\$ 12</u>	<u>\$ 1,415</u>	<u>\$ 3,821</u>
Stonegate Assessment District 07-22				
ASSETS				
Cash and investments	\$ 5,651	\$ 1,737	\$ 2,703	\$ 4,685
Receivables, net of allowances:				
Taxes	-	832	-	832
Accrued interest	-	1	-	1
Due from other funds	-	-	-	-
Due from developers	1	61	62	-
Total Assets	<u>\$ 5,652</u>	<u>\$ 2,631</u>	<u>\$ 2,765</u>	<u>\$ 5,518</u>
LIABILITIES				
Accounts payable	\$ -	\$ 669	\$ 663	\$ 6
Accrued liabilities	8	2	8	2
Due to bondholders	5,644	760	894	5,510
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,652</u>	<u>\$ 1,431</u>	<u>\$ 1,565</u>	<u>\$ 5,518</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
Page 2 of 11

	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
Orchard Hills Assessment District 05-21				
ASSETS				
Cash and investments	\$ 1,622	\$ 956	\$ 2,578	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	696	441	255
Total Assets	<u>\$ 1,622</u>	<u>\$ 1,652</u>	<u>\$ 3,019</u>	<u>\$ 255</u>
LIABILITIES				
Accounts payable	\$ 2	\$ 869	\$ 871	\$ -
Accrued liabilities	10	-	10	-
Due to bondholders	1,610	23	1,610	23
Due to other funds	-	232	-	232
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,622</u>	<u>\$ 1,124</u>	<u>\$ 2,491</u>	<u>\$ 255</u>
Portola Springs Assessment District 04-20				
ASSETS				
Cash and investments	\$ 5,135	\$ 7,320	\$ 7,070	\$ 5,385
Receivables, net of allowances:				
Taxes	30	69	30	69
Accrued interest	-	2	-	2
Due from other funds	-	-	-	-
Due from developers	142	981	1,032	91
Total Assets	<u>\$ 5,307</u>	<u>\$ 8,372</u>	<u>\$ 8,132</u>	<u>\$ 5,547</u>
LIABILITIES				
Accounts payable	\$ -	\$ 3,853	\$ 3,853	\$ -
Accrued liabilities	144	92	144	92
Due to bondholders	5,163	691	399	5,455
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ 5,307</u>	<u>\$ 4,636</u>	<u>\$ 4,396</u>	<u>\$ 5,547</u>
Northern Sphere Assessment District 03-19				
ASSETS				
Cash and investments	\$ 10,384	\$ 19,546	\$ 19,876	\$ 10,054
Receivables, net of allowances:				
Taxes	154	172	154	172
Accrued interest	-	3	-	3
Due from other funds	-	336	-	336
Due from developers	179	686	699	166
Total Assets	<u>\$ 10,717</u>	<u>\$ 20,743</u>	<u>\$ 20,729</u>	<u>\$ 10,731</u>
LIABILITIES				
Accounts payable	\$ 12	\$ 6,416	\$ 6,419	\$ 9
Accrued liabilities	191	4	191	4
Due to bondholders	10,514	232	28	10,718
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 10,717</u>	<u>\$ 6,652</u>	<u>\$ 6,638</u>	<u>\$ 10,731</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
Page 3 of 11

	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
Shady Canyon/Turtle Ridge Assessment District 00-18				
ASSETS				
Cash and investments	\$ 12,871	\$ 11,273	\$ 20,838	\$ 3,306
Receivables, net of allowances:				
Taxes	172	161	242	91
Accrued interest	-	1	-	1
Due from other funds	-	-	-	-
Due from developers	32	163	165	30
Total Assets	<u>\$ 13,075</u>	<u>\$ 11,598</u>	<u>\$ 21,245</u>	<u>\$ 3,428</u>
LIABILITIES				
Accounts payable	\$ 3	\$ 7,103	\$ 7,104	\$ 2
Accrued liabilities	32	2	32	2
Due to bondholders	13,040	8	9,624	3,424
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 13,075</u>	<u>\$ 7,113</u>	<u>\$ 16,760</u>	<u>\$ 3,428</u>
Irvine Spectrum Reassessment District 85-7				
ASSETS				
Cash and investments	\$ 5,435	\$ 516	\$ 5,951	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	30	407	304	133
Total Assets	<u>\$ 5,465</u>	<u>\$ 923</u>	<u>\$ 6,255</u>	<u>\$ 133</u>
LIABILITIES				
Accounts payable	\$ -	\$ 444	\$ 444	\$ -
Accrued liabilities	29	1	29	1
Due to bondholders	5,436	28	5,436	28
Due to other funds	-	104	-	104
Total Liabilities	<u>\$ 5,465</u>	<u>\$ 577</u>	<u>\$ 5,909</u>	<u>\$ 133</u>
Irvine Spectrum Assessment District 87-8				
ASSETS				
Cash and investments	\$ 4,002	\$ 4,652	\$ 5,190	\$ 3,464
Receivables, net of allowances:				
Taxes	99	82	108	73
Accrued interest	-	1	-	1
Due from other funds	-	-	-	-
Due from developers	62	351	362	51
Total Assets	<u>\$ 4,163</u>	<u>\$ 5,086</u>	<u>\$ 5,660</u>	<u>\$ 3,589</u>
LIABILITIES				
Accounts payable	\$ 4	\$ 2,599	\$ 2,600	\$ 3
Accrued liabilities	52	3	52	3
Due to bondholders	4,107	6	530	3,583
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,163</u>	<u>\$ 2,608</u>	<u>\$ 3,182</u>	<u>\$ 3,589</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
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	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
Westpark Assessment District 89-10				
ASSETS				
Cash and investments	\$ 547	\$ 7,853	\$ 7,870	\$ 530
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	66	178	218	26
Total Assets	<u>\$ 613</u>	<u>\$ 8,031</u>	<u>\$ 8,088</u>	<u>\$ 556</u>
LIABILITIES				
Accounts payable	\$ 4	\$ 240	\$ 242	\$ 2
Accrued liabilities	61	1	61	1
Due to bondholders	548	5	-	553
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 613</u>	<u>\$ 246</u>	<u>\$ 303</u>	<u>\$ 556</u>
Irvine Spectrum Assessment District 93-14				
ASSETS				
Cash and investments	\$ 8,146	\$ 2,663	\$ 2,859	\$ 7,950
Receivables, net of allowances:				
Taxes	71	20	74	17
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	201	815	824	192
Total Assets	<u>\$ 8,418</u>	<u>\$ 3,498</u>	<u>\$ 3,757</u>	<u>\$ 8,159</u>
LIABILITIES				
Accounts payable	\$ 11	\$ 1,916	\$ 1,735	\$ 192
Accrued liabilities	194	4	194	4
Due to bondholders	8,213	17	267	7,963
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ 8,418</u>	<u>\$ 1,937</u>	<u>\$ 2,196</u>	<u>\$ 8,159</u>
Oak Creek Assessment District 94-13				
ASSETS				
Cash and investments	\$ 260	\$ 6,199	\$ 6,242	\$ 217
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	33	156	143	46
Total Assets	<u>\$ 293</u>	<u>\$ 6,355</u>	<u>\$ 6,385</u>	<u>\$ 263</u>
LIABILITIES				
Accounts payable	\$ 6	\$ 178	\$ 181	\$ 3
Accrued liabilities	27	-	27	-
Due to bondholders	260	-	-	260
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 293</u>	<u>\$ 178</u>	<u>\$ 208</u>	<u>\$ 263</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
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	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
Westpark II Assessment District 94-15				
ASSETS				
Cash and investments	\$ 1,876	\$ 4,640	\$ 5,143	\$ 1,373
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	42	152	175	19
Total Assets	<u>\$ 1,918</u>	<u>\$ 4,792</u>	<u>\$ 5,318</u>	<u>\$ 1,392</u>
LIABILITIES				
Accounts payable	\$ 3	\$ 187	\$ 189	\$ 1
Accrued liabilities	39	1	39	1
Due to bondholders	1,876	-	486	1,390
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,918</u>	<u>\$ 188</u>	<u>\$ 714</u>	<u>\$ 1,392</u>
Northwest Assessment District 97-16				
ASSETS				
Cash and investments	\$ 693	\$ 3,020	\$ 3,022	\$ 691
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	40	224	192	72
Total Assets	<u>\$ 733</u>	<u>\$ 3,244</u>	<u>\$ 3,214</u>	<u>\$ 763</u>
LIABILITIES				
Accounts payable	\$ 7	\$ 506	\$ 441	\$ 72
Accrued liabilities	34	-	34	-
Due to bondholders	692	-	1	691
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ 733</u>	<u>\$ 506</u>	<u>\$ 476</u>	<u>\$ 763</u>
Lower Peters Canyon Assessment District 97-17				
ASSETS				
Cash and investments	\$ 1,177	\$ 1,496	\$ 1,602	\$ 1,071
Receivables, net of allowances:				
Taxes	8	14	8	14
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	119	502	510	111
Total Assets	<u>\$ 1,304</u>	<u>\$ 2,012</u>	<u>\$ 2,120</u>	<u>\$ 1,196</u>
LIABILITIES				
Accounts payable	\$ 8	\$ 1,107	\$ 1,108	\$ 7
Accrued liabilities	113	2	113	2
Due to bondholders	1,183	5	1	1,187
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 1,304</u>	<u>\$ 1,114</u>	<u>\$ 1,222</u>	<u>\$ 1,196</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
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	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
Irvine Public Facilities and Infrastructure Authority Series A				
ASSETS				
Cash and investments	\$ 2,512	\$ 264	\$ 2,776	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 2,512</u>	<u>\$ 264</u>	<u>\$ 2,776</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 15	\$ 16	\$ -
Accrued liabilities	1	-	1	-
Due to bondholders	2,510	-	2,510	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 2,512</u>	<u>\$ 15</u>	<u>\$ 2,527</u>	<u>\$ -</u>
Irvine Public Facilities and Infrastructure Authority Series B				
ASSETS				
Cash and investments	\$ 2,207	\$ 359	\$ 58	\$ 2,508
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	16	16	-
Total Assets	<u>\$ 2,207</u>	<u>\$ 375</u>	<u>\$ 74</u>	<u>\$ 2,508</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 15	\$ 16	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	2,206	302	-	2,508
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ 2,207</u>	<u>\$ 317</u>	<u>\$ 16</u>	<u>\$ 2,508</u>
Irvine Public Facilities and Infrastructure Authority Series C				
ASSETS				
Cash and investments	\$ 5,556	\$ 480	\$ 72	\$ 5,964
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	19	19	-
Total Assets	<u>\$ 5,556</u>	<u>\$ 499</u>	<u>\$ 91</u>	<u>\$ 5,964</u>
LIABILITIES				
Accounts payable	\$ 1	\$ 15	\$ 16	\$ -
Accrued liabilities	1	-	1	-
Due to bondholders	5,554	410	-	5,964
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 5,556</u>	<u>\$ 425</u>	<u>\$ 17</u>	<u>\$ 5,964</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
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	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
Irvine Public Facilities and Infrastructure Authority 2012 Series A				
ASSETS				
Cash and investments	\$ -	\$ 33,751	\$ 33,751	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 33,751</u>	<u>\$ 33,751</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 28	\$ 28	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ -</u>
Reassessment District 99-1				
ASSETS				
Cash and investments	\$ 317	\$ 412	\$ 729	\$ -
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 317</u>	<u>\$ 412</u>	<u>\$ 729</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 165	\$ 165	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	317	-	317	-
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ 317</u>	<u>\$ 165</u>	<u>\$ 482</u>	<u>\$ -</u>
Reassessment District 99-2				
ASSETS				
Cash and investments	\$ 4,525	\$ 28,789	\$ 33,314	\$ -
Receivables, net of allowances:				
Taxes	38	53	91	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	83	83	-
Total Assets	<u>\$ 4,563</u>	<u>\$ 28,925</u>	<u>\$ 33,488</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 5,154	\$ 5,154	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	4,563	-	4,563	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 4,563</u>	<u>\$ 5,154</u>	<u>\$ 9,717</u>	<u>\$ -</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
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	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
Reassessment District 01-1				
ASSETS				
Cash and investments	\$ 539	\$ 1,292	\$ 1,338	\$ 493
Receivables, net of allowances:				
Taxes	30	42	30	42
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 569</u>	<u>\$ 1,334</u>	<u>\$ 1,368</u>	<u>\$ 535</u>
LIABILITIES				
Accounts payable	\$ -	\$ 668	\$ 668	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	569	-	34	535
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 569</u>	<u>\$ 668</u>	<u>\$ 702</u>	<u>\$ 535</u>
Reassessment District 01-2				
ASSETS				
Cash and investments	\$ 3,601	\$ 11,782	\$ 11,721	\$ 3,662
Receivables, net of allowances:				
Taxes	82	117	81	118
Accrued interest	-	1	-	1
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 3,683</u>	<u>\$ 11,900</u>	<u>\$ 11,802</u>	<u>\$ 3,781</u>
LIABILITIES				
Accounts payable	\$ -	\$ 3,638	\$ 3,638	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	3,683	98	-	3,781
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ 3,683</u>	<u>\$ 3,736</u>	<u>\$ 3,638</u>	<u>\$ 3,781</u>
Reassessment District 03-1				
ASSETS				
Cash and investments	\$ 765	\$ 1,458	\$ 1,536	\$ 687
Receivables, net of allowances:				
Taxes	20	25	20	25
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 785</u>	<u>\$ 1,483</u>	<u>\$ 1,556</u>	<u>\$ 712</u>
LIABILITIES				
Accounts payable	\$ -	\$ 767	\$ 767	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	785	-	73	712
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 785</u>	<u>\$ 767</u>	<u>\$ 840</u>	<u>\$ 712</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
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	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
Reassessment District 03-2				
ASSETS				
Cash and investm ents	\$ 6,346	\$ 16,783	\$ 17,159	\$ 5,970
Receivables, net of allowances:				
Taxes	122	123	122	123
Accrued interest	-	2	-	2
Due from other funds	-	-	-	-
Due from developers	-	2	2	-
Total Assets	<u>\$ 6,468</u>	<u>\$ 16,910</u>	<u>\$ 17,283</u>	<u>\$ 6,095</u>
LIABILITIES				
Accounts payable	\$ -	\$ 6,390	\$ 6,390	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	6,468	-	373	6,095
Due to other funds	-	-	-	-
Due to other governm ents	-	-	-	-
Total Liabilities	<u>\$ 6,468</u>	<u>\$ 6,390</u>	<u>\$ 6,763</u>	<u>\$ 6,095</u>
Reassessment District 11-1				
ASSETS				
Cash and investm ents	\$ -	\$ 84,631	\$ 79,852	\$ 4,779
Receivables, net of allowances:				
Taxes	-	90	-	90
Accrued interest	-	2	-	2
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 84,723</u>	<u>\$ 79,852</u>	<u>\$ 4,871</u>
LIABILITIES				
Accounts payable	\$ -	\$ 842	\$ 842	\$ -
Accrued liabilities	-	1	-	1
Due to bondholders	-	4,870	-	4,870
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 5,713</u>	<u>\$ 842</u>	<u>\$ 4,871</u>
Reassessment District 11-2				
ASSETS				
Cash and investm ents	\$ -	\$ 55,927	\$ 50,959	\$ 4,968
Receivables, net of allowances:				
Taxes	-	134	-	134
Accrued interest	-	1	-	1
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 56,062</u>	<u>\$ 50,959</u>	<u>\$ 5,103</u>
LIABILITIES				
Accounts payable	\$ -	\$ 11	\$ 9	\$ 2
Accrued liabilities	-	-	-	-
Due to bondholders	-	5,101	-	5,101
Due to other funds	-	-	-	-
Due to other governm ents	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 5,112</u>	<u>\$ 9</u>	<u>\$ 5,103</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
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	June 30, 2011			June 30, 2012
	Balance	Additions	Deductions	Balance
CFD-Central Park 2004-1				
ASSETS				
Cash and investments	\$ 849	\$ 4	\$ 2	\$ 851
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 849</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ 851</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to bondholders	849	2	-	851
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	<u>\$ 849</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 851</u>
CFD-Columbus Grove 2005-2				
ASSETS				
Cash and investments	\$ 2,956	\$ 3,251	\$ 3,236	\$ 2,971
Receivables, net of allowances:				
Taxes	29	43	29	43
Accrued interest	-	1	-	1
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 2,985</u>	<u>\$ 3,295</u>	<u>\$ 3,265</u>	<u>\$ 3,015</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,609	\$ 1,609	\$ -
Accrued liabilities	-	1	-	1
Due to bondholders	2,985	29	-	3,014
Due to other funds	-	-	-	-
Total Liabilities	<u>\$ 2,985</u>	<u>\$ 1,639</u>	<u>\$ 1,609</u>	<u>\$ 3,015</u>
Inter-Agency Custodial Fund				
ASSETS				
Cash and investments	\$ 179	\$ 587	\$ 304	\$ 462
Receivables, net of allowances:				
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	-	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 179</u>	<u>\$ 587</u>	<u>\$ 304</u>	<u>\$ 462</u>
LIABILITIES				
Accounts payable	\$ -	\$ 206	\$ 151	\$ 55
Accrued liabilities	-	-	-	-
Due to bondholders	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	179	434	206	407
Total Liabilities	<u>\$ 179</u>	<u>\$ 640</u>	<u>\$ 357</u>	<u>\$ 462</u>

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City of Irvine
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012
(amounts expressed in thousands)
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	<u>June 30, 2011</u>			<u>June 30, 2012</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
Total Agency Funds				
ASSETS				
Cash and investments	\$ 93,409	\$ 311,695	\$ 329,224	\$ 75,880
Receivables, net of allowances:				
Taxes	855	1,977	989	1,843
Accrued interest	-	15	-	15
Due from other funds	-	336	-	336
Due from developers	947	5,492	5,247	1,192
Total Assets	<u>\$ 95,211</u>	<u>\$ 319,515</u>	<u>\$ 335,460</u>	<u>\$ 79,266</u>
LIABILITIES				
Accounts payable	\$ 67	\$ 45,621	\$ 45,334	\$ 354
Accrued liabilities	946	115	946	115
Due to bondholders	94,019	12,587	28,552	78,054
Due to other funds	-	336	-	336
Due to other governments	179	434	206	407
Total Liabilities	<u>\$ 95,211</u>	<u>\$ 59,093</u>	<u>\$ 75,038</u>	<u>\$ 79,266</u>



STATISTICAL SECTION

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

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

- Net Assets by Component
- Changes in Net Assets
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- Taxable Sales by Category
- Tax Revenue by Source - Governmental Funds

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

- Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Tax Payers
- Property Tax Levies and Collections

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

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

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

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

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

- Capital Asset Statistics
- Operating Indicators by Function

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

City of Irvine
Net Assets by Component
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 1,537,181	\$ 1,523,430	\$ 1,488,021	\$ 1,459,815
Restricted	287,906	294,596	349,681	375,082
Unrestricted	<u>384,731</u>	<u>287,840</u>	<u>244,927</u>	<u>294,354</u>
Total Governmental Activities Net Assets	<u>\$ 2,209,818</u>	<u>\$ 2,105,866</u>	<u>\$ 2,082,629</u>	<u>\$ 2,129,251</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 1,537,181	\$ 1,523,430	\$ 1,488,021	\$ 1,459,815
Restricted	287,906	294,596	349,681	375,082
Unrestricted	<u>384,731</u>	<u>287,840</u>	<u>244,927</u>	<u>294,354</u>
Total Primary Government Net Assets	<u>\$ 2,209,818</u>	<u>\$ 2,105,866</u>	<u>\$ 2,082,629</u>	<u>\$ 2,129,251</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,425,432	\$ 1,275,007	\$ 1,180,580	\$ 883,853	\$ 810,255	\$ 741,460
364,556	430,022	410,792	351,994	343,352	285,379
371,340	313,186	213,578	144,889	124,419	111,001
<u>\$ 2,161,328</u>	<u>\$ 2,018,215</u>	<u>\$ 1,804,950</u>	<u>\$ 1,380,736</u>	<u>\$ 1,278,026</u>	<u>\$ 1,137,840</u>

\$ 1,425,432	\$ 1,275,007	\$ 1,180,580	\$ 883,853	\$ 810,255	\$ 741,460
364,556	430,022	410,792	351,994	343,352	285,379
371,340	313,186	213,578	144,889	124,419	111,001
<u>\$ 2,161,328</u>	<u>\$ 2,018,215</u>	<u>\$ 1,804,950</u>	<u>\$ 1,380,736</u>	<u>\$ 1,278,026</u>	<u>\$ 1,137,840</u>

City of Irvine
Changes in Net Assets
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
EXPENSES				
Governmental Activities				
General Government	\$ 54,380	\$ 20,267	\$ 23,199	\$ 20,495
Public Safety	57,563	57,091	57,891	57,693
Public Works	59,037	58,702	59,666	55,070
Community Services	35,806	33,006	26,715	32,284
Community Development ⁽¹⁾	20,694	21,747	25,447	32,453
Redevelopment ⁽¹⁾	-	-	-	-
Great Park ⁽²⁾	16,398	14,747	17,593	13,235
Interest on long-term debt	26	68	14,803	14,111
Unallocated infrastructure depreciation	44,770	42,778	41,026	38,928
Total Governmental Activities Expenses	<u>\$ 288,674</u>	<u>\$ 248,406</u>	<u>\$ 266,340</u>	<u>\$ 264,269</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for services:				
General Government	\$ 1,741	\$ 462	\$ 7,354	\$ 681
Public Safety	3,172	3,460	4,163	4,273
Public Works	7,210	10,465	12,057	10,856
Community Services	9,070	9,069	9,219	10,896
Community Development ⁽¹⁾	15,788	17,579	6,896	4,828
Redevelopment ⁽¹⁾	-	-	-	-
Great Park ⁽²⁾	3,212	2,946	3,521	3,384
Operating grants and contributions	23,693	16,570	9,644	15,702
Capital grants and contributions	36,104	71,731	31,707	52,238
Total Governmental Activities Program Revenues	<u>99,990</u>	<u>132,282</u>	<u>84,561</u>	<u>102,858</u>
Total Net Revenues (Expenses)	<u>\$ (188,684)</u>	<u>\$ (116,124)</u>	<u>\$ (181,779)</u>	<u>\$ (161,411)</u>
GENERAL REVENUES AND OTHER				
CHANGES IN NET ASSETS				
Governmental Activities				
Taxes:				
Property tax ⁽³⁾	\$ 47,862	\$ 48,370	\$ 50,791	\$ 54,168
Sales taxes	48,972	48,694	42,209	49,732
Franchise taxes	12,163	12,099	11,223	11,704
Transient occupancy taxes	8,489	8,294	7,306	7,768
Document transfer taxes	1,426	1,536	1,626	996
Business license taxes	905	911	-	-
Motor vehicle in-lieu	108	981	628	715
Sale of assets	563	64	62	165
Unrestricted capital grants & contributions	-	-	-	-
Investment revenue	7,982	4,786	20,492	7,325
Other revenue	250	27	179	20
Total General Revenues	<u>128,720</u>	<u>125,762</u>	<u>134,516</u>	<u>132,593</u>
Extraordinary Gain (Loss)	163,916	-	-	-
Changes in Net Assets	<u>\$ 103,952</u>	<u>\$ 9,638</u>	<u>\$ (47,263)</u>	<u>\$ (28,818)</u>

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

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

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 47,848	\$ 18,211	\$ 22,587	\$ 18,732	\$ 20,967	\$ 17,305
52,292	45,356	43,907	38,418	36,238	31,582
27,663	90,318	60,461	61,121	51,849	29,731
37,177	34,389	29,868	26,978	22,988	20,731
18,488	21,485	24,822	18,038	15,180	12,664
10,468	16,628	1,400	-	-	-
34,248	18,628	-	-	-	-
-	1,239	1,250	979	746	961
33,172	27,777	24,502	22,089	19,396	16,989
<u>\$ 261,356</u>	<u>\$ 274,031</u>	<u>\$ 208,797</u>	<u>\$ 186,355</u>	<u>\$ 167,364</u>	<u>\$ 129,963</u>
\$ 10,738	\$ -	\$ 2,861	\$ 134	\$ 222	\$ 425
3,950	3,429	3,610	3,365	3,329	3,624
24,566	18,098	27,231	37,855	13,895	15,009
7,723	7,285	6,793	6,059	5,574	5,031
13,479	12,983	16,355	13,164	11,683	9,887
319	768	-	-	-	-
3,450	2,785	-	-	-	-
11,286	16,029	9,949	10,465	9,036	5,073
155,840	245,498	434,218	110,554	165,605	31,850
231,351	306,875	501,017	181,596	209,344	70,899
<u>\$ (30,005)</u>	<u>\$ 32,844</u>	<u>\$ 292,220</u>	<u>\$ (4,759)</u>	<u>\$ 41,980</u>	<u>\$ (59,064)</u>
\$ 52,155	\$ 54,566	\$ 33,094	\$ 27,530	\$ 17,372	\$ 16,189
58,949	58,041	53,688	49,335	48,547	41,763
11,553	11,344	10,040	9,015	8,729	8,896
9,108	9,396	8,708	7,295	6,688	6,112
1,328	2,525	3,831	3,622	2,617	1,813
-	-	-	-	-	-
820	1,069	1,284	1,429	10,712	8,511
14	21	78	74	-	49
-	1	1	-	-	444
36,304	43,458	21,270	9,169	3,541	10,721
2,276	-	-	-	-	-
172,507	180,421	131,994	107,469	98,206	94,498
-	-	-	-	-	-
<u>\$ 142,502</u>	<u>\$ 213,265</u>	<u>\$ 424,214</u>	<u>\$ 102,710</u>	<u>\$ 140,186</u>	<u>\$ 35,434</u>

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

	<u>2012⁽¹⁾</u>	<u>2011⁽¹⁾</u>	<u>2010⁽¹⁾</u>	<u>2009⁽²⁾</u>
GENERAL FUND				
Non Spendable	\$ 7,736	\$ 7,816	\$ 7,054	
Restricted	5,435	4,927	5,234	
Committed	16,033	7,863	15,938	
Assigned	74,850	74,674	75,411	
Unassigned	<u>7,878</u>	<u>13,474</u>	<u>312</u>	
Total General Fund	<u>\$ 111,932</u>	<u>\$ 108,754</u>	<u>\$ 103,949</u>	
ALL OTHER GOVERNMENTAL FUNDS				
Non Spendable	\$ 136,178	\$ 175,116	\$ 136,584	
Restricted	269,852	281,699	273,138	
Committed	82,706	148,216	185,655	
Assigned	12,621	10,712	15,022	
Unassigned	<u>(1,536)</u>	<u>(224,542)</u>	<u>(180,521)</u>	
Total All Other Governmental Funds	<u>\$ 499,821</u>	<u>\$ 391,201</u>	<u>\$ 429,878</u>	
ALL GOVERNMENTAL FUNDS	<u>\$ 611,753</u>	<u>\$ 499,955</u>	<u>\$ 533,827</u>	

	<u>2009</u>
GENERAL FUND	
Reserved	\$ 9,427
Unreserved	100,769
Total General Fund	<u>\$ 110,196</u>
ALL OTHER GOVERNMENTAL FUNDS	
Reserved	\$ 335,955
Unreserved, reported in:	
Special Revenue Funds	127,296
Capital Project Funds	52,429
Permanent Funds	<u>170</u>
Total All Other Governmental Funds	<u>\$ 515,850</u>
ALL GOVERNMENTAL FUNDS	<u>\$ 626,046</u>

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

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

<u>2008</u> ⁽²⁾	<u>2007</u> ⁽²⁾	<u>2006</u> ⁽²⁾	<u>2005</u> ⁽²⁾	<u>2004</u> ⁽²⁾	<u>2003</u> ⁽²⁾
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<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 9,443	\$ 9,261	\$ 9,142	\$ 2,745	\$ 2,200	\$ 616
114,344	117,811	120,750	111,696	102,262	99,104
<u>\$ 123,787</u>	<u>\$ 127,072</u>	<u>\$ 129,892</u>	<u>\$ 114,441</u>	<u>\$ 104,462</u>	<u>\$ 99,720</u>
\$ 293,801	\$ 289,638	\$ 243,321	\$ 264,762	\$ 215,868	\$ 244,407
266,337	262,416	185,171	115,520	81,008	67,967
23,007	26,928	(9)	(67)	(13)	-
146	114	72	56	97	112
<u>\$ 583,291</u>	<u>\$ 583,441</u>	<u>\$ 474,991</u>	<u>\$ 365,227</u>	<u>\$ 346,399</u>	<u>\$ 285,531</u>
<u>\$ 707,078</u>	<u>\$ 710,513</u>	<u>\$ 604,883</u>	<u>\$ 479,668</u>	<u>\$ 450,861</u>	<u>\$ 385,251</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
REVENUES				
Taxes				
Sales and use taxes	\$ 52,566	\$ 48,487	\$ 42,209	\$ 49,732
Property taxes	47,861	50,608	51,106	54,168
All other taxes	30,732	33,371	25,393	25,402
Licenses & permits	6,091	6,122	4,395	4,592
Fines & forfeitures	2,065	1,916	1,948	1,936
Investment income	4,146	10,488	10,845	23,089
Intergovernmental	14,072	35,419	35,367	43,610
Charges for services	24,057	33,496	34,405	34,202
Assessment districts contributions	2,489	38,318	-	498
Revenue from developers	16,539	7,641	336	1,103
Revenue from property owners	5,673	5,372	4,904	5,203
Donations	572	574	791	537
Other revenue	3,400	4,392	4,065	2,936
Total Revenues	<u>210,263</u>	<u>276,204</u>	<u>215,764</u>	<u>247,008</u>
EXPENDITURES				
Current:				
General Government	52,183	28,346	29,457	30,572
Public Safety	56,264	55,586	56,165	56,404
Public Works	34,663	27,188	35,709	33,833
Community Development	22,873	27,234	25,888	33,985
Community Services	33,965	32,054	33,667	34,240
Redevelopment ⁽²⁾	-	-	-	-
Great Park	16,079	14,779	17,743	13,073
Street lighting	6,403	6,892	5,658	6,226
Capital Outlay	60,461	95,986	76,164	84,770
Debt Services:				
Principal retirement	-	8,260	7,525	6,990
Interest & fiscal charges	4,866	16,336	14,690	14,038
Administration	-	11	43	75
Total Expenditures	<u>287,757</u>	<u>312,672</u>	<u>302,709</u>	<u>314,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(77,494)</u>	<u>(36,468)</u>	<u>(86,945)</u>	<u>(67,198)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term note	-	-	62	48
Proceeds from sale of capital assets	1,125	322	-	-
Transfers in	16,304	215,415	124,556	65,542
Transfers out	(16,309)	(213,141)	(113,586)	(64,308)
Total Other Financing Sources (Uses)	<u>1,120</u>	<u>2,596</u>	<u>11,032</u>	<u>1,282</u>
EXTRAORDINARY GAIN (LOSS)				
Forgiveness of debts	25,823	-	-	-
Dissolution of redevelopment agency	162,349	-	-	-
Total Extraordinary Gain (Loss)	<u>188,172</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 111,798</u>	<u>\$ (33,872)</u>	<u>\$ (75,913)</u>	<u>\$ (65,916)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	2.0%	11.4%	9.8%	9.2%

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

⁽²⁾ Redevelopment department established in fiscal year 2005-06 and combined into Community Development in fiscal year 2008-09.

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	58,949	\$ 58,041	\$ 53,688	\$ 49,335	\$ 48,547	\$ 41,763
	52,155	54,566	33,094	27,530	17,372	16,189
	31,353	33,261	42,340	32,566	28,814	27,758
	7,528	7,166	8,996	6,943	6,646	5,859
	2,192	1,985	2,151	2,059	1,829	1,921
	35,973	39,141	20,201	8,774	3,510	9,662
	35,885	20,647	13,315	10,801	15,883	17,261
	43,572	35,241	34,178	28,450	25,152	22,943
	-	108,131	101,067	47,421	104,061	-
	83,975	89,669	76,410	36,051	15,985	4,619
	4,863	7,782	6,372	5,859	8,529	4,365
	1,003	-	-	-	-	-
	2,563	4,253	6,326	2,582	1,909	453
	<u>360,011</u>	<u>459,883</u>	<u>398,138</u>	<u>258,371</u>	<u>278,237</u>	<u>152,793</u>
	31,331	28,662	34,308	28,780	30,118	24,576
	52,481	47,830	44,100	39,130	36,640	33,724
	35,803	39,613	29,946	32,409	30,673	21,365
	18,576	17,818	24,947	18,078	15,002	12,825
	35,264	34,524	29,613	26,621	22,436	20,540
	9,737	15,537	1,270	-	-	-
	12,128	18,636	-	-	-	-
	5,069	4,589	4,137	4,190	3,771	3,687
	169,594	137,511	93,798	73,914	68,271	54,440
	8,170	6,225	5,770	5,330	4,885	4,550
	11,853	1,240	1,202	911	706	892
	106	108	179	156	166	195
	<u>390,112</u>	<u>352,293</u>	<u>269,270</u>	<u>229,519</u>	<u>212,668</u>	<u>176,794</u>
	<u>(30,101)</u>	<u>107,590</u>	<u>128,868</u>	<u>28,852</u>	<u>65,569</u>	<u>(24,001)</u>
	47	1,350	-	-	-	-
	14	-	-	-	-	-
	476,218	97,956	83,297	22,244	22,393	26,627
	<u>(477,803)</u>	<u>(101,266)</u>	<u>(86,950)</u>	<u>(22,919)</u>	<u>(22,352)</u>	<u>(27,745)</u>
	<u>(1,524)</u>	<u>(1,960)</u>	<u>(3,653)</u>	<u>(675)</u>	<u>41</u>	<u>(1,118)</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>(31,625)</u>	<u>\$ 105,630</u>	<u>\$ 125,215</u>	<u>\$ 28,177</u>	<u>\$ 65,610</u>	<u>\$ (25,119)</u>

9.1%

3.5%

4.1%

4.1%

4.0%⁽¹⁾4.6%⁽¹⁾

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Apparel stores	\$ *	\$ 137,511	\$ 172,603	\$ 165,975
General merchandise	*	226,867	278,703	313,425
Food stores	*	104,389	125,234	118,234
Eating & drinking places	*	355,376	445,344	437,188
Home furnishings & appliances	*	230,224	283,000	238,432
Building material & farm tools	*	62,052	73,915	70,540
Auto dealers & supplies	*	404,128	474,807	467,329
Service stations	*	179,117	197,404	182,025
Other retail stores	*	217,823	285,369	372,985
All other outlets	*	1,209,268	1,472,038	1,574,474
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ 3,126,755</u>	<u>\$ 3,808,417</u>	<u>\$ 3,940,607</u>
City Direct Sales Tax Rate	0.75%	0.75%	0.75%	0.75%

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

* Statistics for fiscal year 2011-12 is unavailable at the present time.

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	151,277	\$ 160,900	\$ 134,828	\$ 107,968	\$ 93,733	\$ 74,095
	382,044	426,465	381,271	334,891	316,770	298,023
	135,395	125,231	121,971	112,236	89,630	84,524
	455,804	455,127	429,805	395,191	374,066	337,082
	172,600	214,469	212,144	213,146	204,504	181,005
	94,565	103,877	85,475	91,439	88,095	76,730
	660,418	726,047	722,744	782,031	829,419	702,634
	212,969	183,978	160,051	134,092	117,033	101,927
	748,933	925,451	838,667	754,319	759,285	595,802
	<u>1,635,329</u>	<u>1,610,630</u>	<u>1,647,566</u>	<u>1,558,964</u>	<u>1,461,650</u>	<u>1,387,472</u>
\$	<u>4,649,334</u>	<u>4,932,175</u>	<u>4,734,522</u>	<u>4,484,277</u>	<u>4,334,185</u>	<u>3,839,294</u>
	0.75%	0.75%	0.75% ⁽¹⁾	1.00%	1.00%	1.00%

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

Fiscal Year	Property Tax		Sales Tax	Transient Occupancy		Franchise Tax	Document Transfer		Other	Total
	City	Redevelopment Agency ^{(1) (2)}		Tax	Tax		Tax	Tax		
2012	\$ 44,549	\$ 3,312	\$ 52,566	\$ 8,489	\$ 11,591	\$ 1,426	\$ 9,226	\$ 131,159		
2011	44,122	6,486	48,487	8,294	11,548	1,536	11,993	132,466		
2010	45,065	6,041	42,209	7,268	11,223	1,626	5,276	118,708		
2009	45,395	8,773	49,732	7,768	11,704	996	4,934	129,302		
2008	45,309	6,846	58,949	9,108	11,553	1,328	9,364	142,457		
2007	42,013	12,553	58,041	9,396	11,344	2,525	9,996	145,868		
2006	33,094	-	53,688	8,708	10,040	3,831	19,761	129,122		
2005	27,530	-	49,335	7,295	9,015	3,622	12,634	109,431		
2004	17,372	-	48,547	6,688	8,729	2,617	10,780	94,733		
2003	16,189	-	41,763	6,112	8,896	1,813	10,937	85,710		

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

⁽²⁾ Redevelopment Agency was dissolved on January 31, 2012.

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

Fiscal Year	City				Redevelopment Agency ^{(2) (3)}				Total Direct Tax Rate
	Secured	Public Utility	Unsecured	Taxable Assessed Value ⁽¹⁾	Secured	Public Utility	Unsecured	Incremental Valuation	
2012	\$ 43,704,446	\$ 1,811	\$ 3,429,975	\$ 47,136,232	\$ 634,278	\$ 335	\$ 6,549	\$ 641,162	0.100%
2011	43,012,659	1,811	3,524,106	46,538,576	615,136	335	6,958	622,429	0.107%
2010	43,654,448	2,009	3,555,544	47,212,001	597,735	335	4,229	602,299	0.107%
2009	43,636,021	2,060	3,619,528	47,257,609	864,151	335	7,657	872,143	0.113%
2008	41,322,909	2,479	3,057,595	44,382,983	847,207	335	2,559	850,101	0.115%
2007	36,335,844	5,682	2,938,730	39,280,256	830,738	616	2,904	834,258	0.136%
2006	31,225,237	5,893	2,532,912	33,764,042	-	-	-	-	0.098%
2005	27,069,659	7,034	2,558,015	29,634,708	-	-	-	-	0.093%
2004	24,268,011	5,685	2,526,044	26,799,740	-	-	-	-	0.065%
2003	22,388,912	18,268	2,451,452	24,858,632	-	-	-	-	0.065%

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

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

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

⁽³⁾ Redevelopment Agency was dissolved on January 31, 2012.

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
City Direct Rates	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992	0.02992
Overlapping Rates:										
Orange County Street Lighting Maintenance District #10	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972	0.00972
Orange County Fire Authority-General Fund	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559	0.11559
Orange County Water District	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533	0.00533
Orange County Water District-Water Reserve	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008	0.00008
Orange County Transit Authority	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289	0.00289
Orange County Sanitation #7 General Fund	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082	0.01082
Orange County Sanitation (OC 7TH SMD)	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159	0.00159
Tustin Unified General Fund	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154	0.45154
South Orange County Community College District	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104	0.09104
Orange County Department of Education	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649	0.01649
Orange County General Fund	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339	0.06339
Orange County Public Library	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715	0.01715
Orange County Flood Control District	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034	0.02034
Orange County Harbors Beaches & Parks CSA	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572	0.01572
Educational Revenue Augmentation Fund	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673	0.14673
Orange County Cemetery Fund	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051	0.00051
Orange County Vector Control District	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115	0.00115
Total Proposition 13 Rate (see note below)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Metropolitan Water District	0.00370	0.00370	0.00430	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610	0.00670
Tustin Unified SFID 2002 Bond SR 2003A	0.00310	0.00311	0.00300	0.00292	0.00001	-	-	0.05541	0.03036	-
Tustin Unified SFID 2002-1 Series C	0.01292	0.01301	0.01241	0.00735	-	-	-	-	-	-
Tustin Unified SFID 2002-2 Series D & Sub Series D-1	0.00005	0.00568	-	-	-	-	-	-	-	-
Tustin Unified SFID 2002 Bond SR 2006B	0.02144	0.02221	0.02256	0.02075	0.03172	0.00232	0.03105	-	-	-
Tustin Unified SFID 2008-1 Series A & Sub Series A-1	0.01834	0.01561	-	-	-	-	-	-	-	-
Tustin Unified SFID 2008-1 2008 Series B	0.00001	-	-	-	-	-	-	-	-	-
Total Direct and Overlapping Rate	<u>1.05956</u>	<u>1.06332</u>	<u>1.04227</u>	<u>1.03532</u>	<u>1.03623</u>	<u>1.00702</u>	<u>1.03625</u>	<u>1.06121</u>	<u>1.03646</u>	<u>1.00670</u>

This schedule shows information for tax rate area 26-000.

Note:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies in which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various voter-approved school and water district bonds.

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

<u>Taxpayer</u>	<u>2012</u>			<u>2003</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Irvine Company	\$ 5,834,686,074	1	12.38%	\$ 2,371,184,406	1	9.54%
Irvine Apartment Communities	728,069,124	2	1.54%	1,157,012,503	2	4.65%
Heritage Fields El Toro	597,219,012	3	1.27%	-		-
B Braun Medical Inc	334,855,985	4	0.71%	199,906,057	3	0.80%
LBA IV-PPI LLC	301,697,574	5	0.64%	-		-
Allergan	296,970,452	6	0.63%	85,081,872	10	0.34%
Lakeshore Properties LLC	184,728,241	7	0.39%	157,280,377	4	0.63%
Park Spectrum	176,840,570	8	0.38%	-		-
Capital Research Company	159,869,700	9	0.34%	-		-
Kilroy Realty	129,013,117	10	0.27%	-		-
BRE/Park Place LLC	-		-	147,142,100	5	0.59%
Koll Center Irvine	-		-	122,566,191	6	0.49%
Equitable Life Assurance	-		-	98,765,866	7	0.40%
Maruchan Inc	-		-	95,981,857	8	0.39%
OTR	-		-	88,088,979	9	0.35%
Totals	<u>\$ 8,743,949,849</u>		<u>18.55%</u>	<u>\$ 4,523,010,208</u>		<u>18.19%</u>

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

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

Fiscal Year	Total Tax Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 79,604,976	\$ 77,405,056	97.24%	\$ 1,066,687	\$ 78,471,743	105.29%
2011	77,520,820	75,332,973	97.18%	1,137,627	76,470,600	98.65%
2010	77,549,644	63,080,086	81.34%	1,670,155	64,750,241	83.50%
2009	79,872,700	76,262,107	95.48%	769,454	77,031,561	96.44%
2008	79,843,121	76,838,078	96.24%	2,242,922	79,080,999	99.05%
2007	77,743,318	76,384,058	98.25%	1,451,665	77,835,723	100.12%
2006	57,438,195	55,937,610	97.39%	768,707	56,706,318	98.73%
2005	49,012,241	50,247,731	102.52%	629,321	50,877,052	103.80%
2004	47,447,593	46,459,312	97.92%	425,152	46,884,464	98.81%
2003	42,762,873	41,801,320	97.75%	469,054	42,270,374	98.85%

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

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

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Lease Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Total Governmental Activities</u>	<u>Percentage of Personal Income ⁽¹⁾</u>	<u>% of Actual Assessed Value of Property ⁽²⁾</u>	<u>Per Capita ⁽¹⁾</u>
2012	\$ -	\$ -	\$ -	\$ 386	386	0.00%	0.00%	2
2011	-	-	-	689	689	0.01%	0.00%	3
2010	-	8,260	-	381	8,641	0.11%	0.02%	40
2009	-	15,785	-	673	16,458	0.19%	0.03%	77
2008	-	22,775	-	631	23,406	0.27%	0.05%	113
2007	-	29,135	1,810	425	31,370	0.41%	0.08%	157
2006	-	34,965	2,205	648	37,818	0.51%	0.11%	197
2005	-	40,365	2,575	801	43,741	0.60%	0.15%	239
2004	-	45,340	2,930	939	49,209	-	0.18%	287
2003	-	49,890	3,265	1,228	54,383	-	0.22%	330

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

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

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

Fiscal Year	Population ⁽¹⁾	Total General Obligation Bonds	Less Debt Service Fund	Net Bonded Debt	Percent of Debt to Assessed Value	Debt per Capita
2012	224	-	-	-	0.00%	-
2011	219	-	-	-	0.00%	-
2010	218	-	-	-	0.00%	-
2009	213	-	-	-	0.00%	-
2008	208	-	-	-	0.00%	-
2007	199	-	-	-	0.00%	-
2006	192	-	-	-	0.00%	-
2005	183	-	-	-	0.00%	-
2004	172	-	-	-	0.00%	-
2003	165	-	-	-	0.00%	-

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

City of Irvine
Schedule of Direct and Overlapping Bonded Debt
June 30, 2012

2011-12 Assessed valuation:	\$ 47,136,231,043
Redevelopment incremental valuation:	<u>637,186,945</u>
Adjusted assessed valuation	\$ 46,499,044,098

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/12	%Applicable ⁽¹⁾	City's Share of Debt 6/30/12
Metropolitan Water District	\$ 196,545,000	2.578 %	\$ 5,066,930
Rancho Santiago Community College District	302,555,660	13.173	39,855,657
Irvine Unified School District Community Facilities Districts	399,750,838	99.733-100.	399,467,364
Laguna Unified School District	30,480,000	0.00002	6
Saddleback Valley Unified School District	131,925,000	3.806	5,021,066
Santa Ana Unified School District	302,027,117	32.073	96,869,157
Santa Ana Unified School District Community Facilities District No. 2004-1	11,475,000	100	11,475,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	57,675,577	10.901	6,287,215
Tustin Unified School District School Facilities Improvement District No. 2008-1	49,000,000	10.811	5,297,390
Tustin Unified School District Community Facilities District No. 97-1	97,672,675	100	97,672,675
Tustin Unified School District Community Facilities District No. 2007-1	90,500,000	100	90,500,000
Irvine Ranch Water District Improvement Districts	479,269,090	47.792-100.	369,152,334
City of Irvine Community Facilities District No. 2005-2	22,320,000	100	22,320,000
City of Irvine 1915 Act Bonds	807,707,210	100	<u>807,707,210</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			1,956,692,004

<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 233,751,000	12.341 %	\$ 28,847,211
Orange County Pension Obligations	214,405,353	12.341	26,459,765
Orange County Board of Education Certificates of Participation	16,000,000	12.341	1,974,560
Municipal Water District of Orange County Water Facilities Corporation	12,145,000	14.589	1,771,834
Orange Unified School District Certificates of Participation and Benefit Obligation	138,420,000	0.0002	277
Santa Ana Unified School District Certificates of Participation	50,672,741	32.073	16,252,268
Irvine Ranch Water District Certificates of Participation	77,190,000	64.188	<u>49,546,717</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 124,852,632
Less: MWDOC Water Facilities Corporation (paid from water charges)			<u>1,771,834</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 123,080,798

TOTAL DIRECT DEBT	\$ 386,161
GROSS OVERLAPPING DEBT	\$ 2,081,544,636
NET OVERLAPPING DEBT	\$ 2,079,772,802
GROSS COMBINED TOTAL DEBT	\$ 2,081,930,797 ⁽²⁾
NET COMBINED TOTAL DEBT	\$ 2,079,772,802

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

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

<u>Ratios to 2011-12 Assessed Valuation:</u>	
Total Overlapping Tax and Assessment Debt.....	4.15%

<u>Ratios to Adjusted Assessed Valuation:</u>	
Total Direct Debt	0.00%
Gross Combined Total Debt.....	4.48%
Net Combined Total Debt.....	4.47%

<u>STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12:</u>	\$0
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**City of Irvine
Legal Debt Margin
Last Ten Fiscal Years**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed valuation	\$ 47,136,231,043	\$ 46,538,576,173	\$ 47,212,001,153	\$ 47,257,608,206
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$11,784,057,761	\$11,634,644,043	\$11,803,000,288	\$11,814,402,052
Debit limit percentage	15%	15%	15%	15%
Debt limit	1,767,608,664	1,745,196,606	1,770,450,043	1,772,160,308
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 1,767,608,664</u>	<u>\$ 1,745,196,606</u>	<u>\$ 1,770,450,043</u>	<u>\$ 1,772,160,308</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 44,382,983,056	\$ 39,280,255,615	\$ 33,764,042,231	\$ 29,634,708,495	\$ 26,799,740,692	\$ 24,858,631,527
25%	25%	25%	25%	25%	25%
\$11,095,745,764	\$ 9,820,063,904	\$ 8,441,010,558	\$ 7,408,677,124	\$ 6,699,935,173	\$ 6,214,657,882
15%	15%	15%	15%	15%	15%
1,664,361,865	1,473,009,586	1,266,151,584	1,111,301,569	1,004,990,276	932,198,682
-	-	-	-	-	-
<u>\$ 1,664,361,865</u>	<u>\$ 1,473,009,586</u>	<u>\$ 1,266,151,584</u>	<u>\$ 1,111,301,569</u>	<u>\$ 1,004,990,276</u>	<u>\$ 932,198,682</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year	Population ⁽¹⁾	Personal Income (in thousands)	Per Capita Personal Income ⁽³⁾	Income per Median Household ⁽³⁾	Median Age ⁽¹⁾	School Enrollment ⁽⁵⁾	Unemployment Rate ⁽⁶⁾
2012	223,729	\$ 8,886,628 ⁽³⁾	\$ 41,898	\$ 90,939	33.1	27,411	6.0%
2011	219,156	8,481,794 ⁽³⁾	41,759	93,258	33.2	27,202	6.9%
2010	217,686	8,090,372 ⁽³⁾	57,165	94,903	33.3	26,812	7.4%
2009	212,541	8,723,320 ⁽²⁾	41,043	91,101	33.3	26,323	7.0%
2008	207,646	8,601,736 ⁽²⁾	41,425	98,923	32.9	26,097	4.0%
2007	199,400	7,667,079 ⁽²⁾	37,941	85,624	33.4	25,781	2.6%
2006	192,167	7,352,397 ⁽²⁾	37,941	84,270	32.1	25,459	3.8%
2005	183,218	7,267,978 ⁽⁴⁾	42,211 ⁽⁴⁾	82,827	36.0	25,163	3.9%
2004	171,708	*	*	71,200	34.5	24,833	2.4%
2003	164,917	*	*	71,200	33.1	24,714	2.8%

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

⁽¹⁾ California Department of Finance at January 1.

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

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

⁽⁴⁾ U.S. Census Bureau, 2005 American Community Survey. Data is limited to the household population and exclude the population living in institutions, college dormitories, and other group quarters.

⁽⁵⁾ Irvine Unified School District

⁽⁶⁾ Employment Development Department

Sources: U.S. Bureau of Census, Employment Development Department, California Department of Finance, and Irvine Unified School District

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

Employer	2012			2003		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	16,495	1	8.39%	13,017	1	7.55%
Broadcom	2,604	2	1.32%	1,010		-
Edwards Lifesciences	2,567	3	1.31%	1,300	8	0.75%
Allergan	2,441	4	1.24%	1,995	4	1.16%
Irvine Unified School District	2,394	5	1.22%	2,584	3	1.50%
Cellco Partnership / Verizon Wireless	2,305	6	1.17%	1,731	6	1.00%
Western Digital Technologies	1,758	7	0.89%	-		-
Blizzard Entertainment Inc	1,695	8	0.86%	-		-
Parker Hannifin	1,650	9	0.84%	1,923	5	1.12%
B Braun Medical	1,405	10	0.71%	1,221	9	-
St John Knits	938		0.48%	2,650	2	1.54%
Option One	-		-	1,500	7	0.87%
Toshiba	-		-	1,123	10	0.65%

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Full-time	80.00	80.00	89.00	91.00	94.00	87.20	82.10	73.00	80.00	80.00
Part-time	8.60	9.06	10.40	25.65	24.40	22.80	35.34	40.22	33.40	35.08
Non-hourly	10.00	10.00	10.00	10.00	10.00	-	-	-	-	-
Public Safety										
Full-time	290.00	291.00	295.00	295.00	283.00	263.00	242.00	236.00	233.00	232.00
Part-time	31.05	31.33	33.80	29.31	29.30	43.10	54.43	49.07	40.40	45.42
Non-hourly	32.40	30.40	30.40	30.40	30.40	-	-	-	-	-
Public Works										
Full-time	121.00	123.00	134.00	152.00	154.00	148.00	135.00	129.00	120.00	118.50
Part-time	1.75	3.50	4.00	5.88	5.00	7.00	11.68	11.99	10.60	12.95
Community Development										
Full-time	101.00	101.00	104.00	109.00	96.30	90.00	84.90	84.00	77.50	79.50
Part-time	2.60	2.60	2.60	7.14	-	12.40	17.45	15.15	16.07	15.97
Non-hourly	11.00	11.00	11.00	11.00	10.60	-	-	-	-	-
Community Services										
Full-time	114.00	114.50	118.00	113.00	114.00	92.00	83.00	83.00	83.00	84.00
Part-time	185.11	177.54	178.20	194.63	197.90	217.50	209.79	208.96	188.32	194.31
Non-hourly	12.00	12.00	12.00	12.00	12.00	-	-	-	-	-
Redevelopment										
Full-time	-	-	-	-	15.70	14.90	9.00	-	-	-
Part-time	-	-	-	-	6.90	5.80	5.00	-	-	-
Great Park										
Full-time	33.00	29.50	23.00	23.00	21.00	15.00	15.00	10.00	-	-
Part-time	4.88	4.68	4.70	2.20	0.60	9.20	9.00	-	-	-
Non-hourly	9.00	9.00	39.00	39.00	9.00	-	-	-	-	-
Total	1,047.39	1,040.11	1,099.10	1,150.21	1,114.10	1,027.90	993.69	940.39	882.29	897.73

Note:

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

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

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

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

FUNCTION	Fiscal Years as of June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	46	44	44	44	44	43	39	37	37	37
Fire stations ⁽¹⁾	11	11	11	9	9	9	9	8	7	7
Public Works										
Streets (miles)	1,851	1,827	1,757	1,742	1,742	1,704	1,645	1,612	1,612	1,532
Traffic signals	330	330	327	317	295	295	295	282	274	273
Streetscape (acres)	808	781	773	749	716	702	670	670	599	557
Open space/greenbelts (acres)	5,250	5,250	5,250	4,100	3,500	2,340	2,144	2,136	2,136	300
Bicycle trails (miles)	151	151	147	147	147	148	141	132	132	132
Off-street bicycle trails (miles)	54	45	44	43	43	43	43	42	42	42
Culture and Recreation										
Community athletic parks	18	18	18	13	13	11	11	9	7	7
Multi use centers	12	12	12	11	11	11	9	9	9	9
Dog parks	1	1	1	1	1	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Soccer fields	38	38	36	36	35	35	31	31	27	27
Swimming pools	4	4	4	4	4	4	4	3	3	3
Batting cages	14	14	14	14	14	14	14	14	14	14
Basketball courts	30	29	29	29	25	25	19	19	15	15
Racquetball/handball courts	14	14	10	10	10	10	9	9	9	9
Tennis courts	64	61	59	59	57	57	55	53	53	47
Volleyball courts	16	16	15	15	14	14	14	14	12	12

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

City of Irvine
Operating Indicators by Function
Last Ten Fiscal Years

FUNCTION	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Government				
Checks/wire transfers	44,672	44,422	47,252	47,918
Number of purchase orders placed	2,316	2,211	2,172	2,065
Police				
Animal control service calls	10,309	8,639	8,510	8,669
Physical arrests	2,802	2,579	2,819	2,846
Parking citations	4,702	4,793	6,639	6,830
Traffic citations	26,395	19,426	29,707	26,325
Highways and Streets				
Arterial street resurfacing (centerline miles)	1	7	9	15
Arterial street sweeping (curb miles)	38,300	38,204	38,204	37,940
Community Development				
Building inspections completed	127,964	87,563	63,363	98,538
Building permits issued	10,201	10,582	8,030	8,132
Culture and Recreation				
Recreational & instructional classes offered	8,203	7,671	7,546	6,845
Recreational & instructional enrollees	81,271	71,853	70,998	65,153
Recreational & internet registrants for classes	54	56	56	58
Youth services participation units	NA	87,517	75,240	68,251
Redevelopment ^{(1) (2)}				
Number of discretionary applications processed	-	231	10	17
Number of demolition permits issued	-	9	8	11
Number of grading/building permits issued	-	47	44	7

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

⁽²⁾ Redevelopment Agency was dissolved on January 31, 2012.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
47,837	46,004	55,056	47,000	41,641	40,472
1,898	2,290	2,100	2,098	2,121	1,600
7,247	7,068	9,750	9,718	9,718	10,415
2,855	3,377	3,512	2,288	2,314	2,209
9,465	9,135	8,076	8,117	8,042	11,242
26,452	27,281	25,179	20,441	18,167	32,300
6	3	1	1	6	5
37,939	37,939	36,834	35,762	34,059	33,617
117,000	155,000	130,100	124,591	156,835	125,000
11,500	12,800	14,930	13,424	14,137	13,100
6,763	7,000	7,000	6,687	5,819	3,500
61,804	56,848	54,982	44,851	32,409	25,793
56	54	48	41	35	22
74,152	74,000	73,869	72,978	72,978	61,649
7	3	-	-	-	-
15	8	-	-	-	-
16	15	-	-	-	-

City of Irvine
Miscellaneous Statistical Information
June 30, 2012

<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 January 2012</u>	-	115,592
<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	-	816
Community Parks	-	350
Neighborhood Parks	-	163
Sports Field	-	135
<u>Facilities and Services Excluded in the Reporting Entity</u>		<u>Number</u>
Education:		
Elementary Schools	-	22
Middle Schools	-	5
High Schools	-	4
Continuation/Independent Study High School	-	2

City of Irvine
Miscellaneous Statistical Information
June 30, 2012
(continued)

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

<u>Year</u>	<u>Commercial</u>	<u>Residential</u>
2012	\$255,540,173	\$332,668,311
2011	305,411,655	643,421,544
2010	79,329,191	168,054,166
2009	64,419,150	79,699,317
2008	251,269,260	363,333,294
2007	445,600,704	392,766,606
2006	818,840,474	539,959,491
2005	139,306,324	511,012,501
2004	140,099,477	457,438,697
2003	97,793,649	481,207,054

Building Permits
(number of units authorized)

<u>Year</u>	<u>Authorized</u>
2012	1,231
2011	1,829
2010	1,520
2009	1,643
2008	3,283
2007	3,884
2006	1,206
2005	1,062
2004	1,564
2003	1,397

Housing Units
(number of units in the City)

<u>Year</u>	<u>Unit</u>
2012	83,710
2011	81,560
2010	79,414
2009	77,729
2008	75,159
2007	73,815
2006	70,389
2005	68,564
2004	65,892
2003	62,579

City of Irvine
Miscellaneous Statistical Information
June 30, 2012
(continued)

General Plan

Irvine is a planned community. The Irvine Company initiated design and development of the first components of the City more than 40 years ago. World-renowned architect and planner William Pereira participated in the early stages of design and development. In 1971, the City of Irvine was incorporated. Since that time, the City and the Irvine Company have cooperatively planned and designed how the land might be best used to create a place for people to live, work, and play.

Irvine is renowned for many outstanding attributes. Irvine is the nation's largest master-planned urban community, consisting of approximately 66 square miles of land including residential villages, commercial retail centers, as well as civic, cultural, recreational and other supportive facilities. Beautiful homes and apartments line landscaped boulevards. Greenbelts, parks, tennis courts, athletic parks and swimming pools provide a variety of recreational activities. Shopping centers are within biking distance, and children are able to walk to award-winning neighborhood schools. Irvine is rated the safest city in the U.S. with populations over 100,000.

Industry and Employment

Within Irvine there are several major commercial and industrial centers; the Irvine Business Complex, University Research Park, Irvine Spectrum, and West Irvine.

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

The University Research Park (URP) is a 185-acre business, research, and development office park, located next to the University of California, Irvine (UCI). URP contains the Beckman Center of the National Academies of Sciences and Engineering. The Irvine Company developed the URP to promote a mutually beneficial association between innovative businesses and UCI. Companies that locate within the URP have the benefit of partnering with UCI through internship programs, executive extension programs, and collaborative research. Some of the URP's companies include renowned local, regional, and national companies such as America Online, Broadcom, Cisco Systems, and Skyworks.

The Irvine Spectrum, home to prestigious high-rises and campus-like environments, is one of California's leaders in its concentration of technology, research and development, and light manufacturing companies. Six industry clusters have emerged in the area: software, computer hardware, biotech, medical devices, broadband communications, and automotive design. Irvine Spectrum's leading companies include Verizon Wireless, Advanced Sterilization Products, TEVA Pharmaceuticals USA, Blizzard Entertainment, Hyundai KIA Design & Technical Center, and Meade Instruments.

Irvine has access to a highly educated, skilled labor force and a fully operational transportation network. Irvine is rich with jobs covering many of the major business sectors. Within the entire City, including two of the major business centers (Irvine Business Complex and Irvine Spectrum) there are approximately 52.7 million square feet (SF) of office uses; 10.45 million SF of retail uses; 27.86 million SF of industrial uses; and 10.83 million SF of institutional uses (including schools, universities, churches and senior facilities).

Sources: City Community Development, and City Public Works Department

City of Irvine
Miscellaneous Statistical Information
June 30, 2012
(continued)

The residential dwelling unit inventory ranges from one bedroom studios to custom built luxury homes in one of Orange County's premier golf course communities. As of June 30, 2012, Irvine was home to over 15,300 businesses ranging from Fortune 500 corporations of Allergan, Western Digital, Broadcom and Spectrum Group International to small business, including home-based business. The City of Irvine continues to emerge as of the nation's most prestigious business address.

Retail Community

The Irvine General Plan gives retailers a blueprint for the future managed growth of the City and added confidence in making the decision to locate a business here. Irvine has 43 retail shopping centers ranging from small neighborhood centers (from 57,000 SF to 240,000 SF) to large regional retail and entertainment complexes (ranging from 327,000 SF to 856,000 SF). These centers contain a variety of retail, personal services, automotive service shops, restaurants, and movie theaters. The Irvine Spectrum Center (2.00 million SF) is Orange County's premier dining, shopping, and entertainment destination, offering concerts, dancing, movies, dining, comedy, and night life.

Education

The City is fortunate to have outstanding educational facilities. Home to 29 California Distinguished Schools and 14 National Blue Ribbon Schools, the Irvine Unified School District (IUSD) includes twenty-two elementary schools (with two K-8 schools), five middle schools, four comprehensive high schools, and two alternative education/independent study high schools. In addition, Irvine residents have access to three elementary schools, Hicks Canyon Elementary School, Myford Elementary School, and Orchard Hill (K-8); and to Beckman High School, all of which are in the Irvine city boundary but are under the Tustin Unified School District. Each of the IUSD schools has achieved and surpassed the state's long-range Academic Performance Index (API) target of 800. Mardan School (K-12), a private school is also located in Irvine, and provides education for children with emotional and learning challenges.

Irvine Valley College is a community college, which proudly offers courses for students seeking to obtain a degree/certificate or transfer to a four-year university. UCI and Concordia University are located in Irvine, offering extensive four-year undergraduate programs. Additionally, UCI provides graduate level degrees in a variety of areas including medical, business, and computer sciences.

Irvine is also home to satellite campuses of Alliant International University, California State University, Fullerton, University of La Verne, Keller Graduate School of Management, Pepperdine University, University of Southern California, and Webster University.

Recreational Opportunities

Located in the City of Irvine are three public golf courses, one 18-hole natural grass putting course, one golf practice center, one tennis club, and numerous public and private tennis courts. The City owns and manages over 513 acres of public park lands, thirteen public facilities (which include a Fine Arts Center, an Aquatics Complex and two Senior Centers), over 54 miles of off-street trails and over 5,200 acres of protected open space with recreational trails for pedestrians, mountain bikers, and equestrians. There are two County Libraries, and a County Regional Park. In partnership with the University of California, Irvine, the Irvine Barclay Theatre was developed as a 750-seat community theater.

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

City of Irvine
Miscellaneous Statistical Information
June 30, 2012
(continued)

The Verizon Wireless Amphitheater is a 15,500-seat outdoor venue that is home to the Pacific Symphony Orchestra and other shows and festivals during the summer. The Irvine Spectrum Center is one of Southern California's most popular shopping and dining destinations, visited by 15 million people each year featuring more than 130 stores, restaurants, and entertainment venues.

Commercial recreation facilities include two miniature golf courses, batting cages, racing cars, boats, video arcades, a bowling alley, an open air amphitheater which hosts professional contemporary musical artists, and five movie complexes (56 theaters, including one IMAX screen).

Family Services and Child Care Opportunities

The City offers a variety of family support services: the Child Care Coordination Office, the Child Resource Center, FOR Families, Disability Services, and Irvine Youth Employment. The City is very proud of the variety of child care opportunities available in our community: forty-two infant/toddler/pre-school centers, thirty-four school-age centers, and numerous licensed family child care home sites. The National Association for the Education of Young Children has developed an accreditation system for early childhood programs; fifteen programs in Irvine have successfully completed the accreditation process.

The Child Care Coordination Office provides resource and referral services to parents seeking quality and affordable child care in Irvine, support services to persons opening new home-based family child care businesses or new child care centers in Irvine.

The Child Resource Center offers a lending library for members that include: child development/curriculum books, DVDs and training materials, instructional materials, lamination and die cut machines.

FOR Families provides information and short-term support to individuals, couples, and families living or working in Irvine who need assistance identifying and accessing needed services and resources.

Disability Services is committed to providing resource and referral services, disability sensitivity training, accommodations and inclusion services, accessible services, programs and activities to Irvine residents and families with disabilities.

Irvine Youth Employment assists Irvine youth in employment, counseling, referrals, and job placement with Orange County employers.

About the Cover

On December 28, 2011, Irvine turned 40! This year's cover features some of the 40th Anniversary Photo Contest winners. The top 40 finalists in the photo contest can be viewed on the City website at http://www.cityofirvine.org/cityhall/citymanager/pio/40th_anniversary.

The 40th anniversary photos are, far left, Irvine Civic Center; top center, the Jamboree Center; and bottom center, Bommer Canyon. The center photo features some of the members of the Irvine Youth Action Team, an after-school community service based program where students have an opportunity to be actively involved in their community. The far right photo is of the Orange County Great Park North Lawn, the photo was taken during the 7th Anniversary at the Growing the Park Event, which is an annual event that celebrates the progress of the Great Park and its connection to the diverse community that surrounds it.

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