

CITY OF IRVINE, CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2021





City of Irvine

Incorporation: December 28, 1971
 Population: 307,670
 Size: 66 square miles
 Sphere of Influence: 74 square miles (approx.)



City of Irvine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021



Prepared by Fiscal Services



City of Irvine

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2021

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

November 15, 2021

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Irvine (City) for the fiscal year ended June 30, 2021. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

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

CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the City's financial statements for the fiscal year ended June 30, 2021 are free of material misstatement. The independent auditor concluded it was reasonable to render an unmodified opinion and that the City's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. Their report is presented in the beginning of the financial section of this report.

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

CITY OF IRVINE PROFILE

The City, incorporated in 1971, is located in Orange County, California, approximately 40 miles southeast of Los Angeles and six miles from the ocean. As one of the nation's largest master-planned communities, the City encompasses 66 square miles and is the largest city by land area in Orange County. The City includes residential communities, commercial retail centers, several industrial and office complexes, a 1,500-acre University of California campus, as well as civic, cultural, and recreational facilities. The City's residential population has grown from 10,081 in 1971 to 307,670 in 2021.

The City operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a four-member Council. The City Council is responsible for passing the City's ordinances and operating resolutions, adoption of the two-year budget, appointing commissions and committees, and hiring the City Manager, City Clerk, City Treasurer, and City Attorney, as well as many other related duties. In November 2014, Measure W was approved amending the Irvine City Charter and setting lifetime term limits for City Council of two four-year terms and the office of mayor for two two-year terms. The City Manager is responsible for implementing the policies, ordinances, and directives of the City Council, overseeing the day-to-day operations of the City, and appointing executive management. The City Council is elected on a nonpartisan basis. Councilmembers are elected to four-year staggered terms and the Mayor is elected to a two-year term.

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

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

ECONOMIC CONDITION

In 2020, the City experienced a challenging economic environment, with key City revenues significantly impacted by COVID-19. The global pandemic that began in March wreaked havoc on the City's revenues due to reduced recreational programming, enforcement of stringent social distancing orders, reduced travel, closure of restaurants and establishments, and stay-at-home orders implemented by the County and State. To continue delivering outstanding services to residents, businesses and visitors, the City developed a thoughtful balancing plan that avoided

layoffs and service disruptions while maintaining the City's strong fiscal foundation. The following six key principles were quickly implemented to guide the City through the volatile fiscal environment:

1. Prioritize essential services
2. Avoid service disruptions and layoffs
3. Maximize savings by renegotiating contracts, controlling overtime, and re-evaluating all discretionary spending
4. Maximize discretionary revenues by matching fees to cost of services
5. Continue responsible investments in the City's infrastructure
6. Minimize further impacts on City's fiscal reserves

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

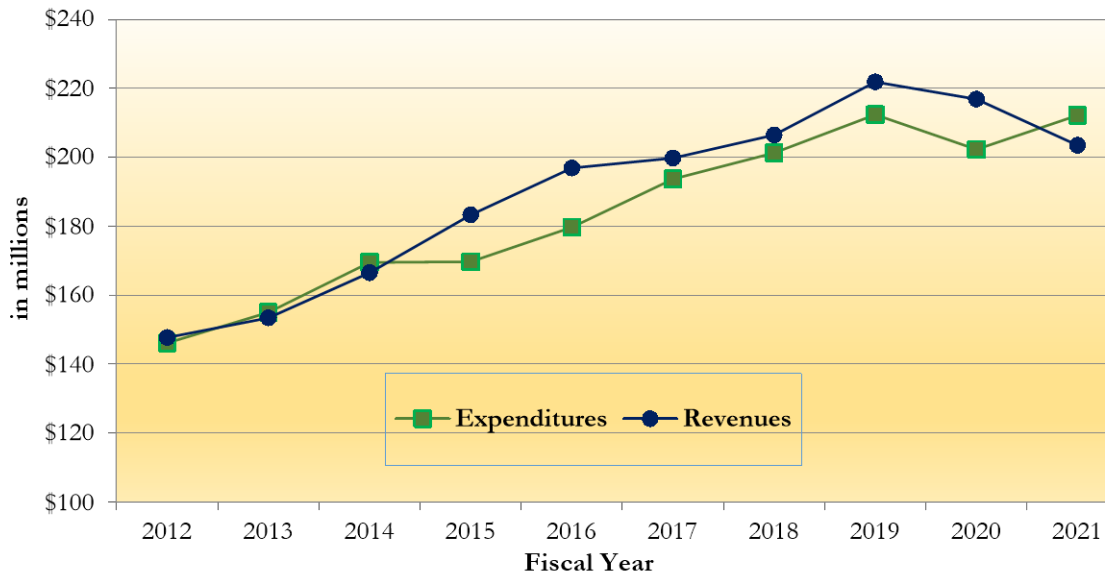
For example, Irvine was presented with the Greater Irvine Chamber of Commerce's 2020 Community Impact Award for its leadership during the COVID-19 pandemic, which recognized the City for its mask distribution, business and rental assistance programs, COVID-19 testing program, and community outreach and engagement. For the fifth consecutive year, the City was voted "Best City to Live in" by Orange County Register readers in the 27th annual *Best of Orange County* publication. The City was also recognized for being the safest large city in America for the 16th consecutive year. The City received an award for *Incorporating Innovative Technology* at the 10th annual Orange County Business Council's Turning Red Tape into Red Carpet ceremony. The City received the award for its *IrvineREADY!* Program, a streamlined, web-based platform for planning and building applications that is completely paperless.

For the 15th consecutive year, the City's Purchasing Division received the prestigious National Procurement Institute's *Achievement of Excellence in Procurement Award*, which recognizes organizational excellence in public procurement. The City is one of only 69 cities nationwide to receive this award. Irvine has been ranked #4 on WalletHub's list of *2021 Best College Towns & Cities in America*. The City was also awarded the inaugural *Local Recognition of Rights Award* by the Center for Democratic and Environmental Rights for the City's adoption of an ordinance to ban smoking in all public places within the City.

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

Overall, the City's General Fund revenue for the fiscal year 2020-21 decreased 6.2 percent from the prior fiscal year. Expenditures increased by 4.9 percent. Chart 1 displays revenue and expenditure trends for the last 10 years.

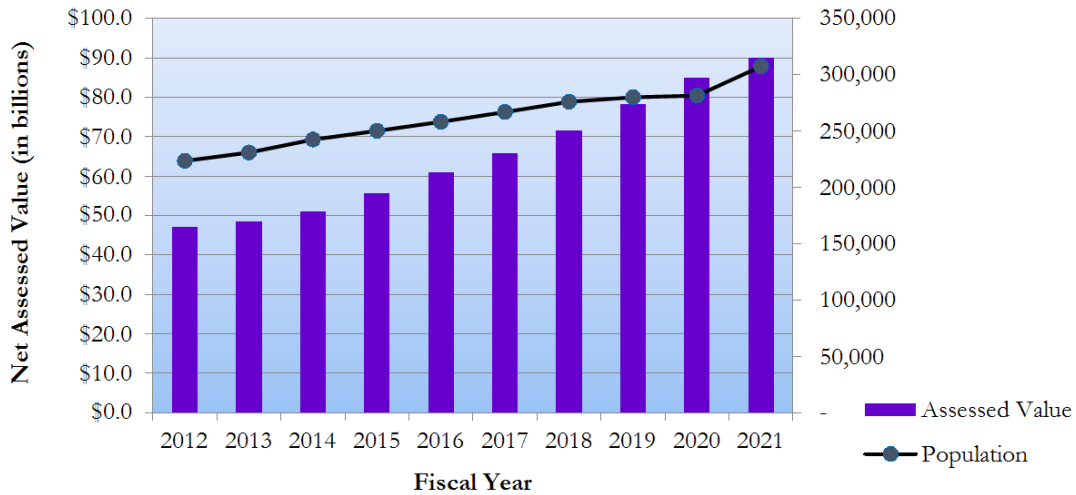
Chart 1
City of Irvine
General Fund Revenue and Expenditures
 Last Ten Years



Property tax is the City's largest General Fund revenue source with revenues of \$80.8 million, an increase of 5.8 percent over the prior fiscal year. Sales tax is the second largest General Fund revenue source with revenues of \$68.3 million, an increase of 5.9 percent over the prior fiscal year. In addition, hotel taxes finished at \$5.8 million a decrease of 53.3 percent over the prior year. The decrease in sales and hotel taxes is in direct response to the coronavirus public health emergency and the closure of nonessential businesses. General Fund revenues are forecasted to increase by approximately 6 percent in fiscal year 2021-22.

Since 2004, when the State swapped cities' motor vehicle license fee allocations for additional property tax revenue, property tax revenue continues to be a more significant revenue source for the City. Property tax growth reflects both new development and increasing property values in Irvine. In fiscal year 2020-21, the City's net assessed property value grew 5.9 percent from the previous fiscal year, to \$90.1 billion. In June, the Orange County Assessor reported Irvine's net assessed property valuation will increase 5.5 percent for fiscal year 2021-22, leading the county with an assessed value of \$94.9 billion. Chart 2 compares the total assessed valuation of property located in Irvine against the annual population for the past 10 fiscal years. According to the latest U.S. Census Bureau information, the City's population has surpassed 300,000 and is now the 3rd largest City in Orange County and the 14th largest City in California.

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



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

After adoption, the City Manager may amend the adopted General Fund budget provided the change does not decrease overall fund balance. Departmental requests for budget amendments for all funds, except the Great Park fund, over \$50,000, or amendments that decrease fund balance, or expand or add to City programs or services require review of the Finance Commission and approval by the City Council.

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

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

The City's five strategic priorities include:

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

The Plan evaluates the City's financial capability to achieve its goals, helps set priorities for City operations and the budget, and guides the City's capital improvement and rehabilitation program. The Plan establishes the foundation and framework for guiding policy and financial management decisions. This long-term perspective integrates strategic planning and budgeting to forecast projections for five years and positions the City to identify issues early and make adjustments when necessary.

In June 2013, the Irvine City Council adopted a plan to stabilize future pension cost increases. The goal is to attain a level of 98 percent pension funding status, leveraging funds from the City's Asset Management Plan and General Fund, when available. As of the last valuation report, June 30, 2020, the pension funding status was 79.9 percent funded for the Miscellaneous Plan and 78.8 percent funded for the Safety (Sworn) Plan, up from 66.7 percent and 70.5 percent respectively, from when the plan was implemented. As of June 30, 2021, the City has paid down an additional \$53.16 million towards the unfunded pension liability, since 2013.

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

The City Council adopted a General Fund Contingency Reserve policy which seeks to maintain the reserve level between 20 to 25 percent of the General Fund adopted appropriations. The contingency reserve may be used at the discretion of the City Council to provide resources during temporary decreases in revenues, in the event of an economic downturn while expenditure reductions are implemented, or to provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslides, or other natural disasters. At June 30, 2021, the contingency reserve balance is \$57.7 million or 27.0 percent of fiscal year 2021-22 General Fund adopted operating budget. The additional funding in the Contingency Reserve will be used at City Council's discretion to offset future commitments due to decreased revenues as a result of the coronavirus pandemic.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the 42nd consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published a Comprehensive Annual Financial Report that goes beyond the minimum requirement of GAAP and demonstrates the spirit of transparency and full disclosure that ensures users of the financial statements have the necessary information to assess the City's financial health. A Certificate of Achievement is valid for one year only and management believes that the current Comprehensive Annual Financial Report continues to meet

the program's requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'K Griffith', written in a cursive style.

Kristin Griffith
Director of Financial Management and Strategic Planning





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Irvine
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

IRVINE CITY OFFICIALS

June 30, 2021



Farrah N. Khan
Mayor



Tammy Kim
Vice Mayor



Larry Agran
Councilmember



Mike Carroll
Councilmember

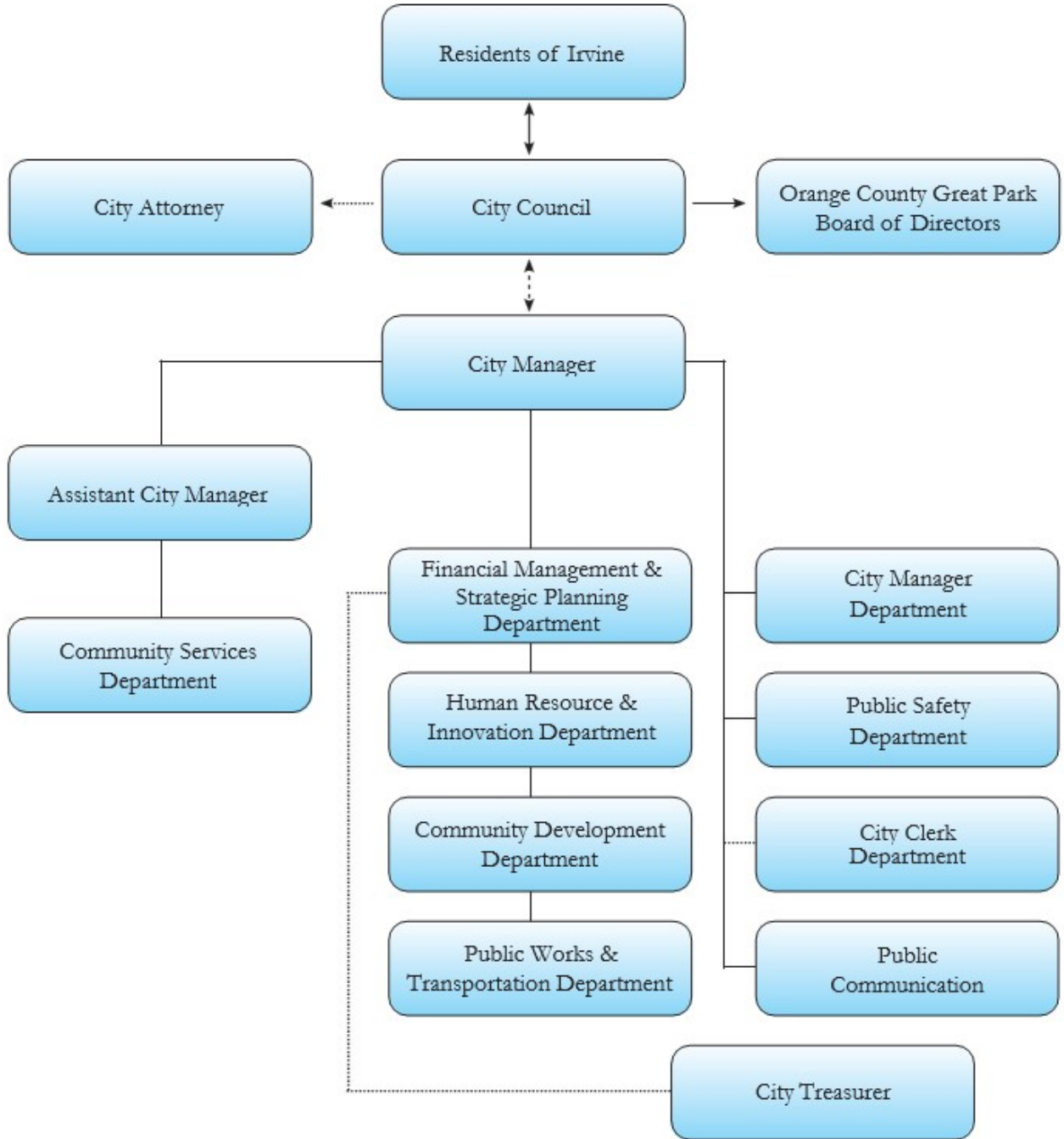


Anthony Kuo
Councilmember

Interim City Manager
Marianna Marysheva

Assistant City Manager..... Michelle Grettenberg
City Attorney..... Jeff Melching
City Clerk Carl Petersen
Director of Community Development Pete Carmichael
Director of Community Services..... Pamela Baird
Director of Financial Management & Strategic Planning Kristin Griffith
Director of Human Resources & Innovation Jimmee Medina
Director of Public Safety Mike Hamel
Director of Public Works & Transportation..... Mark Steuer

City of Irvine Organizational Chart June 30, 2021



----- Appointed by City Council









INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Irvine (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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



Auditors' Responsibility (Continued)

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Irvine as of June 30, 2021, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Great Park special revenue fund, Local Park Fees special revenue fund, and the Grants special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note III J to the financial statements, the City implemented the Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*, in fiscal year 2020-2021, which resulted in a restatement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

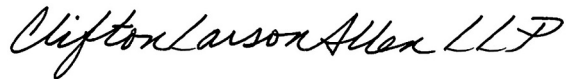
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial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

Other Matters (Continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Irvine, California
October 29, 2021

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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report and with the City's financial statements, which follows this discussion.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

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

Fund financial statements

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

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

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

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

The basic financial statements also include budgetary comparison statements for the General Fund, Great Park Fund, Local Park Fees Fund, and Grants Fund to demonstrate compliance with the annual budget as adopted (original) and amended (final).

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

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

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

The basic proprietary fund financial statements immediately follow the basic governmental fund financial statements.

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statement; the resources of these funds are *not* available to support the City's programs. The basic fiduciary fund financial statements immediately follow the basic proprietary fund financial statements.

Notes to the basic financial statements

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

Other information

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

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

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Financial Highlights

- At the fiscal year end, June 30, 2021, the City's total net position decreased by \$29.45 million. The decrease is a combination of a nine percent decrease in total revenue and a six percent decrease in expenses compared to the prior year. While there was a decrease in expenses, it was not sufficient to offset the decreases in the revenues. The coronavirus pandemic has affected the City's key revenues while the City continued to deliver outstanding services to its residents, businesses, and visitors.
- As of June 30, 2021, the City's governmental funds reported a combined ending fund balance of \$1.17 billion, an increase of \$34.99 million in comparison with the prior year. Revenues decreased by three percent while expenditures decreased by four percent. The City implemented cost saving measures when the coronavirus pandemic was announced, which enabled the City to contain expenditures while revenues have declined.
- At June 30, 2021, committed, assigned, and unassigned fund balance for the general fund was \$157.04 million or 74 percent of total general fund expenditures. This represents an decrease of \$0.38 million, or less than one percent, from the prior year. The City Council has designated all of the committed and assigned fund balance for specified purposes, in accordance with City policies and budgetary guidelines.
- The City's total long-term liabilities increased by \$4.02 million during the current fiscal year, due to an increase of \$0.79 million of compensated absences (vacation and sick time) and \$3.23 million of claims payable (worker's compensation and general liability).

Government-wide Financial Analysis

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

The largest portion of the City's net position, 64 percent, reflects its net investment in capital assets (e.g., land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Irvine
Summary of Net Position
June 30, 2021 and 2020
(amounts expressed in thousands)

	Governmental Activities	
	2021	2020
Assets		
Current and other assets	\$1,326,380	\$1,264,228
Capital assets	1,934,077	1,990,357
Total Assets	3,260,457	3,254,585
Deferred Outflow of Resources		
Pension and OPEB related items	60,659	59,988
Liabilities		
Other liabilities	96,444	67,202
Long-term liabilities	191,500	180,191
Total Liabilities	287,944	247,393
Deferred Inflows of Resources		
Pension related items	3,714	8,277
Net Positions		
Net investment in capital assets	1,931,915	1,986,371
Restricted	653,852	652,403
Unrestricted	443,691	420,129
Total Net Positions	\$3,029,458	\$3,058,903

During the fiscal year ended June 30, 2021, the net position of the City decreased to \$3.03 billion, of which \$1.93 billion was the net investment in capital assets such as equipment, buildings, and infrastructure. Of the remaining total, \$653.85 million, which is an increase of \$1.45 million over the previous fiscal year, is restricted to specifically stipulated spending agreements originated by law, contract, or other agreements with external parties. The remaining \$443.69 million is unrestricted but subject to designation for specific purposes as approved by the City Council. Some of the City Council's significant designations are park development and the City's infrastructure such as streets, roads, and signals.

City of Irvine
Summary of Changes in Net Position
For the Years Ended June 30, 2021 and 2020
(amounts expressed in thousands)

	Governmental Activities	
	2021	2020
Revenues		
Program revenues:		
Charges for services	\$ 101,501	\$ 90,339
Operating grants and contributions	38,077	44,589
Capital grants and contributions	26,585	45,591
General revenues:		
Property taxes	84,349	79,784
Sales taxes	68,260	64,278
Transient occupancy taxes	5,788	12,387
Franchise taxes	14,182	13,822
Document transfer taxes	4,671	3,461
Other taxes	-	-
Investment revenue	457	22,376
Other revenues	2,009	3,561
Total Revenues	345,879	380,188
Expenses		
General Government	30,083	31,233
Public Safety	95,632	99,254
Public Works & Transportation	92,186	96,852
Community Development	41,206	55,174
Community Services	46,219	47,703
Transportation	-	-
Unallocated infrastructure depreciation	69,998	67,617
Total Expenses	375,324	397,833
Change in Net Positions	(29,445)	(17,645)
Beginning Net Positions	3,058,903	3,076,548
Ending Net Positions	\$ 3,029,458	\$ 3,058,903

Overall, Citywide revenues for the fiscal year ended June 30, 2021, decreased by \$34.46 million, a nine percent decrease from the prior year. Program revenues declined eight percent and interest income 98 percent from the previous fiscal year while taxes had a slight increase of 2 percent.

- Program revenues includes grants and developer donated infrastructure such as parks, streets, and streetscapes, decreased by \$19.01 million. The developer developed infrastructure is donated to the City, who will own, preserve, and maintain for the City's residents. The grants are restricted for the construction of City infrastructure.
- The City's general revenues experienced a decrease of \$19.99 million. Tax revenues had an increase of \$3.52 million, which was offset by a decrease of \$21.95 in investment income. Interest revenue has fallen since March of 2020, due to the short duration of the City's investments and sensitivity to market interest rate shifts.

Total expenses decreased \$22.66 million, a six percent decrease from the previous year. Since the coronavirus pandemic the City departments have contained or reduced expenses while continuing to maintain services to residents, business, and visitors.

- General Government is the administration of the City and Great Park. The decrease of \$1.15 million is primarily due to the reduction in payments made to the Greater Irvine Chamber of Commerce. The Greater Irvine Chamber of Commerce receives a percentage of the Irvine Hotel Improvement District assessments used to advance the economic vitality of greater Irvine. As a result of the coronavirus pandemic, the City's hotels were not at capacity, therefore the Transient Occupancy Taxes and Irvine Hotel Improvement Districts assessments declined compared to the prior fiscal year.
- Public Safety is a combination of sworn and nonsworn personnel who are entrusted with providing for the public's safety within the City's residential communities, commercial and industrial centers, and recreational and open space areas. The department's expenses decreased by \$3.62 million. The decrease is primarily due to a modification in accounting methods between the Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balances. Within the governmental funds, expenditures increased but were offset by a larger decrease in the pension expense, which is recognized within the government-wide financial statements.
- Public Works & Transportation is designated with developing, building, and maintaining public infrastructure and facilities. The department had a \$4.67 million decrease from the prior fiscal year. Expenses decreased on City, Assessment District, and Community Facilities District construction projects compared to the prior fiscal year.
- Community Development is entrusted with planning the City's residential communities, commercial and industrial centers, and ensuring that all of the construction in the City complies with building codes. The City's Neighborhood Services program includes the administration of federal housing grant programs and code enforcement. A decrease of \$13.97 million of expenses is due to a one-time donation of land last fiscal year.
- Community Services oversees the programs at the City's various parks and facilities, and offers resources and activities that support and assist children, youth, and families. The department's decrease of \$1.48 million from the prior fiscal year is due to a modification in accounting methods between the government-wide financial statements and governmental funds financial statements. Pension expense decreased, which is recognized within the government-wide financial statements.

Financial Analysis of the Government's Funds

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

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

As of June 30, 2021, the City's governmental funds reported a total combined ending fund balance of \$1.17 billion, an increase of \$34.99 million from the prior year. Approximately 45 percent of the City's governmental funds ending fund balances, or \$524.49 million, constitutes *committed, assigned, and unassigned fund balance*, which is available for spending at the government's discretion within the guidelines of the funding sources. The remaining fund balance, \$647.08 million, is either

nonspendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation.

The nonspendable total of \$3.34 million consists of a \$0.51 million endowment for senior citizen services programs and \$2.83 million of prepaid expenditures. The remaining restricted funds totaling \$643.74 million are comprised of \$604.01 million for capital improvement projects, such as streets, parks, and facilities, \$27.52 million for Great Park development and operations, \$3.27 million for affordable housing activities, \$0.76 million for public education, \$1.11 million for public transportation, \$2.74 million for law enforcement purposes, \$0.50 million for air quality improvement activities, \$0.51 million for animal care, and \$3.02 million for senior, public, recycling, and community service activities.

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General Fund Financial Highlights

The General Fund is the chief operating fund of the City. At June 30, 2021, committed, assigned, and unassigned fund balance of the General Fund was \$157.04 million, while total fund balance was \$158.65 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 74 percent of the total General Fund expenditures. The City Council has designated all of the committed and assigned for specified purposes.

For the fiscal year ended June 30, 2021, the cash and investments balance in the General Fund was \$160.02 million, a decrease of \$3.14 million from the previous fiscal year.

City of Irvine
Summary of Changes in Fund Balances - General Fund
For the Years Ended June 30, 2021 and 2020
(amounts expressed in thousands)

	<u>2021</u>	<u>2020</u>
Revenues		
Taxes:		
Property	\$ 80,796	\$ 76,377
Sales	68,260	64,855
Other	23,381	28,388
Total Taxes	<u>172,437</u>	<u>169,620</u>
Charges for services	18,629	25,259
Intergovernmental	515	523
Investment income	(137)	7,115
Other	12,062	14,446
Total Revenues	<u>203,506</u>	<u>216,963</u>
Expenditures		
General Government	22,533	22,384
Public Safety	92,188	83,461
Public Works & Transportation	34,314	32,661
Community Development	26,982	27,706
Community Services	36,230	36,124
Transportation	-	-
Total Expenditures	<u>212,247</u>	<u>202,336</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,741)</u>	<u>14,627</u>
Proceeds from sale of property	36	15
Net transfers	<u>9,577</u>	<u>16,452</u>
Net Change in Fund Balance	<u>\$ 872</u>	<u>\$ 31,094</u>

Overall, General Fund revenues for the fiscal year ended June 30, 2021, decreased by \$13.46 million, or nine percent, over the prior year. Property taxes the City's largest tax revenue, increased \$4.42 million over last year, due to the continued new development in the City and the appreciation in Irvine's residential real estate prices. All other tax revenues such as hotel tax and franchise tax declined \$5.01 million, charges for service and investment income declined \$13.88 million due to the coronavirus global pandemic, which affected many of the businesses in Irvine.

Total General Fund expenditures increased by \$9.91 million, or 5 percent, from the prior year. The significant changes in expenditures, by function, occurred as follows during the fiscal year:

- Public Safety expenditures increased by \$8.73 million to \$92.19 million. Public Safety is entrusted with providing for the public's safety within the City's residential communities, commercial and industrial centers, and recreational and open space areas. The Public Safety department was directly involved in the City's coronavirus testing and vaccine point of distribution projects at the Great Park. The increase is a result of the additional expenditures for these programs and an expansion in sworn personnel to service the new developments within the City.
- Public Works & Transportation expenditures increased by \$1.65 million to \$32.66 million. Public Works & Transportation continues to take the lead on all City construction and rehabilitation projects such as facilities, streets, parks, and street signals. The increase is primarily due to deferred maintenance projects.

General Fund Budgetary Highlights

Differences between the General Fund original budget expenditures and the final amended budget were \$3.03 million and are briefly summarized as follows:

Increases (Decreases) for activities:

- \$1.47 million for General Government
 - Budget increase for the additional school support approved and not awarded during the previous fiscal year.
- (\$0.19) million for Public Safety
 - Budget had a minor decrease for pension saving.
- \$2.27 million for Public Works & Transportation
 - Budget reallocation due to the re-integration of Transportation back into the Public Works department.
- (\$0.46) million for Community Development
 - Budget reduction in a technology project as it was funded through prior fiscal year surplus, which was offset by a separate budget increase for a demolition contract.
- (\$0.07) million for Community Services
 - Budget adjustment to accept CARES funds for senior programs and the transfer of expenditures to special funds.

In each of the functional expenditure categories, actual expenditures were less than final budgeted amounts, totaling \$212.25 million and \$233.74 million, respectively. Additionally, for the fiscal year ended June 30, 2021, revenues received were less than budgetary estimates, at \$203.51 million and \$228.74 million, respectively. Due to the coronavirus pandemic, revenue trailed budget in all categories except intergovernmental. Intergovernmental revenues include funds received from other governments that are not taxes. The General Fund operating expenditures exceeded revenues received by \$8.74 million. In addition, net transfers were \$9.58 million from other funds. Overall, there was a \$0.87 million increase to the ending fund balance, resulting in a year-end fund balance of \$158.65 million.

Financial Analysis of the Other Major Funds

The Great Park Fund accounts for transactions relating to the development and operations of the Great Park located on the site of the former Marine Corps Air Station (MCAS) at El Toro. Current year revenues totaled \$17.78 million of which \$1.25 million was received from developers and \$10.82 million from property owners within certain special districts. Current year expenditures and transfers out were \$46.88 million for the development and operations of the Great Park and additional City rehabilitation requirements. The ending fund balance is a combination of \$28.24 million of nonspendable and restricted funding and \$244.29 million of assigned fund balance to be utilized for the operation, maintenance, and future development of the Great Park.

The Local Park Fees Fund accounts for fees received under the Subdivision Map Act of the California State Constitution that requires developers to either contribute land or pay fees to provide recreational facilities within a development area. The fund received \$16.79 million in local park fees and expended \$0.74 million on park development. The remaining fund balance of \$143.59 million is restricted for the development of recreational facilities within the various development areas within the City.

The Grants Fund reports the various restricted resources received and its uses. The City received \$19.16 in various grants and donations required to be used for certain purposes. The City receive an additional \$6.37 million in restricted funding resources than the previous fiscal year. Much of this additional funding was used for the benefit of those most affected by the coronavirus pandemic. Some of the programs this funding supported was rental assistance, economic support for local businesses, and meals for those facing food insecurities to name a few of the programs.

Great Park Development Fund accounts for expenditures related to the planning, design, demolition, and construction of the Great Park. Current year expenditures were \$19.22 million. Funding for these efforts are transfers from the Great Park Fund and Local Park Fees Fund. The ending fund balance of \$15.32 million is assigned to the purposes of this fund.

The Irvine Business Complex Fund records the financial transactions related to the planning and implementation of improvements necessary to accommodate the projects in the Irvine Business Complex (IBC) development area. Developer fees of \$10.50 million were received and the ending fund balance of \$112.55 million is restricted for future projects that benefit the IBC development area.

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$1.93 billion net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, park facilities, streets and roads, trails, and bridges. The decrease over the previous fiscal year in the City's investment in capital assets net of depreciation was \$56.28 million, or 3 percent.

City of Irvine Summary of Change in Capital Assets For the Year Ended June 30, 2021 (amounts expressed in thousands)

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 847,692	\$ 191	\$ -	\$ 847,883
Construction in progress	99,647	5,359	1,158	103,848
Total capital assets not being depreciated	<u>947,339</u>	<u>5,550</u>	<u>1,158</u>	<u>951,731</u>
Capital assets, being depreciated:				
Buildings and systems	230,601	42	-	230,643
Improvements other than buildings	237,868	710	-	238,578
Machinery and equipment	39,025	3,523	603	41,945
Infrastructure	1,877,330	27,693	-	1,905,023
Total capital assets being depreciated	<u>2,384,824</u>	<u>31,968</u>	<u>603</u>	<u>2,416,189</u>
Less accumulated depreciation for:				
Buildings and systems	(76,095)	(5,778)	-	(81,873)
Improvements other than buildings	(115,073)	(13,170)	-	(128,243)
Machinery and equipment	(29,446)	(3,670)	579	(32,537)
Infrastructure	(1,121,192)	(69,998)	-	(1,191,190)
Total accumulated depreciation	<u>(1,341,806)</u>	<u>(92,616)</u>	<u>579</u>	<u>(1,433,843)</u>
Total capital assets, being depreciated, net	<u>1,043,018</u>	<u>(60,648)</u>	<u>24</u>	<u>982,346</u>
Governmental activities capital assets, net	<u>\$ 1,990,357</u>	<u>\$ (55,098)</u>	<u>\$ 1,182</u>	<u>\$ 1,934,077</u>

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

- Machinery and equipment acquisitions of \$3.52 million includes vehicles, computer hardware, computer software, and other types of machinery and equipment.
- Infrastructure additions were \$27.69 million. Street additions accounted for \$22.43 million, traffic signal additions totaled \$1.38 million, bridge additions totaled \$0.94 million, trail additions totaled \$1.89 million, and landscaping additions were \$1.05 million.

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

Long-term Liabilities

Total outstanding long-term liability at June 30, 2021, was \$39.12 million, an increase of \$4.02 million from the prior year.

City of Irvine
Summary of Changes in Long-Term Liabilities
For the Year Ended June 30, 2021
(amounts expressed in thousands)

	Balance			Balance		
	June 30, 2020	Increases	Decreases	June 30, 2021	Long-Term	Due Within One Year
Compensated absences	\$ 17,328	\$ 6,340	\$ 5,552	\$ 18,116	\$ 12,611	\$ 5,505
Claims payable	17,773	5,658	2,429	21,002	15,872	5,130
Total Long-Term Liabilities	<u>\$ 35,101</u>	<u>\$ 11,998</u>	<u>\$ 7,981</u>	<u>\$ 39,118</u>	<u>\$ 28,483</u>	<u>\$ 10,635</u>

Long-term liability-related events during the fiscal year ended June 30, 2021, included:

- Compensated absences liabilities increased by \$6.34 million and payouts to employees upon termination amounted to \$5.55 million for a net increase of \$0.79 million.
- A net increase to claims payable of \$3.23 million to adjust for possible future general liability and workers' compensation claims.

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

Economic Factors and Next Year's Budgets and Rates

The City's economy is linked to the national and state economy. However, because the City is still developing, its local economy can experience departures from other local, state or national trends with resultant recurring revenue fluctuations. Additionally, because the City's revenues are obtained from a limited number of sources, further revenue fluctuations may occur from year to year. To develop its budget model, the City uses the "Orange County Economic Forecast" prepared by Chapman University's Center for Economic Research, the UCLA Anderson Forecast, and the California State University at Fullerton Mihaylo College of Business and Economics, as well as projections provided by City consultants. Detailed information about the economic analysis, revenue assumptions, and other budgetary process parameters utilized in the biennial budget preparation, can be obtained from the City's 2021-23 biennial citywide budget, available through the Financial Management & Strategic Planning Department.

Request for Information

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

BASIC FINANCIAL STATEMENTS



City of Irvine
Statement of Net Position
June 30, 2021
(amount expressed in thousands)

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Irvine Community Land Trust</u>
ASSETS		
Cash and investments	\$ 1,115,773	\$ 16,086
Receivables, net of allowances:		
Taxes	21,156	-
Accounts	3,606	48
Accrued interest	3,885	731
Prepaid items	3,629	19
Advances to the Successor Agency	132,635	-
Due from the primary government	-	11,490
Due from other governments	12,530	-
Due from developers	23,816	-
Long-term notes receivable, net of allowances	9,350	11,134
Capital assets, not being depreciated	951,731	33,000
Capital assets, net of accumulated depreciation	982,346	1,854
Other assets, noncurrent	-	10,840
Total Assets	<u>3,260,457</u>	<u>85,202</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	59,403	-
Other post employment benefits related items	1,256	-
Total Deferred Outflows of Resources	<u>60,659</u>	<u>-</u>
LIABILITIES		
Accounts payable	16,997	2,665
Accrued liabilities	9,204	2
Due to component unit	11,490	-
Due to other governments	144	-
Deposits	10,132	9
Retentions payable	105	-
Unearned revenue	37,288	-
Noncurrent liabilities:		
Due within one year	10,635	-
Due in more than one year	28,483	2,717
Total other post employment benefits, due within one year	449	-
Total other post employment benefits, due in more than one year	9,039	-
Net pension liability	153,978	-
Total Liabilities	<u>287,944</u>	<u>5,393</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	3,714	-
Total Deferred Inflows of Resources	<u>3,714</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,931,810	34,854
Restricted:		
Expendable:		
Assessment infrastructure and capital improvements	634,456	-
Housing programs	11,628	-
Public safety programs	2,744	-
Other programs and activities	4,518	-
Nonexpendable:		
Senior Services Fund program	506	-
Unrestricted	443,796	44,955
Total Net Position	<u>\$ 3,029,458</u>	<u>\$ 79,809</u>

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statement of Activities
For the Fiscal Year Ended June 30, 2021
(amount expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
Primary Government						
Governmental Activities:						
General Government	\$ 30,083	\$ 12,190	\$ 1,253	\$ 84	\$ (16,556)	\$ -
Public Safety	95,632	3,035	3,431	-	(89,166)	-
Public Works	92,186	51,342	17,425	26,501	3,082	-
Community Development	41,206	24,239	14,476	-	(2,491)	-
Community Services	46,219	10,695	1,492	-	(34,032)	-
Unallocated infrastructure depreciation	69,998	-	-	-	(69,998)	-
Total Governmental Activities	<u>\$ 375,324</u>	<u>\$ 101,501</u>	<u>\$ 38,077</u>	<u>\$ 26,585</u>	<u>\$ (209,161)</u>	
Component Unit						
Irvine Community Land Trust	\$ 683	\$ 290	\$ -	\$ 2,247		\$ 1,854
Total Component Unit	<u>\$ 683</u>	<u>\$ 290</u>	<u>\$ -</u>	<u>\$ 2,247</u>		<u>1,854</u>
General Revenues						
Taxes:						
Property taxes					84,349	-
Sales taxes					68,260	-
Franchise taxes					14,182	-
Transient occupancy taxes					5,788	-
Document transfer taxes					4,671	-
Unrestricted motor vehicle in-lieu					207	-
Gain on sales of assets					2	-
Investment revenue					457	1,643
Other revenue					1,800	-
Total General Revenues					<u>179,716</u>	<u>1,643</u>
Change in Net Position					(29,445)	3,497
Total Net Position, Beginning					<u>3,058,903</u>	<u>76,312</u>
Total Net Position, Ending					<u>\$ 3,029,458</u>	<u>\$ 79,809</u>

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2021
(amount expressed in thousands)
Page 1 of 2

	<u>General</u>	<u>Great Park</u>	<u>Local Park Fees</u>	<u>Grants</u>
ASSETS				
Cash and investments	\$ 160,020	\$ 153,679	\$ 143,306	\$ 35,194
Receivables, net of allowances:				
Taxes	19,389	-	-	-
Accounts	2,307	127	-	109
Accrued interest	1,517	144	287	1,052
Prepaid items	1,396	716	-	-
Due from other governments	906	3,218	-	2,793
Due from developers	6	-	-	-
Due from the Successor Agency	-	132,635	-	-
Long-term notes receivable, net of allowances	2,652	-	-	6,236
Total Assets	<u>\$ 188,193</u>	<u>\$ 290,519</u>	<u>\$ 143,593</u>	<u>\$ 45,384</u>
LIABILITIES				
Accounts payable	\$ 4,961	\$ 1,339	\$ -	\$ 1,453
Accrued liabilities	7,804	105	-	1
Due to component unit	-	13,263	-	-
Due to other governments	117	1	-	2
Compensated absences	67	-	-	-
Retentions payable	-	-	-	-
Deposits	9,624	-	-	-
Unearned revenue	5,544	50	-	31,594
Total Liabilities	<u>28,117</u>	<u>14,758</u>	<u>-</u>	<u>33,050</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	1,430	3,229	-	7,289
Total Deferred Inflows of Resources	<u>1,430</u>	<u>3,229</u>	<u>-</u>	<u>7,289</u>
FUND BALANCES (DEFICITS)				
Nonspendable	1,396	716	-	-
Restricted	212	27,522	143,593	5,008
Committed	57,664	-	-	54
Assigned	99,374	244,294	-	-
Unassigned	-	-	-	(17)
Total Fund Balances (Deficits)	<u>158,646</u>	<u>272,532</u>	<u>143,593</u>	<u>5,045</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 188,193</u>	<u>\$ 290,519</u>	<u>\$ 143,593</u>	<u>\$ 45,384</u>

- continued -

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2021
(amount expressed in thousands)
Page 2 of 2

	<u>Great Park Development</u>	<u>Irvine Business Complex</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 14,927	\$ 112,363	\$ 442,250	\$ 1,061,739
Receivables, net of allowances:				
Taxes	-	-	1,767	21,156
Accounts	-	-	962	3,505
Accrued interest	30	225	521	3,776
Prepaid items	719	-	-	2,831
Due from other governments	-	71	5,542	12,530
Due from developers	-	-	23,810	23,816
Due from the Successor Agency	-	-	-	132,635
Long-term notes receivable, net of allowances	-	-	462	9,350
Total Assets	<u>\$ 15,676</u>	<u>\$ 112,659</u>	<u>\$ 475,314</u>	<u>\$ 1,271,338</u>
LIABILITIES				
Accounts payable	\$ 299	\$ 37	\$ 6,272	\$ 14,361
Accrued liabilities	-	-	1,175	9,085
Due to component unit	-	-	-	13,263
Due to other governments	-	-	21	141
Compensated absences	-	-	-	67
Retentions payable	53	-	52	105
Deposits	-	-	508	10,132
Unearned revenue	-	-	100	37,288
Total Liabilities	<u>352</u>	<u>37</u>	<u>8,128</u>	<u>84,442</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	71	3,305	15,324
Total Deferred Inflows of Resources	<u>-</u>	<u>71</u>	<u>3,305</u>	<u>15,324</u>
FUND BALANCES (DEFICITS)				
Nonspendable	719	-	506	3,337
Restricted	-	112,551	354,858	643,744
Committed	-	-	103,412	161,130
Assigned	14,605	-	5,105	363,378
Unassigned	-	-	-	(17)
Total Fund Balances (Deficits)	<u>15,324</u>	<u>112,551</u>	<u>463,881</u>	<u>1,171,572</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 15,676</u>	<u>\$ 112,659</u>	<u>\$ 475,314</u>	<u>\$ 1,271,338</u>

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2021
(amount expressed in thousands)

Total Fund Balances of Governmental Funds		\$ 1,171,572
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in government activities are nonfinancial resources and are not reported in the funds. The following is net of the Internal Service Funds of \$7,645.		
Governmental capital assets	\$ 3,339,238	
Less: accumulated depreciation	<u>(1,412,806)</u>	1,926,432
Long-term note receivable for the revolving loan programs are not available to pay current period expenditures and are shown as unavailable revenues in the funds.		6,699
Deferred outflow related to pension contributions made subsequent to the measurement date, net of the Internal Service Funds of \$840.		58,563
Deferred outflow related to other post employment benefits		1,256
Revenues not collected within current period and are shown as unavailable revenue in the funds. However, on an accrual basis revenues are included in the government-wide statements. These revenues include:		
General Fund	1,430	
Great Park Fund	3,229	
Irvine Business Complex Fund	71	
Grants Fund	1,051	
Other Governmental Funds	<u>2,844</u>	8,625
The net other post employment benefit pension obligation is not due and payable in the current period and is not reported in the fund financial statements.		(9,488)
Internal service funds are used by management to charge the cost of activities involved in rendering services to departments within the City. The assets and liabilities of the internal services funds are included in the Statement of Net Position.		36,502
Compensated absences long-term liabilities are not due and payable in the current period and are not reported in the funds, net of Internal Service fund of (\$642) and General Fund of (\$67).		(17,407)
For governmental funds, long-term agreements between the funds and component units are recorded at full value of the agreement, but for reporting in the statement of net position, the agreement is reported at net present value.		1,773
The net pension obligation is not due and payable in the current period and is not reported in the funds, net of the Internal Service Fund of (\$2,603).		(151,375)
Deferred inflow related to pension items differences between expected and actual experience and net investment income, net of the Internal Service Funds of (\$20)		<u>(3,694)</u>
Net Position of Governmental Activities		<u><u>\$ 3,029,458</u></u>

See Accompanying Notes to the Basic Financial Statements



City of Irvine
Statements of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

June 30, 2021
(amount expressed in thousands)
Page 1 of 2

	<u>General</u>	<u>Great Park</u>	<u>Local Park Fees</u>	<u>Grants</u>
REVENUES				
Taxes	\$ 172,437	\$ -	\$ -	\$ -
Licenses and permits	8,559	-	-	-
Fines and forfeitures	1,238	-	-	-
Investment income	(137)	(154)	427	772
Intergovernmental	515	-	-	17,696
Charges for services	18,629	5,816	-	343
Contributions from property owners-				
Special districts contributions	-	-	-	-
Revenue from developers	-	1,250	16,792	-
Special assessments	-	10,820	-	-
Donations	8	-	-	351
Other revenue	2,257	49	-	-
	<u>203,506</u>	<u>17,781</u>	<u>17,219</u>	<u>19,162</u>
EXPENDITURES				
Current:				
General Government	22,533	4,252	-	97
Public Safety	92,188	907	-	1,470
Public Works & Transportation	34,314	7,331	-	92
Community Development	26,982	74	-	13,467
Community Services	36,230	6,660	-	1,831
Capital outlay	-	-	-	-
	<u>212,247</u>	<u>19,224</u>	<u>-</u>	<u>16,957</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,741)</u>	<u>(1,443)</u>	<u>17,219</u>	<u>2,205</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	36	-	-	-
Transfers in	17,055	-	-	486
Transfers out	(7,478)	(27,660)	(736)	-
	<u>9,613</u>	<u>(27,660)</u>	<u>(736)</u>	<u>486</u>
Net Change in Fund Balances	872	(29,103)	16,483	2,691
Fund Balances, Beginning	<u>157,774</u>	<u>301,635</u>	<u>127,110</u>	<u>2,354</u>
Fund Balances, Ending	<u>\$ 158,646</u>	<u>\$ 272,532</u>	<u>\$ 143,593</u>	<u>\$ 5,045</u>

- continued -

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statements of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

June 30, 2021
(amount expressed in thousands)

Page 2 of 2

	<u>Great Park Development</u>	<u>Irvine Business Complex</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 30,317	\$ 202,754
Licenses and permits	-	-	74	8,633
Fines and forfeitures	-	-	-	1,238
Investment income	(3)	251	311	1,467
Intergovernmental	-	41	7,153	25,405
Charges for services	-	-	1,193	25,981
Contributions from property owners-				-
Special districts contributions	-	-	136	136
Revenue from developers	-	10,498	5,114	33,654
Special assessments	-	-	31,189	42,009
Donations	-	-	105	464
Other revenue	-	-	406	2,712
	<u>(3)</u>	<u>10,790</u>	<u>75,998</u>	<u>344,453</u>
EXPENDITURES				
Current:				
General Government	3	13	1,842	28,740
Public Safety	-	-	932	95,497
Public Works & Transportation	8	353	27,294	69,392
Community Development	-	-	156	40,679
Community Services	-	-	32	44,753
Capital outlay	1,648	433	28,460	30,541
	<u>1,659</u>	<u>799</u>	<u>58,716</u>	<u>309,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,662)</u>	<u>9,991</u>	<u>17,282</u>	<u>34,851</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	-	-	-	36
Transfers in	665	-	43,021	61,227
Transfers out	-	(20)	(25,229)	(61,123)
	<u>665</u>	<u>(20)</u>	<u>17,792</u>	<u>140</u>
Net Change in Fund Balances	(997)	9,971	35,074	34,991
Fund Balances, Beginning	<u>16,321</u>	<u>102,580</u>	<u>428,807</u>	<u>1,136,581</u>
Fund Balances, Ending	<u>\$ 15,324</u>	<u>\$ 112,551</u>	<u>\$ 463,881</u>	<u>\$ 1,171,572</u>

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021
(amount expressed in thousands)

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

Net Change in Fund Balances - Total Governmental Funds	\$	34,991
<p>Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, as listed below:</p>		
Expenditures for capital outlays	\$	30,541
Expenditures for capital equipment purchases		859
Less disposal of capital assets		(69)
Less amounts not capitalized		(6,433)
Depreciation expense (net of Internal Service Funds of \$2,766)		<u>(89,850)</u>
		(64,952)
<p>Governmental funds do not report the donation of capital assets not held for resale. Such transactions are included as revenue on the Statement of Activities.</p>		
Donation of capital infrastructure assets		8,442
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
Interest		(73)
Charges for services		1
Grants		(5,995)
Revenue from developers		84
Other revenue		<u>21</u>
		(5,962)
<p>Governmental funds do not report the underlying effect of loan forgiveness since it does not require the use current financial resources and, therefore, are not reported as expenditures in the funds.</p>		
		(29)
<p>Governmental funds do not report the changes in the net pensions and other post employment benefit plan, since it does not provide or require the use of current financial resources.</p>		
Defined Benefit Pension Plans		(2,764)
Other Post Employment Benefit Plan		<u>(610)</u>
		(3,374)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.</p>		
Compensated absences		(672)
Due to component unit		<u>(928)</u>
		(1,600)
<p>Internal Service Funds are used by management to charge the costs of certain activities such as insurance and fleet, to individual funds. The net revenue (expense) of the Internal Service Funds is included in the Statement of Activities.</p>		
		<u>3,039</u>
Change in Net Position of Governmental Activities	\$	<u><u>(29,445)</u></u>

See Accompanying Notes to the Basic Financial Statements





City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 177,211	\$ 177,211	\$ 172,437	\$ (4,774)
Licenses and permits	11,787	11,787	8,559	(3,228)
Fines and forfeitures	1,765	1,765	1,238	(527)
Investment income	1,604	1,604	(137)	(1,741)
Intergovernmental	371	371	515	144
Charges for services	31,459	31,452	18,629	(12,823)
Donations	8	8	8	-
Other revenue	5,058	4,541	2,257	(2,284)
Total Revenues	229,263	228,739	203,506	(25,233)
EXPENDITURES				
Current:				
City Manager	8,573	10,066	7,933	2,133
City Clerk	3,148	3,147	3,078	69
Human Resources & Innovation	4,170	4,162	3,538	624
Finance Management & Strategic Planning	10,607	10,597	7,984	2,613
Public Safety	94,134	93,946	92,188	1,758
Public Works & Transportation	35,523	37,791	34,314	3,477
Community Development	30,785	30,329	26,982	3,347
Community Services	43,771	43,699	36,230	7,469
Total Expenditures	230,711	233,737	212,247	21,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,448)	(4,998)	(8,741)	(3,743)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	-	-	36	36
Transfers in	17,055	17,055	17,055	-
Transfers out	(7,798)	(19,938)	(7,478)	12,460
Total Other Financing Sources (Uses)	9,257	(2,883)	9,613	12,496
Net Change in Fund Balances	7,809	(7,881)	872	8,753
Fund Balances, Beginning	157,774	157,774	157,774	-
Fund Balances, Ending	\$ 165,583	\$ 149,893	\$ 158,646	\$ 8,753

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Great Park
June 30, 2021
(amount expressed in thousands)
Page 1 of 2

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 1,259	\$ 1,259	\$ (154)	\$ (1,413)
Charges for services	6,682	5,111	5,816	705
Revenue from developers	1,250	1,250	1,250	-
Special assessments	10,695	10,695	10,820	125
Other revenue	-	-	49	49
Total Revenues	19,886	18,315	17,781	(534)
EXPENDITURES				
Current:				
General Government:				
City Manager				
Personnel	2,185	2,185	1,959	226
Supplies	114	114	108	6
Internal service allocations	70	70	70	-
Contract services	2,095	3,145	1,069	2,076
Training and business expenses	40	40	3	37
Capital equipment	20	20	-	20
Miscellaneous	141	991	199	792
Total City Manager	4,665	6,565	3,408	3,157
City Clerk				
Personnel	214	214	190	24
Total City Clerk	214	214	190	24
Human Resources & Innovation				
Personnel	89	89	89	-
Total Human Resources & Innovation	89	89	89	-
Fiscal Management & Strategic Planning				
Personnel	743	743	546	197
Internal service allocations	16	16	16	-
Contract services	8	8	3	5
Training and business expenses	2	2	-	2
Total Fiscal Management & Strategic Planning	769	769	565	204
Total General Government	5,737	7,637	4,252	3,385
Public Safety				
Personnel	1,097	1,097	866	231
Supplies	7	7	1	6
Internal service allocations	40	40	40	-
Total Public Safety	1,144	1,144	907	237

- continued -

City of Irvine
Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Great Park

June 30, 2021

(amount expressed in thousands)

Page 2 of 2

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
EXPENDITURES (Continued)				
Current:				
Public Works & Transportation				
Personnel	1,628	1,629	1,288	341
Supplies	212	212	205	7
Internal service allocations	86	86	86	-
Contract services	5,918	6,069	4,982	1,087
Training and business expenses	6	7	3	4
Utilities	1,186	1,262	759	503
Capital equipment	24	64	8	56
Total Public Works & Transportation	<u>9,060</u>	<u>9,329</u>	<u>7,331</u>	<u>1,998</u>
Community Development				
Personnel	158	158	74	84
Supplies	3	3	-	3
Contract services	127	127	-	127
Total Community Development	<u>288</u>	<u>288</u>	<u>74</u>	<u>214</u>
Community Services				
Personnel	4,223	4,175	3,339	836
Supplies	396	353	134	219
Internal service allocations	1,290	1,290	1,290	-
Contract services	2,103	2,217	1,749	468
Training and business expenses	40	38	10	28
Capital equipment	-	75	60	15
Miscellaneous	127	146	78	68
Total Community Services	<u>8,179</u>	<u>8,294</u>	<u>6,660</u>	<u>1,634</u>
Total Expenditures	<u>24,408</u>	<u>26,692</u>	<u>19,224</u>	<u>7,468</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,522)</u>	<u>(8,377)</u>	<u>(1,443)</u>	<u>6,934</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(34,393)</u>	<u>(78,097)</u>	<u>(27,660)</u>	<u>50,437</u>
Total Other Financing Sources (Uses)	<u>(34,393)</u>	<u>(78,097)</u>	<u>(27,660)</u>	<u>50,437</u>
Net Change in Fund Balances	<u>(38,915)</u>	<u>(86,474)</u>	<u>(29,103)</u>	<u>57,371</u>
Fund Balances, Beginning	<u>301,635</u>	<u>301,635</u>	<u>301,635</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 262,720</u>	<u>\$ 215,161</u>	<u>\$ 272,532</u>	<u>\$ 57,371</u>

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Local Park Fees
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 1,587	\$ 1,587	\$ 427	\$ (1,160)
Revenue from developers	-	-	16,792	16,792
Total Revenues	1,587	1,587	17,219	15,632
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,980)	(40,805)	(736)	40,069
Total Other Financing Sources (Uses)	(7,980)	(40,805)	(736)	40,069
Net Change in Fund Balances	(6,393)	(39,218)	16,483	55,701
Fund Balances, Beginning	127,110	127,110	127,110	-
Fund Balances, Ending	\$ 120,717	\$ 87,892	\$ 143,593	\$ 55,701

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Grants
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 772	\$ 772
Intergovernmental	4,095	17,524	17,696	172
Charges for services	268	352	343	(9)
Donations	310	392	351	(41)
Total Revenues	4,673	18,268	19,162	894
EXPENDITURES				
Current:				
General Government	79	165	97	68
Public Safety	1,886	4,363	1,470	2,893
Public Works & Transportation	127	199	92	107
Community Development	2,404	13,821	13,467	354
Community Services	1,630	2,207	1,831	376
Total Expenditures	6,126	20,755	16,957	3,798
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,453)	(2,487)	2,205	4,692
OTHER FINANCING SOURCES (USES)				
Transfers in	486	486	486	-
Total Other Financing Sources (Uses)	486	486	486	-
Net Change in Fund Balances	(967)	(2,001)	2,691	4,692
Fund Balances, Beginning	2,354	2,354	2,354	-
Fund Balances, Ending	\$ 1,387	\$ 353	\$ 5,045	\$ 4,692

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statement of Net Position
Proprietary Funds
June 30, 2021
(amount expressed in thousands)

	<u>Governmental Activities- Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 54,034
Receivables, net of allowances:	
Accounts	101
Accrued interest	109
Prepaid items	798
Total Current Assets	<u>55,042</u>
Noncurrent Assets:	
Capital assets:	
Equipment	28,683
Less accumulated depreciation	<u>(21,038)</u>
Total Noncurrent Assets	<u>7,645</u>
Total Assets	<u>62,687</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	<u>840</u>
Total Deferred Outflows of Resources	<u>840</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	2,636
Accrued liabilities	119
Due to other governments	3
Compensated absences	213
Claims payable	<u>5,130</u>
Total Current Liabilities	<u>8,101</u>
Noncurrent Liabilities:	
Compensated absences	429
Claims payable	15,872
Net pension liability	<u>2,603</u>
Total Noncurrent Liabilities	<u>18,904</u>
Total Liabilities	<u>27,005</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	<u>20</u>
Total Deferred Inflows of Resources	<u>20</u>
NET POSITION	
Net investment in capital assets	7,493
Unrestricted	<u>29,009</u>
Total Net Position	<u>\$ 36,502</u>

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 36,878
Other	324
Total Operating Revenues	<u>37,202</u>
OPERATING EXPENSES	
Salaries and benefits	6,298
Supplies and equipment	6,392
Contract services	8,309
Administration	2,118
Self-insured losses	6,042
Insurance premiums	3,083
Depreciation	2,766
Total Operating Expenses	<u>35,008</u>
Operating Income (Loss)	<u>2,194</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	177
Gain (loss) on disposal of equipment	130
Total Nonoperating Revenues	<u>307</u>
Income (Loss) Before Capital Contributions and Transfers	2,501
Capital contributions	642
Transfers in	76
Transfers out	(180)
Change in Net Position	<u>3,039</u>
Total Net Position, Beginning	<u>33,463</u>
Total Net Position, Ending	<u><u>\$ 36,502</u></u>

See Accompanying Notes to the Basic Financial Statements



City of Irvine
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(amount expressed in thousands)

	<u>Governmental Activities- Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers and users	\$ 395
Received from interfund services provided	36,878
Paid to suppliers and providers	(22,307)
Paid for salaries and benefits	(6,156)
	8,810
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from other funds	76
Transfers to other funds	(180)
	(104)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of equipment	165
Equipment purchases	(2,182)
	(2,017)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	190
	190
Net Increase (Decrease) in Cash and Cash Equivalents	
	6,879
Cash and Cash Equivalents, Beginning of Fiscal Year	47,155
Cash and Cash Equivalents, End of Fiscal Year	\$ 54,034
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 2,194
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	2,766
(Increase) decrease in receivables, net of allowances	71
(Increase) decrease in prepaid items	46
(Increase) decrease in inventories	27
(Increase) decrease in deferred outflows	22
Increase (decrease) in accounts payable	342
Increase (decrease) in accrued liabilities	24
Increase (decrease) in due to other governments	(9)
Increase (decrease) in deferred revenue	(101)
Increase (decrease) in compensated absences	49
Increase (decrease) in claims payable	3,229
Increase (decrease) in net pension liability	150
	6,616
Net Cash Provided (Used) by Operating Activities	\$ 8,810
Schedule of Non-Cash and Related Financing Activities	
Contribution of Capital Assets	\$ 642

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020 and June 30, 2021
(amounts expressed in thousand)

	<u>December 31, 2020</u>		
	<u>Pension Trust Funds</u>	<u>Successor Agency Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS			
Cash and cash equivalents	\$ 451	\$ 13,685	\$ 125,104
Receivables, net of allowances:			
Taxes	-	-	2,084
Accounts	29	-	3,218
Accrued interest	-	26	20
Loans	34	-	-
Due from other governments	-	132,635	-
Due from developers	-	-	600
Investments:			
Pooled funds	25,504	-	-
Mutual funds - closed end funds equity	241	-	-
Mutual funds - equity	6,002	-	-
Mutual funds - corporate bonds	794	-	-
Mutual funds - balanced	1,573	-	-
Total Assets	<u>34,628</u>	<u>146,346</u>	<u>131,026</u>
LIABILITIES			
Accounts payable	6	6,333	580
Accrued liabilities	18	-	3
Due to developers	-	-	251
Advances from the City of Irvine	-	132,635	-
Due to other governments	-	-	3,517
Total Liabilities	<u>24</u>	<u>138,968</u>	<u>4,351</u>
NET POSITION			
Net position restricted for pensions	34,604	-	-
Held in trust for enforceable obligations	-	7,378	-
Held in trust for bondholders	-	-	126,675
Total Net Position	<u>\$ 34,604</u>	<u>\$ 7,378</u>	<u>\$ 126,675</u>

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020 and June 30, 2021
(amounts expressed in thousands)

	<u>December 31, 2020</u>	Successor Agency Private- Purpose Trust Funds	Custodial Funds
	Pension Trust Funds		
ADDITIONS			
Contributions:			
Employer	\$ 714	\$ -	\$ -
Plan members	77	-	-
Total Contributions	<u>791</u>	<u>-</u>	<u>-</u>
Investment income (loss):			
Interest and dividends	99	-	-
Net appreciation (depreciation) in fair value of investments	3,988	-	-
Total Investment Income	<u>4,087</u>	<u>-</u>	<u>-</u>
Less: investment expenses	<u>(89)</u>	<u>-</u>	<u>-</u>
Net Investment Income	3,998	-	-
Taxes	-	6,636	-
Special assessments or special taxes collected from property owners	-	-	67,976
Investment income	-	22	204
Charge for services	-	-	18
Contribution from property owners	-	-	294
Contribution from other districts	-	-	52,844
Total Additions	<u>4,789</u>	<u>6,658</u>	<u>121,336</u>
DEDUCTIONS			
Benefit payments	1,883	-	-
Distributions to the County	-	6,318	-
Administration expenses	55	95	3,330
Payment for special assessment or special tax debt	-	-	127,662
Contribution to City for infrastructure	-	-	136
Apportionment services	-	-	28
Total Deductions	<u>1,938</u>	<u>6,413</u>	<u>131,156</u>
Change in Net Position	2,851	245	(9,820)
Total Net Position, Beginning (as restated)	<u>31,753</u>	<u>7,133</u>	<u>136,495</u>
Total Net Position, Ending	<u>\$ 34,604</u>	<u>\$ 7,378</u>	<u>\$ 126,675</u>

See Accompanying Notes to the Basic Financial Statements



City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Component Units

The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statement 14, *The Financial Reporting Entity*. Certain organizations warrant inclusion as part of the financial reporting entry because of the nature and significance of its relationship with the City.

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

Blended Component Units

The Orange County Great Park Corporation (OCGPC) was established by the City Council on July 7, 2003, as a support agency to the City, for the specific purpose of managing and effecting the development, operation, and maintenance of the Great Park on the site of the former Marine Corps Air Station (MCAS) El Toro. The board of directors is comprised of the five elected City Councilmembers. Since the governing bodies of the City Council and OCGPC are substantially the same, and there is a financial burden relationship between the City and the OCGPC, the OCGPC is reported as a blended component unit. The transactions of the OCGPC are reported in the governmental fund financial statements as a part of the major special revenue fund Great Park.

Discretely Presented Component Unit

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

Additionally, the City reports the following fund types:

Governmental Funds

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

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

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

C. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and pension trust, private purpose trust, and custodial funds. Under the *economic resources measurement focus*, all assets, deferred outflow of resources, liabilities (current and long-term), and deferred inflow of resources are reported. Under the *accrual basis of accounting*, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

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

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

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

D. Use of Restricted and Unrestricted Resources

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

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

Cash and Investments

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

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

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

Prepaid Items

Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses during the periods benefited.

Capital Assets

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

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

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

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

Deferred Outflow/Inflow of Resources

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

1. Unavailable revenues measured under the modified accrual basis of accounting reported in governmental funds. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Unavailable revenues that are included in the governmental fund financial statements at June 30, 2021, are as follows (amounts expressed in thousands):

	General Fund	Great Park	Grants	Irvine Business Complex	Other Governmental Funds	Total
<u>Governmental Funds:</u>						
Grants	\$ -	\$ -	\$ 72	\$ 71	2,793	\$ 2,936
Revenue from developer	-	3,218	-	-	-	3,218
Notes and long-term receivable	-	-	6,236	-	462	6,698
Interest income	1,238	-	981	-	22	2,241
Charge for service	192	11	-	-	9	212
Other revenue	-	-	-	-	19	19
Total	<u>\$ 1,430</u>	<u>\$ 3,229</u>	<u>\$ 7,289</u>	<u>\$ 71</u>	<u>\$ 3,305</u>	<u>\$ 15,324</u>

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

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

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

Long-Term Notes Receivable

Long-term notes receivable consist of loans to developers and the Orange County Power Authority. The Orange County Power Authority (Authority) is a California joint power authority formed by participating Orange County cities for the purpose of implementing a community choice aggregation program. The City loaned the Authority \$2,500,000 for pre-launch costs and up to an additional \$250,000 in formation costs. The loan has an interest rate on the outstanding pre-launch costs, which equals the City's quarterly investment rate. The outstanding formation costs bear no interest. The

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

outstanding loan and interest is due January 1, 2027. As of June 30, 2021, the outstanding balance due is \$2,652,379.

The loans to developers are to assist in the stimulation of affordable housing projects, rehabilitation loans to low income individuals that need assistance in rehabilitating their homes, and first time buyers assistance loans. Loan repayment terms range from due at the sale of the property to 57 years. A majority of the loans to the developers will be paid from residual rental receipts earned on the affordable housing property.

Due to the long-term nature and contingent repayment requirements for some of the loans, an allowance for doubtful accounts has been estimated, actual results can differ from the estimates. Some of the loans were funded from the Department of Housing and Urban Development and CalHOME grants and are part of a revolving loan program. In the governmental funds financial statements, disbursements for providing these revolving loan receivables are recorded as expenditures while the collection of these receivables are recorded as revenue. Due to the requirement of the granting agency, these receivable collections must be utilized for the purpose of the grant requirements. The City has recorded a deferred inflow of resources equal to the outstanding revolving developer loans of \$6,697,579.

(amounts expressed in thousands)	
Developer loans	\$ 21,166
Rehabilitation loans	2,142
First time home buyer assistance loans	713
Total	24,021
Allowance for doubtful accounts	(17,323)
Developer Long-Term Notes Receivable, Net	\$ 6,698

Property Taxes

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

Compensated Absences

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

Long-term Obligations

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

Pensions

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

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

	Defined Benefit Pension Plan	CalPERS Pension Plans
Valuation Date	December 31, 2019	June 30, 2019
Measurement Date	December 31, 2020	June 30, 2020
Measurement Period	January 1, 2020 to December 31, 2020	July 1, 2019 to June 30, 2020

Other Post Employment Benefits (OPEB)

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

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

Valuation Date	July 1, 2020
Reporting Period	July 1, 2020 to June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Fund Balance-Net Position

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

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

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

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

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

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

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

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

F. Estimates

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

G. Implementation of New GASB Pronouncements

In fiscal year ended June 30, 2021, the City adopted the following accounting standards.

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

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City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

1. During May and June, the City Manager submits to the City's Finance Commission and the City Council a proposed two-year operating budget for all funds of the City for the fiscal year commencing the following July 1. In addition, during June, the Great Park funds' budget is submitted to the Great Park Board. The budget includes proposed expenditures and the means of financing them.
2. The Finance Commission, Great Park Board, and City Council hold public meetings to consider the proposed budget. Prior to July 1, the budget is legally enacted through adoption of an appropriation resolution.
3. After adoption, the two-year budget, except for the Great Park Funds, may be amended by the City Manager if amendments are less than \$50,000 and do not expand or add to the City's programs or services. The legal level of control in the General Fund is considered to be the department level. The City departments are: City Manager, City Clerk, Human Resources & Innovation, Financial Management & Strategic Planning, Community Development, Community Services, Public Safety, and Public Works & Transportation. The first four departments are classified together for reporting purposes as General Government, but City Manager, City Clerk, Human Resources & Innovation, and Financial Reporting & Strategic Planning operate separately as departments for budgetary control purposes. Review by the Finance Commission and approval by the City Council are required if an amendment is in excess of \$50,000. Amendments to the adopted General Fund budget for the fiscal year ended June 30, 2021, increased appropriations by \$3,026,060 to an amended total of \$233,737,299.

The legal level of control for the Great Park Funds is the budget category by department. Adjustments to the budget must be approved by the Great Park Board of Directors and a majority vote of the City Council. Amendments to the adopted Great Park budget for the fiscal year ended June 30, 2021, increased appropriations by \$2,284,330 to an amended total of \$26,692,177.

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

II. Stewardship, Compliance and Accountability (Continued)

B. Significant Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services (i.e. purchase orders). While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances are re-appropriated and become part of the subsequent year's budget. Significant encumbrances in total at June 30, 2021, which are categorized as restricted or committed, are as follows (amounts expressed in thousands):

General Fund	\$ 5,451
Great Park	1,504
Grants	6,139
Great Park Development	10
Irvine Business Complex	365
Other Governmental Funds	203
Total	<u>\$ 13,672</u>

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City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds

A. Cash and Investments

Cash and investments, excluding amounts reported in the pension trust fund, as of June 30, 2021, are classified in the accompanying financial statements as follows (amounts expressed in thousands):

Statement of net position:	
Cash and investments	\$ 1,115,773
Total	1,115,773
Statement of fiduciary net position:	
Cash and investments - Custodial funds	125,104
Cash and investments - Private purpose trust funds	13,685
Total	138,789
Total Cash and Investments	<u>\$ 1,254,562</u>

Cash and investments, as of June 30, 2021, consist of the following (amounts expressed in thousands):

Cash on hand	\$ 22
Cash - Private-purpose trust funds	785
Deposits with financial institutions	2,261
Cash with trustee	162,323
Total Cash	165,391
Investments - Private-purpose trust funds	12,899
Investments	1,076,272
Total Investments	1,089,171
Total Cash and Investments	<u>\$ 1,254,562</u>

Cash and investments, as of December 31, 2020, for the Pension Trust Funds consist of the following (amounts expressed in thousands):

Cash - Pension trust funds	\$ 451
Investments - Pension trust funds	34,114
Total Cash and Investments	<u>\$ 34,565</u>

Separately issued financial statements are available for the Defined Benefit Pension Plan and Defined Contribution Pension Plan. These statements are available at the City's website, www.cityofirvine.org.

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

Authorized Investment Type	Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasuries	5 years	None	None
U.S. Government Sponsored Enterprise Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Repurchase Agreements	75 days	None	None
Reverse Repurchase Agreements	75 days	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	N/A
Municipal Bonds	5 years	None	None
Corporate Medium Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Supranationals	5 years	30%	None
Mortgage Pass-Through and Asset Backed Securities	5 years	20%	None

Investments Authorized By Bond Indentures

Investments of debt proceeds held by trustees are governed by provisions of the bond indentures rather than the general provisions of the California Government Code or the City's investment policy. The City's investment policy is designed to meet the objectives of safety, liquidity and yield.

Investment Authorized by Pension and Employee Benefit Trust Funds

Defined Benefit Pension Plan Investments in the Plan are administered by the City's Defined Benefit Pension Plan Trustee and are subject to the investment policies stipulated in the Plan document rather than the general provisions of the California Government Code or the City's investment policy. Cash and investments of the Defined Benefit Pension Plan are included in the basic financial statements as of December 31, 2020. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2020.

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, 2020. 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, 2020.

Disclosures Relating to Interest Rate Risk

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

Investment Type	Amount	Remaining Maturity		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Government Sponsored Enterprise Securities	\$ 486,652	\$ 81,669	\$ 69,800	\$ 335,183
Commercial Paper	102,670	102,670	-	-
U.S. Treasuries	173,430	79,446	56,139	37,845
Corporate Medium Term Notes	96,584	35,202	20,562	40,820
Local Agency Investment Fund (LAIF)	131,138	131,138	-	-
Municipal Bonds	15,078	-	-	15,078
Supranationals	77,373	13,137	3,062	61,174
Money Market Mutual Funds	6,246	6,246	-	-
	<u>\$ 1,089,171</u>	<u>\$ 449,508</u>	<u>\$ 149,563</u>	<u>\$ 490,100</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments (including investments held by trustees) in callable federal agency securities are highly sensitive to interest rate fluctuations. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes their fair values highly sensitive to changes in interest rates. The fair value of callable investments in the City's portfolio at June 30, 2021, is \$50,877,672.

Disclosures Relating to Credit Risk

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

Investment Type	Total	Minimum		Rating as of June 30, 2021 - Standard & Poor's							
		Legal Rating	Not Rated	AAA	AA+	AA	AA-	A+	A-1+	A-1	
U.S. Government Sponsored Enterprise Securities	\$ 486,652	N/A	\$ 31,646	\$ -	\$ 455,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Paper	102,670	A-1	-	-	-	-	-	-	34,527	68,143	
U.S. Treasuries	173,430	N/A	173,430	-	-	-	-	-	-	-	
Corporate Medium Term Notes	96,584	A	-	28,148	20,245	15,074	9,555	23,562	-	-	
Local Agency Investment Fund (LAIF)	131,138	N/A	131,138	-	-	-	-	-	-	-	
Municipal Bonds	15,078	A	-	15,078	-	-	-	-	-	-	
Supranationals	77,373	AA	-	77,373	-	-	-	-	-	-	
Money Market Mutual Funds	6,246	AAAm	-	6,246	-	-	-	-	-	-	
	<u>\$ 1,089,171</u>		<u>\$ 336,214</u>	<u>\$ 126,845</u>	<u>\$ 475,251</u>	<u>\$ 15,074</u>	<u>\$ 9,555</u>	<u>\$ 23,562</u>	<u>\$ 34,527</u>	<u>\$ 68,143</u>	

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

Concentration of Credit Risk

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

Issuer	Investment Type	Fair Value
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 216,507
U.S. Treasury	U.S. Treasuries	134,249
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	105,008
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	97,369

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

Issuer	Investment Type	Fair Value
U.S. Treasury	U.S. Treasuries	\$ 39,181
Natixis NY Branch	Commercial Paper	28,413
Credit Agricole CIB NY	Commercial Paper	27,346
Toyota Motor Credit Corporation	Commercial Paper	19,252

Custodial Credit Risk

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

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

Custodial credit risk for deposits and investments held by bond trustees is the risk that the City will not be able to recover the value of its deposit or investment securities that are in the possession of an outside party. All deposits and securities held by bond trustees are in the name of the bond issue in

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

trust for safekeeping with the bond trustee, which is different from the City's primary bank. As of June 30, 2021, uninsured and uncollateralized deposits held by trustee totaled \$157,496,403.

Investment in State Investment Pool

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

Inter-Agency Custodial Deposits

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

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles consistent with GASB Statement No. 72. These principles recognize a three-tiered fair value hierarchy, as follows:

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

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

The City has the following recurring fair value measurement as of June 30, 2021:

- U.S. Government Sponsored Enterprise Securities totaling \$486,651,618, Commercial Paper totaling \$102,669,691, U.S. Treasuries totaling \$173,429,593, Corporate Medium Term Notes totaling \$96,584,055, Municipal Bonds totaling \$15,077,883, and Supranationals totaling \$77,372,917, are classified in Level 2 of the fair value hierarchy. The valuation uses a market-based model which considers yield, prices of comparable securities, coupon rate, maturity, credit quality, and dealer-provided prices. These prices are obtained from various pricing sources by the City's third party investment management company.
- Local Agency Investment Funds (LAIF) totaling \$131,138,488, is reported based upon the application of a fair value factor to each one dollar share invested, and therefore is not included in the fair value hierarchy.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

- Money Market Mutual Funds totaling \$6,246,493, are not subject to the fair value hierarchy as the investments are reported at amortized cost.

The fair value investment as of June 30, 2021, for each investment type (amounts expressed in thousands):

Investment Type	Amount	Investment not Measured at Fair Value	Level		
			1	2	3
U.S. Government Sponsored Enterprise Securities	\$ 486,652	\$ -	\$ -	\$ 486,652	\$ -
Commercial Paper	102,670	-	-	102,670	-
U.S. Treasuries	173,430	-	-	173,430	-
Corporate Medium Term Notes	96,584	-	-	96,584	-
Local Agency Investment Fund (LAIF)	131,138	131,138	-	-	-
Municipal Bonds	15,078	-	-	15,078	-
Supranationals	77,373	-	-	77,373	-
Money Market Mutual Funds	6,246	6,246	-	-	-
	<u>\$ 1,089,171</u>	<u>\$ 137,384</u>	<u>\$ -</u>	<u>\$ 951,787</u>	<u>\$ -</u>

The fair value measurement as of December 31, 2020, for each investment type for the Pension Trust Funds (amount expressed in thousands).

Investment Type	Amount	Investment not Measured at Fair Value	Level		
			1	2	3
Mutual Funds - Equity	\$ 6,243	\$ -	\$ 6,243	\$ -	\$ -
Mutual Funds - Corporate Bonds	794	-	794	-	-
Mutual Funds - Balanced	1,573	-	1,573	-	-
Mutual Funds - Pooled	25,504	20,806	-	4,698	-
	<u>\$ 34,114</u>	<u>\$ 20,806</u>	<u>\$ 8,610</u>	<u>\$ 4,698</u>	<u>\$ -</u>

Restricted Cash

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$879,254 at June 30, 2021, were nonspendable or restricted per terms of an agreement between the Irvine Senior Foundation and the City.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows (amounts expressed in thousands):

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 847,692	\$ 191	\$ -	\$ 847,883
Construction in progress	99,647	5,359	1,158	103,848
Total capital assets not being depreciated	<u>947,339</u>	<u>5,550</u>	<u>1,158</u>	<u>951,731</u>
Capital assets, being depreciated:				
Buildings and systems	230,601	42	-	230,643
Improvements other than buildings	237,868	710	-	238,578
Machinery and equipment	39,025	3,523	603	41,945
Infrastructure	1,877,330	27,693	-	1,905,023
Total capital assets being depreciated	<u>2,384,824</u>	<u>31,968</u>	<u>603</u>	<u>2,416,189</u>
Less accumulated depreciation for:				
Buildings and systems	(76,095)	(5,778)	-	(81,873)
Improvements other than buildings	(115,073)	(13,170)	-	(128,243)
Machinery and equipment	(29,446)	(3,670)	579	(32,537)
Infrastructure	(1,121,192)	(69,998)	-	(1,191,190)
Total accumulated depreciation	<u>(1,341,806)</u>	<u>(92,616)</u>	<u>579</u>	<u>(1,433,843)</u>
Total capital assets, being depreciated, net	<u>1,043,018</u>	<u>(60,648)</u>	<u>24</u>	<u>982,346</u>
Governmental activities capital assets, net	<u>\$ 1,990,357</u>	<u>\$ (55,098)</u>	<u>\$ 1,182</u>	<u>\$ 1,934,077</u>

Museum Collections

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

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

General Government	\$ 1,366
Public Safety	354
Public Works & Transportation	16,746
Community Services	1,386
Internal Service Funds Depreciation-charged to programs based on asset usage	<u>2,766</u>
Allocated Depreciation	<u>22,618</u>
Unallocated Infrastructure Depreciation	<u>69,998</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 92,616</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

Construction Commitments

The City has active construction projects as of June 30, 2021. The projects include signals, streets and drainage, bridges, parks, trails, landscape and facilities. At fiscal year-end, the City's encumbrances with contractors were as follows (amounts expressed in thousands):

	Great Park Development	Irvine Business Complex	Other Governmental Funds	Remaining Commitment
Streets and drainage	\$ 53	\$ 677	\$ 2,012	\$ 2,742
Facilities	1,240	-	731	1,971
Bridges	-	-	153	153
Trails	-	-	58	58
Traffic signal projects	-	-	3,108	3,108
Parks	-	-	3,623	3,623
Landscape and streetscape	288	-	168	456
Total	\$ 1,581	\$ 677	\$ 9,853	\$ 12,111

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

In September 2006, the City Council approved a development agreement for Planning Area 39, Los Olivos. The agreement included a provision that over multiple years, 17 acres of land would be donated to the City for affordable housing. As of June 30, 2020 the City has received 10 of the 17 acres. The additional 7 acres of land for affordable housing will be donated by December 2023.

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, was as follows:

Interfund Transfers (amounts expressed in thousands):

	Transfers in:					Total
	General Fund	Grants	Great Park Development	Other Governmental Funds	Internal Service Funds	
Transfers out:						
General Fund	\$ -	\$ 486	\$ -	\$ 6,992	\$ -	\$ 7,478
Great Park	17,000	-	94	10,566	-	27,660
Local Park Fees	-	-	571	165	-	736
Irvine Business Complex	-	-	-	20	-	20
Other Governmental Funds	55	-	-	25,098	76	25,229
Internal Service Funds	-	-	-	180	-	180
Total	\$ 17,055	\$ 486	\$ 665	\$ 43,021	\$ 76	\$ 61,303

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

Transfers provided funding for the development of capital projects, as well as capital acquisitions. Many of the City's capital projects are funded through the collection of special taxes, fees, and grants which are recorded in special revenue funds and transferred to the capital project once expenditures transpire. In addition, transfers are used to move revenues from the fund that statute or budget requires to collect it, to the fund that statute or budget requires to expend it, and the use of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

D. Leases

Operating Revenue Lease

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

Great Park

The Great Park fund receives revenue for several operating leases for sites within the former MCAS El Toro. The Great Park is currently under development and lease rentals are only projected as far out as June 2022, with some leases expiring or planned to be terminated sooner. The leases are for green waste recycling, office/manufacturing buildings, farming and other uses of the property.

A lease with Tierra Verde Industries that began in May 2006 has been amended and restated over the years and is for two parcels located in the Great Park. The first parcel is used as a green waste recycling center. The quarterly rental for this property as of June 30, 2021, is \$125,267 per quarter. An additional \$0.69 per ton is charged as a Green Waste Host Fees and the amount collected as of June 30, 2021, was \$506,624. The second leased parcel are buildings used for office space, light maintenance and manufacturing. The rents received for both parcels for the fiscal year ended June 30, 2021, was \$606,518. The current lease agreement terminates May 20, 2022.

A farming lease with El Toro Farms, LLC to grow strawberries and vegetable crops began in July 2005 and has been renewed over the years. The lease terminates June 30, 2022. Rental revenue at June 30, 2021, was \$31,596.

A lease with Orange County Produce to grow strawberries and other crops began in July 2010. The lease terminates June 30, 2021. Rental revenue at June 30, 2021, was \$15,023.

A lease with AMCI/Omnicom for the use of other sites within the Great Park is month to month with \$18,000 received in the fiscal year ended June 30, 2021.

The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2021, is as follows (amounts expressed in thousands):

Fiscal Year Ending June 30	Annual Rent
2022	\$ 629
	\$ 629

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

General Fund

The City has ongoing operating lease agreements for farming, retail space, right of way, facilities, and cell sites which expire at various dates through 2043. Rental revenue reported by the operating lease agreements for the fiscal year ended June 30, 2021, amounted to \$998,411. The future minimum rental revenue to be received from the aforementioned operating leases, as of June 30, 2021, is as follows (amounts expressed in thousands):

Fiscal Year Ending June 30	Annual Rent
2022	\$ 1,110
2023	1,042
2024	795
2025	717
2026	722
2027-2031	2,286
2032-2036	1,163
2037-2041	242
Thereafter	20
	\$ 8,097

E. Changes in Long-term Liabilities

For the fiscal year ended June 30, 2021, changes in long-term liabilities are as follows (amounts expressed in thousands):

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Long- Term	Due Within One Year
Compensated absences	\$ 17,328	\$ 6,340	\$ 5,552	\$ 18,116	\$ 12,611	\$ 5,505
Claims payable	17,773	5,658	2,429	21,002	15,872	5,130
Total Long-Term Liabilities	\$ 35,101	\$ 11,998	\$ 7,981	\$ 39,118	\$ 28,483	\$ 10,635

F. Special Assessment Debt with No City Commitment

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

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

Non-committal debt amounts issued and outstanding at June 30, 2021, are as follows (amounts expressed in thousands):

Variable Rate Issues		Bonds Issued	Bonds Outstanding
07-22	Stonegate	\$ 40,000	\$ 7,551
05-21	Orchard Hills	79,265	31,644
04-20	Portola Springs	78,605	5,261
03-19	Woodbury	121,600	42,517
00-18	Shady Canyon/Turtle Ridge/Quail Hill	84,800	8,683
85-7	Irvine Spectrum 1, 3, and 4	41,150	26,527
87-8	Irvine Spectrum 5	74,700	13,586
93-14	Irvine Spectrum 6 and 7	72,400	54,537
94-13	Oak Creek	61,600	16,107
97-16	Northwest Irvine	60,000	25,168
97-17	Lower Peters Canyon East	95,000	31,754
Total Variable Rate Issues		809,120	263,335
Fixed Rate Issues		Bonds Issued	Bonds Outstanding
04-20	Portola Springs 2014	14,460	-
04-20	Portola Springs 2015	21,485	19,248
04-20	Portola Springs 2017	30,200	27,788
04-20	Portola Springs 2019	40,490	40,490
05-21	Orchard Hills 2014	74,860	67,025
05-21	Orchard Hills 2016	16,235	15,315
05-21	Orchard Hills 2017	19,500	19,085
05-21	Orchard Hills 2018	27,995	27,995
07-22	Stonegate	28,350	20,400
13-25	Eastwood	34,430	29,472
12-1	Reassessment District	126,220	48,805
13-1	Reassessment District	80,755	48,760
15-1	Reassessment District	47,360	26,135
15-2	Reassessment District	50,625	42,505
19-1	Reassessment District	48,860	47,925
21-1	Reassessment District	44,165	44,165
CFD 2004-1	Central Park	18,510	16,880
CFD 2005-2	Columbus Grove	16,975	12,965
CFD 2013-3	Great Park 2014	72,700	72,395
CFD 2013-3	Great Park 2016	135,835	133,175
CFD 2013-3	Great Park 2018	72,420	72,125
Total Fixed Rate Issues		1,022,430	832,653
Total All Issues		\$ 1,831,550	\$ 1,095,988

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

G. Fund Balance Classifications

Fund balances in the governmental funds at June 30, 2021 have been classified as follows (amounts expressed in thousands):

	General	Great Park	Local Park Fees	Grants	Great Park Development	Irvine Business Complex	Other Governmental Funds	Total Governmental Funds
Non Spendable								
Endowment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 506	\$ 506
Prepaid expenditures	1,396	716	-	-	719	-	-	2,831
Subtotal	1,396	716	-	-	719	-	506	3,337
Restricted for:								
Streets, roads, & facilities	-	-	-	-	-	112,551	347,547	460,098
Park & public park facilities	-	-	143,593	-	-	-	100	143,693
Great Park development and operations	-	27,522	-	-	-	-	-	27,522
Animal care activities	-	-	-	507	-	-	-	507
Development activities	212	-	-	-	-	-	-	212
Affordable housing activities	-	-	-	-	-	-	3,926	3,926
Air quality improvement activities	-	-	-	-	-	-	501	501
Public safety programs	-	-	-	2,499	-	-	121	2,620
Public education	-	-	-	-	-	-	922	922
Public transportation	-	-	-	-	-	-	1,112	1,112
Senior nutrition programs and activities	-	-	-	408	-	-	-	408
Other programs and activities	-	-	-	1,594	-	-	629	2,223
Subtotal	212	27,522	143,593	5,008	-	112,551	354,858	643,744
Committed to:								
Streets, roads, & facilities	-	-	-	-	-	-	100,831	100,831
Contingency reserve	57,664	-	-	-	-	-	-	57,664
Public safety services	-	-	-	54	-	-	40	94
Lighting, landscape, & park maintenance	-	-	-	-	-	-	2,541	2,541
Subtotal	57,664	-	-	54	-	-	103,412	161,130
Assigned to:								
Streets, roads, & facilities	-	-	-	-	-	-	107	107
Park & public facilities	-	-	-	-	-	-	4,998	4,998
Great Park development and operations	-	239,722	-	-	14,605	-	-	254,327
Compensated absences	3,259	-	-	-	-	-	-	3,259
Development activities	1,532	-	-	-	-	-	-	1,532
Education	2,177	-	-	-	-	-	-	2,177
Infrastructure and rehabilitation	92,227	4,572	-	-	-	-	-	96,799
Other programs and activities	179	-	-	-	-	-	-	179
Subtotal	99,374	244,294	-	-	14,605	-	5,105	363,378
Unassigned:	-	-	-	(17)	-	-	-	(17)
Total	<u>\$ 158,646</u>	<u>\$ 272,532</u>	<u>\$ 143,593</u>	<u>\$ 5,045</u>	<u>\$ 15,324</u>	<u>\$ 112,551</u>	<u>\$ 463,881</u>	<u>\$ 1,171,572</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

H. Successor Agency Trust for Assets of Former Redevelopment Agency

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

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

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

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

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

Cash and Investments

Cash and investments reported in the accompanying financial statements as of June 30, 2021 were (amounts expressed in thousands):

Cash and investments \$ 13,685

Advances from the City of Irvine

Advances payable to the City for the year ended June 30, 2021, were as follows (amounts expressed in thousands):

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Advances from the City - Settlement agreement	\$ 171,450	\$ -	\$ 38,815	\$ 132,635
Total	\$ 171,450	\$ -	\$ 38,815	\$ 132,635

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

On October 24, 2014, a settlement agreement was entered into that resolved lawsuits filed by the City, Successor Agency, and Irvine Community Land Trust against the State of California. The lawsuit was related to debts owed by the former Redevelopment Agency to the City and Irvine Community Land Trust that the State Department of Finance denied property tax funding. The settlement agreement calls for the State to remit to the Successor Agency a total of \$292,000,000 in property tax receipts over an unspecified period. Which when received by the Successor Agency will be remitted to the City and the City disbursing 10 percent of the settlement received to the Irvine Community Land Trust. As of June 30, 2021, the outstanding balance due to the City is \$13,263,494.

Insurance Coverage

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

I. Discretely Presented Component Unit

Organization and Nature of Business

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

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

Cash and Investments

Cash and investments reported in the accompanying financial statements as of June 30, 2021 were (amounts expressed in thousands):

Cash	\$	2,691
Investments:		
Cash and money market		8,673
Fixed income		3,888
Equities		809
Accrued income		25
Total cash and investments	\$	16,086

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

Capital Assets

Capital asset activity for the Land Trust for the year ended June 30, 2021, was as follows (amounts expressed in thousands):

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Component Unit Activities:				
Capital assets, not being depreciated:				
Land	\$ 33,000	\$ -	\$ -	\$ 33,000
Total capital assets not being depreciated	33,000	-	-	33,000
Capital assets, being depreciated:				
Buildings and systems	2,668	4	-	2,672
Machinery and equipment	6	12	-	18
Total capital assets being depreciated	2,674	16	-	2,690
Less accumulated depreciation for:				
Buildings and systems	(743)	(89)	-	(832)
Machinery and equipment	(3)	(1)	-	(4)
Total accumulated depreciation	(746)	(90)	-	(836)
Total capital assets, being depreciated, net	1,928	(74)	-	1,854
Component unit activities capital assets, net	\$ 34,928	\$ (74)	\$ -	\$ 34,854

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

Notes Receivable

The Land Trust has entered into several low interest loan agreements with developers for the development of residential rental units and related improvements. The interest rate on these loans range from 1 percent to 3 percent. Payment of principal and interest are due from available positive net cash flow derived from the developers' operations of the rental units or due and payable in a lump-sum payment on the maturity date which is 30 years after all units in the project have received all required occupancy permits from the City. Notes receivable to the Land Trust for the year ended June 30, 2021, were as follows (amounts expressed in thousands):

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Principal	\$ 11,143	\$ -	\$ 7	\$ 11,134
Interest	492	272	34	730
	\$ 11,635	\$ 272	\$ 42	\$ 11,864

Settlement Income and Receivable

On October 27, 2014, a settlement agreement was entered into that resolved lawsuits filed by the City, Successor Agency, and Land Trust against the State of California. The lawsuit was related to debts owed by the former Redevelopment Agency to the City and Land Trust that the State Department of Finance denied property tax funding. The agreement provides the Land Trust will receive a minimum

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

III. Detailed Notes on All Funds (Continued)

of \$14,600,000, from the amounts received by the City. In January 2016, the City Council voted to increase the amount of funds dedicated to the Land Trust by an additional \$14,600,000, for a total amount due of \$29,200,000. The amount has been discounted at a rate of 6 percent to achieve an estimated value at June 30, 2021, of \$11,489,851

On the fund financial statements, the amount due to the Land Trust is not discounted and reported as due to component unit. The amount due to the component unit at June 30, 2021, was \$13,263,493.

J. Restatement

The City adopted the provisions of the Governmental Accounting Standard Board (GASB) Statement No. 84, *Fiduciary Activities*, which became effective during the year ended June 30, 2021. The intention of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

The implementation of the Statement required the City to make prior period adjustments. As a result, the beginning net positions of Fiduciary Funds were restated and increased by \$136,495,035.

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City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information

A. Risk Management

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

The City is a member of CIPA in order to jointly purchase insurance coverage and to share costs for professional risk management, claim administration, and group purchasing of insurance products with 12 other cities from Orange, Los Angeles, and San Bernardino Counties. Premiums paid during the fiscal year ended June 30, 2021, were 2,980,375. CIPA uses independent actuaries and underwriters to determine premiums and help set insurance limits and deductible levels. The pool is managed by an independent general manager and contracted legal advisers. Three internal subcommittees are made up of City members to provide direction on underwriting and claims activities. The Governing Board of CIPA is comprised of one member from each participating City and is responsible for the selection of the independent general manager, legal counsel and electing subcommittee members.

The City retains a risk of loss due to the fact that actual losses may exceed estimated claims or coverage amounts. Settled claims have not exceeded any of the City's coverage amounts in any of the last three fiscal years, and there were no reductions in the City's coverage during the fiscal year ended June 30, 2021. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2021, \$21,001,906 had been accrued for general liability and workers' compensation claims in the fund. This amount represents the estimated outstanding losses including case reserves, the development on known claims and incurred but not reported claims based upon past experience, modified for current trends and information, including all claims adjustment expenses. The liabilities included in the self-insurance fund are based on the results of an actuarial review performed during the 2020-21 fiscal year. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2019, resulted in the following (amounts expressed in thousands):

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
Liability Balance, July 1, 2019	\$ 14,396	\$ 1,895	\$ 16,291
Changes in estimates	3,884	516	4,400
Claim payments during 2019-2020	<u>(2,167)</u>	<u>(751)</u>	<u>(2,918)</u>
Liability Balance, June 30, 2020	<u>16,113</u>	<u>1,660</u>	<u>17,773</u>
Changes in estimates	2,939	2,719	5,658
Claim payments during 2020-2021	<u>(1,900)</u>	<u>(529)</u>	<u>(2,429)</u>
Liability Balance, June 30, 2021	<u><u>\$ 17,152</u></u>	<u><u>\$ 3,850</u></u>	<u><u>\$ 21,002</u></u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

B. Contingencies

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

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

C. Other Post Employment Benefits

Voluntary Employees' Beneficiary Association

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

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, 2021, employer contributions were \$3,135,285 and participant contributions were \$348,724. Copies of the MOUs may be obtained from City Hall.

Retirement Health Savings

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

Funding Policy The City is required to contribute 2 or 3 percent of base salary depending on the employee association's MOU. For the year ended June 30, 2021, the City contributed \$301,089 to the RHS plan. The Plan is administered by Meritain Health.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

Other Post Employment Benefits (OPEB)

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

Employee Group

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

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

Employees Covered As of June 30, 2021, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employee	791
Inactive employees or beneficiaries currently receiving benefits	93
Total	884

Implied Subsidy The OPEB Plan and its contribution requirements are established by MOU with the applicable employee associations and may be amended by negotiation between the City and the associations. The retired plan members receiving benefits makes contributions at the premium rates identical to those charged for the City's active employees. While the City does not directly contribute towards the cost of the premium, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the retirees, called an "implied subsidy." The implied subsidy is considered to be another post-employment benefit of the City. For the year ended June 30, 2021, the City's contribution (implicit subsidy) was \$449,412.

OPEB Liability The City's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation dated July 1, 2020. The total OPEB liability was based on the following actuarial methods and assumptions:

Discount rate	1.92%
Salary increases	3.00%
Inflation rate	2.75%
Mortality rate	(1)
Healthcare cost trend rate	(2)

(1) Pre-retirement mortality rates for Miscellaneous (Non-Sworn) were based on the Preretirement Mortality Rates for Public Agency Miscellaneous from 2017 CalPERS Experience Study and the Sworn rates were based on the Preretirement Mortality Rates for Public Agency Police from 2017 CalPERS Experience Study. Post-retirement mortality rates for Miscellaneous (Non-Sworn) were

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

based on the Postretirement Mortality Rates for Public Agency Miscellaneous from 2017 CalPERS Experience Study and the Sworn rates were based on the Postretirement Mortality Rates for Public Agency Police from 2017 CalPERS Experience Study.

- (2) Four percent for 2021-23; 5.20 percent for 2021-69, and 4.00 percent for 2070 and later years. Medicare ages: 3.50 percent for all years.

Discount Rate The discount rate used to measure the total OPEB liability was 1.92 percent. GASB 75 requires a discount rate that reflects the following:

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

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

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

	Total OPEB Liability
Balance at: 6/30/2020	\$ 8,219
Changes for the year:	
Service cost	605
Interest expense	222
Change of assumptions	306
Differences between expected experience	585
Benefit payments	(449)
Net Change	1,269
Balance at: 6/30/2021	\$ 9,488

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate The following presents the total OPEB liability of the City as the measurement date, calculated using the discount rate of 1.92 percent as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (0.92 percent) or 1 percentage-point higher (2.92 percent) than the current rate (amounts expressed in thousands).

	Discount Rate -1% 0.92%	Current Discount Rate 1.92%	Discount Rate +1% 2.92%
Total OPEB Liability	\$ 10,371	\$ 9,488	\$ 8,695

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

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

	1% Decrease ^(a)	Healthcare Cost Trend Rate	1% Increase ^(b)
Total OPEB Liability	\$ 8,442	\$ 9,488	\$ 10,715

- (a) Three percent for 2021-2023; 4.2 percent for 2024-69, and 3.00 percent for 2070 and later years. Medicare ages: 2.50 percent for all years.
- (b) Five percent for 2021-23; 6.20 percent for 2021-69, and 5.00 percent for 2070 and later years. Medicare ages: 4.50 percent for all years.

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

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

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

OPEB Expense and Deferred Outflows and Deferred Inflow of Resources Related to OPEB As of the start of the measurement period (July 1, 2020), the total OPEB liability/(asset) was \$8,218,744. For the measurement period ending June 30, 2021 (the measurement date), the City incurred a OPEB expense of \$1,058,766 for the plan.

As of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to OPEB as follows (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 503	\$ -
Change in assumptions	753	-
Total	\$ 1,256	\$ -

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

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

Measurement Period Ending June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 232
2023	232
2024	232
2025	232
2026	181
Thereafter	147

D. Employee Retirement Systems and Pension Plans

The following is a summary of pension related items for the year ended June 30, 2021, (amounts expressed in thousands).

	Governmental Activities
Deferred Outflow of Resources:	
Defined Benefit Pension Plan	\$ 297
CalPERS Sworn Plan	31,083
CalPERS Miscellaneous Plan	28,023
Total Deferred Outflow of Resources	\$ 59,403
Deferred Inflow of Resources:	
Defined Benefit Pension Plan	\$ 1,454
CalPERS Sworn Plan	1,597
CalPERS Miscellaneous Plan	663
Total Deferred Inflow of Resources	\$ 3,714
Net Pension Liability:	
Defined Benefit Pension Plan	\$ 1,852
CalPERS Sworn Plan	65,342
CalPERS Miscellaneous Plan	86,784
Total Net Pension Liability	\$ 153,978
Pension Expense/(Income):	
Defined Benefit Pension Plan	\$ (440)
CalPERS Sworn Plan	17,147
CalPERS Miscellaneous Plan	22,031
Total Net Pension Expense	\$ 38,738

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

City of Irvine Defined Benefit Pension Plan

Plan Description Prior to February 2, 2002, the City provided pension benefits for all of its sworn employees through the City of Irvine Defined Benefit Pension Plan. The City of Irvine Defined Benefit Pension Plan is a single-employer defined benefit pension plan established by City resolution and administered in accordance with the provisions of the Plan document adopted on April 1, 1975, and subsequently restated on January 1, 1984, July 1, 1996, January 1, 2004, and January 1, 2012.

On February 2, 2002, the City contracted with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits for sworn employees. The Plan is closed to new participants. An actuarial valuation is performed annually to determine the actuarial implication of the Plan's funding policy. The last actuarial valuation date was January 1, 2021. The City issues a publicly available financial report that includes financial statements and required supplementary information for the City of Irvine Defined Benefit Pension Plan. Copies of the annual financial report may be obtained from City Hall.

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

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

Employees Covered At December 31, 2020 (measurement date), the following employees were covered by the benefit terms for the Plan.

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

Contribution Description The City of Irvine Defined Benefit Pension Plan as restated January 1, 2012, Section 9 states the employer shall regularly make contribution under the Plan which, together with the assets held in the Trust Fund, will be adequate to finance the Plan's benefits on an actuarial basis consistent with the funding policy adopted for the Plan by the Administrator. The total plan contributions are determined through an annual actuarial process. The actuarially determined rate is the estimated amount necessary to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employee. The fiscal year 2019-20, employer contribution rates were are follows:

	Normal Cost	Unfunded Liabilities
July 1 to December 31, 2020	37.39%	187.28%
January 1 to June 30, 2021	36.73%	161.47%

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

Employees covered under the Plan contributed 12 percent of pensionable-base compensation. For the fiscal year ended June 30, 2021, the City made contributions of \$594,717.

Net Pension Liability The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of December 31, 2020, using an annual actuarial valuation as of January 1, 2021. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions The total pension liability in the January 1, 2021, actuarial valuations were determined using the following actuarial assumptions:

Valuation date	January 1, 2021
Measurement date	December 31, 2020
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	5.25%
Inflation	3.00%
Salary increases	5.00%
Mortality	RP-2014 Blue Collar Table with Improvement Scale MP-2020
Post-retirement benefit increase	2.00%

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

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

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

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

*To accommodate the payment of withdrawals and benefits.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

Change in Assumptions During the measurement period ended December 31, 2020 the following changes were made to assumptions:

- The mortality assumption was updated from RP-2014 Blue Collar mortality with mortality improvement scale MP-2018 to RP-2014 Blue Collar mortality with mortality improvement scale MP-2020.
- The retirement assumption was updated from 15 percent at each age from 50-59 and 100 percent at age 60 to 15 percent at each age from 50-64 and 100 percent at age 65.

Discount Rate The discount rate for funding purposes is 5.25 percent. Paragraph 43 of GASB Statement No. 67 provides for an alternative method to be used other than the projection of the pension plan's fiduciary net position based on projected contributions, benefit payments and investment earnings. The City's current contribution policy requires the City to contribute the normal cost plus the ten year closed amortization of the unfunded liabilities as of January 1, 2019 plus the 20 year closed amortization of additional unfunded liabilities in each future year in the fiscal year following the annual valuation. The unfunded liabilities as a percent of actuarial asset values as of January 1, 2021 was 16.8 percent. Based on actuarial theory if the actuarial assumptions are met, the plan's fiduciary net position will remain positive.

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at: 12/31/2019	\$ 23,761	\$ 20,036	\$ 3,725
Changes for the year:			
Service cost	98	-	98
Interest expense	1,213	-	1,213
Change of assumptions	(461)	-	(461)
Differences between expected and actual experience	160	-	160
Contributions-employer	-	595	(595)
Contributions-employee	-	31	(31)
Net investment income	-	2,280	(2,280)
Benefit payments, including refunds of employee contributions	(1,414)	(1,414)	-
Administrative expenses	-	(23)	23
Net Change	(404)	1,469	(1,873)
Balance at: 12/31/2020	<u>\$ 23,357</u>	<u>\$ 21,505</u>	<u>\$ 1,852</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 5.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.25 percent) or 1 percentage-point higher (6.25 percent) than the current rate (amounts expressed in thousands):

	Discount Rate -1% 4.25%	Current Discount Rate 5.25%	Discount Rate +1% 6.25%
Plan's Net Pension Liability	\$ 4,588	\$ 1,852	\$ 432

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

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

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

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

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (January 1, 2020), the net pension liability was \$3,725,408. For the measurement period ending December 31, 2020 (the measurement date), the City incurred a pension income of \$439,522 for the Plan.

As of December 31, 2020, the City has deferred outflows and deferred inflows of resources related to pensions were as follows (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Change in assumptions	-	-
Contributions made after the measurement date	297	-
Net difference between projected and actual earnings on pension plan investments	-	1,454
Total	\$ 297	\$ 1,454

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

The \$297,359 reported as deferred outflow of resources related to the contribution made after the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows (amounts expressed in thousands):

Measurement Period Ending December 31,	Deferred Outflows/(Inflows) of Resources
2021	\$ (394)
2022	(248)
2023	(562)
2024	(250)
2025	-
Thereafter	-

City of Irvine Defined Contribution Pension Plan

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

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

At December 31, 2020, the Plan had 48 members, consisting of seven active members, and 41 terminated members. All 48 members are fully vested in the Plan. Total Plan assets were \$13,106,710. Effective April 1996, the Plan became participant-directed. Participants may direct investment of employer contributions and earnings in 1 percent increments among investment options with the third party administrator, Wells Fargo Bank.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

Employer contributions to the Plan during the fiscal year ended December 31, 2020 were \$87,445 and participant contributions were \$46,027. For additional details concerning the transition to CalPERS, see the note below related to miscellaneous (non-sworn) employees.

City of Irvine Defined Contribution Pension Plan – 401a

Plan Description The City provides a pension benefit through a 401a Pension Plan for certain full-time employees. The City is responsible for the administration of the Plan with the City Council having the authority to amend or terminate contribution provisions. Retirement benefits depend on amounts contributed plus investment earning. Employer contribution rates to the Plan are determined by negotiation between the City and the employee associations and detailed along with other wage and benefit issues in MOUs between those entities. Copies of the MOUs may be obtained from City Hall. Financial reports are not prepared for this Plan.

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

Annual Pension Cost Employer contributions to the Plan as of June 30, 2021, was \$1,375,758.

CalPERS Defined Benefit Pension Plan

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

Benefits Provided CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

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

Employees Covered At June 30, 2020 (measurement date), the following employees were covered by the benefit terms for the Plan:

	Sworn Plan	Miscellaneous Plan
Active members	214	751
Retired members and beneficiaries	134	456
Terminated members	49	505
Transferred members	52	391
Total	<u>449</u>	<u>2,103</u>

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

The employer required contribution rates for the sworn and miscellaneous plans for fiscal year 2020-21 were as follows:

	Sworn	Miscellaneous
Normal Cost Rate	24.080%	11.703%
Employer Unfunded Accrued Liability Contribution ⁽¹⁾	22.184%	17.257%
	46.264%	28.960%

⁽¹⁾ The Employer Unfunded Accrued Liability Contribution (UAL) amount is either paid monthly or prepaid at the beginning of the fiscal year to CalPERS. The City elected to prepay the UAL of \$6,417,282 and \$10,495,020 for the sworn and miscellaneous plans, respectively.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

The employee required contribution rates for the sworn and miscellaneous plans for fiscal year 2020-21 were as follows:

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

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

For the fiscal year ended June 30, 2021, the City made contributions of \$15,516,681 for the sworn plan and \$19,839,056 for the miscellaneous plan.

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

Fiscal Year Ended June 30,	Sworn Plan Payments	Miscellaneous Plan Payments
2013	\$ 1,500	\$ 3,500
2014	2,500	5,500
2015	1,000	4,000
2016	1,000	4,000
2017	3,000	4,000
2018	4,000	3,000
2019	5,286	5,876
2021	2,500	2,500
Total	\$ 20,786	\$ 32,376

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

Net Pension Liability The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is provided below.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

Actuarial Assumptions The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies on entry age and duration of service
Mortality ⁽¹⁾	Derived using CalPERS membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

⁽¹⁾ The mortality table used was developed based on CalPER's specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 year of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change in Assumptions In fiscal year 2019-20 (measurement date of June 30, 2020) there were no changes in assumptions.

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

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

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

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

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

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City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

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

<u>Sworn Plan</u>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 6/30/2019	\$ 302,874	\$ 241,806	\$ 61,068
Changes for the year:			
Service cost	9,569	-	9,569
Interest on total pension liability	21,582	-	21,582
Difference between expected and actual experience	242	-	242
Contributions-employer	-	12,327	(12,327)
Contributions-employee	-	2,942	(2,942)
Net investment income	-	12,191	(12,191)
Benefit payments, including refunds of employee contributions	(12,115)	(12,115)	-
Administrative expense	-	(341)	341
Net changes	19,278	15,004	4,274
Balance at 6/30/2020	\$ 322,152	\$ 256,810	\$ 65,342

<u>Miscellaneous Plan</u>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 6/30/2019	\$ 437,268	\$ 355,492	\$ 81,776
Changes for the year:			
Service cost	11,119	-	11,119
Interest on total pension liability	31,020	-	31,020
Difference between expected and actual experience	913	-	913
Contributions-employer	-	16,229	(16,229)
Contributions-employee	-	4,420	(4,420)
Net investment income	-	17,896	(17,896)
Benefit payments, including refunds of employee contributions	(19,785)	(19,785)	-
Administrative expense	-	(501)	501
Net changes	23,267	18,259	5,008
Balance at 6/30/2020	\$ 460,535	\$ 373,751	\$ 86,784

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

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

<u>Plan's Net Pension Liability / (Assets)</u>	<u>Discount Rate -1% 6.15%</u>	<u>Current Discount Rate 7.15%</u>	<u>Discount Rate +1% 8.15%</u>
Sworn Plan	\$ 114,464	\$ 65,342	\$ 25,568
Miscellaneous Plan	149,582	86,784	34,997
Combined Total	<u>\$ 264,046</u>	<u>\$ 152,126</u>	<u>\$ 60,565</u>

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

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

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

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

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

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

The Plan's EARSL for the 2019-20 measurement period, ended June 30, 2020, is 6.0 years for the Sworn Plan and 4.1 years for the Miscellaneous Plan, which was obtained by dividing the total service years (the sum of remaining service lifetimes of the active employees) by the total number of participants: active, inactive and retired. Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (July 1, 2019), the net pension liability was \$61,067,906 for the Sworn Plan and \$81,776,191 for the Miscellaneous Plan. For the measurement period ending June 30, 2020 (the measurement date), the City incurred a pension expense of \$17,146,846 and \$22,031,063 for the Sworn and Miscellaneous Plans, respectively.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

As of June 30, 2020 (measurement date), the City's deferred outflows and deferred inflows of resources related to pensions were as follows (amounts expressed in thousands):

	Sworn Plan		Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,631	\$ 202	\$ 5,014	\$ -
Change in assumptions	6,544	1,395	-	663
Contributions made after the measurement date	15,517	-	19,839	-
Net difference between projected and actual earnings on pension plan investments	2,391	-	3,170	-
Total	<u>\$ 31,083</u>	<u>\$ 1,597</u>	<u>\$ 28,023</u>	<u>\$ 663</u>

The amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense.

The \$15,516,681 and \$19,839,056 reported as deferred outflow of resources related to the contribution made after the measurement date for each Plan, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows (amounts expressed in thousands):

Measurement Period Ending June 30,	Sworn Plan	Miscellaneous Plan
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2021	\$ 3,515	\$ 1,000
2022	4,666	2,597
2023	4,047	2,401
2024	1,671	1,523
2025	70	-
Thereafter	-	-

At June 30, 2021, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

Public Agency Retirement System Defined Contribution Plan

Plan Description The City's part-time, seasonal and temporary employees that are ineligible for another retirement plan are eligible to participate in the Public Agency Retirement Systems Trust (PARS). PARS is a 401(a) defined contribution plan. The City is responsible for the administration of the Plan with the City Council having the authority to amend, modify or terminate the provisions and contributions. Retirement benefits depend on amounts contributed plus investment earnings. Copies of PARS' annual financial report may be obtained from its executive office: P.O. Box 1291, Newport Beach, California 92658.

Funding Policy Eligible participants are required to contribute 4.3 percent of their base compensation into the Plan. The City shall contribute an amount equal to 3.2 percent of the base salary compensation. Plan participants have the right to 100 percent of their account balance upon their

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

IV. Other Information (Continued)

death, termination of employment, permanent and total disability, or upon attainment of normal retirement age of 59.5 under the Plan.

Annual Pension Cost As of June 30, 2021, the Plan had 747 members and total Plan assets were \$2,445,556. For the year ended June 30, 2021, employer contributions were \$146,051 and participant contributions were \$193,124.

E. Permanent Fund

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

The net position of the fund includes a nonexpendable amount of \$505,509, which is reported as part of Restricted Net Position, Nonexpendable. Expendable donations and accrued interest of \$374,721 are available for expenditure and are reflected as Restricted Net Position, Expendable.

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City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

City of Irvine Defined Benefit Pension Plan for Sworn Employees

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

	2020	2019
Total Pension Liability		
Service cost	\$ 98	\$ 114
Interest on total pension liability	1,213	1,088
Changes of benefits terms	-	-
Difference between expected and actual experience	160	182
Changes in assumptions	(461)	3,277
Benefit payments, including refunds of employee contributions	(1,414)	(1,271)
Net Change in Total Pension Liability	\$ (404)	\$ 3,390
Total Pension Liability - Beginning	23,761	20,371
Total Pension Liability - Ending (a)	\$ 23,357	\$ 23,761
Plan Fiduciary Net Position		
Contribution - employer	\$ 595	\$ 262
Contribution - employee	31	46
Net investment income	2,280	2,550
Benefit payments, including refunds of employee contributions	(1,414)	(1,271)
Administrative expenses	(23)	(27)
Other changes in fiduciary net position	-	-
Net Change in Plan Fiduciary Net Position	\$ 1,469	\$ 1,560
Plan Fiduciary Net Position - Beginning	20,036	18,476
Plan Fiduciary Net Position - Ending (b)	\$ 21,505	\$ 20,036
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 1,852	\$ 3,725
Plan fiduciary net position as a percentage of the total pension liability funded status	92.07%	84.32%
Covered payroll	\$ 264	\$ 379
Plan net pension liability/(asset) as a percentage of covered payroll	701.52%	982.85%

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

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

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

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

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

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

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾

	2020-21	2019-20
Actuarially determined contribution ⁽²⁾	\$ 557	\$ 425
Contribution in relation to the actuarially determined contribution	(595)	(429)
Contribution deficiency (excess)	\$ (38)	\$ (4)
Covered payroll	\$ 264	\$ 323
Contributions as a percentage of covered payroll	210.98%	131.78%

Notes to Schedule

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

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

- (1) Historical information is required only for the fiscal year which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore only seven years are shown.
- (2) The fiscal year employer contribution is comprised of two actuarial valuations. The July 1 to December 31 contributions uses the prior year valuation and January 1 to June 30 contributions uses the current year's valuation.
- (3) 10 year amortization of the unfunded liability
- (4) 50% at age 50, 20% from age 51 to 54, 100% at age 55
- (5) 1983 Group Annuity Mortality Table-Male use for post-retirement mortality rates is experience based. Most members of this plan are disabled. As such, mortality projections have been considered and deemed inappropriate for the group as a whole.
- (6) 15% from age 50 to 59, 100% at age 60
- (7) RP-2014 Blue Collar Table with Improvement Scale MP-2018
- (8) Closed 20-year amortization for any future assets or liability gains or losses with the current 10-year closed amortization for losses existing at January 1, 2019.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

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

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

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

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees

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

	2020	2019
Total Pension Liability		
Service cost	\$ 9,569	\$ 9,169
Interest on total pension liability	21,582	20,284
Changes of benefits terms	-	-
Difference between expected and actual experience	242	1,733
Changes in assumptions	-	-
Benefit payments, including refunds of employee contributions	(12,115)	(11,362)
Net Change in Total Pension Liability	\$ 19,278	\$ 19,824
Total Pension Liability - Beginning	302,874	283,050
Total Pension Liability - Ending (a)	\$ 322,152	\$ 302,874
Plan Fiduciary Net Position		
Contribution - employer	\$ 12,327	\$ 16,464
Contribution - employee	2,942	2,830
Net investment income	12,191	14,618
Benefit payments, including refunds of employee contributions	(12,115)	(11,362)
Net plan to plan resource movement	-	-
Administrative expense	(341)	(157)
Other miscellaneous income / (expense)	-	1
Net Change in Fiduciary Net Position	\$ 15,004	\$ 22,394
Plan Fiduciary Net Position - Beginning	241,806	219,412
Plan Fiduciary Net Position - Ending (b)	\$ 256,810	\$ 241,806
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 65,342	\$ 61,068
Plan fiduciary net position as a percentage of the total pension liability funded status	79.72%	79.84%
Covered payroll	\$ 30,190	\$ 29,489
Plan net pension liability/(asset) as a percentage of covered payroll	216.44%	207.09%

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

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

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

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms.

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

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)

<u>2018⁽²⁾</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 9,005	\$ 8,348	\$ 6,966	\$ 6,238	\$ 6,341
18,924	17,393	16,258	14,875	13,661
-	-	-	-	-
6,915	(502)	5,005	4,152	-
(1,934)	16,239	-	(4,043)	-
<u>(10,118)</u>	<u>(9,131)</u>	<u>(8,705)</u>	<u>(8,114)</u>	<u>(7,391)</u>
\$ 22,792	\$ 32,347	\$ 19,524	\$ 13,108	\$ 12,611
<u>260,258</u>	<u>227,911</u>	<u>208,387</u>	<u>195,279</u>	<u>182,668</u>
<u><u>\$ 283,050</u></u>	<u><u>\$ 260,258</u></u>	<u><u>\$ 227,911</u></u>	<u><u>\$ 208,387</u></u>	<u><u>\$ 195,279</u></u>
\$ 14,077	\$ 11,332	\$ 8,628	\$ 8,369	\$ 11,701
2,708	2,760	2,286	2,131	2,694
16,943	19,779	791	3,683	24,267
(10,118)	(9,131)	(8,705)	(8,114)	(7,391)
-	-	-	1	-
(306)	(254)	(103)	(191)	-
<u>(582)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 22,722	\$ 24,486	\$ 2,897	\$ 5,879	\$ 31,271
<u>196,690</u>	<u>172,204</u>	<u>169,307</u>	<u>163,428</u>	<u>132,157</u>
<u><u>\$ 219,412</u></u>	<u><u>\$ 196,690</u></u>	<u><u>\$ 172,204</u></u>	<u><u>\$ 169,307</u></u>	<u><u>\$ 163,428</u></u>
<u><u>\$ 63,638</u></u>	<u><u>\$ 63,568</u></u>	<u><u>\$ 55,707</u></u>	<u><u>\$ 39,080</u></u>	<u><u>\$ 31,851</u></u>
77.52%	75.58%	75.56%	81.25%	83.69%
\$ 27,997	\$ 28,642	\$ 25,076	\$ 22,824	\$ 20,142
227.30%	221.94%	222.15%	171.22%	158.13%

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾

	<u>2020-21</u>	<u>2019-20</u>
Actuarially determined contribution	\$ 13,017	\$ 12,368
Contribution in relation to the actuarially determined contribution	<u>(15,517)</u>	<u>(12,368)</u>
Contribution deficiency (excess)	<u>\$ (2,500)</u>	<u>\$ -</u>
Covered payroll	\$ 30,544	\$ 30,190
Contributions as a percentage of covered payroll	50.80%	40.97%

Notes to Schedule of Plan Contributions:

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

- ^(A) All changes in plan amendments, actuarial assumptions, or actuarial methodology are amortized over a 20-year period. All new gains or losses are tracked and amortized over a rolling 30-year period.
- ^(B) 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.
- ^(C) Smoothing policy that pays all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.
- ^(D) 20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries.
- ^(E) 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.
- ⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2014-15 was the first year of implementation, therefore only seven years are shown.

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)

<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
\$ 11,291	\$ 10,085	\$ 8,332	\$ 7,628	\$ 7,369
<u>(16,577)</u>	<u>(14,085)</u>	<u>(11,332)</u>	<u>(8,628)</u>	<u>(8,369)</u>
<u>\$ (5,286)</u>	<u>\$ (4,000)</u>	<u>\$ (3,000)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
\$ 29,489	\$ 27,997	\$ 28,642	\$ 25,076	\$ 22,824
56.21%	50.31%	39.56%	34.41%	36.67%

June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Entry age normal Market value	Entry age normal Market value	Entry age normal Market value	Entry age normal Market value	Entry age normal Actuarial value
Level Percent of Pay	(C)	(C)	(C)	(A)
2.75%	2.75%	2.75%	2.75%	2.75%
3.00%	3.00%	3.00%	3.00%	3.00%
7.375%	7.50%	7.50%	7.50%	7.50%
54	54	54	54	54
(D)	(D)	(D)	(B)	(B)

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Miscellaneous Employees

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

	2020	2019
Total Pension Liability		
Service cost	\$ 11,119	\$ 11,066
Interest on total pension liability	31,020	29,415
Changes of benefits terms	-	-
Difference between expected and actual experience	913	4,525
Changes in assumptions	-	-
Benefit payments, including refunds of employee contributions	(19,785)	(18,171)
Net Change in Total Pension Liability	\$ 23,267	\$ 26,835
Total Pension Liability - Beginning	437,268	410,433
Total Pension Liability - Ending (a)	\$ 460,535	\$ 437,268
Plan Fiduciary Net Position		
Contribution - employer	\$ 16,229	\$ 21,162
Contribution - employee	4,420	4,521
Net investment income	17,896	21,764
Benefit payments, including refunds of employee contributions	(19,785)	(18,171)
Net plan to plan resource movement	-	-
Administrative expense	(501)	(233)
Other miscellaneous income / (expense)	-	1
Net Change in Fiduciary Net Position	\$ 18,259	\$ 29,044
Plan Fiduciary Net Position - Beginning	355,492	326,448
Plan Fiduciary Net Position - Ending (b)	\$ 373,751	\$ 355,492
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 86,784	\$ 81,776
Plan fiduciary net position as a percentage of the total pension liability funded status	81.16%	81.30%
Covered payroll	\$ 59,329	\$ 60,442
Plan net pension liability/(asset) as a percentage of covered payroll	146.28%	135.30%

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

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

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

Notes to Schedule

Benefit Changes: There were no changes to benefit terms.

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

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Miscellaneous Employees (Continued)

<u>2018⁽²⁾</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 10,637	\$ 9,862	\$ 8,634	\$ 8,319	\$ 8,705
27,596	25,872	24,811	23,375	22,042
-	-	-	-	-
6,298	(3,834)	220	(1,078)	-
(2,192)	21,963	-	(5,837)	-
<u>(16,884)</u>	<u>(15,327)</u>	<u>(14,031)</u>	<u>(12,552)</u>	<u>(11,398)</u>
\$ 25,455	\$ 38,536	\$ 19,634	\$ 12,227	\$ 19,349
<u>384,978</u>	<u>346,442</u>	<u>326,808</u>	<u>314,581</u>	<u>295,232</u>
<u>\$ 410,433</u>	<u>\$ 384,978</u>	<u>\$ 346,442</u>	<u>\$ 326,808</u>	<u>\$ 314,581</u>
\$ 17,035	\$ 16,687	\$ 15,938	\$ 15,677	\$ 19,604
4,242	4,186	3,801	3,634	4,186
25,501	30,227	1,347	5,653	35,985
(16,884)	(15,327)	(14,031)	(12,552)	(11,398)
(1)	-	-	(1)	-
(464)	(388)	(156)	(288)	-
<u>(882)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 28,547	\$ 35,385	\$ 6,899	\$ 12,123	\$ 48,377
<u>297,901</u>	<u>262,516</u>	<u>255,617</u>	<u>243,494</u>	<u>195,117</u>
<u>\$ 326,448</u>	<u>\$ 297,901</u>	<u>\$ 262,516</u>	<u>\$ 255,617</u>	<u>\$ 243,494</u>
<u>\$ 83,985</u>	<u>\$ 87,077</u>	<u>\$ 83,926</u>	<u>\$ 71,191</u>	<u>\$ 71,087</u>
79.54%	77.38%	75.77%	78.22%	77.40%
\$ 57,214	\$ 55,877	\$ 49,344	\$ 46,821	\$ 43,710
146.79%	155.84%	170.08%	152.05%	162.63%

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Miscellaneous Employees (Continued)

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾

	<u>2020-21</u>	<u>2019-20</u>
Actuarially determined contribution	\$ 17,339	\$ 16,235
Contribution in relation to the actuarially determined contribution	<u>(19,839)</u>	<u>(16,235)</u>
Contribution deficiency (excess)	<u>\$ (2,500)</u>	<u>\$ -</u>
Covered payroll	\$ 58,418	\$ 59,329
Contributions as a percentage of covered payroll	33.96%	27.36%

Notes to Schedule of Plan Contributions:

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

^(A) All changes in plan amendments, actuarial assumptions, or actuarial methodology are amortized over a 20-year period. All new gains or losses are tracked and amortized over a rolling 30-year period.

^(B) 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.

^(C) Smoothing policy that pays all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.

^(D) 20 years of projected on-going mortality improvement using Scale BB published by

^(E) 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

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

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

CalPERS Defined Benefit Pension Plan for Miscellaneous Employees (Continued)

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

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

City of Irvine
Required Supplementary Information
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

City of Irvine Other Post Employment Benefit Plan (OPEB)

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

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 605	\$ 537	\$ 505	\$ 490
Interest on total OPEB liability	222	242	239	227
Difference between expected and actual experience	585	-	-	-
Changes in assumptions	306	454	291	-
Benefit payments, including refunds of employee contributions	(449)	(431)	(401)	(380)
Net Change in Total OPEB Liability	\$ 1,269	\$ 802	\$ 634	\$ 337
Total OPEB Liability - Beginning	8,219	7,417	6,783	6,446
Total OPEB Liability - Ending	<u>\$ 9,488</u>	<u>\$ 8,219</u>	<u>\$ 7,417</u>	<u>\$ 6,783</u>
Covered - employee payroll	\$ 77,536	\$ 77,898	\$ 78,178	\$ 74,034
Total OPEB Liability/(Asset) as a percentage of covered - employee payroll	12.24%	10.55%	9.49%	9.16%

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

Notes to Schedule

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





OTHER GOVERNMENTAL FUNDS

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

City of Irvine
Combining Balance Sheet
Other Governmental Funds
June 30, 2021
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund	Total Other Governmental Funds
ASSETS				
Cash and investments	\$ 62,554	\$ 378,817	\$ 879	\$ 442,250
Receivables, net of allowances:				
Taxes	1,767	-	-	1,767
Accounts	143	819	-	962
Accrued interest	157	362	2	521
Due from other governments	967	4,575	-	5,542
Due from developers	-	23,810	-	23,810
Long-term notes receivable, net of allowances	462	-	-	462
Total Assets	<u>\$ 66,050</u>	<u>\$ 408,383</u>	<u>\$ 881</u>	<u>\$ 475,314</u>
LIABILITIES				
Accounts payable	\$ 4,616	\$ 1,655	\$ 1	\$ 6,272
Accrued liabilities	61	1,114	-	1,175
Due to other governments	21	-	-	21
Retention payable	-	52	-	52
Deposits	81	427	-	508
Unearned revenue	-	100	-	100
Total Liabilities	<u>4,779</u>	<u>3,348</u>	<u>1</u>	<u>8,128</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	512	2,793	-	3,305
Total Deferred Inflows of Resources	<u>512</u>	<u>2,793</u>	<u>-</u>	<u>3,305</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	506	506
Restricted	38,555	315,929	374	354,858
Committed	22,097	81,315	-	103,412
Assigned	107	4,998	-	5,105
Total Fund Balances	<u>60,759</u>	<u>402,242</u>	<u>880</u>	<u>463,881</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 66,050</u>	<u>\$ 408,383</u>	<u>\$ 881</u>	<u>\$ 475,314</u>

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund	Total Other Governmental Funds
REVENUES				
Taxes	\$ 30,317	\$ -	\$ -	\$ 30,317
Licenses and permits	74	-	-	74
Investment income	(229)	540	-	311
Intergovernmental	945	6,208	-	7,153
Charges for services	278	915	-	1,193
Contributions from property owners- Special districts contributions	-	136	-	136
Revenue from developers	5,114	-	-	5,114
Special Assessments	10,877	20,312	-	31,189
Donations	36	-	69	105
Other revenue	96	310	-	406
Total Revenues	<u>47,508</u>	<u>28,421</u>	<u>69</u>	<u>75,998</u>
EXPENDITURES				
Current:				
General Government	151	1,691	-	1,842
Public Safety	932	-	-	932
Public Works & Transportation	26,061	1,233	-	27,294
Community Development	153	3	-	156
Community Services	-	-	32	32
Capital outlay	-	28,460	-	28,460
Total Expenditures	<u>27,297</u>	<u>31,387</u>	<u>32</u>	<u>58,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,211</u>	<u>(2,966)</u>	<u>37</u>	<u>17,282</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,299	36,722	-	43,021
Transfers out	(24,816)	(413)	-	(25,229)
Total Other Financing Sources (Uses)	<u>(18,517)</u>	<u>36,309</u>	<u>-</u>	<u>17,792</u>
Net Change in Fund Balances	1,694	33,343	37	35,074
Fund Balances, Beginning	59,065	368,899	843	428,807
Fund Balances, Ending	<u>\$ 60,759</u>	<u>\$ 402,242</u>	<u>\$ 880</u>	<u>\$ 463,881</u>



OTHER SPECIAL REVENUE FUNDS

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

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

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

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

Maintenance District - This fund is used to record City-wide street lighting and landscape maintenance costs, and the collection of assessments from property owners.

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

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

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

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

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

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2021
(amount expressed in thousands)
Page 1 of 3

	<u>County Sales Tax Measure M</u>	<u>State Gasoline Tax</u>	<u>Systems Development</u>
ASSETS			
Cash and investments	\$ 4,703	\$ 20,803	\$ 19,468
Receivables, net of allowances:			
Taxes	870	663	-
Accounts	-	-	-
Accrued interest	10	42	48
Due from other governments	-	952	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 5,583</u>	<u>\$ 22,460</u>	<u>\$ 19,516</u>
LIABILITIES			
Accounts payable	\$ -	\$ 618	\$ 31
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Deposits	-	-	-
Total Liabilities	<u>-</u>	<u>618</u>	<u>31</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted	5,583	21,842	-
Committed	-	-	19,485
Assigned	-	-	-
Total Fund Balances	<u>5,583</u>	<u>21,842</u>	<u>19,485</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 5,583</u>	<u>\$ 22,460</u>	<u>\$ 19,516</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2021
(amount expressed in thousands)
Page 2 of 3

	<u>Maintenance District</u>	<u>Air Quality Improvement</u>	<u>OCFA Settlement Agreement</u>
ASSETS			
Cash and investments	\$ 6,319	\$ 420	\$ 147
Receivables, net of allowances:			
Taxes	176	-	-
Accounts	19	94	-
Accrued interest	13	1	-
Due from other governments	15	-	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 6,542</u>	<u>\$ 515</u>	<u>\$ 147</u>
LIABILITIES			
Accounts payable	\$ 3,934	\$ 14	\$ -
Accrued liabilities	48	-	5
Due to other governments	-	-	21
Deposits	-	-	-
Total Liabilities	<u>3,982</u>	<u>14</u>	<u>26</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	19	-	-
Total Deferred Inflows of Resources	<u>19</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted	-	501	121
Committed	2,541	-	-
Assigned	-	-	-
Total Fund Balances	<u>2,541</u>	<u>501</u>	<u>121</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 6,542</u>	<u>\$ 515</u>	<u>\$ 147</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2021
(amount expressed in thousands)
Page 3 of 3

	<u>Major Special Events</u>	<u>iShuttle</u>	<u>Fees and Exactions</u>	<u>Total Other Special Revenue Funds</u>
ASSETS				
Cash and investments	\$ 21	\$ 1,135	\$ 9,538	\$ 62,554
Receivables, net of allowances:				
Taxes	-	-	58	1,767
Accounts	27	1	2	143
Accrued interest	-	2	41	157
Due from other governments	-	-	-	967
Long-term notes receivable, net of allowances	-	-	462	462
Total Assets	<u>\$ 48</u>	<u>\$ 1,138</u>	<u>\$ 10,101</u>	<u>\$ 66,050</u>
LIABILITIES				
Accounts payable	\$ -	\$ 17	\$ 2	\$ 4,616
Accrued liabilities	-	8	-	61
Due to other governments	-	-	-	21
Deposits	-	-	81	81
Total Liabilities	<u>-</u>	<u>25</u>	<u>83</u>	<u>4,779</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	8	1	484	512
Total Deferred Inflows of Resources	<u>8</u>	<u>1</u>	<u>484</u>	<u>512</u>
FUND BALANCES (DEFICITS)				
Restricted	-	1,112	9,396	38,555
Committed	40	-	31	22,097
Assigned	-	-	107	107
Total Fund Balances	<u>40</u>	<u>1,112</u>	<u>9,534</u>	<u>60,759</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 48</u>	<u>\$ 1,138</u>	<u>\$ 10,101</u>	<u>\$ 66,050</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, 2021
(amounts expressed in thousands)
Page 1 of 3

	<u>County Sales Tax Measure M</u>	<u>State Gasoline Tax</u>	<u>Systems Development</u>
REVENUES			
Taxes	\$ 5,188	\$ 11,493	\$ 9,837
Licenses and permits	-	-	-
Investment income	(28)	(17)	(249)
Intergovernmental	-	-	-
Charges for services	-	-	-
Revenue from developers	-	-	-
Special assessments	-	-	-
Donations	-	-	-
Other revenue	-	24	-
Total Revenues	<u>5,160</u>	<u>11,500</u>	<u>9,588</u>
EXPENDITURES			
Current:			
General Government	27	30	-
Public Safety	-	-	-
Public Works & Transportation	337	5,439	224
Community Development	-	-	-
Total Expenditures	<u>364</u>	<u>5,469</u>	<u>224</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,796</u>	<u>6,031</u>	<u>9,364</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(493)	(3,789)	(20,267)
Total Other Financing Sources (Uses)	<u>(493)</u>	<u>(3,789)</u>	<u>(20,267)</u>
Net Change in Fund Balances	4,303	2,242	(10,903)
Fund Balances, Beginning	<u>1,280</u>	<u>19,600</u>	<u>30,388</u>
Fund Balances, Ending	<u><u>\$ 5,583</u></u>	<u><u>\$ 21,842</u></u>	<u><u>\$ 19,485</u></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, 2021
(amounts expressed in thousands)
Page 2 of 3

	<u>Maintenance District</u>	<u>Air Quality Improvement</u>	<u>OCFA Settlement Agreement</u>
REVENUES			
Taxes	\$ 3,553	\$ -	\$ -
Licenses and permits	-	-	-
Investment income	33	(1)	3
Intergovernmental	-	368	577
Charges for services	65	-	-
Revenue from developers	-	-	-
Special assessments	10,877	-	-
Donations	-	-	-
Other revenue	72	-	-
Total Revenues	<u>14,600</u>	<u>367</u>	<u>580</u>
EXPENDITURES			
Current:			
General Government	61	12	-
Public Safety	-	173	511
Public Works & Transportation	20,007	28	-
Community Development	-	-	-
Total Expenditures	<u>20,068</u>	<u>213</u>	<u>511</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,468)</u>	<u>154</u>	<u>69</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,273	-	-
Transfers out	-	(212)	-
Total Other Financing Sources (Uses)	<u>6,273</u>	<u>(212)</u>	<u>-</u>
Net Change in Fund Balances	805	(58)	69
Fund Balances, Beginning	<u>1,736</u>	<u>559</u>	<u>52</u>
Fund Balances, Ending	<u>\$ 2,541</u>	<u>\$ 501</u>	<u>\$ 121</u>

- continued -

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)
Page 3 of 3

	<u>Major Special Events</u>	<u>iShuttle</u>	<u>Fees and Exactions</u>	<u>Total Other Special Revenue Funds</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 246	\$ 30,317
Licenses and permits	-	-	74	74
Investment income	-	-	30	(229)
Intergovernmental	-	-	-	945
Charges for services	213	-	-	278
Revenue from developers	-	-	5,114	5,114
Special assessments	-	-	-	10,877
Donations	-	36	-	36
Other revenue	-	-	-	96
Total Revenues	<u>213</u>	<u>36</u>	<u>5,464</u>	<u>47,508</u>
EXPENDITURES				
Current:				
General Government	-	-	21	151
Public Safety	248	-	-	932
Public Works & Transportation	-	26	-	26,061
Community Development	-	-	153	153
Total Expenditures	<u>248</u>	<u>26</u>	<u>174</u>	<u>27,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35)</u>	<u>10</u>	<u>5,290</u>	<u>20,211</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	24	2	6,299
Transfers out	(55)	-	-	(24,816)
Total Other Financing Sources	<u>(55)</u>	<u>24</u>	<u>2</u>	<u>(18,517)</u>
Net Change in Fund Balances	(90)	34	5,292	1,694
Fund Balances, Beginning	<u>130</u>	<u>1,078</u>	<u>4,242</u>	<u>59,065</u>
Fund Balances, Ending	<u>\$ 40</u>	<u>\$ 1,112</u>	<u>\$ 9,534</u>	<u>\$ 60,759</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, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,220	\$ 5,220	\$ 5,188	\$ (32)
Investment income	-	-	(28)	(28)
Total Revenues	5,220	5,220	5,160	(60)
EXPENDITURES				
Current:				
General Government	41	41	27	14
Public Works & Transportation	477	477	337	140
Total Expenditures	518	518	364	154
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,702	4,702	4,796	94
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,607)	(4,612)	(493)	4,119
Total Other Financing Sources (Uses)	(4,607)	(4,612)	(493)	4,119
Net Change in Fund Balances	95	90	4,303	4,213
Fund Balances, Beginning	1,280	1,280	1,280	-
Fund Balances, Ending	\$ 1,375	\$ 1,370	\$ 5,583	\$ 4,213

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, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,502	\$ 11,502	\$ 11,493	\$ (9)
Investment income	-	-	(17)	(17)
Other revenue	-	-	24	24
Total Revenues	11,502	11,502	11,500	(2)
EXPENDITURES				
Current:				
General Government	38	38	30	8
Public Works & Transportation	5,562	5,562	5,439	123
Total Expenditures	5,600	5,600	5,469	131
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,902	5,902	6,031	129
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,003)	(19,995)	(3,789)	16,206
Total Other Financing Sources (Uses)	(6,003)	(19,995)	(3,789)	16,206
Net Change in Fund Balances	(101)	(14,093)	2,242	16,335
Fund Balances, Beginning	19,600	19,600	19,600	-
Fund Balances, Ending	\$ 19,499	\$ 5,507	\$ 21,842	\$ 16,335

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Systems Development
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 11,475	\$ 5,600	\$ 9,837	\$ 4,237
Investment income	587	587	(249)	(836)
Total Revenues	12,062	6,187	9,588	3,401
EXPENDITURES				
Current:				
Public Works & Transportation	1,050	1,050	224	826
Total Expenditures	1,050	1,050	224	826
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,012	5,137	9,364	4,227
OTHER FINANCING SOURCES (USES)				
Transfers out	(24,753)	(20,267)	(20,267)	-
Total Other Financing Sources (Uses)	(24,753)	(20,267)	(20,267)	-
Net Change in Fund Balances	(13,741)	(15,130)	(10,903)	4,227
Fund Balances, Beginning	30,388	30,388	30,388	-
Fund Balances, Ending	\$ 16,647	\$ 15,258	\$ 19,485	\$ 4,227

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Maintenance District
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,401	\$ 3,401	\$ 3,553	\$ 152
Investment income	-	-	33	33
Charges for services	95	95	65	(30)
Special assessments	10,872	10,872	10,877	5
Other revenue	60	60	72	12
Total Revenues	14,428	14,428	14,600	172
EXPENDITURES				
Current:				
General Government	30	43	61	(18)
Public Works & Transportation	20,826	20,826	20,007	819
Total Expenditures	20,856	20,869	20,068	801
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,428)	(6,441)	(5,468)	973
OTHER FINANCING SOURCES (USES)				
Transfers in	6,193	6,273	6,273	-
Total Other Financing Sources (Uses)	6,193	6,273	6,273	-
Net Change in Fund Balances	(235)	(168)	805	973
Fund Balances, Beginning	1,736	1,736	1,736	-
Fund Balances, Ending	\$ 1,501	\$ 1,568	\$ 2,541	\$ 973

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, 2021
(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	\$ -	\$ -	\$ (1)	\$ (1)
Intergovernmental	310	310	368	58
Total Revenues	<u>310</u>	<u>310</u>	<u>367</u>	<u>57</u>
EXPENDITURES				
Current:				
General Government	17	17	12	5
Public Safety	180	199	173	26
Public Works & Transportation	60	60	28	32
Total Expenditures	<u>257</u>	<u>276</u>	<u>213</u>	<u>63</u>
Excess (Deficiency) of Revenues	<u>53</u>	<u>34</u>	<u>154</u>	<u>120</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(50)	(305)	(212)	93
Total Other Financing Sources (Uses)	<u>(50)</u>	<u>(305)</u>	<u>(212)</u>	<u>93</u>
Net Change in Fund Balances	3	(271)	(58)	213
Fund Balances, Beginning	559	559	559	-
Fund Balances, Ending	<u>\$ 562</u>	<u>\$ 288</u>	<u>\$ 501</u>	<u>\$ 213</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
OCFA Settlement Agreement
For the Fiscal Year Ended June 30, 2021
(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	\$ -	\$ -	\$ 3	\$ 3
Intergovernmental	-	2,118	577	(1,541)
Total Revenues	-	2,118	580	(1,538)
EXPENDITURES				
Current:				
Public Safety	-	618	511	107
Total Expenditures	-	618	511	107
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,500	69	(1,431)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,500)	-	1,500
Total Other Financing Sources (Uses)	-	(1,500)	-	1,500
Net Change in Fund Balances	-	-	69	69
Fund Balances, Beginning	52	52	52	-
Fund Balances, Ending	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ 121</u>	<u>\$ 69</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, 2021
(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	\$ 2,469	\$ 2,469	\$ 213	\$ (2,256)
Total Revenues	<u>2,469</u>	<u>2,469</u>	<u>213</u>	<u>(2,256)</u>
EXPENDITURES				
Current:				
Public Safety	2,380	2,380	248	2,132
Public Works & Transportation	34	34	-	34
Total Expenditures	<u>2,414</u>	<u>2,414</u>	<u>248</u>	<u>2,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>55</u>	<u>55</u>	<u>(35)</u>	<u>(90)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(55)	(55)	(55)	-
Total Other Financing Sources (Uses)	<u>(55)</u>	<u>(55)</u>	<u>(55)</u>	<u>-</u>
Net Change in Fund Balances	-	-	(90)	(90)
Fund Balances, Beginning	<u>130</u>	<u>130</u>	<u>130</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 130</u></u>	<u><u>\$ 130</u></u>	<u><u>\$ 40</u></u>	<u><u>\$ (90)</u></u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Shuttle
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Donations	\$ 52	\$ 52	\$ 36	\$ (16)
Total Revenues	52	52	36	(16)
EXPENDITURES				
Current:				
Public Works & Transportation	120	120	26	94
Total Expenditures	120	120	26	94
Excess (Deficiency) of Revenues over (under) Expenditures	(68)	(68)	10	78
OTHER FINANCING SOURCES (USES)				
Transfers in	152	152	24	(128)
Total Other Financing Sources (Uses)	152	152	24	(128)
Net Change in Fund Balances	84	84	34	(50)
Fund Balances, Beginning	1,078	1,078	1,078	-
Fund Balances, Ending	\$ 1,162	\$ 1,162	\$ 1,112	\$ (50)

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, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 300	\$ 300	\$ 246	\$ (54)
Licenses and permits	-	-	74	74
Investment income	306	306	30	(276)
Intergovernmental	664	664	-	(664)
Revenue from developers	-	-	5,114	5,114
Total Revenues	1,270	1,270	5,464	4,194
EXPENDITURES				
Current:				
General Government	100	100	21	79
Community Development	31	2,381	153	2,228
Total Expenditures	131	2,481	174	2,307
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,139	(1,211)	5,290	6,501
OTHER FINANCING SOURCES (USES)				
Transfers in	-	499	2	(497)
Total Other Financing Sources (Uses)	-	499	2	(497)
Net Change in Fund Balances	1,139	(712)	5,292	6,004
Fund Balances, Beginning	4,242	4,242	4,242	-
Fund Balances, Ending	\$ 5,381	\$ 3,530	\$ 9,534	\$ 6,004





OTHER CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2021
(amounts expressed in thousands)
Page 1 of 2

	Slurry Seal Fees	Park Development	Capital Improvement Projects	Community Facilities Districts
ASSETS				
Cash and investments	\$ 743	\$ 48,019	\$ 37,113	\$ 97,935
Receivables, net of allowances:				
Accounts	819	-	-	-
Accrued interest	1	93	46	36
Due from other governments	1	870	3,704	-
Due from developers	-	-	-	-
Total Assets	<u>\$ 1,564</u>	<u>\$ 48,982</u>	<u>\$ 40,863</u>	<u>\$ 97,971</u>
LIABILITIES				
Accounts payable	\$ 236	\$ 701	\$ 687	\$ -
Accrued liabilities	-	-	-	549
Retentions payable	-	49	3	-
Deposits	-	-	427	-
Unearned revenue	-	100	-	-
Total Liabilities	<u>236</u>	<u>850</u>	<u>1,117</u>	<u>549</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	526	2,267	-
Total Deferred Inflows of Resources	<u>-</u>	<u>526</u>	<u>2,267</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	-	100	-	97,422
Committed	1,328	42,508	37,479	-
Assigned	-	4,998	-	-
Total Fund Balances	<u>1,328</u>	<u>47,606</u>	<u>37,479</u>	<u>97,422</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 1,564</u>	<u>\$ 48,982</u>	<u>\$ 40,863</u>	<u>\$ 97,971</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2021
(amounts expressed in thousands)
Page 2 of 2

	<u>Assessment Districts</u>	<u>North Irvine Transportation Mitigation</u>	<u>Total Other Capital Projects Funds</u>
ASSETS			
Cash and investments	\$ 108,498	\$ 86,509	\$ 378,817
Receivables, net of allowances:			
Accounts	-	-	819
Accrued interest	13	173	362
Due from other governments	-	-	4,575
Due from developers	-	23,810	23,810
	<u>\$ 108,511</u>	<u>\$ 110,492</u>	<u>\$ 408,383</u>
Total Assets			
LIABILITIES			
Accounts payable	\$ -	\$ 31	\$ 1,655
Accrued liabilities	565	-	1,114
Retentions payable	-	-	52
Deposits	-	-	427
Unearned revenue	-	-	100
	<u>565</u>	<u>31</u>	<u>3,348</u>
Total Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	2,793
	<u>-</u>	<u>-</u>	<u>2,793</u>
Total Deferred Inflows of Resources			
FUND BALANCES (DEFICITS)			
Restricted	107,946	110,461	315,929
Committed	-	-	81,315
Assigned	-	-	4,998
	<u>107,946</u>	<u>110,461</u>	<u>402,242</u>
Total Fund Balances			
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 108,511</u>	<u>\$ 110,492</u>	<u>\$ 408,383</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, 2021
(amounts expressed in thousands)

Page 1 of 2

	Slurry Seal Fees	Park Development	Capital Improvement Projects	Community Facilities Districts
REVENUES				
Investment income	\$ (2)	\$ (4)	\$ 309	\$ 205
Intergovernmental	-	1,111	5,097	-
Charges for services	306	609	-	-
Contribution from property owners-				
Special districts contributions	-	-	-	136
Special assessments	-	-	-	20,312
Other revenue	-	18	292	-
Total Revenues	<u>304</u>	<u>1,734</u>	<u>5,698</u>	<u>20,653</u>
EXPENDITURES				
Current:				
General Government	6	12	27	1,636
Public Works & Transportation	19	333	357	252
Community Development	-	1	-	2
Capital outlay	<u>1,440</u>	<u>6,736</u>	<u>7,266</u>	<u>4,723</u>
Total Expenditures	<u>1,465</u>	<u>7,082</u>	<u>7,650</u>	<u>6,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,161)</u>	<u>(5,348)</u>	<u>(1,952)</u>	<u>14,040</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,138	5,657	29,516	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,138</u>	<u>5,657</u>	<u>29,516</u>	<u>-</u>
Net Change in Fund Balances	(23)	309	27,564	14,040
Fund Balances, Beginning	<u>1,351</u>	<u>47,297</u>	<u>9,915</u>	<u>83,382</u>
Fund Balances, Ending	<u>\$ 1,328</u>	<u>\$ 47,606</u>	<u>\$ 37,479</u>	<u>\$ 97,422</u>

- continued -

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Capital Projects Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

Page 2 of 2

	<u>Assessment Districts</u>	<u>North Irvine Transportation Mitigation</u>	<u>Total Other Capital Projects Funds</u>
REVENUES			
Investment income	\$ 129	\$ (97)	\$ 540
Intergovernmental	-	-	6,208
Charges for services	-	-	915
Contribution from property owners-			
Special districts contributions	-	-	136
Special assessments	-	-	20,312
Other revenue	-	-	310
	<u>129</u>	<u>(97)</u>	<u>28,421</u>
EXPENDITURES			
Current:			
General Government	-	10	1,691
Public Works & Transportation	113	159	1,233
Community Development	-	-	3
Capital outlay	<u>7,033</u>	<u>1,262</u>	<u>28,460</u>
Total Expenditures	<u>7,146</u>	<u>1,431</u>	<u>31,387</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,017)</u>	<u>(1,528)</u>	<u>(2,966)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	411	-	36,722
Transfers out	<u>(413)</u>	<u>-</u>	<u>(413)</u>
Total Other Financing Sources (Uses)	<u>(2)</u>	<u>-</u>	<u>36,309</u>
Net Change in Fund Balances	(7,019)	(1,528)	33,343
Fund Balances, Beginning	<u>114,965</u>	<u>111,989</u>	<u>368,899</u>
Fund Balances, Ending	<u>\$ 107,946</u>	<u>\$ 110,461</u>	<u>\$ 402,242</u>



PERMANENT FUND

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

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

**City of Irvine
Balance Sheet
Permanent Fund
June 30, 2021**
(amounts expressed in thousands)

	<u>Senior Services Fund</u>
ASSETS	
Cash and investments	\$ 879
Receivables, net of allowances:	
Accrued interest	<u>2</u>
Total Assets	<u><u>\$ 881</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	<u>\$ 1</u>
Total Liabilities	<u>1</u>
Fund Balances:	
Nonspendable	506
Restricted	<u>374</u>
Total Fund Balances	<u>880</u>
Total Liabilities and Fund Balances	<u><u>\$ 881</u></u>

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Permanent Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Senior Services Fund
REVENUES	
Donations	\$ 69
Total Revenues	69
EXPENDITURES	
Current:	
Community Services	32
Total Expenditures	32
Excess (Deficiency) of Revenues Over (Under) Expenditures	37
OTHER FINANCING SOURCES (USES)	
Total Other Financing Sources (Uses)	-
Net Change in Fund Balances	37
Fund Balances, Beginning	843
Fund Balances, Ending	\$ 880

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Senior Services
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Donations	\$ 19	\$ 19	\$ 69	\$ 50
Total Revenues	19	19	69	50
EXPENDITURES				
Current:				
Community Services	65	65	32	33
Total Expenditures	65	65	32	33
Net Change in Fund Balances	(46)	(46)	37	83
Fund Balances, Beginning	843	843	843	-
Fund Balances, Ending	\$ 797	\$ 797	\$ 880	\$ 83





INTERNAL SERVICE FUNDS

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

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

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

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

City of Irvine
Combining Statement of Net Position
Internal Service Funds
June 30, 2021
(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	\$ 22,603	\$ 31,392	\$ 39	\$ 54,034
Receivables, net of allowances:				
Accounts	82	19	-	101
Accrued interest	45	64	-	109
Prepaid items	-	667	131	798
	<u>22,730</u>	<u>32,142</u>	<u>170</u>	<u>55,042</u>
Total Current Assets				
Noncurrent Assets:				
Capital assets:				
Equipment	20	28,663	-	28,683
Less accumulated depreciation	(20)	(21,018)	-	(21,038)
	<u>-</u>	<u>7,645</u>	<u>-</u>	<u>7,645</u>
Total Noncurrent Assets				
	<u>22,730</u>	<u>39,787</u>	<u>170</u>	<u>62,687</u>
Total Assets				
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	252	588	-	840
	<u>252</u>	<u>588</u>	<u>-</u>	<u>840</u>
Total Deferred Outflows of Resources				
LIABILITIES				
Current Liabilities:				
Accounts payable	134	2,496	6	2,636
Accrued liabilities	57	61	1	119
Due to other governments	2	1	-	3
Compensated absences	34	179	-	213
Claims payable	5,130	-	-	5,130
	<u>5,357</u>	<u>2,737</u>	<u>7</u>	<u>8,101</u>
Total Current Liabilities				
Noncurrent Liabilities:				
Compensated absences	79	349	1	429
Claims payable	15,872	-	-	15,872
Net pension liability	781	1,822	-	2,603
	<u>16,732</u>	<u>2,171</u>	<u>1</u>	<u>18,904</u>
Total Noncurrent Liabilities				
	<u>22,089</u>	<u>4,908</u>	<u>8</u>	<u>27,005</u>
Total Liabilities				
DEFERRED INFLOWS OF RESOURCES				
Pension related items	6	14	-	20
	<u>6</u>	<u>14</u>	<u>-</u>	<u>20</u>
Total Deferred Inflows of Resources				
NET POSITION				
Net investment in capital assets	-	7,493	-	7,493
Unrestricted	887	27,960	162	29,009
	<u>887</u>	<u>35,453</u>	<u>162</u>	<u>36,502</u>
Total Net Position				

City of Irvine
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(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	\$ 9,028	\$ 27,642	\$ 208	\$ 36,878
Other	169	150	5	324
Total Operating Revenues	<u>9,197</u>	<u>27,792</u>	<u>213</u>	<u>37,202</u>
OPERATING EXPENSES				
Salaries and benefits	905	5,389	4	6,298
Supplies and equipment	21	6,167	204	6,392
Contract services	599	7,710	-	8,309
Administration	7	2,111	-	2,118
Self-insured losses	6,042	-	-	6,042
Insurance premiums	2,980	103	-	3,083
Depreciation	-	2,766	-	2,766
Total Operating Expenses	<u>10,554</u>	<u>24,246</u>	<u>208</u>	<u>35,008</u>
Operating Income (Loss)	<u>(1,357)</u>	<u>3,546</u>	<u>5</u>	<u>2,194</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	32	145	-	177
Gain (loss) on disposal of equipment	-	130	-	130
Total Nonoperating Revenues	<u>32</u>	<u>275</u>	<u>-</u>	<u>307</u>
Income (Loss) Before Capital Contributions and Transfers	(1,325)	3,821	5	2,501
Capital contributions	-	642	-	642
Transfers in	-	76	-	76
Transfers out	-	(180)	-	(180)
Change in Net Position	<u>(1,325)</u>	<u>4,359</u>	<u>5</u>	<u>3,039</u>
Total Net Position, Beginning	<u>2,212</u>	<u>31,094</u>	<u>157</u>	<u>33,463</u>
Total Net Position, Ending	<u>\$ 887</u>	<u>\$ 35,453</u>	<u>\$ 162</u>	<u>\$ 36,502</u>

City of Irvine
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service
Cash Flows From Operating Activities				
Received from customers and users	\$ 231	159	\$ 5	\$ 395
Received from interfund services provided	9,028	27,642	208	36,878
Paid to suppliers and providers	(6,404)	(15,718)	(185)	(22,307)
Paid for salaries and benefits	(899)	(5,253)	(4)	(6,156)
Net Cash Provided (Used) by Operating Activities	<u>1,956</u>	<u>6,830</u>	<u>24</u>	<u>8,810</u>
Cash Flows From Non-Capital Financing Activities				
Transfers from other funds	-	76	-	76
Transfers to other funds	-	(180)	-	(180)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>-</u>	<u>(104)</u>	<u>-</u>	<u>(104)</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of equipment	-	165	-	165
Equipment purchases	-	(2,182)	-	(2,182)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(2,017)</u>	<u>-</u>	<u>(2,017)</u>
Cash Flows From Investing Activities				
Interest received on investments	39	151	-	190
Net Cash Provided (Used) by Investing Activities	<u>39</u>	<u>151</u>	<u>-</u>	<u>190</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,995	4,860	24	6,879
Cash and Cash Equivalents, Beginning of Fiscal Year	20,608	26,532	15	47,155
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 22,603</u>	<u>\$ 31,392</u>	<u>\$ 39</u>	<u>\$ 54,034</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Cash Flows From Operating Activities				
Operating income (loss)	\$ (1,357)	\$ 3,546	\$ 5	\$ 2,194
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	2,766	-	2,766
(Increase) decrease in receivables, net of allowances	62	9	-	71
(Increase) decrease in prepaid items	-	46	-	46
(Increase) decrease in inventories	-	-	27	27
(Increase) decrease in deferred outflows	7	15	-	22
Increase (decrease) in accounts payable	10	332	-	342
Increase (decrease) in accrued liabilities	6	20	(2)	24
Increase (decrease) in due to other governments	2	(5)	(6)	(9)
Increase (decrease) in deferred inflow	(30)	(71)	-	(101)
Increase (decrease) in compensated absences	(18)	67	-	49
Increase (decrease) in claims payable	3,229	-	-	3,229
Increase (decrease) in net pension liability	45	105	-	150
Total Adjustments	<u>3,313</u>	<u>3,284</u>	<u>19</u>	<u>6,616</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,956</u>	<u>\$ 6,830</u>	<u>\$ 24</u>	<u>\$ 8,810</u>
Schedule of Non-Cash and Related Financing Activities				
Contribution of Capital Assets	<u>\$ -</u>	<u>\$ 642</u>	<u>\$ -</u>	<u>\$ 642</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 Trust Funds - These funds account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements and defined contribution agreements.

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

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

City of Irvine
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2021
(amount expressed in thousands)

	PENSION TRUST (December 31, 2020)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 451	\$ -	\$ 451
Receivables, net of allowances:			
Employer contributions	23	3	26
Plan member contributions	1	2	3
Loans	-	34	34
Investments:			
Pooled funds	20,806	4,698	25,504
Mutual funds - closed end funds equity	241	-	241
Mutual funds - equity	-	6,002	6,002
Mutual funds - corporate bonds	-	794	794
Mutual funds - balanced	-	1,573	1,573
Total Assets	<u>21,522</u>	<u>13,106</u>	<u>34,628</u>
LIABILITIES			
Accounts payable	-	6	6
Accrued liabilities	17	1	18
Total Liabilities	<u>17</u>	<u>7</u>	<u>24</u>
NET POSITION			
Net position restricted for pensions	<u>21,505</u>	<u>13,099</u>	<u>34,604</u>
Total Net Position	<u>\$ 21,505</u>	<u>\$ 13,099</u>	<u>\$ 34,604</u>

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended June 30, 2021
(amount expressed in thousands)

	PENSION TRUST		Total Pension Trust Funds
	(December 31, 2020)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	
ADDITIONS			
Contributions:			
Employer	\$ 595	\$ 119	\$ 714
Plan members	31	46	77
Total Contributions	<u>626</u>	<u>165</u>	<u>791</u>
Investment income (loss):			
Interest and dividends	7	92	99
Net appreciation (depreciation) in fair value of investments	<u>2,334</u>	<u>1,654</u>	<u>3,988</u>
Total Investment Income	2,341	1,746	4,087
Less: investment expenses	<u>(61)</u>	<u>(28)</u>	<u>(89)</u>
Net Investment Income	<u>2,280</u>	<u>1,718</u>	<u>3,998</u>
Total Additions	<u>2,906</u>	<u>1,883</u>	<u>4,789</u>
DEDUCTIONS			
Benefit payments	1,414	469	1,883
Administrative expenses	<u>23</u>	<u>32</u>	<u>55</u>
Total Deductions	<u>1,437</u>	<u>501</u>	<u>1,938</u>
Change in Net Position	1,469	1,382	2,851
Total Net Position, Beginning	<u>20,036</u>	<u>11,717</u>	<u>31,753</u>
Total Net Position, Ending	<u><u>\$ 21,505</u></u>	<u><u>\$ 13,099</u></u>	<u><u>\$ 34,604</u></u>

City of Irvine
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2021
(amounts expressed in thousands)

	<u>Successor Agency Debt Service</u>	<u>Redevelopment Obligation Retirement</u>	<u>Total Successor Agency Private-Purpose Trust Funds</u>
ASSETS			
Cash and investments	\$ 1	\$ 13,684	\$ 13,685
Accrued interest	-	26	26
Due from other governments	132,635	-	132,635
Total Assets	<u>132,636</u>	<u>13,710</u>	<u>146,346</u>
LIABILITIES			
Accounts payable	-	6,333	6,333
Advances from the City of Irvine	132,635	-	132,635
Total Liabilities	<u>132,635</u>	<u>6,333</u>	<u>138,968</u>
NET POSITION			
Held in trust for enforceable obligations	<u>1</u>	<u>7,377</u>	<u>7,378</u>
Total Net Position	<u>\$ 1</u>	<u>\$ 7,377</u>	<u>\$ 7,378</u>

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	<u>Successor Agency Debt Service</u>	<u>Redevelopment Obligation Retirement</u>	<u>Total Successor Agency Private-Purpose Trust Funds</u>
ADDITIONS			
Taxes	\$ -	\$ 6,636	\$ 6,636
Investment income	(1)	23	22
Total Additions	<u>(1)</u>	<u>6,659</u>	<u>6,658</u>
DEDUCTIONS			
Distributions to the County Administration	-	6,318	6,318
	<u>77</u>	<u>18</u>	<u>95</u>
Total Deductions	<u>77</u>	<u>6,336</u>	<u>6,413</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	49	-	49
Transfers out	-	(49)	(49)
Total Other Financing Sources (Uses)	<u>49</u>	<u>(49)</u>	<u>-</u>
Change in Net Position	(29)	274	245
Total Net Position, Beginning	<u>30</u>	<u>7,103</u>	<u>7,133</u>
Total Net Position, Ending	<u>\$ 1</u>	<u>\$ 7,377</u>	<u>\$ 7,378</u>

City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
(amounts expressed in thousands)
Page 1 of 8

	<u>Eastwood Assessment District 13-25</u>	<u>Stonegate Assessment District 07-22</u>	<u>Orchard Hills Reassessment District 05-21</u>
ASSETS			
Cash and investments	\$ 3,327	\$ 34	\$ 12,990
Receivables, net of allowances:			
Taxes	32	42	124
Accounts	-	-	-
Accrued interest	-	-	1
Due from developers	-	26	69
	<u>3,359</u>	<u>102</u>	<u>13,184</u>
LIABILITIES			
Accounts payable	1	16	73
Accrued liabilities	-	-	1
Due to developers	-	-	-
Due to other governments	-	-	-
	<u>1</u>	<u>16</u>	<u>74</u>
NET POSITION			
Net position restricted for bondholders	<u>3,358</u>	<u>86</u>	<u>13,110</u>
Total Net Position	<u>\$ 3,358</u>	<u>\$ 86</u>	<u>\$ 13,110</u>

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City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
 (amounts expressed in thousands)
 Page 2 of 8

	Portola Springs Reassessment District 04-20	Woodbury Assessment District 03-19	Shady Canyon/ Turtle Ridge Assessment District 00-18
ASSETS			
Cash and investments	\$ 6,436	\$ 23	\$ 149
Receivables, net of allowances:			
Taxes	26	-	-
Accounts	-	-	-
Accrued interest	1	-	-
Due from developers	13	96	20
	<u>6,476</u>	<u>119</u>	<u>169</u>
Total Assets			
LIABILITIES			
Accounts payable	12	90	19
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
	<u>12</u>	<u>90</u>	<u>19</u>
Total Liabilities			
NET POSITION			
Net position restricted for bondholders	6,464	29	150
	<u>\$ 6,464</u>	<u>\$ 29</u>	<u>\$ 150</u>

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City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
(amounts expressed in thousands)
Page 3 of 8

	Irvine Spectrum Reassessment District 85-7	Irvine Spectrum Assessment District 87-8	Irvine Spectrum Assessment District 93-14
ASSETS			
Cash and investments	\$ 33	\$ 225	\$ 7,314
Receivables, net of allowances:			
Taxes	-	-	-
Accounts	-	-	-
Accrued interest	-	-	-
Due from developers	58	31	121
Total Assets	<u>91</u>	<u>256</u>	<u>7,435</u>
LIABILITIES			
Accounts payable	57	30	108
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>57</u>	<u>30</u>	<u>108</u>
NET POSITION			
Net position restricted for bondholders	<u>34</u>	<u>226</u>	<u>7,327</u>
Total Net Position	<u>\$ 34</u>	<u>\$ 226</u>	<u>\$ 7,327</u>

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City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
 (amounts expressed in thousands)
 Page 4 of 8

	Oak Creek Assessment District 94-13	Northwest Assessment District 97-16	Lower Peters Canyon Assessment District 97-17
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 356	\$ 510	\$ 472
Receivables, net of allowances:			
Taxes	-	-	-
Accounts	-	-	-
Accrued interest	-	-	-
Due from developers	<u>35</u>	<u>55</u>	<u>76</u>
Total Assets	<u>391</u>	<u>565</u>	<u>548</u>
LIABILITIES			
Accounts payable	34	53	68
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>34</u>	<u>53</u>	<u>68</u>
NET POSITION			
Net position restricted for bondholders	<u>357</u>	<u>512</u>	<u>480</u>
Total Net Position	<u>\$ 357</u>	<u>\$ 512</u>	<u>\$ 480</u>

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City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
 (amounts expressed in thousands)
 Page 5 of 8

	Reassessment District 12-1	Reassessment District 13-1	Reassessment District 15-1
ASSETS			
Cash and investments	\$ 20,763	\$ 14,214	\$ 9,672
Receivables, net of allowances:			
Taxes	218	126	119
Accounts	-	-	-
Accrued interest	5	4	1
Due from developers	-	-	-
Total Assets	20,986	14,344	9,792
LIABILITIES			
Accounts payable	5	2	3
Accrued liabilities	1	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	6	2	3
NET POSITION			
Net position restricted for bondholders	20,980	14,342	9,789
Total Net Position	\$ 20,980	\$ 14,342	\$ 9,789

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City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
 (amounts expressed in thousands)
 Page 6 of 8

	Reassessment District 15-2	Reassessment District 19-1	Reassessment District 21-1
ASSETS			
Cash and investments	\$ 6,712	\$ 4,957	\$ 3,086
Receivables, net of allowances:			
Taxes	47	76	-
Accounts	-	-	-
Accrued interest	1	2	-
Due from developers	-	-	-
Total Assets	6,760	5,035	3,086
LIABILITIES			
Accounts payable	2	1	-
Accrued liabilities	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	2	1	-
NET POSITION			
Net position restricted for bondholders	6,758	5,034	3,086
Total Net Position	\$ 6,758	\$ 5,034	\$ 3,086

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City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
(amounts expressed in thousands)
Page 7 of 8

	CFD - Central Park 2004-1	CFD - Columbus 2005-2	CFD - Great Park 2013-3
ASSETS			
Cash and investments	\$ 2,007	\$ 1,750	\$ 29,775
Receivables, net of allowances:			
Taxes	44	28	1,202
Accounts	-	-	3,218
Accrued interest	1	1	3
Due from developers	-	-	-
Total Assets	<u>2,052</u>	<u>1,779</u>	<u>34,198</u>
LIABILITIES			
Accounts payable	1	1	4
Accrued liabilities	-	-	1
Due to developers	-	-	251
Due to other governments	-	-	3,218
Total Liabilities	<u>1</u>	<u>1</u>	<u>3,474</u>
NET POSITION			
Net position restricted for bondholders	<u>2,051</u>	<u>1,778</u>	<u>30,724</u>
Total Net Position	<u><u>\$ 2,051</u></u>	<u><u>\$ 1,778</u></u>	<u><u>\$ 30,724</u></u>

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City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
 (amounts expressed in thousands)
 Page 8 of 8

	Inter-Agency Custodial Fund	Total Custodial Funds
ASSETS		
Cash and investments	\$ 299	\$ 125,104
Receivables, net of allowances:		
Taxes	-	2,084
Accounts	-	3,218
Accrued interest	-	20
Due from developers	-	600
Total Assets	299	131,026
LIABILITIES		
Accounts payable	-	580
Accrued liabilities	-	3
Due to developers	-	251
Due to other governments	299	3,517
Total Liabilities	299	4,351
NET POSITION		
Net position restricted for bondholders	-	126,675
Total Net Position	\$ -	\$ 126,675

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)
Page 1 of 8

	Eastwood Assessment District 13-25	Stonegate Assessment District 07-22	Orchard Hills Reassessment District 05-21
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 1,984	\$ 2,374	\$ 8,060
Investment income	5	5	20
Charge for services	-	-	-
Contribution from property owners	-	-	-
Contribution from other districts	-	17,215	14,461
Total Additions	<u>1,989</u>	<u>19,594</u>	<u>22,541</u>
DEDUCTIONS			
Administration expenses	25	109	366
Payment for special assessment or special tax debt	2,436	23,657	24,334
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	18
Total Deductions	<u>2,461</u>	<u>23,766</u>	<u>24,718</u>
Change in Net Position	(472)	(4,172)	(2,177)
Total Net Position, Beginning (as restated)	<u>3,830</u>	<u>4,258</u>	<u>15,287</u>
Total Net Position, Ending	<u>\$ 3,358</u>	<u>\$ 86</u>	<u>\$ 13,110</u>

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City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)
Page 2 of 8

	<u>Portola Springs Reassessment District 04-20</u>	<u>Woodbury Assessment District 03-19</u>	<u>Shady Canyon/ Turtle Ridge Assessment District 00-18</u>
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 3,135	\$ 424	\$ 97
Investment income	2	-	-
Charge for services	14	-	-
Contribution from property owners	154	-	-
Contribution from other districts	18,069	-	-
Total Additions	<u>21,374</u>	<u>424</u>	<u>97</u>
DEDUCTIONS			
Administration expenses	102	406	92
Payment for special assessment or special tax debt	26,614	18	5
Contribution to City for infrastructure	-	-	-
Apportionment services	10	-	-
Total Deductions	<u>26,726</u>	<u>424</u>	<u>97</u>
Change in Net Position	(5,352)	-	-
Total Net Position, Beginning (as restated)	<u>11,816</u>	<u>29</u>	<u>150</u>
Total Net Position, Ending	<u>\$ 6,464</u>	<u>\$ 29</u>	<u>\$ 150</u>

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City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)
Page 3 of 8

	Irvine Spectrum Reassessment District 85-7	Irvine Spectrum Assessment District 87-8	Irvine Spectrum Assessment District 93-14
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 1,996	\$ 147	\$ 538
Investment income	-	-	11
Charge for services	-	-	4
Contribution from property owners	-	-	-
Contribution from other districts	-	-	-
Total Additions	<u>1,996</u>	<u>147</u>	<u>553</u>
DEDUCTIONS			
Administration expenses	249	141	505
Payment for special assessment or special tax debt	1,747	7	33
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>1,996</u>	<u>148</u>	<u>538</u>
Change in Net Position	-	(1)	15
Total Net Position, Beginning (as restated)	<u>34</u>	<u>227</u>	<u>7,312</u>
Total Net Position, Ending	<u>\$ 34</u>	<u>\$ 226</u>	<u>\$ 7,327</u>

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City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)
Page 4 of 8

	Oak Creek Assessment District 94-13	Northwest Assessment District 97-16	Lower Peters Canyon Assessment District 97-17
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 162	\$ 247	\$ 310
Investment income	-	-	-
Charge for services	-	-	-
Contribution from property owners	-	-	100
Contribution from other districts	-	-	-
Total Additions	<u>162</u>	<u>247</u>	<u>410</u>
DEDUCTIONS			
Administration expenses	154	235	297
Payment for special assessment or special tax debt	8	12	114
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>162</u>	<u>247</u>	<u>411</u>
Change in Net Position	-	-	(1)
Total Net Position, Beginning (as restated)	<u>357</u>	<u>512</u>	<u>481</u>
Total Net Position, Ending	<u>\$ 357</u>	<u>\$ 512</u>	<u>\$ 480</u>

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City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)
Page 5 of 8

	Reassessment District 12-1	Reassessment District 13-1	Reassessment District 15-1
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 12,276	\$ 7,154	\$ 5,288
Investment income	29	22	12
Charge for services	-	-	-
Contribution from property owners	2	13	-
Contribution from other districts	-	-	-
Total Additions	<u>12,307</u>	<u>7,189</u>	<u>5,300</u>
DEDUCTIONS			
Administration expenses	146	61	72
Payment for special assessment or special tax debt	12,971	7,366	5,708
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>13,117</u>	<u>7,427</u>	<u>5,780</u>
Change in Net Position	(810)	(238)	(480)
Total Net Position, Beginning (as restated)	<u>21,790</u>	<u>14,580</u>	<u>10,269</u>
Total Net Position, Ending	<u>\$ 20,980</u>	<u>\$ 14,342</u>	<u>\$ 9,789</u>

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City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)
Page 6 of 8

	<u>Reassessment District 15-2</u>	<u>Reassessment District 19-1</u>	<u>Reassessment District 21-1</u>
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 3,859	\$ 3,510	\$ -
Investment income	9	5	-
Charge for services	-	-	-
Contribution from property owners	25	-	-
Contribution from other districts	-	-	3,099
Total Additions	<u>3,893</u>	<u>3,515</u>	<u>3,099</u>
DEDUCTIONS			
Administration expenses	37	41	13
Payment for special assessment or special tax debt	3,884	3,197	-
Contribution to City for infrastructure	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>3,921</u>	<u>3,238</u>	<u>13</u>
Change in Net Position	(28)	277	3,086
Total Net Position, Beginning (as restated)	<u>6,786</u>	<u>4,757</u>	<u>-</u>
Total Net Position, Ending	<u>\$ 6,758</u>	<u>\$ 5,034</u>	<u>\$ 3,086</u>

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City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)
Page 7 of 8

	<u>CFD - Central Park 2004-1</u>	<u>CFD - Columbus 2005-2</u>	<u>CFD - Great Park 2013-3</u>
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 1,202	\$ 1,110	\$ 14,103
Investment income	4	3	77
Charge for services	-	-	-
Contribution from property owners	-	-	-
Contribution from other districts	-	-	-
Total Additions	<u>1,206</u>	<u>1,113</u>	<u>14,180</u>
DEDUCTIONS			
Administration expenses	21	17	241
Payment for special assessment or special tax debt	1,156	1,093	13,302
Contribution to City for infrastructure	101	-	35
Apportionment services	-	-	-
Total Deductions	<u>1,278</u>	<u>1,110</u>	<u>13,578</u>
Change in Net Position	(72)	3	602
Total Net Position, Beginning (as restated)	<u>2,123</u>	<u>1,775</u>	<u>30,122</u>
Total Net Position, Ending	<u>\$ 2,051</u>	<u>\$ 1,778</u>	<u>\$ 30,724</u>

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City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)
Page 8 of 8

	Inter-Agency Custodial Fund	Total Custodial Funds
ADDITIONS		
Special assessments or special taxes collected from property owners	\$ -	\$ 67,976
Investment income	-	204
Charge for services	-	18
Contribution from property owners	-	294
Contribution from other districts	-	52,844
Total Additions	-	121,336
DEDUCTIONS		
Administration expenses	-	3,330
Payment for special assessment or special tax debt	-	127,662
Contribution to City for infrastructure	-	136
Apportionment services	-	28
Total Deductions	-	131,156
Change in Net Position	-	(9,820)
Total Net Position, Beginning (as restated)	-	136,495
Total Net Position, Ending	\$ -	\$ 126,675







STATISTICAL SECTION

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

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

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

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

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

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

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

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

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

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

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

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

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

	2021	2020	2019	2018
Governmental Activities				
Net investment in capital assets	\$ 1,931,810	\$ 1,986,371	\$ 2,028,242	\$ 1,745,962
Restricted	653,852	652,403	613,872	493,547
Unrestricted	443,796	420,129	434,434	442,116
Total Governmental Activities Net Position	<u>\$ 3,029,458</u>	<u>\$ 3,058,903</u>	<u>\$ 3,076,548</u>	<u>\$ 2,681,625</u>
Primary Government				
Net investment in capital assets	\$ 1,931,810	\$ 1,986,371	\$ 2,028,242	\$ 1,745,962
Restricted	653,852	652,403	613,872	493,547
Unrestricted	443,796	420,129	434,434	442,116
Total Primary Government Net Position	<u>\$ 3,029,458</u>	<u>\$ 3,058,903</u>	<u>\$ 3,076,548</u>	<u>\$ 2,681,625</u>

Source: City Fiscal Services Division

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 1,601,315	\$ 1,566,452	\$ 1,517,272	\$ 1,541,807	\$ 1,575,361	\$ 1,537,181
583,855	500,057	478,204	404,305	320,962	287,906
433,617	434,395	416,521	351,248	362,179	384,731
<u>\$ 2,618,787</u>	<u>\$ 2,500,904</u>	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>
\$ 1,601,315	\$ 1,566,452	\$ 1,517,272	\$ 1,541,807	\$ 1,575,361	\$ 1,537,181
583,855	500,057	478,204	404,305	320,962	287,906
433,617	434,395	416,521	351,248	362,179	384,731
<u>\$ 2,618,787</u>	<u>\$ 2,500,904</u>	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>	<u>\$ 2,209,818</u>

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

	2021	2020	2019	2018
EXPENSES				
Governmental Activities				
General Government	\$ 30,083	\$ 31,233	\$ 37,912	\$ 46,151
Public Safety	95,632	99,254	80,988	77,266
Public Works	92,186	89,371	98,899	99,067
Community Services	46,219	47,703	41,163	46,104
Community Development ⁽¹⁾	41,206	55,174	32,720	31,993
Transportation ⁽¹⁾	-	7,481	6,320	3,408
Great Park ⁽²⁾	-	-	-	-
Interest on long-term debt	-	-	-	-
Unallocated infrastructure depreciation	69,998	67,617	63,071	58,997
Total Governmental Activities Expenses	\$ 375,324	\$ 397,833	\$ 361,073	\$ 362,986
PROGRAM REVENUES				
Governmental Activities				
Charges for services:				
General Government	\$ 12,190	\$ 12,068	\$ 11,177	\$ 9,805
Public Safety	3,035	3,758	3,213	2,870
Public Works	51,342	39,737	30,833	30,947
Community Services	10,695	13,760	16,340	15,230
Community Development ⁽¹⁾	24,239	20,261	19,955	25,296
Transportation ⁽¹⁾	-	755	865	227
Great Park ⁽²⁾	-	-	-	-
Operating grants and contributions	38,077	44,589	40,146	36,550
Capital grants and contributions	26,585	45,591	432,784	185,320
Total Governmental Activities Program Revenues	166,163	180,519	555,313	306,245
Total Net Revenues (Expenses)	\$ (209,161)	\$ (217,314)	\$ 194,240	\$ (56,741)
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes:				
Property tax ⁽³⁾	\$ 84,349	\$ 79,784	\$ 74,492	\$ 68,135
Sales taxes	68,260	64,278	69,597	62,834
Franchise taxes	14,182	13,822	14,059	14,243
Transient occupancy taxes	5,788	12,387	20,597	18,632
Document transfer taxes	4,671	3,461	4,385	4,631
Business license taxes	-	-	-	-
Unrestricted motor vehicle in-lieu	207	222	133	140
Gain on sale of assets	2	118	71	3,884
Investment revenue	457	22,376	17,135	4,441
Other revenue	1,800	3,221	214	214
Total General Revenues	179,716	199,669	200,683	177,154
Extraordinary gain (loss)	-	-	-	-
Special item	-	-	-	-
Changes in Net Position	\$ (29,445)	\$ (17,645)	\$ 394,923	\$ 120,413

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

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

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

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

2017	2016	2015	2014	2013	2012
\$ 36,411	\$ 29,152	\$ 24,558	\$ 32,863	\$ 28,141	\$ 54,380
71,836	63,878	59,266	62,745	59,284	57,563
106,478	91,387	70,697	63,897	70,423	59,037
40,231	37,152	39,119	22,980	29,944	35,806
34,743	27,943	24,278	39,689	20,575	20,694
-	-	-	-	-	-
-	-	-	16,812	59,621	16,398
-	-	6	16	20	26
55,529	51,423	49,647	48,367	46,693	44,770
<u>\$ 345,228</u>	<u>\$ 300,935</u>	<u>\$ 267,571</u>	<u>\$ 287,369</u>	<u>\$ 314,701</u>	<u>\$ 288,674</u>
\$ 12,259	\$ 11,336	\$ 4,566	\$ 1,984	\$ 560	\$ 1,741
2,984	2,968	4,395	4,548	4,471	3,172
33,599	26,898	46,387	18,321	13,847	7,210
13,526	12,611	19,362	15,375	14,326	9,070
29,367	27,545	19,414	30,129	14,410	15,788
-	-	-	-	-	-
-	-	-	3,292	4,233	3,212
26,790	29,738	30,404	31,661	32,664	23,693
170,654	136,641	111,989	76,751	145,897	36,104
289,179	247,737	236,517	182,061	230,408	99,990
<u>\$ (56,049)</u>	<u>\$ (53,198)</u>	<u>\$ (31,054)</u>	<u>\$ (105,308)</u>	<u>\$ (84,293)</u>	<u>\$ (188,684)</u>
\$ 62,374	\$ 57,944	\$ 53,300	\$ 49,524	\$ 46,659	\$ 47,862
61,617	62,120	58,725	56,499	51,596	48,972
14,022	14,669	14,100	13,690	12,505	12,163
15,708	15,368	13,465	11,664	11,256	8,489
3,957	3,762	3,554	2,911	2,404	1,426
-	-	-	-	-	905
116	101	99	98	115	108
-	-	10,112	144	129	563
2,500	5,779	5,243	15,632	7,740	7,982
184	825	118	93	1,448	250
160,478	160,568	158,716	150,255	133,852	128,720
	(7,781)	107,833	(5,500)	163,916	-
	99	-	-	-	-
<u>\$ 104,429</u>	<u>\$ 99,688</u>	<u>\$ 235,495</u>	<u>\$ 39,447</u>	<u>\$ 213,475</u>	<u>\$ (59,964)</u>

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

	2021	2020	2019	2018
GENERAL FUND				
Non Spendable	\$ 1,396	\$ -	\$ 1,358	\$ 5
Restricted	212	356	419	5,936
Committed	57,664	51,700	43,783	36,811
Assigned	99,374	95,729	69,526	72,601
Unassigned	-	9,989	11,594	9,788
Total General Fund	<u>\$ 158,646</u>	<u>\$ 157,774</u>	<u>\$ 126,680</u>	<u>\$ 125,141</u>
ALL OTHER GOVERNMENTAL FUNDS				
Non Spendable	\$ 1,941	\$ 500	\$ 501	\$ 499
Restricted	643,532	623,950	607,503	499,515
Committed	103,466	90,749	84,846	77,230
Assigned	264,004	267,621	289,001	305,023
Unassigned	(17)	(4,013)	(2,514)	(2,907)
Total All Other Governmental Funds	<u>\$ 1,012,926</u>	<u>\$ 978,807</u>	<u>\$ 979,337</u>	<u>\$ 879,360</u>
ALL GOVERNMENTAL FUNDS	<u>\$ 1,171,572</u>	<u>\$ 1,136,581</u>	<u>\$ 1,106,017</u>	<u>\$ 1,004,501</u>

Source: City Fiscal Services Division

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

2017	2016	2015	2014	2013	2012
\$ -	\$ 87	\$ 7,617	\$ 8,033	\$ 7,987	\$ 7,736
2,784	8,188	5,682	5,730	5,378	5,435
41,034	30,090	25,946	18,904	16,538	16,033
79,242	77,713	63,790	66,581	70,987	74,850
3,912	12,163	23,867	8,666	11,105	7,878
<u>\$ 126,972</u>	<u>\$ 128,241</u>	<u>\$ 126,902</u>	<u>\$ 107,914</u>	<u>\$ 111,995</u>	<u>\$ 111,932</u>
\$ 518	\$ 526	\$ 496	\$ 586	\$ 136,400	\$ 136,178
585,466	502,440	750,871	501,039	296,160	269,852
106,858	374,603	79,880	50,195	63,194	82,706
269,151	2,899	5,256	7,148	5,062	12,621
(3,495)	(2,493)	(2,483)	-	(2,453)	(1,536)
<u>\$ 958,498</u>	<u>\$ 877,975</u>	<u>\$ 834,020</u>	<u>\$ 558,968</u>	<u>\$ 498,363</u>	<u>\$ 499,821</u>
<u>\$ 1,085,470</u>	<u>\$ 1,006,216</u>	<u>\$ 960,922</u>	<u>\$ 666,882</u>	<u>\$ 610,358</u>	<u>\$ 611,753</u>

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

	2021	2020	2019	2018
REVENUES				
Taxes				
Property taxes	\$ 84,349	\$ 79,784	\$ 74,492	\$ 68,135
Sales and use taxes	73,448	64,278	74,661	68,543
All other taxes	44,957	54,636	53,573	53,989
Licenses & permits	8,633	9,478	8,521	9,806
Fines & forfeitures	1,238	1,167	1,348	1,415
Investment income	1,467	36,447	29,870	4,453
Intergovernmental	25,405	15,060	8,054	7,583
Charges for services	25,981	33,259	35,367	34,226
Contributions from property owners-				
Special districts contributions	136	6,325	104,714	19,676
Revenue from developers	33,654	16,531	22,404	34,726
Special assessments	42,009	34,690	25,165	20,240
Donations	464	474	562	627
Other revenue	2,712	4,196	5,850	5,138
Total Revenues	<u>344,453</u>	<u>356,325</u>	<u>444,581</u>	<u>328,557</u>
EXPENDITURES				
Current:				
General Government	28,740	28,850	41,069	44,549
Public Safety	95,497	90,391	82,172	77,210
Public Works	69,392	61,512	57,472	51,149
Community Development	40,679	41,904	33,694	30,578
Community Services	44,753	45,514	45,223	44,912
Transportation ⁽¹⁾		5,465	5,374	3,398
Great Park ⁽²⁾		-	-	-
Street lighting		-	-	-
Capital Outlay	30,541	50,459	76,320	121,663
Debt Services:				
Interest & fiscal charges		-	-	-
Total Expenditures	<u>309,602</u>	<u>324,095</u>	<u>341,324</u>	<u>373,459</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,851</u>	<u>32,230</u>	<u>103,257</u>	<u>(44,902)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	36	15	-	4,027
Transfers in	61,227	58,191	73,441	46,581
Transfers out	(61,123)	(59,872)	(75,182)	(45,981)
Total Other Financing Sources (Uses)	<u>140</u>	<u>(1,666)</u>	<u>(1,741)</u>	<u>4,627</u>
EXTRAORDINARY GAIN (LOSS)				
Forgiveness of debts	-	-	-	-
Dissolution of redevelopment agency	-	-	-	-
Settlement agreement	-	-	-	-
Special item	-	-	-	-
Total Extraordinary Gain (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 34,991</u>	<u>\$ 30,564</u>	<u>\$ 101,516</u>	<u>\$ (40,275)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	0%	0%	0%	0%

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

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

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

2017	2016	2015	2014	2013	2012
\$ 62,374	\$ 67,060	\$ 53,300	\$ 49,524	\$ 46,659	\$ 47,861
67,622	70,047	62,925	59,385	54,663	52,566
47,472	51,291	48,373	41,891	37,445	30,732
9,301	9,594	10,750	7,401	6,865	6,091
1,394	1,453	1,531	1,830	1,780	2,065
2,941	7,098	4,216	4,496	(283)	4,146
9,870	14,317	11,663	16,312	18,694	14,072
39,332	36,023	33,673	31,834	27,702	24,057
137,228	77,699	69,650	25,257	31,520	2,489
45,527	53,373	49,110	59,124	53,469	16,539
17,559	6,809	32,615	6,172	6,015	5,673
549	724	664	915	655	572
4,165	4,660	5,014	3,394	4,234	3,400
<u>445,334</u>	<u>400,148</u>	<u>383,484</u>	<u>307,535</u>	<u>289,418</u>	<u>210,263</u>
34,962	29,957	29,446	31,305	26,446	52,183
73,116	70,062	65,624	63,130	60,211	56,264
53,331	60,261	50,841	40,451	41,330	34,663
35,494	31,341	26,390	25,839	23,321	22,873
40,618	39,673	35,920	38,861	34,839	33,965
-	-	-	-	-	-
-	-	-	12,364	15,235	16,079
-	-	-	-	-	6,403
128,972	121,094	53,138	48,558	86,345	60,461
-	-	-	-	-	4,866
<u>366,493</u>	<u>352,388</u>	<u>261,359</u>	<u>260,508</u>	<u>287,727</u>	<u>287,757</u>
<u>78,841</u>	<u>47,760</u>	<u>122,125</u>	<u>47,027</u>	<u>1,691</u>	<u>(77,494)</u>
21	125	14,224	46	40	1,125
71,162	55,454	47,426	23,505	31,166	16,304
<u>(71,187)</u>	<u>(55,617)</u>	<u>(47,735)</u>	<u>(23,408)</u>	<u>(33,417)</u>	<u>(16,309)</u>
<u>(4)</u>	<u>(38)</u>	<u>13,915</u>	<u>143</u>	<u>(2,211)</u>	<u>1,120</u>
-	-	-	-	-	25,823
-	-	-	-	-	162,349
-	(6,568)	158,000	(5,500)	-	-
-	99	158,000	(5,500)	-	-
-	<u>(6,469)</u>	<u>316,000</u>	<u>(11,000)</u>	-	<u>188,172</u>
<u>\$ 78,837</u>	<u>\$ 41,253</u>	<u>\$ 452,040</u>	<u>\$ 36,170</u>	<u>\$ (520)</u>	<u>\$ 111,798</u>
0%	0%	0.0%	0.0%	0.0%	2.1%

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

Fiscal Year Ended June 30	Property Tax		Sales Tax ⁽²⁾	Transient Occupancy Tax	Franchise Tax	Document Transfer Tax	Other	Total
	City	Redevelopment Agency ⁽¹⁾						
2021	\$ 84,072	\$ 277	\$ 73,448	\$ 5,787	\$ 13,169	\$ 4,671	\$ 21,329	\$ 202,753
2020	79,511	273	70,028	12,387	13,822	3,461	19,216	198,698
2019	74,271	221	74,661	16,463	13,098	4,385	19,627	202,726
2018	67,957	178	68,543	14,883	13,217	4,631	21,258	190,667
2017	62,217	157	67,622	12,520	13,089	3,957	17,906	177,468
2016	66,934	126	70,047	12,294	13,828	3,762	21,407	188,398
2015	53,086	214	62,925	10,772	13,479	3,554	20,568	164,598
2014	49,442	82	59,385	9,331	13,100	2,911	16,549	150,800
2013	46,564	95	54,663	9,005	11,950	2,404	14,086	138,767
2012	44,549	3,312	52,566	8,489	11,591	1,426	9,226	131,159

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

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

Source: City Fiscal Services Divisions

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

Fiscal Year Ended June 30	City			Redevelopment Agency ⁽¹⁾			Tax Rate
	Secured	Unsecured	Assessed Value	Secured	Unsecured	Incremental Valuation	
2021	\$ 85,793,409	\$ 4,264,770	90,058,179	\$ 6,789,106	\$ 116,370	\$ 6,905,476	0.0870%
2020	80,881,596	4,163,416	85,045,012	5,640,707	119,674	5,760,381	0.0820%
2019	74,391,378	4,048,378	78,439,756	4,340,438	145,260	4,485,698	0.0822%
2018	67,809,744	4,088,964	71,898,708	3,139,318	534	3,139,852	0.0908%
2017	61,937,181	3,817,062	65,754,243	2,540,087	2,565	2,542,652	0.0913%
2016	57,124,817	3,787,877	60,912,694	1,770,828	453	1,771,281	0.1070%
2015	51,916,631	3,777,254	55,693,885	964,620	807	965,427	0.0941%
2014	47,393,124	3,609,124	51,002,248	611,176	320	611,496	0.0960%
2013	45,033,193	3,612,900	48,646,093	601,935	3,758	605,693	0.0947%
2012	43,706,257	3,429,975	47,136,232	634,613	6,549	641,162	0.1002%

Note:

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

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

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

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

	2021 *	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾
Apparel stores	\$ *	\$ 206,416	\$ 224,535	\$ 211,329
General merchandise	*	369,818	429,098	423,188
Food stores	*	142,321	140,939	132,898
Eating & drinking places	*	563,070	880,875	832,162
Home furnishings & appliances	*	-	-	-
Building material & farm tools	*	146,802	144,896	169,673
Auto dealers & supplies	*	965,743	1,028,427	963,272
Service stations	*	160,528	283,159	299,396
Other retail stores	*	748,047	791,145	834,627
All other outlets	*	2,981,584	2,940,504	2,743,558
Total	\$ -	\$ 6,284,329	\$ 6,863,578	\$ 6,610,103
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

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

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

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

*Statistical for fiscal year 2020-21 is unavailable at the present time.

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

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

	<u>2017 ⁽¹⁾</u>	<u>2016 ⁽¹⁾</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	218,728	\$ 222,412	\$ 210,020	\$ 213,839	\$ 209,566	\$ 195,765
	385,098	404,982	411,544	370,563	333,813	290,142
	125,787	120,943	122,536	609,828	148,776	142,268
	776,070	724,466	669,075	151,152	563,941	520,632
	-	-	-	410,687	372,189	340,419
	143,658	137,627	121,412	106,565	95,815	90,901
	900,540	837,144	819,580	655,268	626,940	570,374
	247,127	235,122	264,856	277,156	276,639	268,934
	835,929	787,667	821,149	438,521	428,451	387,844
	<u>2,668,557</u>	<u>2,680,024</u>	<u>2,617,234</u>	<u>1,766,788</u>	<u>1,600,281</u>	<u>1,628,911</u>
\$	<u>6,301,494</u>	<u>\$ 6,150,387</u>	<u>\$ 6,057,406</u>	<u>\$ 5,000,367</u>	<u>\$ 4,656,411</u>	<u>\$ 4,436,190</u>
	1.00%	1.00%	0.75% (2)	0.75% (2)	0.75% (2)	0.75% (2)

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

Agency	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Irvine Ranch Water	0.21320	0.24300	0.24300	0.24300	0.20202	0.17102	0.17102	0.41339	0.41339	0.41344
Irvine Unified	0.02802	0.02533	0.02804	0.02714	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00370
Orange Usd Series 2018 2016	0.01664	0.02288	0.02685	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Rancho Santiago Community College	0.04520	0.05178	0.04537	0.05088	0.04945	0.05039	0.05078	0.03334	0.03241	0.03146
Saddleback Valley Unified	0.02336	0.02295	0.02392	0.02365	0.02688	0.03008	0.02806	0.03207	0.03265	0.03163
Santa Ana Unified	0.08127	0.07300	0.05561	0.06327	0.06377	0.06604	0.06869	0.07359	0.07749	0.07147
Tustin Unified General Fund	0.07102	0.06376	0.06687	0.06873	0.07001	0.07751	0.06955	0.08912	0.06729	0.05586
Total Direct and Overlapping Rates ⁽²⁾	<u>1.48221</u>	<u>1.50620</u>	<u>1.49316</u>	<u>1.48017</u>	<u>1.41563</u>	<u>1.39854</u>	<u>1.39160</u>	<u>1.64501</u>	<u>1.62673</u>	<u>1.60756</u>
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.03180	0.03180	0.03180	0.03180	0.03180	0.03180	0.03180	0.03180	0.01226	0.03180
Voter Approved City Debt Rate										
Redevelopment Rate ⁽⁴⁾		-	-	-	-	-	-	-	-	1.00370
Total Direct Rates ⁽⁵⁾	0.03051	0.03059	0.03090	0.03115	0.03157	0.03190	0.03229	0.03267	0.04014	0.04138

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

Source: HdL, Coren & Cone

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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Irvine Company	\$ 2,419,660,965	1	2.69%	\$ 5,834,686,074	1	12.38%
Allergan USA Inc	550,580,306	2	0.61%	296,970,452	6	0.63%
B Braun Medical Inc	501,255,286	3	0.56%	334,855,985	4	0.71%
Irvine Apartment Communities LP	456,189,502	4	0.51%	728,069,124	2	1.54%
Edwards Lifesciences LLC	445,757,434	5	0.50%			-
Jamboree Center LLC	429,074,492	6	0.48%			-
Irvine Office Towers 1 LLC	411,378,358	7	0.46%			-
Park Place Michelson LLC	379,526,915	8	0.42%			-
Park I/II Spectrum LLC	369,674,876	9	0.41%	176,840,570	8	0.38%
LBA IV-PPI LLC	364,338,446	10	0.41%			-
Heritage Fields El Toro	-		-	597,219,012	3	1.27%
LBA IV-PPI LLC	-		-	301,697,574	5	0.64%
Lakeshore Properties LLC	-		-	184,728,241	7	0.39%
Capital Research Company	-		-	159,869,700	9	0.34%
Kilroy Realty	-		-	129,013,117	10	0.27%
Totals	\$ 6,327,436,580		7.03%	\$ 8,743,949,849		18.55%

Source: HdL, Coren & Cone

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year ⁽¹⁾ ⁽³⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 94,289,660	\$ 93,592,424	99.26%	\$ 421,803	94,014,227	99.71%
2020	92,477,398	90,810,360	98.20%	365,026	91,175,386	98.59%
2019	90,281,935	89,869,241	99.54%	418,609	90,287,850	100.01%
2018	85,775,306	84,940,559	99.03%	458,377	85,398,936	99.56%
2017	82,074,158	81,122,025	98.84%	526,453	81,648,478	99.48%
2016	80,233,275	79,071,170	98.55%	625,501	79,696,671	99.33%
2015	86,003,581	85,186,715	99.05%	159,584	85,346,299	99.24%
2014	76,486,915	76,278,909	99.73%	729,226	77,008,135	100.68%
2013	70,528,865	69,549,205	98.61%	739,919	70,289,124	99.66%
2012	79,604,976	77,405,056	97.24%	1,066,687	78,471,743	98.58%

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

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

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

Source: Orange County Auditor-Controller

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

Fiscal Year Ended June 30	Capital Leases	Total Governmental Activities	Percentage of Personal Income ⁽¹⁾	% of Actual Assessed Value of Property ⁽¹⁾	Per Capita
2021	\$ -	\$ -	0.00%	0.000%	-
2020	-	-	0.00%	0.000%	-
2019	-	-	0.00%	0.000%	-
2018	-	-	0.00%	0.000%	-
2017	-	-	0.00%	0.000%	-
2016	-	-	0.00%	0.000%	-
2015	78	78	0.00%	0.000%	0
2014	177	470	0.00%	0.001%	2
2013	470	470	0.00%	0.001%	2
2012	386	386	0.01%	0.001%	2

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

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

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

Fiscal Year Ended June 30	Population ⁽¹⁾	Total General Obligation Bonds	Less Debt Service Fund	Net Bonded Debt	Percent of Debt to Assessed Value	Debt per Capita
2021	308	-	-	-	0.00%	-
2020	282	-	-	-	0.00%	-
2019	280	-	-	-	0.00%	-
2018	276	-	-	-	0.00%	-
2017	267	-	-	-	0.00%	-
2016	258	-	-	-	0.00%	-
2015	250	-	-	-	0.00%	-
2014	243	-	-	-	0.00%	-
2013	231	-	-	-	0.00%	-
2012	224	-	-	-	0.00%	-

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

Source: City Fiscal Services Division

City of Irvine
Schedule of Direct and Overlapping Bonded Debt
June 30, 2021

2020-21 Assessed valuation: \$ 90,058,178,619

	Total	%Applicable (1)	City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Debt 6/30/21</u>		<u>Debt 6/30/21</u>
Metropolitan Water District	\$ 26,830,000	2.759 %	\$ 740,240
Rancho Santiago Community College District	215,876,119	12.295	26,541,969
Rancho Santiago Community College District School Facilities Improvement District No. 1	159,970,000	23.097	36,948,271
Irvine Unified School District Facilities Improvement District No. 1	163,295,000	97.133	158,613,332
Irvine Unified School District Community Facilities Districts	564,770,000	100	564,770,000
Orange Unified School District	177,865,000	.0001	178
Saddleback Valley Unified School District	99,865,000	4.851	4,844,451
Santa Ana Unified School District	351,580,064	28.475	100,112,423
Santa Ana Unified School District Community Facilities District No. 2004-1	6,605,000	100	6,605,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	40,654,092	9.492	3,858,886
Tustin Unified School District School Facilities Improvement District No. 2008-1	82,195,000	9.77	8,030,452
Tustin Unified School District School Facilities Improvement District No. 2012-1	38,950,000	22.766	8,867,357
Tustin Unified School District Community Facilities District No. 97-1	81,925,000	100	81,925,000
Tustin Unified School District Community Facilities District No. 2007-1	15,745,000	100	15,745,000
Tustin Unified School District Community Facilities District No. 2014-1	85,055,000	100	85,055,000
Irvine Ranch Water District Improvement Districts	507,202,600	11.945-100.	338,566,552
City of Irvine Community Facilities District No. 2004-1	16,880,000	100	16,880,000
City of Irvine Community Facilities District No. 2005-2	12,965,000	100	12,965,000
City of Irvine Community Facilities District No. 2013-3, I.A. 1	72,395,000	100	72,395,000
City of Irvine Community Facilities District No. 2013-3, I.A. 4	133,175,000	100	133,175,000
City of Irvine Community Facilities District No. 2013-3, I.A. 8	72,125,000	100	72,125,000
City of Irvine 1915 Act Bonds	788,448,000	100	788,448,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			2,537,212,111
 <u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 381,885,000	13.738 %	\$ 52,463,361
Orange County Pension Obligation Bonds	485,318,204	13.738	66,673,015
Orange County Board of Education General Fund Obligations	12,310,000	13.738	1,691,148
Orange Unified School District Certificates of Participation and Benefit Obligation	84,246,594	0.0001	84
Santa Ana Unified School District General Fund Obligations	58,729,304	28.475	16,723,169
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 137,550,777
 TOTAL DIRECT DEBT			\$ -
OVERLAPPING DEBT			\$ 2,674,762,888
 COMBINED TOTAL DEBT			\$ 2,674,762,888 ⁽²⁾

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

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

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 2.82%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt 0.00%

Net Combined Total Debt..... 2.97%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assessed valuation	\$ 90,058,178,619	\$ 85,045,012,271	\$ 78,439,755,961	\$ 71,898,708,288
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 22,514,544,655	\$ 21,261,253,068	\$ 19,609,938,990	\$ 17,974,677,072
Debit limit percentage	15%	15%	15%	15%
Debt limit	3,377,181,698	3,189,187,960	2,941,490,849	2,696,201,561
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 3,377,181,698</u>	<u>\$ 3,189,187,960</u>	<u>\$ 2,941,490,849</u>	<u>\$ 2,696,201,561</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Note:

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

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

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 65,754,243,380	\$ 60,912,693,965	\$ 55,693,885,275	\$ 51,002,248,297	\$ 48,646,093,255	\$ 47,136,231,043
25%	25%	25%	25%	25%	25%
\$ 16,438,560,845	\$ 15,228,173,491	\$ 13,923,471,319	\$ 12,750,562,074	\$ 12,161,523,314	\$ 11,784,057,761
15%	15%	15%	15%	15%	15%
2,465,784,127	2,284,226,024	2,088,520,698	1,912,584,311	1,824,228,497	1,767,608,664
-	-	-	-	-	-
<u>\$ 2,465,784,127</u>	<u>\$ 2,284,226,024</u>	<u>\$ 2,088,520,698</u>	<u>\$ 1,912,584,311</u>	<u>\$ 1,824,228,497</u>	<u>\$ 1,767,608,664</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year Ended June 30	Population ⁽¹⁾	(in thousands) Personal Income ⁽³⁾	Per Capita Personal Income ⁽³⁾	Income per Median Household ⁽³⁾	Median Age ⁽²⁾	School Enrollment ⁽⁴⁾⁽⁶⁾	Unemployment Rate ⁽⁵⁾
2021	307,670	\$ 13,662,292 ⁽²⁾	\$ 50,016	\$ 105,126	34.2	37,889 ⁽⁶⁾	5.8%
2020	281,707	12,788,062 ⁽³⁾	48,166	100,969	34.1	37,048 ⁽⁶⁾	11.3%
2019	280,202	12,272,130 ⁽³⁾	46,246	104,185	34.4	36,332 ⁽⁶⁾	2.9%
2018	276,176	12,272,130 ⁽³⁾	45,140	93,823	34.5	34,617 ⁽⁶⁾	3.3%
2017	267,086	12,840,224 ⁽³⁾	43,836	92,278	34.4	33,480 ⁽⁴⁾	2.9%
2016	258,386	10,946,242 ⁽³⁾	43,456	91,999	34.0	31,621 ⁽⁴⁾	3.3%
2015	250,384	10,593,508 ⁽³⁾	43,096	90,585	34.2	30,638 ⁽⁴⁾	3.2%
2014	242,651	9,595,168 ⁽³⁾	43,271	92,663	33.6	30,170 ⁽⁴⁾	3.9%
2013	231,117	8,174,011 ⁽³⁾	43,102	92,599	34.0	29,000 ⁽⁴⁾	4.6%
2012	223,729	8,886,628 ⁽³⁾	41,898	90,939	33.1	27,411 ⁽⁴⁾	6.0%

(1) California Department of Finance at January 1.

(2) HDL, Coren & Cone

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

(4) Irvine Unified School District

(5) Employment Development Department

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

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

Employer	2021			2012		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	18,373	1	6.63%	16,495	1	8.39%
Blizzard Entertainment Inc.	4,022	2	1.45%	1,695	8	0.86%
Irvine Unified School District	3,897	3	1.41%	2,394	5	1.22%
Edwards Lifesciences LLC	3,152	4	1.14%	2,567	3	1.31%
B Braun Medical	1,910	5	0.69%	1,405	10	0.71%
Center for Autism	1,892	6	0.68%			
The Haskell Company	1,453	7	0.52%			
Western Digital	1,350	8	0.49%	1,758	7	0.89%
Capital Group Companies Global	1,198	9	0.43%			-
Thales Avionics Inc.	1,084	10	0.39%			
Allergan	-		-	2,441	4	1.24%
Cellco Partnership / Verizon Wireless	-		-	2,305	6	1.17%
Broadcom	-		-	2,604	2	1.32%
Parker Hannifin				1,650	9	0.84%

Source: City Public Safety Department

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

FUNCTION	Fiscal Years as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Full-time	103.70	106.70	103.70	103.00	94.00	92.00	87.00	88.00	82.00	80.00
Part-time	15.90	15.14	14.44	12.01	14.61	14.61	15.92	12.53	9.28	8.60
Non-hourly	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Public Safety										
Full-time	341.30	334.30	326.30	322.00	319.00	308.00	304.00	298.00	290.00	290.00
Part-time	41.19	40.50	38.62	38.30	32.87	33.35	31.44	30.95	30.95	31.05
Non-hourly	58.00	56.00	53.00	49.00	46.00	44.00	42.00	39.40	32.40	32.40
Public Works										
Full-time	169.00	140.25	142.25	139.25	155.00	150.00	140.00	142.00	122.00	121.00
Part-time	6.75	5.20	5.24	5.24	5.24	6.50	6.00	4.30	1.75	1.75
Non-hourly	5.00									
Community Development										
Full-time	111.00	111.00	111.00	114.00	113.00	109.00	108.00	102.00	99.00	101.00
Part-time	2.00	2.00	2.80	3.30	2.80	2.80	1.80	1.80	1.80	2.60
Non-hourly	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	11.00
Community Services										
Full-time	131.00	130.00	127.00	127.00	125.00	118.00	109.00	108.00	113.00	114.00
Part-time	286.91	286.90	282.73	274.77	262.33	250.44	212.95	197.69	196.63	185.11
Non-hourly	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Transportation										
Full-time		21.75	21.75	15.75	-	-	-	-	-	-
Part-time		2.00	0.50	-	-	-	-	-	-	-
Non-hourly		5.00	5.00	5.00	-	-	-	-	-	-
Great Park										
Full-time		-	-	-	-	-	-	-	30.00	33.00
Part-time		-	-	-	-	-	-	-	7.13	4.88
Non-hourly		-	-	-	-	-	-	-	5.00	9.00
Total	1,299.75	1,284.74	1,262.33	1,236.62	1,197.85	1,156.70	1,086.11	1,052.67	1,048.94	1,047.39

Note:

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

Transportation department was established in fiscal year 2017-18.

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

Source: Various City departments

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

FUNCTION	Fiscal Years as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police Safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	72	64	61	61	55	51	49	52	46	46
Fire stations ⁽¹⁾	12	12	12	12	12	12	11	11	11	11
Public Works										
Streets (miles)	2,083	2,068	2,035	2,002	1,985	1,973	1,931	1,922	1,879	1,851
Traffic signals	376	366	366	356	344	344	341	338	337	330
Streetscape (acres)	940	938	938	918	918	911	889	872	834	808
Open space/greenbelts (acres)	6,673	6,673	6,672	6,638	6,638	6,638	5,600	5,590	5,250	5,250
Bicycle path-on/off street (miles)	400	372	364	154	154	154	152	152	151	151
Culture and Recreation										
Community athletic parks	24	24	23	20	20	19	19	19	19	18
Multi use centers	20	20	18	16	15	15	14	14	14	13
Dog parks	1	1	1	1	1	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Soccer fields	70	70	70	63	41	41	41	40	40	38
Swimming pools	3	3	3	3	3	3	3	4	4	4
Batting cages	22	22	22	14	14	14	14	14	14	14
Basketball courts	37	37	36	35	31	31	31	30	29	29
Racquetball/handball courts	13	14	14	14	14	14	14	14	14	14
Tennis courts	98	98	98	91	64	64	64	64	64	64
Volleyball courts	23	23	23	22	17	17	17	16	16	16

(1) Joint Power Authority with Orange County Fire Authority

Source: Various City departments

City of Irvine
Operating Indicators by Function
Last Ten Fiscal Years

FUNCTION	2021	2020	2019	2018
General Government				
Checks/wire transfers	43,936	49,591	50,333	51,905
Number of purchase orders placed	2,162	2,179	2,192	2,324
Police				
Animal control service calls	12,190	9,608	7,785	8,635
Physical arrests	1,571	1,737	2,155	2,501
Parking citations	4,919	7,006	6,853	6,272
Traffic citations	16,793	16,513	22,050	18,848
Highways and Streets				
Arterial street resurfacing (centerline miles)	33.75	4.40	42.22	49
Arterial street sweeping (curb miles)	40,361	40,361	40,346	39,817
Community Development				
Building inspections completed	97,080	140,808	174,363	220,565
Building permits issued	10,060	11,606	16,764	15,924
Culture and Recreation				
Recreational & instructional classes offered	13,123	9,345	9,345	11,530
Recreational & instructional enrollees	160,974	125,664	164,380	136,857
Recreational & internet registrants for classes	69%	54%	64%	58%
Youth services participation units	NA	NA	NA	NA
Redevelopment ⁽¹⁾				
Number of discretionary applications processed	-	-	-	-
Number of demolition permits issued	-	-	-	-
Number of grading/building permits issued	-	-	-	-

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

Source: Various City departments

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
47,912	46,499	46,112	44,607	45,105	44,672
2,151	2,146	1,681	1,936	1,953	2,316
8,741	9,975	9,741	10,580	10,664	10,309
2,811	3,109	2,506	2,774	2,824	2,802
5,171	4,413	4,056	4,824	6,934	4,702
20,151	19,641	21,266	23,541	23,221	26,395
65	58	36	40	47	44
39,542	39,189	38,884	38,449	38,401	38,300
225,782	194,718	190,409	160,718	151,835	127,964
15,165	14,187	13,577	12,635	12,029	10,201
9,624	9,238	8,826	8,890	8,151	8,203
108,711	101,252	95,618	99,811	90,027	81,271
56%	56%	57%	50%	52%	54%
NA	NA	NA	NA	NA	NA
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

City of Irvine
Miscellaneous Statistical Information
June 30, 2021

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

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

About the Cover

The Irvine Civic Center opened its doors to the public in 1989. Located at 1 Civic Center Plaza, the Civic Center is home to City Hall and the Irvine Police Department, both of which serve a culturally diverse and fully integrated city of more than 280,000 residents. Irvine is one of the world's premier master-planned communities, encompassing 66 square miles in the heart of Orange County, California. Incorporated in 1971, Irvine has strategically grown into one of the safest cities in the country, promoting stellar educational institutions, an enterprising business environment, environmental stewardship, state-of-the-art facilities and venues, and a high quality of life. Irvine's pursuit of excellence is reflected in the City's mission to create and maintain a community where people can live, work, and play in an environment that is safe, vibrant, and aesthetically pleasing.

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