



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR
ENDED JUNE 30, 2022

CITY OF IRVINE, CALIFORNIA





City of Irvine

Incorporation:	December 28, 1971
Population:	310,250
Size:	66 square miles
Sphere of Influence:	74 square miles (approx.)



City of Irvine
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022



Prepared by Fiscal Services



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

December 5, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Irvine (City) for the fiscal year ended June 30, 2022. 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, 2022 are free of material misstatement. The independent auditor concluded it was reasonable to render unmodified opinions and that the City's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. Their report is presented in the beginning of the financial section of this report.

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

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

CITY OF IRVINE PROFILE

The City, incorporated in 1971, is located in Orange County, California, approximately 40 miles southeast of Los Angeles and six miles from the ocean. As one of the nation's largest master-planned communities, the City encompasses 66 square miles and is the largest city by land area in Orange County. The City includes residential communities, commercial retail centers, several industrial and office complexes, a 1,500-acre University of California campus, as well as civic, cultural, and recreational facilities. The City's residential population has grown from 10,081 in 1971 to 310,250 in 2022.

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

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

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

ECONOMIC CONDITION

Irvine has experienced strong economic recovery after the challenging financial environment caused by the COVID-19 pandemic that significantly impacted the City's revenues. As consumer demand increased and services returned to normal, the City ended the fiscal year in a positive financial position.

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

For example, for the second year in a row, Adventure Playground Park has been named Best Playground in Orange County by Parenting OC magazine's 2022 Reader's Choice Awards. Irvine Global Village Festival was recognized with an EPIC Award for Recurring Special or Community Event by the statewide association California Association of Public Information Officers for a staff-produced event as an outstanding effort that serves as an inspiration for public outreach. The Community Services Youth Outreach team was recognized with a *California Park & Recreation Society Parks Make Life Better Award for*

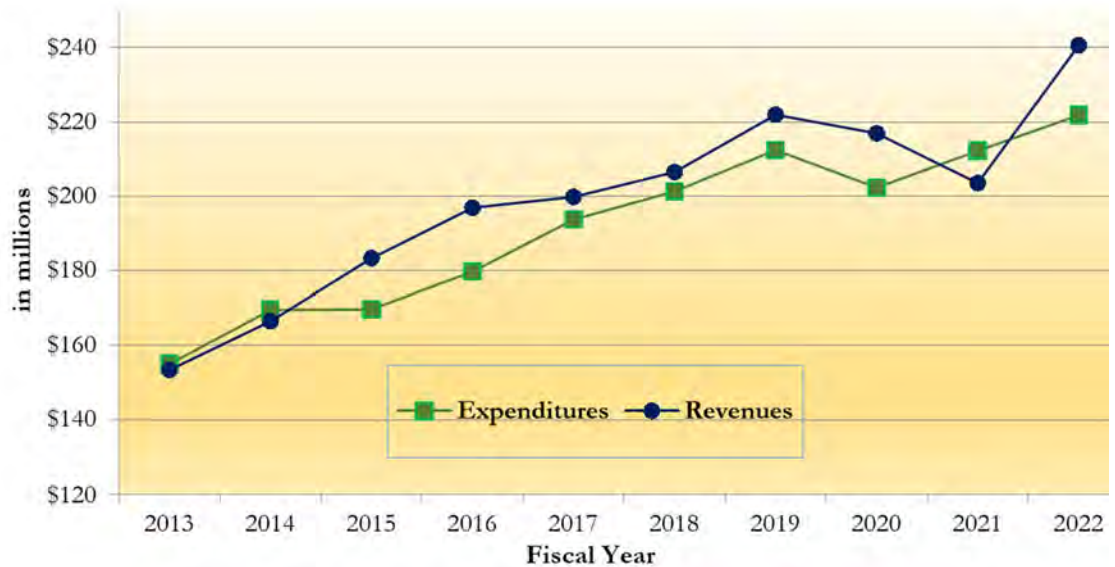
District 10 for the team’s virtual Youth Action Team response to the COVID-19 pandemic for making a substantial and meaningful impact on the community.

For the 16th 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 73 cities nationwide to receive this award. Irvine has been ranked #3 on WalletHub’s list of *2022 Best Places to Raise a Family*. The City was also ranked among the top 10 in the nation by the Trust for Public Land, which is based on park access, average, investment, and amenities. Irvine is the 5th Happiest City in America and the 4th Best Midsize College City in America by WalletHub.

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 2021-22 increased 18.3 percent from the prior fiscal year. Expenditures increased by less than one 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

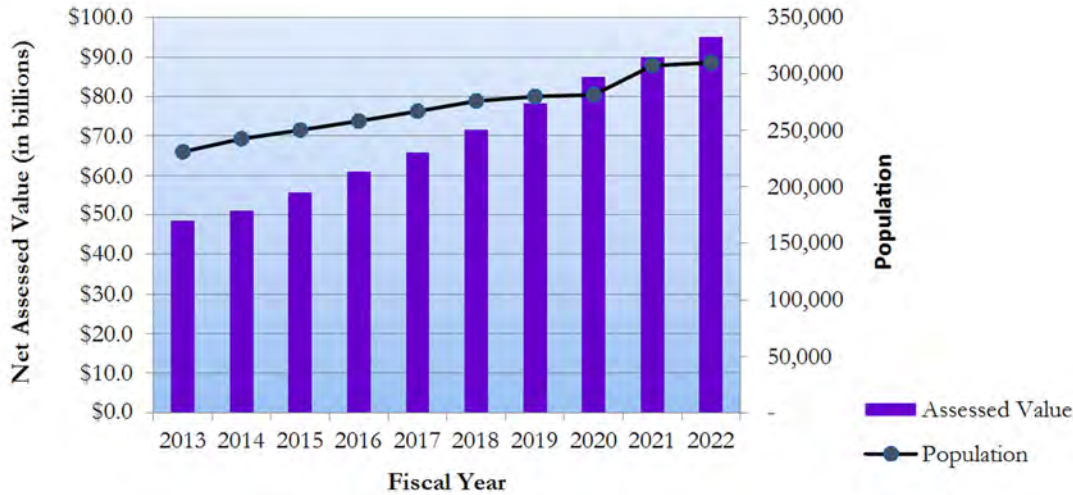


Property tax is the City's largest General Fund revenue source with revenues of \$85.2 million, an increase of 5.5 percent over the prior fiscal year. Sales tax is the second largest General Fund revenue source with revenues of \$84.0 million, an increase of 23.1 percent over the prior fiscal year. In addition, hotel taxes finished at \$13.7 million, an increase of 137.6 percent over the prior year. The increase in sales and hotel taxes is in direct response to the pent up demand for consumer goods and travel due to the pandemic and the reopening of many businesses during the fiscal year. General Fund revenues are forecasted to increase by approximately 7 percent in fiscal year 2022-23.

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 2021-22, the City's net assessed property value grew 5.7 percent from the previous fiscal year, to \$95.2 billion. In June,

the Orange County Assessor reported Irvine's net assessed property valuation will increase 5.4 percent for fiscal year 2021-22, leading the county with an assessed value of \$100 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 is 310,250 and is 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, 2021, the pension funding status was 92.3 percent funded for the Miscellaneous Plan and 90.6 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, 2022, the City has paid down an additional \$58.16 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, 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, 2022, the contingency reserve balance is \$50.4 million or 24.0 percent of fiscal year 2022-23 General Fund adopted operating budget.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 43rd consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an Annual Comprehensive Financial Report that goes beyond the minimum requirement of GAAP and demonstrates the spirit of transparency and full disclosure that ensures users of the financial statements have the necessary information to assess the City's financial health. A Certificate of Achievement is valid for one year only and management believes that the current Annual Comprehensive Financial Report continues to meet the program's requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

The City's budget was also recognized for excellence when it received both the GFOA Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers (CSMFO) Excellence in Operational Budget Award for the fiscal year 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 Annual Comprehensive Financial Report reflects the hard work, talent, and commitment of the Fiscal Services Division staff in particular, and the cooperation of the entire 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 Annual Comprehensive Financial Report. Appreciation is also expressed to the Finance Commission, Investment Advisory Committee, the City Manager, and the entire executive team for its support of the financial operations of the City during this past fiscal year, and to the Mayor and Councilmembers for their steadfastness in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Therese Washle

Therese Washle, CPA
Finance Officer

Mark Alvarado

Mark Alvarado, CPA
Interim 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

IRVINE CITY OFFICIALS

June 30, 2022



Farrah N. Khan
Mayor



Anthony Kuo
Vice Mayor



Larry Agran
Councilmember



Tammy Kim
Councilmember

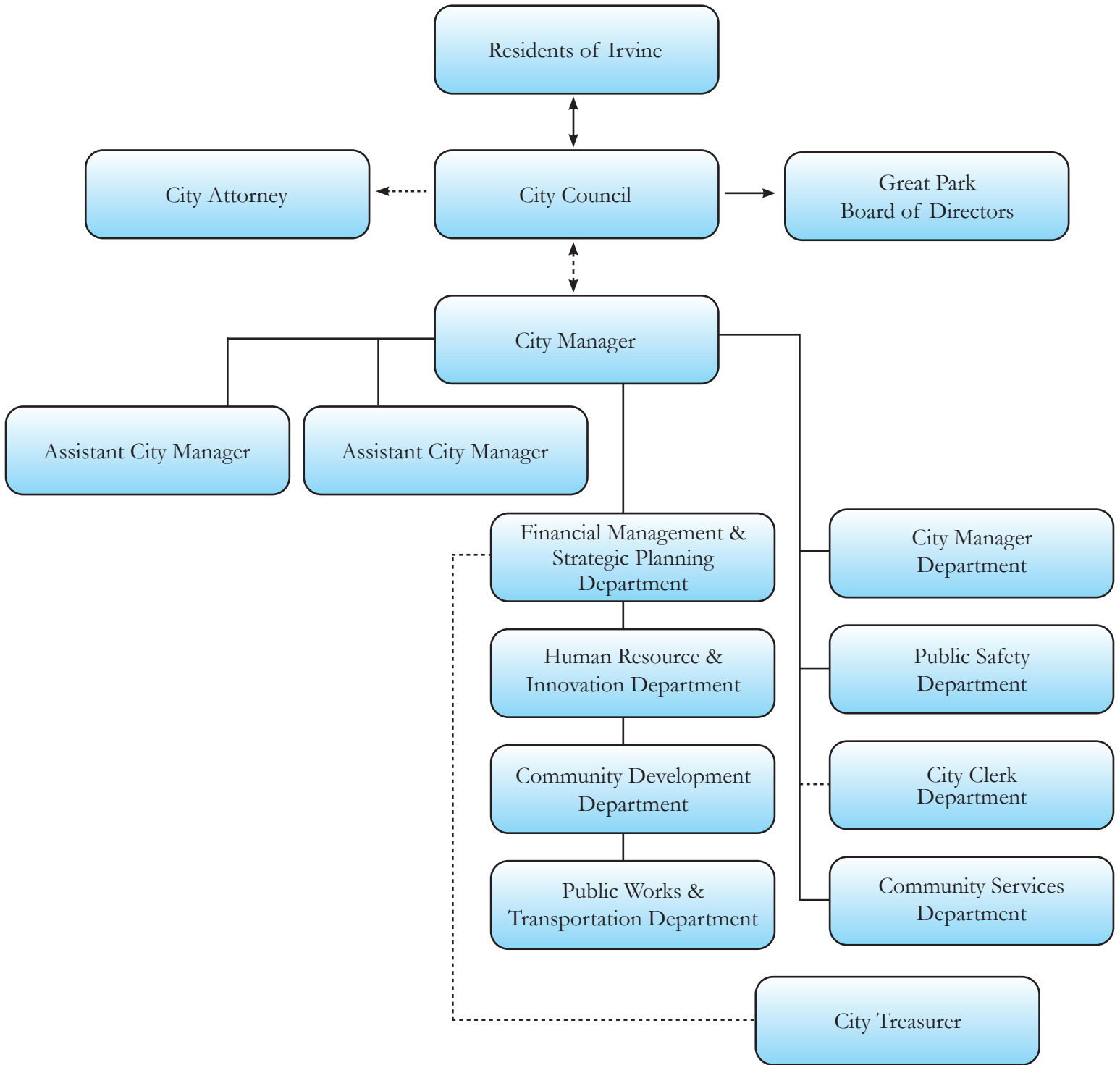


Mike Carroll
Councilmember

City Manager
Oliver C. Chi

- 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**
- Interim Director of Financial Management & Strategic Planning.. **Mark Alvarado**
- Director of Human Resources & Innovation **Jimnee Medina**
- Director of Public Safety **Chief Michael Kent**
- Director of Public Works & Transportation **Jaimee Bourgeois**

City of Irvine



----- 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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Irvine (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Great Park special revenue fund, Local Park Fees special revenue fund, and the Grants special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Irvine Community Land Trust, which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Irvine Community Land Trust, is based solely on the report of other auditors.

Basis for Opinions

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

Emphasis of Matter*Change in Accounting Principle*

As described in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

Supplementary Information

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

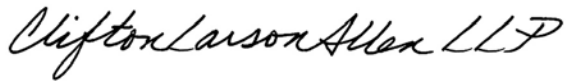
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2022, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Irvine, California
November 16, 2022



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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report and with the City's financial statements, which follows this discussion.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

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

Fund financial statements

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

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

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

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, Great Park Fund, Local Park Fees Fund, Grants Fund, Great Park Development Fund, and Assessment Districts; 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, 2022, the City's total net position increased by \$2.05 million. The increase is a combination of a 14 percent increase in total revenue offset with a five percent increase in expenses compared to the prior year. Almost more than two years into the COVID-19 pandemic, consumers have been eager to travel, enjoy dining out at restaurants, and the consumption of consumer goods has provided for a robust increase in the City's sales tax and transient occupancy taxes.
- As of June 30, 2022, the City's governmental funds reported a combined ending fund balance of \$1.17 billion, a decrease of \$6.27 million in comparison with the prior year. Revenues increased by 14 percent, which was offset by the expenditures increasing 29 percent. The expenditure increase is mainly from the closing out of certain assessment districts and refunding of excess special taxes along with an increase of capital outlay.
- At June 30, 2022, committed, assigned, and unassigned fund balance for the general fund was \$227.62 million. This represents an increase of \$70.37 million, or 45 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 \$0.76 million during the current fiscal year, due to an increase of compensated absences (vacation and sick time), claims payable (worker's compensation and general liability), and financing of capital purchases.

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, 63 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 or other borrowings (also includes contract payable, retainage, and accounts payable related to the purchase of capital assets) used to acquire those assets. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Irvine
Summary of Net Position
June 30, 2022 and 2021
(amounts expressed in thousands)

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	\$1,370,118	\$1,326,380
Capital assets	1,910,611	1,934,077
Total Assets	3,280,729	3,260,457
Deferred Outflow of Resources		
Pension and OPEB related items	41,402	60,659
Liabilities		
Other liabilities	129,290	96,444
Long-term liabilities	72,823	191,500
Total Liabilities	202,113	287,944
Deferred Inflows of Resources		
Leases	8,537	-
Pension and OPEB related items	79,976	3,714
Total Deferred Inflow of Resources	88,513	3,714
Net Positions		
Net investment in capital assets	1,892,115	1,931,810
Restricted	571,035	653,852
Unrestricted	568,355	443,796
Total Net Position	\$3,031,505	\$3,029,458

During the fiscal year ended June 30, 2022, the net position of the City was \$3.03 billion, of which \$1.90 billion was the net investment in capital assets such as equipment, buildings, and infrastructure. Of the remaining total, \$571.04 million, which is a decrease of \$82.82 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 \$568.36 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, 2022 and 2021
(amounts expressed in thousands)

	Governmental Activities	
	2022	2021
Revenues		
Program revenues:		
Charges for services	\$ 106,573	\$ 101,501
Operating grants and contributions	85,415	38,077
Capital grants and contributions	16,785	26,585
General revenues:		
Property taxes	89,089	84,349
Sales taxes	84,008	68,260
Transient occupancy taxes	13,750	5,788
Franchise taxes	15,236	14,182
Document transfer taxes	4,861	4,671
Other taxes	314	207
Investment revenue	(26,444)	457
Other revenues	5,894	1,802
Total Revenues	395,481	345,879
Expenses		
General Government	74,944	30,083
Public Safety	84,025	95,632
Public Works & Transportation	90,102	92,186
Community Development	36,450	41,206
Community Services	46,450	46,219
Interest on long-term debt	8	-
Unallocated infrastructure depreciation	61,455	69,998
Total Expenses	393,434	375,324
Change in Net Position	2,047	(29,445)
Beginning Net Position	3,029,458	3,058,903
Ending Net Position	\$ 3,031,505	\$ 3,029,458

Overall, Citywide revenues for the fiscal year ended June 30, 2022, increased by \$49.60 million, a 14 percent increase from the prior year. Program revenues improved 26 percent and general revenues four percent from the previous fiscal year.

- Program revenues includes operational and capital grants and charges for services increased \$42.61 million. The City received multiple federal COVID grants during the fiscal year that were restricted for rental assistance, nutrition support for the elderly, and homeless prevention.
- The City's general revenues experienced an increase of \$7.00 million. Tax revenues had an increase of \$29.80 million, which was offset by a decrease of \$26.90 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 increased \$18.11 million, a five percent increase from the previous year. One of the prevalent reasons for the increase was the close out of certain assessment districts and the refunding of excess special taxes to the property owners and redemption of outstanding bonds.

- General Government is the administration of the City and Great Park. The increase of \$44.86 million is primarily due to the close out of the construction funds within Assessment District 97-16, Northwest Irvine and Assessment District 97-17, Lower Peters Canyon East. The excess funds were expended for the redemption of outstanding bonds within these Assessment Districts and the remaining surplus will be refunded to the property owners.
- 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 \$11.61 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 \$2.08 million decrease from the prior fiscal year. The decrease is a combination of an increase in governmental fund expenditures and a decrease in pension expense, which is recognized within the government-wide financial statements.
- Community Development is entrusted with planning the City's residential communities, commercial and industrial centers, and ensuring that all of the construction in the City complies with building codes. The City's Neighborhood Services program includes the administration of federal housing grant programs and code enforcement. A decrease of \$4.76 million of expenses is primarily due to a \$2.0 million decrease in governmental fund expenditures and a \$2.5 million decrease in pension expense, which is recognized within the government-wide financial statements.
- 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 \$0.23 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, 2022, the City's governmental funds reported a total combined ending fund balance of \$1.17 billion. Approximately 51 percent of the City's governmental funds ending fund balances, or \$592.90 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, \$572.40 million, is either nonspendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation.

The nonspendable total of \$1.12 million consists of a \$0.50 million endowment for senior citizen services programs and \$0.62 million of prepaid expenditures. The remaining restricted funds totaling \$571.28 million are comprised of \$560.08 million for capital improvement projects, such as streets, parks, and facilities, \$3.87 million for affordable housing activities, \$1.07 million for public education, \$0.50 million for public transportation, \$2.25 million for law enforcement purposes, \$0.53 million for air quality improvement activities, \$0.51 million for animal care, and \$2.48 million for senior, public, recycling, and community service activities.

General Fund Financial Highlights

The General Fund is the chief operating fund of the City. At June 30, 2022, committed, assigned, and unassigned fund balance of the General Fund was \$227.62 million, while total fund balance was \$227.65 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 103 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, 2022, the cash and investments balance in the General Fund was \$229.95 million, an increase of \$69.93 million from the previous fiscal year.

City of Irvine
Summary of Changes in Fund Balances - General Fund
For the Years Ended June 30, 2022 and 2021
(amounts expressed in thousands)

	<u>2022</u>	<u>2021</u>
Revenues		
Taxes:		
Property	\$ 85,209	\$ 80,796
Sales	84,008	68,260
Other	32,439	23,381
Total Taxes	<u>201,656</u>	<u>172,437</u>
Charges for services	28,966	18,629
Intergovernmental	773	515
Investment income	(6,134)	(137)
Other	15,380	12,062
Total Revenues	<u>240,641</u>	<u>203,506</u>
Expenditures		
General Government	23,511	22,533
Public Safety	92,570	92,188
Public Works & Transportation	40,345	34,314
Community Development	25,499	26,982
Community Services	39,860	36,230
Debt service:		
Principal retirement	24	-
Interest and fiscal charges	1	-
Total Expenditures	<u>221,810</u>	<u>212,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,831</u>	<u>(8,741)</u>
Other Financing Sources (Uses)		
Proceeds from sale of property	34	36
Proceeds from financing of capital asset	100	-
Net transfers	<u>50,043</u>	<u>9,577</u>
Net Change in Fund Balance	<u>\$ 69,008</u>	<u>\$ 872</u>

- Overall, General Fund revenues for the fiscal year ended June 30, 2022, grew by \$37.14 million, or 18 percent, over the prior year. Property taxes the City's largest tax revenue, increased \$4.41 million over last year, due to the continued new development in the City and the appreciation in Irvine's residential real estate prices. Sales taxes grew \$15.75 million, due to the pent-up demand and higher consumer spending, sales tax revenues received higher than anticipated recovery in automobile sales, restaurants, and business & industry sectors. All other tax revenues such as hotel tax and franchise tax increased \$9.06 million. Charges for service increased \$10.34 million, as demand continues to grow for City services since the start of the COVID-19 pandemic, which affected many of the services provided by the City in the last two years. Investment income declined \$6.00 million, interest has fallen since March of 2020, due to the short duration of the City's investments and sensitivity to market interest rate shifts.

Total General Fund expenditures increased by \$9.56 million, or 5 percent, from the prior year. The significant changes in expenditures, by function, occurred as follows during the fiscal year:

- Public Works & Transportation expenditures increased by \$6.03 million to \$40.35 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 and new projects in progress as part of the Irvine Recovery Program.
- Community Services expenditures increased by \$3.63 million to \$39.86 million. Community Services provides recreation and educational programs, senior services, operates the pools and pool programs, the City's Fine Arts Center, Animal Care Center, and the TRIPS program, which provides low-cost, wheelchair-accessible transportation to Irvine seniors and adults with disabilities. The demand for services such as these has increased as the COVID-19 pandemic enters its second year. The cost to provide these services: supplies, staff costs, and contract services are the primary reason for the expenditure increase.

General Fund Budgetary Highlights

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

Increases (Decreases) for activities:

- \$3.39 million for General Government
 - Budget increase for the additional school support approved and not awarded during the previous fiscal year, and additional funding allocated as a result of the American Rescue Plan Act funding which will be used to support the Irvine Recovery Plan programs. Some of the General Government programs are multi-language outreach, community events, and implementation of diversity, equity, and inclusion program.
- \$5.83 million for Public Safety
 - Additional funding allocated as a result of the American Rescue Plan Act funding which will be used to support the Irvine Recovery Plan programs. Public Safety has implemented the behavioral health mobile outreach service in coordination with Be Well OC.
- \$22.71 million for Public Works & Transportation
 - Budget increased primarily due to the programs approved to support the Irvine Recovery Plan as a result of the American Rescue Plan Act funding. Some of these programs are tree plantings, pavement management in areas overdue, and drought tolerant drip irrigation to name a few.
- \$10.33 million for Community Development and \$3.46 million for Community Services
 - Budget increases also for the Irvine Recovery Plan due to the American Rescue Plan Act. Some of the projects include One Irvine, housing, childcare assistance, and food insecurity set aside as examples of these departments' project.

In each of the functional expenditure categories, actual expenditures were less than final budgeted amounts, totaling \$221.81 million and \$273.88 million, respectively. Additionally, for the fiscal year ended June 30, 2022, revenues received were greater than budgetary estimates, at \$240.64 million and \$227.91 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 revenues exceeded expenditures by \$18.83 million. In addition, net other financing sources and uses were \$50.18 million from other funds. Overall, there was a \$69.01 million increase to the ending fund balance, resulting in a year-end fund balance of \$227.65 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 \$14.43 million of which \$1.25 million was received from developers and \$11.32 million from property owners within certain special districts. Current year expenditures and net transfers were \$35.70 million for the development and operations of the Great Park and additional City rehabilitation requirements. The ending fund balance is a combination of \$0.59 million of nonspendable and \$250.69 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 \$2.20 million in local park fees and expended \$0.90 million on park development. The remaining fund balance of \$139.16 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 \$72.63 in various grants and donations required to be used for certain purposes. A majority of the grant funding, \$56.43 million, was received from the Department of the Treasury, American Rescue Plan Act. Through the City's revenue losses during the first twenty-four months of the COVID-19 pandemic, this funding was transferred to the General Fund to support general services. Much of the remaining funding was used for the benefit of those most affected by the coronavirus pandemic such as rental assistance and senior nutrition programs.

Great Park Development Fund accounts for expenditures related to the planning, design, demolition, and construction of the Great Park. Current year expenditures were \$10.81 million. Funding for these efforts are transfers from the Great Park Fund and Local Park Fees Fund. The ending fund balance of \$14.14 million is assigned to the purposes of this fund.

Assessment Districts Fund records the financial transactions related to the capital project activities for development within the assessment districts. Expenditures were \$49.98 million within the assessment districts. Most of these expenditures were for the close out of the construction funds within Assessment District 97-16, Northwest Irvine and Assessment District 97-17, Lower Peters Canyon East. The excess funds were expended for the redemption of outstanding bonds within these Assessment Districts and the remaining surplus will be refunded to the property owners. The remaining fund balance of \$58.12 million is restricted for the infrastructure development within the assessment districts.

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$1.91 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 \$23.47 million, or one percent.

City of Irvine
Summary of Change in Capital Assets
For the Year Ended June 30, 2022
(amounts expressed in thousands)

	Balance			Balance
	June 30, 2021	Increases	Decreases	June 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 847,883	\$ 227	\$ -	\$ 848,110
Construction in progress	103,848	14,732	5,986	112,594
Total capital assets not being depreciated	<u>951,731</u>	<u>14,959</u>	<u>5,986</u>	<u>960,704</u>
Capital assets, being depreciated:				
Buildings and systems	230,643	-	-	230,643
Improvements other than buildings	238,578	6,489	-	245,067
Machinery and equipment	41,945	2,080	5,987	38,038
Infrastructure	1,905,023	42,600	-	1,947,623
Total capital assets being depreciated	<u>2,416,189</u>	<u>51,169</u>	<u>5,987</u>	<u>2,461,371</u>
Less accumulated depreciation for:				
Buildings and systems	(81,873)	(5,765)	-	(87,638)
Improvements other than buildings	(128,243)	(13,059)	-	(141,302)
Machinery and equipment	(32,537)	(3,245)	5,903	(29,879)
Infrastructure	(1,191,190)	(61,455)	-	(1,252,645)
Total accumulated depreciation	<u>(1,433,843)</u>	<u>(83,524)</u>	<u>5,903</u>	<u>(1,511,464)</u>
Total capital assets, being depreciated, net	<u>982,346</u>	<u>(32,355)</u>	<u>84</u>	<u>949,907</u>
Governmental activities capital assets, net	<u>\$ 1,934,077</u>	<u>\$ (17,396)</u>	<u>\$ 6,070</u>	<u>\$ 1,910,611</u>

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

- Machinery and equipment acquisitions of \$2.08 million includes vehicles, computer hardware, computer software, and other types of machinery and equipment.
- Improvements other than buildings increased \$6.49 million due to the completion of construction in progress projects such as the Ryan Lemon Stadium improvement and two projects at the Great Park, Great Park Balloon Envelope replacement and the Sports Park Subarea improvement.
- Infrastructure additions were \$42.60 million. Street additions accounted for \$31.71 million, traffic signal additions totaled \$3.71 million, bridge additions totaled \$3.25 million, trail additions totaled \$0.65 million, and landscaping additions were \$3.28 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, 2022, was \$39.88 million, an increase of \$0.76 million from the prior year.

City of Irvine
Summary of Changes in Long-Term Liabilities
For the Year Ended June 30, 2022
(amounts expressed in thousands)

	Balance			Balance		
	June 30, 2021	Increases	Decreases	June 30, 2022	Long-Term	Due Within One Year
Compensated absences	\$ 18,116	\$ 6,519	\$ 6,147	\$ 18,488	\$ 12,683	\$ 5,805
Claims payable	21,002	3,691	3,376	21,317	16,054	5,263
Capital finance purchase	-	100	24	76	55	21
Total Long-Term Liabilities	<u>\$ 39,118</u>	<u>\$ 10,310</u>	<u>\$ 9,547</u>	<u>\$ 39,881</u>	<u>\$ 28,792</u>	<u>\$ 11,089</u>

Long-term liability-related events during the fiscal year ended June 30, 2022, included:

- Compensated absences liabilities increased by \$6.52 million and payouts to employees upon termination amounted to \$6.15 million for a net increase of \$0.37 million.
- A net increase to claims payable of \$0.32 million to adjust for possible future general liability and workers' compensation claims.
- The City entered into a capital finance purchase for Public Safety equipment, the final payment will be paid in June of 2026.

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

Economic Factors and Next Year's Budgets and Rates

The City's economy is linked to the national and state economy. However, because the City is still developing, its local economy can experience departures from other local, state or national trends with resultant recurring revenue fluctuations. Additionally, because the City's revenues are obtained from a limited number of sources, further revenue fluctuations may occur from year to year. To develop its budget model, the City uses the "Orange County Economic Forecast" prepared by Chapman University's Center for Economic Research, the UCLA Anderson Forecast, and the California State University at Fullerton Mihaylo College of Business and Economics, as well as projections provided by City consultants. Detailed information about the economic analysis, revenue assumptions, and other budgetary process parameters utilized in the biennial budget preparation, can be obtained from the City's 2021-23 biennial citywide budget, available through the 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, 2022
(amount expressed in thousands)

	Primary Government	Component Unit
	Governmental Activities	Irvine Community Land Trust
ASSETS		
Cash and investments	\$ 1,186,249	\$ 20,522
Receivables, net of allowances:		
Taxes	23,125	-
Accounts	4,228	-
Leases	8,639	-
Accrued interest	4,280	956
Escrow deposits	155	-
Prepaid items	1,912	20
Advances to the Successor Agency	87,615	-
Due from the primary government	-	7,590
Due from other governments	16,050	-
Due from developers	23,811	-
Long-term notes receivable, net of allowances	14,054	11,085
Capital assets, not being depreciated	960,704	33,000
Capital assets, net of accumulated depreciation	949,907	1,763
Other assets, noncurrent	-	2,751
Total Assets	<u>3,280,729</u>	<u>77,687</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	40,377	-
Other post employment benefits related items	1,025	-
Total Deferred Outflows of Resources	<u>41,402</u>	<u>-</u>
LIABILITIES		
Accounts payable	29,099	1,114
Accrued liabilities	60,742	10
Due to component unit	7,590	-
Due to other governments	130	-
Deposits	11,839	10
Retentions payable	885	-
Unearned revenue	7,414	-
Interest payable	7	-
Noncurrent liabilities:		
Due within one year	11,089	-
Due in more than one year	28,792	-
Total other post employment benefits, due within one year	495	-
Total other post employment benefits, due in more than one year	7,980	-
Net pension liability	36,051	-
Total Liabilities	<u>202,113</u>	<u>1,134</u>
DEFERRED INFLOWS OF RESOURCES		
Leases	8,537	-
Pension related items	78,797	-
Other post employment benefits related items	1,179	-
Total Deferred Inflows of Resources	<u>88,513</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,892,115	34,762
Restricted:		
Expendable:		
Assessment infrastructure and capital improvements	560,099	-
Housing programs	3,872	-
Public safety programs	2,245	-
Other programs and activities	4,319	-
Nonexpendable:		
Senior Services Fund program	500	-
Unrestricted	568,355	41,791
Total Net Position	<u>\$ 3,031,505</u>	<u>\$ 76,553</u>

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statement of Activities
For the Fiscal Year Ended June 30, 2022
(amount expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
Primary Government						
Governmental Activities:						
General Government	\$ 74,944	\$ 14,581	\$ 66,387	\$ -	\$ 6,024	\$ -
Public Safety	84,025	3,994	2,155	-	(77,876)	-
Public Works & Transportation	90,102	49,619	11,028	11,924	(17,531)	-
Community Development	36,450	18,680	3,661	4,861	(9,248)	-
Community Services	46,450	19,699	2,184	-	(24,567)	-
Interest on Long-Term Debt	8	-	-	-	(8)	-
Unallocated infrastructure depreciation	61,455	-	-	-	(61,455)	-
Total Governmental Activities	<u>\$ 393,434</u>	<u>\$ 106,573</u>	<u>\$ 85,415</u>	<u>\$ 16,785</u>	<u>\$ (184,661)</u>	
Component Unit						
Irvine Community Land Trust	\$ 4,627	\$ 389	\$ -	\$ 520		\$ (3,718)
Total Component Unit	<u>\$ 4,627</u>	<u>\$ 389</u>	<u>\$ -</u>	<u>\$ 520</u>		<u>(3,718)</u>
General Revenues						
Taxes:						
Property taxes					89,089	-
Sales taxes					84,008	-
Franchise taxes					15,236	-
Transient occupancy taxes					13,750	-
Document transfer taxes					4,861	-
Unrestricted motor vehicle in-lieu					314	-
Gain on sales of assets					330	-
Investment revenue					(26,444)	462
Other revenue					5,564	-
Total General Revenues					<u>186,708</u>	<u>462</u>
Change in Net Position					2,047	(3,256)
Total Net Position, Beginning					<u>3,029,458</u>	<u>79,809</u>
Total Net Position, Ending					<u>\$ 3,031,505</u>	<u>\$ 76,553</u>

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2022
(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	\$ 229,952	\$ 173,919	\$ 138,980	\$ 3,570
Receivables, net of allowances:				
Taxes	20,523	-	-	-
Accounts	3,116	153	-	69
Leases	6,805	1,834	-	-
Accrued interest	2,057	245	180	895
Escrow deposits	-	-	-	51
Prepaid items	38	585	-	-
Due from other funds	86	-	-	-
Due from other governments	1,733	3,315	-	1,094
Due from developers	1	-	-	-
Due from the Successor Agency	-	87,615	-	-
Long-term notes receivable, net of allowances	7,652	-	-	5,978
Total Assets	<u>\$ 271,963</u>	<u>\$ 267,666</u>	<u>\$ 139,160</u>	<u>\$ 11,657</u>
LIABILITIES				
Accounts payable	\$ 7,542	\$ 2,186	\$ -	\$ 652
Accrued liabilities	8,829	139	-	2
Due to component unit	-	8,762	-	-
Due to other funds	-	-	-	-
Due to other governments	121	-	-	3
Compensated absences	60	-	-	-
Retentions payable	-	-	-	-
Deposits	11,331	-	-	-
Unearned revenue	7,130	184	-	-
Total Liabilities	<u>35,013</u>	<u>11,271</u>	<u>-</u>	<u>657</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	9,296	5,125	-	6,977
Total Deferred Inflows of Resources	<u>9,296</u>	<u>5,125</u>	<u>-</u>	<u>6,977</u>
FUND BALANCES (DEFICITS)				
Nonspendable	38	585	-	-
Restricted	-	-	139,160	4,379
Committed	50,388	-	-	-
Assigned	147,342	250,685	-	-
Unassigned	29,886	-	-	(356)
Total Fund Balances (Deficits)	<u>227,654</u>	<u>251,270</u>	<u>139,160</u>	<u>4,023</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 271,963</u>	<u>\$ 267,666</u>	<u>\$ 139,160</u>	<u>\$ 11,657</u>

- continued -

City of Irvine
Balance Sheet
Governmental Funds
June 30, 2022
(amount expressed in thousands)
Page 2 of 2

	Great Park Development	Assessment Districts	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 19,340	\$ 106,539	\$ 456,693	\$ 1,128,993
Receivables, net of allowances:				
Taxes	-	-	2,602	23,125
Accounts	-	-	476	3,814
Leases	-	-	-	8,639
Accrued interest	15	32	781	4,205
Escrow deposits	-	-	104	155
Prepaid items	-	-	-	623
Due from other funds	-	-	-	86
Due from other governments	-	-	9,908	16,050
Due from developers	-	-	23,810	23,811
Due from the Successor Agency	-	-	-	87,615
Long-term notes receivable, net of allowances	-	-	424	14,054
Total Assets	\$ 19,355	\$ 106,571	\$ 494,798	\$ 1,311,170
LIABILITIES				
Accounts payable	\$ 4,924	\$ 13	\$ 10,910	\$ 26,227
Accrued liabilities	-	48,438	3,126	60,534
Due to component unit	-	-	-	8,762
Due to other funds	-	-	86	86
Due to other governments	-	-	4	128
Compensated absences	-	-	-	60
Retentions payable	296	-	589	885
Deposits	-	-	508	11,839
Unearned revenue	-	-	100	7,414
Total Liabilities	5,220	48,451	15,323	115,935
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	8,537	29,935
Total Deferred Inflows of Resources	-	-	8,537	29,935
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	500	1,123
Restricted	-	58,120	369,619	571,278
Committed	-	-	100,716	151,104
Assigned	14,135	-	103	412,265
Unassigned	-	-	-	29,530
Total Fund Balances (Deficits)	14,135	58,120	470,938	1,165,300
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 19,355	\$ 106,571	\$ 494,798	\$ 1,311,170

City of Irvine
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022
(amount expressed in thousands)

Total Fund Balances of Governmental Funds		\$ 1,165,300
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in government activities are nonfinancial resources and are not reported in the funds.		
Governmental capital assets	\$ 3,396,961	
Less: accumulated depreciation	<u>(1,492,900)</u>	1,904,061
Long-term note receivable and its related interest for the revolving loan programs are not available to pay current period expenditures and are shown as unavailable revenues in the funds.		
		7,541
Deferred outflow of resources consists of items that will consume net position in a future reporting period and do not meet the definition of an asset.		
Pension related items		39,842
Other post employment benefits related items		1,025
Revenues not collected within current period and are shown as unavailable revenue in the funds. However, on an accrual basis revenues are included in the government-wide statements. These revenues include:		
Intergovernmental/Grants		6,625
Revenue from special assessments		5,274
Investment income		1,775
Charges for services		177
Other revenue		6
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Charges for services		147
Other revenue		1
Long-term liabilities, are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds.		
Compensated absences		(17,775)
Contract capital payable		(76)
Interest payable		(7)
Other post employment benefit pension obligation		(8,475)
Net pension liability		(35,520)
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.		
		1,172
Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time.		
Pension related items		(77,454)
Other post employment benefits related items		(1,179)
Internal service funds are used by management to charge the cost of activities involved in rendering services to departments within the City. The assets and liabilities of the internal services funds are included in the Statement of Net Position.		
		<u>39,045</u>
Net Position of Governmental Activities		<u><u>\$ 3,031,505</u></u>



City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022
(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	\$ 201,656	\$ -	\$ -	\$ -
Licenses and permits	10,069	-	-	-
Fines and forfeitures	1,112	-	-	-
Investment income	(6,134)	(7,232)	(5,737)	(1,195)
Intergovernmental	773	-	-	72,973
Charges for services	28,966	9,086	-	446
Contributions from property owners-				
Special districts contributions	-	-	-	-
Revenue from developers	-	1,250	2,203	-
Special assessments	-	11,320	-	-
Donations	14	1	-	404
Other revenue	4,185	8	-	-
Total Revenues	240,641	14,433	(3,534)	72,628
EXPENDITURES				
Current:				
General Government	23,511	6,003	-	132
Public Safety	92,570	812	-	2,034
Public Works & Transportation	40,345	8,722	-	207
Community Development	25,499	122	-	13,076
Community Services	39,860	7,819	-	1,875
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	24	-	-	-
Interest and fiscal charges	1	-	-	-
Total Expenditures	221,810	23,478	-	17,324
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,831	(9,045)	(3,534)	55,304
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	34	-	-	-
Proceeds from contract capital payable	100	-	-	-
Transfers in	58,284	160	-	517
Transfers out	(8,241)	(12,377)	(899)	(56,843)
Total Other Financing Sources (Uses)	50,177	(12,217)	(899)	(56,326)
Net Change in Fund Balances	69,008	(21,262)	(4,433)	(1,022)
Fund Balances, Beginning	158,646	272,532	143,593	5,045
Fund Balances, Ending	<u>\$ 227,654</u>	<u>\$ 251,270</u>	<u>\$ 139,160</u>	<u>\$ 4,023</u>

- continued -

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

For the Fiscal Year Ended June 30, 2022

(amount expressed in thousands)

Page 2 of 2

	<u>Great Park Development</u>	<u>Assessment Districts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 30,111	\$ 231,767
Licenses and permits	-	-	72	10,141
Fines and forfeitures	-	-	-	1,112
Investment income	(506)	156	(14,216)	(34,864)
Intergovernmental	-	-	2,385	76,131
Charges for services	-	-	1,564	40,062
Contributions from property owners-				
Special districts contributions	-	-	1,960	1,960
Revenue from developers	-	-	7,604	11,057
Special assessments	-	-	34,873	46,193
Donations	-	-	42	461
Other revenue	-	-	3,680	7,873
Total Revenues	<u>(506)</u>	<u>156</u>	<u>68,075</u>	<u>391,893</u>
EXPENDITURES				
Current:				
General Government	1	46,664	209	76,520
Public Safety	-	-	1,710	97,126
Public Works & Transportation	32	135	31,048	80,489
Community Development	-	-	11	38,708
Community Services	-	-	140	49,694
Capital outlay	10,781	3,183	41,745	55,709
Debt service:				
Principal retirement	-	-	-	24
Interest and fiscal charges	-	-	-	1
Total Expenditures	<u>10,814</u>	<u>49,982</u>	<u>74,863</u>	<u>398,271</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,320)</u>	<u>(49,826)</u>	<u>(6,788)</u>	<u>(6,378)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	-	-	-	34
Proceeds from contract capital payable	-	-	-	100
Transfers in	10,131	-	35,495	104,587
Transfers out	-	-	(26,255)	(104,615)
Total Other Financing Sources	<u>10,131</u>	<u>-</u>	<u>9,240</u>	<u>106</u>
Net Change in Fund Balances	<u>(1,189)</u>	<u>(49,826)</u>	<u>2,452</u>	<u>(6,272)</u>
Fund Balances, Beginning	<u>15,324</u>	<u>107,946</u>	<u>468,486</u>	<u>1,171,572</u>
Fund Balances, Ending	<u>\$ 14,135</u>	<u>\$ 58,120</u>	<u>\$ 470,938</u>	<u>\$ 1,165,300</u>

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, 2022
(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	\$	(6,272)
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Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period, as listed below:

Expenditures for capital outlays	\$ 55,709	
Expenditures for capital equipment purchases	2,823	
Depreciation expense (net of Internal Service Funds of \$2,621)	<u>(80,903)</u>	(22,371)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Interest	537	
Charges for services	114	
Grants	3,694	
Revenue from developers	2,056	
Other revenue	<u>(179)</u>	6,222

For governmental funds, payments on long-term agreements between governmental funds and component units are recorded on the balance sheet, but for reporting in the statement of activities, the long-term agreement is recorded at its net present value, and interest expense is recorded.

(601)

Governmental funds do not report the changes in the net pensions and other post employment benefit plan, since it does not provide or require the use of current financial resources.

Defined benefit pension plans	23,374	
Other post employment benefit plan	<u>(397)</u>	22,977

Governmental funds report repayments of the principal of long-term debt as expenditures, but repayments are included as a reduction of long-term liabilities in the Statement of Net Positions.

Issuance of long term note		(100)
Principal repayments on long term debt		24

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.

Accrued interest	(7)	
Compensated absences	<u>(368)</u>	(375)

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.

2,543

Change in Net Position of Governmental Activities	\$	<u><u>2,047</u></u>
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City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 181,281	\$ 181,281	\$ 201,656	\$ 20,375
Licenses and permits	10,811	10,811	10,069	(742)
Fines and forfeitures	1,808	1,808	1,112	(696)
Investment income	2,359	2,359	(6,134)	(8,493)
Intergovernmental	428	428	773	345
Charges for services	28,099	28,127	28,966	839
Donations	8	8	14	6
Other revenue	3,084	3,084	4,185	1,101
Total Revenues	227,878	227,906	240,641	12,735
EXPENDITURES				
Current:				
City Manager & City Council	8,355	10,885	7,660	3,225
City Clerk	2,894	2,923	2,476	447
Human Resources & Innovation	3,964	4,510	3,881	629
Finance Management & Strategic Planning	9,773	10,066	9,494	572
Public Safety	94,034	99,862	92,570	7,292
Public Works & Transportation	39,285	61,994	40,345	21,649
Community Development	28,069	38,396	25,499	12,897
Community Services	41,789	45,246	39,860	5,386
Debt service:				
Principal retirement	-	-	24	(24)
Interest and fiscal charges	-	-	1	(1)
Total Expenditures	228,163	273,882	221,810	52,072
Excess (Deficiency) of Revenues Over (Under) Expenditures	(285)	(45,976)	18,831	64,807
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	25	25	34	9
Proceeds from financing of capital asset	-	-	100	100
Transfers in	1,617	58,492	58,284	(208)
Transfers out	(18,536)	(21,579)	(8,241)	13,338
Total Other Financing Sources (Uses)	(16,894)	36,938	50,177	13,239
Net Change in Fund Balances	(17,179)	(9,038)	69,008	78,046
Fund Balances, Beginning	158,646	158,646	158,646	-
Fund Balances, Ending	\$ 141,467	\$ 149,608	\$ 227,654	\$ 78,046

See Accompanying Notes to the Basic Financial Statements

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Great Park
For the Fiscal Year Ended June 30, 2022
(amount expressed in thousands)
Page 1 of 2

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Investment income	\$ 1,287	\$ 1,287	\$ (7,232)	\$ (8,519)
Charges for services	7,628	8,363	9,086	723
Revenue from developers	1,250	1,250	1,250	-
Special assessments	11,016	11,016	11,320	304
Donations	-	-	1	1
Other revenue	-	-	8	8
Total Revenues	21,181	21,916	14,433	(7,483)
EXPENDITURES				
Current:				
General Government:				
City Manager & City Council				
Personnel	2,662	2,735	2,398	337
Supplies	114	114	7	107
Internal service allocations	63	63	63	-
Contract services	2,295	4,481	2,506	1,975
Training and business expenses	35	35	9	26
Capital equipment	20	20	-	20
Total City Manager & City Council	5,189	7,448	4,983	2,465
City Clerk				
Personnel	215	217	166	51
Total City Clerk	215	217	166	51
Human Resources & Innovation				
Personnel	105	106	102	4
Total Human Resources & Innovation	105	106	102	4
Fiscal Management & Strategic Planning				
Personnel	726	735	735	-
Internal service allocations	14	14	14	-
Contract services	8	8	3	5
Total Fiscal Management & Strategic Planning	748	757	752	5
Total General Government	6,257	8,528	6,003	2,525
Public Safety				
Personnel	1,032	1,054	798	256
Supplies	7	7	-	7
Internal service allocations	14	14	14	-
Training and business expenses	3	3	-	3
Total Public Safety	1,056	1,078	812	266

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City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Great Park
For the Fiscal Year Ended June 30, 2022
(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	1,640	1,661	1,524	137
Supplies	225	225	175	50
Internal service allocations	87	87	87	-
Contract services	5,973	6,648	5,900	748
Training and business expenses	12	12	7	5
Utilities	1,431	1,431	991	440
Capital equipment	24	62	38	24
Total Public Works & Transportation	<u>9,392</u>	<u>10,126</u>	<u>8,722</u>	<u>1,404</u>
Community Development				
Personnel	102	103	88	15
Supplies	3	3	2	1
Contract services	152	152	32	120
Total Community Development	<u>257</u>	<u>258</u>	<u>122</u>	<u>136</u>
Community Services				
Personnel	4,301	4,403	3,868	535
Supplies	453	461	258	203
Internal service allocations	975	975	971	4
Contract services	2,765	3,344	2,602	742
Training and business expenses	41	41	19	22
Capital equipment	130	130	70	60
Miscellaneous	94	94	31	63
Total Community Services	<u>8,759</u>	<u>9,448</u>	<u>7,819</u>	<u>1,629</u>
Total Expenditures	<u>25,721</u>	<u>29,438</u>	<u>23,478</u>	<u>5,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,540)</u>	<u>(7,522)</u>	<u>(9,045)</u>	<u>(1,523)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	160	160	-
Transfers out	(41,991)	(62,080)	(12,377)	49,703
Total Other Financing Sources (Uses)	<u>(41,991)</u>	<u>(61,920)</u>	<u>(12,217)</u>	<u>49,703</u>
Net Change in Fund Balances	<u>(46,531)</u>	<u>(69,442)</u>	<u>(21,262)</u>	<u>48,180</u>
Fund Balances, Beginning	<u>272,532</u>	<u>272,532</u>	<u>272,532</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 226,001</u>	<u>\$ 203,090</u>	<u>\$ 251,270</u>	<u>\$ 48,180</u>

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Local Park Fees
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 1,019	\$ 1,019	\$ (5,737)	\$ (6,756)
Revenue from developers	-	-	2,203	2,203
Total Revenues	1,019	1,019	(3,534)	(4,553)
OTHER FINANCING SOURCES (USES)				
Transfers out	(48,342)	(57,375)	(899)	56,476
Total Other Financing Sources (Uses)	(48,342)	(57,375)	(899)	56,476
Net Change in Fund Balances	(47,323)	(56,356)	(4,433)	51,923
Fund Balances, Beginning	143,593	143,593	143,593	-
Fund Balances, Ending	\$ 96,270	\$ 87,237	\$ 139,160	\$ 51,923

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Grants
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 3	\$ 3	\$ (1,195)	\$ (1,198)
Intergovernmental	6,230	9,819	72,973	63,154
Charges for services	422	536	446	(90)
Donations	264	414	404	(10)
Total Revenues	6,919	10,772	72,628	61,856
EXPENDITURES				
Current:				
General Government	75	75	132	(57)
Public Safety	3,911	5,369	2,034	3,335
Public Works & Transportation	219	327	207	120
Community Development	7,068	17,135	13,076	4,059
Community Services	1,796	2,482	1,875	607
Total Expenditures	13,069	25,388	17,324	8,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,150)	(14,616)	55,304	69,920
OTHER FINANCING SOURCES (USES)				
Transfers in	488	523	517	(6)
Transfers out	(576)	(57,010)	(56,843)	167
Total Other Financing Sources (Uses)	(88)	(56,487)	(56,326)	161
Net Change in Fund Balances	(6,238)	(71,103)	(1,022)	70,081
Fund Balances, Beginning	5,045	5,045	5,045	-
Fund Balances, Ending	\$ (1,193)	\$ (66,058)	\$ 4,023	\$ 70,081

City of Irvine
Statement of Net Position
Proprietary Funds
June 30, 2022
(amount expressed in thousands)

	<u>Governmental Activities- Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 57,256
Receivables, net of allowances:	
Accounts	266
Accrued interest	75
Prepaid items	1,289
Total Current Assets	<u>58,886</u>
Noncurrent Assets:	
Capital assets:	
Equipment	25,114
Less accumulated depreciation	<u>(18,564)</u>
Total Noncurrent Assets	<u>6,550</u>
Total Assets	<u>65,436</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	<u>535</u>
Total Deferred Outflows of Resources	<u>535</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	2,872
Accrued liabilities	208
Due to other governments	2
Compensated absences	203
Claims payable	5,263
Total Current Liabilities	<u>8,548</u>
Noncurrent Liabilities:	
Compensated absences	450
Claims payable	16,054
Net pension liability	531
Total Noncurrent Liabilities	<u>17,035</u>
Total Liabilities	<u>25,583</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	<u>1,343</u>
Total Deferred Inflows of Resources	<u>1,343</u>
NET POSITION	
Net investment in capital assets	4,990
Unrestricted	34,055
Total Net Position	<u>\$ 39,045</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, 2022
(amounts expressed in thousands)

	Governmental Activities- Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 39,248
Other	61
Total Operating Revenues	39,309
OPERATING EXPENSES	
Salaries and benefits	5,571
Supplies and equipment	8,599
Contract services	8,430
Administration	2,327
Self-insured losses	3,752
Insurance premiums	3,855
Depreciation	2,621
Total Operating Expenses	35,155
Operating Income (Loss)	4,154
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	(2,314)
Gain (loss) on disposal of equipment	296
Total Nonoperating Revenues	(2,018)
Income (Loss) Before Capital Contributions and Transfers	2,136
Capital contributions	379
Transfers in	74
Transfers out	(46)
Change in Net Position	2,543
Total Net Position, Beginning	36,502
Total Net Position, Ending	\$ 39,045

City of Irvine
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(amount expressed in thousands)

	<u>Governmental Activities- Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from interfund services provided	\$ 39,144
Paid to suppliers and providers	(26,833)
Paid for salaries and benefits	(5,986)
Net Cash Provided (Used) by Operating Activities	<u>6,325</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from other funds	74
Transfers to other funds	(46)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>28</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of equipment	380
Equipment purchases	(1,231)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(851)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments net of sales	(2,280)
Net Cash Provided (Used) by Investing Activities	<u>(2,280)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,222
Cash and Cash Equivalents, Beginning of Fiscal Year	54,034
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 57,256</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 4,154
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	2,621
(Increase) decrease in receivables, net of allowances	(165)
(Increase) decrease in prepaid items	(491)
(Increase) decrease in deferred outflows	305
Increase (decrease) in accounts payable	236
Increase (decrease) in accrued liabilities	89
Increase (decrease) in due to other governments	(1)
Increase (decrease) in compensated absences	11
Increase (decrease) in claims payable	315
Increase (decrease) in net pension liability	(2,072)
Increase (decrease) in deferred inflow	1,323
Total Adjustments	<u>2,171</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,325</u>
Schedule of Non-Cash and Related Financing Activities	
Contribution of Capital Assets	<u>\$ 379</u>



City of Irvine
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021 and June 30, 2022
(amounts expressed in thousand)

	<u>December 31, 2021</u>		
	<u>Pension Trust Funds</u>	<u>Successor Agency Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS			
Cash and cash equivalents	\$ 478	\$ 11,836	\$ 123,543
Receivables, net of allowances:			
Taxes	-	-	2,364
Accounts	29	-	23,106
Accrued interest	-	8	136
Loans	69	-	-
Due from other funds	-	-	14
Due from other governments	-	87,615	-
Due from developers	-	-	711
Investments:			
Pooled funds	25,826	-	-
Mutual funds - closed end funds equity	224	-	-
Mutual funds - equity	6,198	-	-
Mutual funds - corporate bonds	572	-	-
Mutual funds - balanced	1,633	-	-
Total Assets	<u>35,029</u>	<u>99,459</u>	<u>149,874</u>
LIABILITIES			
Accounts payable	15	4,843	706
Accrued liabilities	17	-	1,026
Advances from the City of Irvine	-	87,615	-
Due to other funds	-	-	14
Due to developers	-	-	251
Due to other governments	-	-	5,455
Total Liabilities	<u>32</u>	<u>92,458</u>	<u>7,452</u>
NET POSITION			
Restricted for pensions	34,997	-	-
Held in trust for enforceable obligations	-	7,001	-
Held in trust for bondholders	-	-	142,422
Total Net Position	<u>\$ 34,997</u>	<u>\$ 7,001</u>	<u>\$ 142,422</u>

City of Irvine
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021 and June 30, 2022
(amounts expressed in thousands)

	<u>December 31, 2021</u>		
	<u>Pension Trust Funds</u>	<u>Successor Agency Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS			
Contributions:			
Employer	\$ 700	\$ -	\$ -
Plan members	76	-	-
Interest from participants' loan	5	-	-
Total Contributions	<u>781</u>	<u>-</u>	<u>-</u>
Investment income (loss):			
Interest and dividends	72	-	-
Net appreciation (depreciation) in fair value of investments	2,761	-	-
Total Investment Income	<u>2,833</u>	<u>-</u>	<u>-</u>
Less: Investment expenses	(65)	-	-
Net Investment Income	<u>2,768</u>	<u>-</u>	<u>-</u>
Taxes	-	4,920	-
Special assessments or special taxes collected from property owners	-	-	68,944
Investment income	-	(362)	(275)
Charge for services	-	-	14
Contribution from property owners	-	-	18,182
Contribution from other districts	-	-	10,097
Total Additions	<u>3,549</u>	<u>4,558</u>	<u>96,962</u>
DEDUCTIONS			
Benefit payments	3,108	-	-
Distributions to the County	-	4,830	-
Administration expenses	48	105	3,619
Payment for special assessment or special tax debt	-	-	65,164
Refunds of special taxes	-	-	332
Contribution to City for infrastructure	-	-	1,989
Contribution to other districts	-	-	10,097
Apportionment services	-	-	14
Total Deductions	<u>3,156</u>	<u>4,935</u>	<u>81,215</u>
Change in Net Position	393	(377)	15,747
Total Net Position, Beginning	<u>34,604</u>	<u>7,378</u>	<u>126,675</u>
Total Net Position, Ending	<u>\$ 34,997</u>	<u>\$ 7,001</u>	<u>\$ 142,422</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, 2022

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Component Units

The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB No. 14 and No. 34*, and GASB Statement 84, *Fiduciary Activities*. Certain organizations warrant inclusion as part of the financial reporting entry because of the nature and significance of its relationship with the City.

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

Blended Component Units

The Great Park Corporation (GPC) 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 GPC are substantially the same, and there is a financial burden relationship between the City and the GPC, the GPC is reported as a blended component unit. The transactions of the GPC are reported in the governmental fund financial statements as a part of the major special revenue fund Great Park.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Unit

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

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

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

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

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

The City reports the following major governmental funds:

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

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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

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 Assessment Districts Fund, is a capital project fund which accounts for related capital project activities for development within the assessment districts.

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

Fiduciary Funds

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

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

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

D. Use of Restricted and Unrestricted Resources

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

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

Cash and Investments

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

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

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

Prepaid Items

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

Capital Assets

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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 asset 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 asset 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, 2022

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, 2022, are as follows (amounts expressed in thousands):

Governmental Funds:	General Fund	Great Park	Grants	Other Governmental Funds	Total
Intergovernmental/Grants	\$ 644	\$ -	\$ 134	\$ 5,847	\$ 6,625
Revenue from special assessments	-	3,315	-	1,959	5,274
Notes and long-term receivable	-	-	6,843	698	7,541
Interest income	1,775	-	-	-	1,775
Charge for service	150	-	-	27	177
Leases	6,727	1,810	-	-	8,537
Other revenue	-	-	-	6	6
Total	<u>\$ 9,296</u>	<u>\$ 5,125</u>	<u>\$ 6,977</u>	<u>\$ 8,537</u>	<u>\$ 29,935</u>

2. The pension and other post-employment benefits (OPEB) items are certain changes in net pension/OPEB liability that are to be amortized and reported as a change in pension/OPEB expenses in future fiscal years. These balances arise from changes in actuarial assumptions, difference between actual and expected experience, or difference between projected and actual earnings on investments.
3. Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Leases

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

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

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

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

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

Long-Term Notes Receivable

Long-term notes receivable consist of loans for affordable housing and the Orange County Power Authority. The Orange County Power Authority (Authority) is a California joint power authority formed by participating Orange County cities for the purpose of implementing a community choice aggregation program. The City loaned the Authority \$2,500,000 for pre-launch costs, up to an additional \$250,000 in formation costs, and \$5,000,000 in cash collateral for the Authority to secure a credit facility for additional working capital associated with power procurement and operational support. The loan has an interest rate on the outstanding pre-launch costs and cash collateral, which equals the City's quarterly investment rate. The outstanding formation costs bear no interest. The outstanding loan and interest is due January 1, 2027. As of June 30, 2022, the outstanding balance due is \$7,652,379.

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 repaid from residual rental receipts earned on the affordable housing property. Due to the long-term nature and contingent repayment requirements for some of the loans, an allowance for doubtful accounts has been estimated, actual results can differ from the estimates. Some of these loans were funded from the Department of Housing and Urban Development and CalHOME grants and are part of a revolving loan program. In the governmental funds financial statements, disbursements for providing these revolving loan receivables are recorded as expenditures while the collection of these receivables are recorded as revenue. Due to the requirements of the granting agency, these receivable collections must be utilized for the purpose of the grant. The City has recorded a deferred inflow of resources equal to the outstanding revolving developer loans of \$6,401,273.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

(amounts expressed in thousands)

Developer loans	\$	21,061
Rehabilitation loans		2,106
First time home buyer assistance loans		557
Total		24,024
Allowance for doubtful accounts		(17,323)
Developer Long-Term Notes Receivable, Net	\$	6,401

Property Taxes

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

Compensated Absences

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

Long-term Obligations

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

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, 2020	June 30, 2020
Measurement Date	December 31, 2021	June 30, 2021
Measurement Period	January 1, 2021 to December 31, 2021	July 1, 2020 to June 30, 2021

Other Post Employment Benefits (OPEB)

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

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

Valuation Date	July 1, 2020
Reporting Period	July 1, 2021 to June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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 June 2017, the Government Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflow of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 Fund, 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, 2022, increased appropriations by \$45,718,655 to an amended total of \$273,882,230.

The legal level of control for the Great Park Fund 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, 2022, increased appropriations by \$3,717,008 to an amended total of \$29,437,795.

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022, which are categorized as restricted, committed, or assigned are as follows (amounts expressed in thousands):

General Fund	\$ 6,502
Great Park	2,234
Grants	3,704
Great Park Development	8,039
Assessment Districts	170
Other Governmental Funds	18,708
Total	<u>\$ 39,357</u>

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City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022, are classified in the accompanying financial statements as follows (amounts expressed in thousands):

Statement of net position:	
Cash and investments	\$ 1,186,249
Total	1,186,249
Statement of fiduciary net position:	
Cash and investments - Custodial funds	123,543
Cash and investments - Private purpose trust funds	11,836
Total	135,379
Total Cash and Investments	<u>\$ 1,321,628</u>

Cash and investments, as of June 30, 2022, consist of the following (amounts expressed in thousands):

Cash on hand	\$ 22
Cash - Private-purpose trust funds	876
Deposits with financial institutions	2,433
Cash with trustee	86,915
Total Cash	90,246
Investments - Private-purpose trust funds	6,130
Investments	1,225,252
Total Investments	1,231,382
Total Cash and Investments	<u>\$ 1,321,628</u>

Cash and investments, as of December 31, 2021, for the Pension Trust Funds consist of the following (amounts expressed in thousands):

Cash - Pension trust funds	\$ 478
Investments - Pension trust funds	34,453
Total Cash and Investments	<u>\$ 34,931</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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

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

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

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

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, 2021. The fair values of the Plan investments have been determined by the respective unit price provided by the custodian as of December 31, 2021.

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, 2021. 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, 2021.

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

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:

Investment Type	Amount	Remaining Maturity		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Government Sponsored Enterprise Securities	\$ 422,215	\$ 76,862	\$ 62,775	\$ 282,578
Commercial Paper	84,633	84,633	-	-
U.S. Treasuries	387,105	196,409	79,314	111,382
Corporate Medium Term Notes	96,242	14,993	48,383	32,866
Local Agency Investment Fund (LAIF)	109,903	109,903	-	-
Municipal Bonds	38,480	-	-	38,480
Supranationals	85,399	2,997	1,984	80,418
Money Market Mutual Funds	7,405	7,405	-	-
	<u>\$ 1,231,382</u>	<u>\$ 493,202</u>	<u>\$ 192,456</u>	<u>\$ 545,724</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, 2022, is \$62,888,599.

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, 2022 - Standard & Poor's						
		Legal Rating	Not Rated	AAAm	AAA	AA+	AA	A+	A-1+	A-1
U.S. Government Sponsored Enterprise Securities	\$ 422,215	N/A	\$ 29,675	\$ -	\$ -	\$ 392,540	\$ -	\$ -	\$ -	\$ -
Commercial Paper	84,633	A-1	-	-	-	-	-	-	-	84,633
U.S. Treasuries	387,105	N/A	-	-	9,766	377,340	-	-	-	-
Corporate Medium Term Notes	96,242	A	-	-	17,221	23,200	9,516	41,774	4,530	-
Local Agency Investment Fund (LAIF)	109,903	N/A	109,903	-	-	-	-	-	-	-
Municipal Bonds	38,480	A	-	-	36,205	2,275	-	-	-	-
Supranationals	85,399	AA	-	-	85,399	-	-	-	-	-
Money Market Mutual Funds	7,405	AAAm	-	7,405	-	-	-	-	-	-
	<u>\$ 1,231,382</u>		<u>\$ 139,578</u>	<u>\$ 7,405</u>	<u>\$ 148,591</u>	<u>\$ 795,355</u>	<u>\$ 9,516</u>	<u>\$ 41,774</u>	<u>\$ 4,530</u>	<u>\$ 84,633</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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
U.S. Treasury	U.S. Treasuries	\$ 234,137
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	160,920
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	96,033
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	83,128

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	\$ 143,988
State of California	Local Agency Investment Fund	69,286
Federal Home Loan Bank	US Government Sponsored Enterprise Securities	29,786

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 trust for safekeeping with the bond trustee, which is different from the City's primary bank. As of June 30, 2022, uninsured and uncollateralized deposits held by trustee totaled \$82,204,485.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

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, 2022:

- U.S. Government Sponsored Enterprise Securities totaling \$422,215,075, Commercial Paper totaling \$84,632,724, U.S. Treasuries totaling \$387,105,272, Corporate Medium Term Notes totaling \$96,241,533, Municipal Bonds totaling \$38,480,394, and Supranationals totaling \$85,398,745, 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 \$109,903,200, is reported based upon the application of a fair value factor to each one dollar share invested, and therefore is not included in the fair value hierarchy.
- Money Market Mutual Funds totaling \$7,404,731, are not subject to the fair value hierarchy as the investments are reported at amortized cost.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

The fair value investment as of June 30, 2022, 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	\$ 422,215	\$ -	\$ -	\$ 422,215	\$ -
Commercial Paper	84,633	-	-	84,633	-
U.S. Treasuries	387,105	-	-	387,105	-
Corporate Medium Term Notes	96,242	-	-	96,242	-
Local Agency Investment Fund (LAIF)	109,903	109,903	-	-	-
Municipal Bonds	38,480	-	-	38,480	-
Supranationals	85,399	-	-	85,399	-
Money Market Mutual Funds	7,405	7,405	-	-	-
	<u>\$ 1,231,382</u>	<u>\$ 117,308</u>	<u>\$ -</u>	<u>\$ 1,114,074</u>	<u>\$ -</u>

The fair value measurement as of December 31, 2021, for each investment type for the Pension Trust Funds (amount expressed in thousands).

Investment Type	Amount	Level		
		1	2	3
Mutual Funds - Equity	\$ 6,422	\$ 6,422	\$ -	\$ -
Mutual Funds - Corporate Bonds	572	572	-	-
Mutual Funds - Balanced	1,633	1,633	-	-
Mutual Funds - Pooled	25,826	-	25,826	-
	<u>\$ 34,453</u>	<u>\$ 8,627</u>	<u>\$ 25,826</u>	<u>\$ -</u>

Restricted Cash

Cash and investments in the Senior Services Permanent Fund, consisting of proceeds from permanent fund contributions totaling \$857,101 at June 30, 2022, 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, 2022

III. Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows (amounts expressed in thousands):

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 847,883	\$ 227	\$ -	\$ 848,110
Construction in progress	103,848	14,732	5,986	112,594
Total capital assets not being depreciated	<u>951,731</u>	<u>14,959</u>	<u>5,986</u>	<u>960,704</u>
Capital assets, being depreciated:				
Buildings and systems	230,643	-	-	230,643
Improvements other than buildings	238,578	6,489	-	245,067
Machinery and equipment	41,945	2,080	5,987	38,038
Infrastructure	1,905,023	42,600	-	1,947,623
Total capital assets being depreciated	<u>2,416,189</u>	<u>51,169</u>	<u>5,987</u>	<u>2,461,371</u>
Less accumulated depreciation for:				
Buildings and systems	(81,873)	(5,765)	-	(87,638)
Improvements other than buildings	(128,243)	(13,059)	-	(141,302)
Machinery and equipment	(32,537)	(3,245)	5,903	(29,879)
Infrastructure	(1,191,190)	(61,455)	-	(1,252,645)
Total accumulated depreciation	<u>(1,433,843)</u>	<u>(83,524)</u>	<u>5,903</u>	<u>(1,511,464)</u>
Total capital assets, being depreciated, net	<u>982,346</u>	<u>(32,355)</u>	<u>84</u>	<u>949,907</u>
Governmental activities capital assets, net	<u>\$ 1,934,077</u>	<u>\$ (17,396)</u>	<u>\$ 6,070</u>	<u>\$ 1,910,611</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	\$ 1,444
Public Safety	257
Public Works & Transportation	16,384
Community Services	1,363
Internal Service Funds Depreciation-charged to programs based on asset usage	2,621
Allocated Depreciation	<u>22,069</u>
Unallocated Infrastructure Depreciation	<u>61,455</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 83,524</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

Construction Commitments

The City has active construction projects as of June 30, 2022. 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	Assessment Districts	Other Governmental Funds	Total Remaining Commitment
Streets and drainage	\$ 53	\$ 64	\$ 4,926	\$ 5,043
Facilities	7,163	-	1,915	9,078
Bridges	-	-	2,316	2,316
Trails	-	-	73	73
Traffic signal projects	-	103	1,880	1,983
Parks	-	-	2,375	2,375
Landscape and streetscape	285	-	104	389
Total	\$ 7,501	\$ 167	\$ 13,589	\$ 21,257

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 associated Master Affordable Housing Plan (MAHP) with the Irvine Company was also implemented at that time and revised in July 2022 in association with a new development agreement for PA 39. The MAHP includes a provision that, over multiple years, 17 acres of land will be conveyed to the City for affordable housing. As of June 30, 2022, the City has received approximately 10 of the 17 acres. The MAHP requires the additional seven acres of land for affordable housing will be conveyed by December 2023.

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Interfund Transfers (amounts expressed in thousands):

	Transfers in:						Total
	General Fund	Great Park	Grants	Great Park Development	Other Governmental Funds	Internal Service Funds	
Transfers out:							
General Fund	\$ -	\$ 160	\$ 517	\$ -	\$ 7,490	\$ 74	\$ 8,241
Great Park	1,000	-	-	9,702	1,675	-	12,377
Local Park Fees	-	-	-	429	470	-	899
Grants	56,843	-	-	-	-	-	56,843
Other Governmental Funds	441	-	-	-	25,814	-	26,255
Internal Service Funds	-	-	-	-	46	-	46
Total	\$ 58,284	\$ 160	\$ 517	\$ 10,131	\$ 35,495	\$ 74	\$ 104,661

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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

Lease Receivables

The City, as a lessor, has entered into long-term non-cancelable lease agreements for farming, retail space, facilities, and cell sites, which expire at various dates through 2036. During the year ended June 30, 2022, the City recognized \$1,389,208 and \$137,116 in lease revenue and interest revenue, respectively, pursuant to these contracts. The future minimum lease receipts to be received from the aforementioned leases is as follows (amounts expressed in thousands):

Fiscal Year Ending June 30	Principal	Interest
2023	\$ 1,262	\$ 126
2024	1,280	111
2025	1,208	95
2026	608	82
2027	607	72
2028-2032	2,839	203
2033-2037	835	48
	<u>\$ 8,639</u>	<u>\$ 737</u>

E. Changes in Long-term Liabilities

For the fiscal year ended June 30, 2022, changes in long-term liabilities are as follows (amounts expressed in thousands):

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Long- Term	Due Within One Year
Compensated absences	\$ 18,116	\$ 6,519	\$ 6,147	\$ 18,488	\$ 12,683	\$ 5,805
Claims payable	21,002	3,691	3,376	21,317	16,054	5,263
Contract capital payable	-	100	24	76	55	21
Total Long-Term Liabilities	<u>\$ 39,118</u>	<u>\$ 10,310</u>	<u>\$ 9,547</u>	<u>\$ 39,881</u>	<u>\$ 28,792</u>	<u>\$ 11,089</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

Contract Capital Payable

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

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ -	\$ -	\$ -
2024	21	3	24
2025	22	2	22
2026	33	2	22
	\$ 76	\$ 7	\$ 83

F. Special Assessment Debt with No City Commitment

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

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

The obligation of the City under the assessment district and community facilities district bonds are not general obligations of the City but are limited obligations, payable solely from special assessments and special taxes. The City has no obligation beyond the balances in the designated custodial funds for any delinquent assessment and community facilities district bond payments. If delinquencies occur beyond the amounts held in the reserve funds that are created from bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit no the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

Non-committal debt amounts issued and outstanding at June 30, 2022, are as follows (amounts expressed in thousands):

<u>Variable Rate Issues</u>		<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
07-22	Stonegate	\$ 40,000	\$ 7,551
05-21	Orchard Hills	79,265	31,644
04-20	Portola Springs	78,605	5,011
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	24,697
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	31,654
Total Variable Rate Issues		<u>809,120</u>	<u>261,155</u>
<u>Fixed Rate Issues</u>		<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
04-20	Portola Springs 2015	21,485	.
04-20	Portola Springs 2017	30,200	27,261
04-20	Portola Springs 2019	40,490	40,490
05-21	Orchard Hills 2014	74,860	65,437
05-21	Orchard Hills 2016	16,235	-
05-21	Orchard Hills 2017	19,500	18,665
05-21	Orchard Hills 2018	27,995	27,455
07-22	Stonegate	28,350	-
13-25	Eastwood	34,430	28,716
12-1	Reassessment District	126,220	37,580
13-1	Reassessment District	80,755	43,465
15-1	Reassessment District	47,360	21,960
15-2	Reassessment District	50,625	40,635
19-1	Reassessment District	48,860	46,705
21-1	Reassessment District	44,165	44,165
CFD 2004-1	Central Park	18,510	16,500
CFD 2005-2	Columbus Grove	16,975	12,365
CFD 2013-3	Great Park 2014	72,700	72,165
CFD 2013-3	Great Park 2016	135,835	132,280
CFD 2013-3	Great Park 2018	72,420	72,025
Total Fixed Rate Issues		<u>1,007,970</u>	<u>747,869</u>
Total All Issues		<u>\$ 1,817,090</u>	<u>\$ 1,009,024</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

G. Fund Balance Classifications

Fund balances in the governmental funds at June 30, 2022 have been classified as follows (amounts expressed in thousands):

	General	Great Park	Local Park Fees	Grants	Great Park Development	Assessment Districts	Other Governmental Funds	Total Governmental Funds
Non Spendable								
Endowment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 500
Prepaid expenditures	38	585	-	-	-	-	-	623
Subtotal	38	585	-	-	-	-	500	1,123
Restricted for:								
Streets, roads, & facilities	-	-	-	-	-	58,120	362,698	420,818
Park & public park facilities	-	-	139,160	-	-	-	100	139,260
Animal care activities	-	-	-	505	-	-	-	505
Affordable housing activities	-	-	-	-	-	-	3,872	3,872
Air quality improvement activities	-	-	-	-	-	-	534	534
Public safety programs	-	-	-	2,073	-	-	172	2,245
Public education	-	-	-	-	-	-	1,069	1,069
Public transportation	-	-	-	-	-	-	500	500
Senior nutrition programs and activities	-	-	-	540	-	-	357	897
Other programs and activities	-	-	-	1,261	-	-	317	1,578
Subtotal	-	-	139,160	4,379	-	58,120	369,619	571,278
Committed to:								
Streets, roads, & facilities	-	-	-	-	-	-	100,193	100,193
Contingency reserve	50,388	-	-	-	-	-	-	50,388
Public safety services	-	-	-	-	-	-	105	105
Lighting, landscape, & park maintenance	-	-	-	-	-	-	418	418
Subtotal	50,388	-	-	-	-	-	100,716	151,104
Assigned to:								
Streets, roads, & facilities	-	-	-	-	-	-	103	103
Great Park development and operations	-	250,685	-	-	14,135	-	-	264,820
Compensated absences	4,912	-	-	-	-	-	-	4,912
Development activities	2,693	-	-	-	-	-	-	2,693
Education	2,419	-	-	-	-	-	-	2,419
Infrastructure and rehabilitation	85,162	-	-	-	-	-	-	85,162
Other programs and activities	52,156	-	-	-	-	-	-	52,156
Subtotal	147,342	250,685	-	-	14,135	-	103	412,265
Unassigned:	29,886	-	-	(356)	-	-	-	29,530
Total	\$ 227,654	\$ 251,270	\$ 139,160	\$ 4,023	\$ 14,135	\$ 58,120	\$ 470,938	\$ 1,165,300

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022 were (amounts expressed in thousands):

Cash and investments \$ 11,836

Advances from the City of Irvine

Advances payable to the City for the year ended June 30, 2022, were as follows (amounts expressed in thousands):

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Advances from the City - Settlement agreement	\$ 132,635	\$ -	\$ 45,020	\$ 87,615
Total	\$ 132,635	\$ -	\$ 45,020	\$ 87,615

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022, the outstanding balance due to the Irvine Community Land Trust is \$8,761,536.

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, 2022 were (amounts expressed in thousands):

Cash	\$	7,286
Investments:		
Cash and money market		7,050
Fixed income		4,145
Equities		2,005
Accrued income		36
Total cash and investments	<u>\$</u>	<u>20,522</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

Capital Assets

Capital asset activity for the Land Trust for the year ended June 30, 2022, was as follows (amounts expressed in thousands):

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
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	2,672	-	-	2,672
Machinery and equipment	18	-	-	18
Total capital assets being depreciated	2,690	-	-	2,690
Less accumulated depreciation for:				
Buildings and systems	(832)	(89)	-	(921)
Machinery and equipment	(4)	(2)	-	(6)
Total accumulated depreciation	(836)	(91)	-	(927)
Total capital assets, being depreciated, net	1,854	(91)	-	1,763
Component unit activities capital assets, net	\$ 34,854	\$ (91)	\$ -	\$ 34,763

Depreciation expense charged to the Land Trust was \$91,388.

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, 2022, were as follows (amounts expressed in thousands):

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Principal	\$ 11,134	\$ -	\$ 49	\$ 11,085
Interest	730	236	10	956
	\$ 11,864	\$ 236	\$ 59	\$ 12,041

Settlement Income and Receivable

On October 27, 2014, a settlement agreement was entered into that resolved lawsuits filed by the City, Successor Agency, and Land Trust against the State of California. The lawsuit was related to debts owed by the former Redevelopment Agency to the City and Land Trust that the State Department of Finance denied property tax funding. The agreement provides the Land Trust will receive a minimum of \$14,600,000, from the amounts received by the City. In January 2016, the City Council voted to increase the amount of funds dedicated to the Land Trust by an additional \$14,600,000, for a total amount due of \$29,200,000. The amount has been discounted at a rate of 6 percent to achieve an estimated value at June 30, 2022, of \$7,589,911.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

III. Detailed Notes on All Funds (Continued)

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, 2022, was \$8,761,536.

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City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information

A. Risk Management

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

The City is a member of CIPA in order to jointly purchase insurance coverage and to share costs for professional risk management, claim administration, and group purchasing of insurance products with 12 other cities from Orange, Los Angeles, and San Bernardino Counties. Premiums paid during the fiscal year ended June 30, 2022, were \$3,754,862. 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, 2022. All self-insurance activity is reported in the City's Self-Insurance Internal Service Fund.

At June 30, 2022, \$21,317,170 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 2021-22 fiscal year. It is the City's policy to assess its risk exposure periodically.

Changes in the aggregate liability for claims since July 1, 2020, 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, 2020	\$ 16,113	\$ 1,660	\$ 17,773
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>17,152</u>	<u>3,850</u>	<u>21,002</u>
Changes in estimates	4,020	127	4,147
Claim payments during 2021-2022	<u>(3,519)</u>	<u>(313)</u>	<u>(3,832)</u>
Liability Balance, June 30, 2022	<u>\$ 17,653</u>	<u>\$ 3,664</u>	<u>\$ 21,317</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022, employer contributions were \$3,209,217 and participant contributions were \$484,227. 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, 2022, the City contributed \$318,705 to the RHS plan. The Plan is administered by Meritain Health.

Other Post Employment Benefits (OPEB)

Plan Description The City administers a single employer defined benefit health care plan. The Plan provides retirees the ability to purchase healthcare insurance benefits through the City's group health insurance plans,

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

which cover both active and retired employees. This benefit coverage is determined by negotiation between the City and the employee associations and detailed along with other wage and benefit issues in MOUs between those entities. Copies of the MOUs may be obtained from City Hall. Employees who retire directly from the City and obtain the following are eligible to continue medical coverage as a participant with active employees at a blended premium rate, as an implied subsidy:

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

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

Employees Covered As of June 30, 2022, 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, 2022, the City's contribution (implicit subsidy) was \$495,426.

OPEB Liability The City's total OPEB liability was measured as of June 30, 2022, 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	3.69%
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 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.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

- (2) Four percent for 2022-23; 5.20 percent for 2024-69, 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 3.69 percent. GASB 75 requires a discount rate that reflects the following:

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

Based 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: 6/30/2021	\$ 9,488
Changes for the year:	
Service cost	675
Interest expense	190
Change of assumptions	(1,383)
Benefit payments	(495)
Net Change	(1,013)
Balance at: 6/30/2022	\$ 8,475

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate The following presents the total OPEB liability of the City as the measurement date, calculated using the discount rate of 3.69 percent as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.69 percent) or 1 percentage-point higher (4.69 percent) than the current rate (amounts expressed in thousands).

	Discount Rate -1% 2.69%	Current Discount Rate 3.69%	Discount Rate +1% 4.69%
Total OPEB Liability	\$ 9,223	\$ 8,475	\$ 7,806

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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	\$ 7,544	\$ 8,475	\$ 9,562

- (a) Three percent for 2022-2023; 4.20 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 2022-23; 6.20 percent for 2024-69, 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, 2021), the total OPEB liability/(asset) was \$9,487,733. For the measurement period ending June 30, 2022 (the measurement date), the City incurred a OPEB expense of \$894,016 for the plan.

As of June 30, 2022, 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	\$ 422	\$ -
Change in assumptions	603	1,179
Total	\$ 1,025	\$ 1,179

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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
2023	\$ 28
2024	28
2025	28
2026	(22)
2027	(79)
Thereafter	(137)

D. Employee Retirement Systems and Pension Plans

The following is a summary of pension related items for the year ended June 30, 2022, (amounts expressed in thousands).

	Governmental Activities
Deferred Outflow of Resources:	
Defined Benefit Pension Plan	\$ 320
CalPERS Sworn Plan	22,224
CalPERS Miscellaneous Plan	17,833
Total Deferred Outflow of Resources	\$ 40,377
Deferred Inflow of Resources:	
Defined Benefit Pension Plan	\$ 969
CalPERS Sworn Plan	33,083
CalPERS Miscellaneous Plan	44,745
Total Deferred Inflow of Resources	\$ 78,797
Net Pension Liability:	
Defined Benefit Pension Plan	\$ 2,267
CalPERS Sworn Plan	16,073
CalPERS Miscellaneous Plan	17,711
Total Net Pension Liability	\$ 36,051
Pension Expense/(Income):	
Defined Benefit Pension Plan	\$ 525
CalPERS Sworn Plan	5,722
CalPERS Miscellaneous Plan	750
Total Net Pension Expense	\$ 6,997

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

City of Irvine Defined Benefit Pension Plan

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

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, 2022. 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, 2021 (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 2020-21, employer contribution rates were as follows:

	Normal Cost	Unfunded Liabilities
July 1 to December 31, 2021	36.73%	161.47%
January 1 to June 30, 2022	40.65%	203.46%

Employees covered under the Plan contributed 12 percent of pensionable-base compensation. For the fiscal year ended June 30, 2022, 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, 2021, using an annual actuarial valuation as of January 1, 2022. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

Actuarial Assumptions The total pension liability in the January 1, 2022, actuarial valuations were determined using the following actuarial assumptions:

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

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

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

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

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

*To accommodate the payment of withdrawals and benefits.

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

Change in Assumptions During the measurement period ended December 31, 2021 the following changes were made to assumptions:

- The mortality assumption was updated from RP-2014 Blue Collar mortality with mortality improvement scale MP-2020 to RP-2014 Blue Collar mortality with mortality improvement scale MP-2021.
- The discount rate was updated from 5.25 percent to 5.00 percent.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

Discount Rate The discount rate for funding purposes is 5.00 percent. Paragraph 43 of GASB Statement No. 67 provides for an alternative method to be used other than the projection of the pension plan's fiduciary net position based on projected contributions, benefit payments and investment earnings. The City's current contribution policy requires the City to contribute the normal cost plus the ten year closed amortization of the unfunded liabilities as of January 1, 2019 plus the 20 year closed amortization of additional unfunded liabilities in each future year in the fiscal year following the annual valuation. The unfunded liabilities as a percent of actuarial asset values as of January 1, 2022 was 16.1 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: 12/31/2020	\$ 23,357	\$ 21,505	\$ 1,852
Changes for the year:			
Service cost	97	-	97
Interest expense	1,191	-	1,191
Change of assumptions	674	-	674
Differences between expected and actual experience	56	-	56
Contributions-employer	-	595	(595)
Contributions-employee	-	32	(32)
Net investment income	-	994	(994)
Benefit payments, including refunds of employee contributions	(1,444)	(1,444)	-
Administrative expenses	-	(18)	18
Net Change	574	159	415
Balance at: 12/31/2021	\$ 23,931	\$ 21,664	\$ 2,267

Sensitivity of the Net Pension Liability to Changes in the Discount Rate The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 5.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.00 percent) or 1 percentage-point higher (6.00 percent) than the current rate (amounts expressed in thousands):

	Discount Rate -1% 4.00%	Current Discount Rate 5.00%	Discount Rate +1% 6.00%
Plan's Net Pension Liability	\$ 5,059	\$ 2,267	\$ (63)

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

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

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

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

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions As of the start of the measurement period (January 1, 2021), the net pension liability was \$1,851,732. For the measurement period ending December 31, 2021 (the measurement date), the City incurred a pension expense of \$524,741 for the Plan.

As of December 31, 2021, the City has deferred outflows and deferred inflows of resources related to pensions were as follows (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 320	\$ -
Net difference between projected and actual earnings on pension plan investments	-	969
Total	<u>\$ 320</u>	<u>\$ 969</u>

The \$320,232 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, 2023. 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
2022	\$ (226)
2023	(539)
2024	(227)
2025	23
2026	-
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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

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, 2021, 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 \$13,348,906. Effective April 1996, the Plan became participant-directed. Participants may direct investment of employer contributions and earnings in 1 percent increments among investment options with the third party administrator, Principal

Employer contributions to the Plan during the fiscal year ended December 31, 2021 were \$83,935 and participant contributions were \$44,179. 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, 2022, was \$1,458,824.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

CalPERS Defined Benefit Pension Plan

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

Benefits Provided CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

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

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

Employees Covered At June 30, 2021 (measurement date), the following employees were covered by the benefit terms for the Plan:

	Sworn Plan	Miscellaneous Plan
Active members	217	735
Retired members and beneficiaries	143	484
Terminated members	55	544
Transferred members	47	399
Total	<u>462</u>	<u>2,162</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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

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 2021-22 were as follows:

	Sworn	Miscellaneous
Normal Cost Rate	23.53%	11.17%
Employer Unfunded Accrued Liability Contribution ⁽¹⁾	14.73%	10.18%
	38.26%	21.35%

⁽¹⁾The Employer Unfunded Accrued Liability Contribution (UAL) amount is either paid monthly or prepaid at the beginning of the fiscal year to CalPERS. The City elected to prepay the UAL of \$4,360,814 and \$6,202,347 for the sworn and miscellaneous plans, respectively.

The employee required contribution rates for the sworn and miscellaneous plans for fiscal year 2021-22 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, 2022, the City made contributions of \$14,014,485 for the sworn plan and \$15,558,216 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
2022	2,500	2,500
Total	\$ 23,286	\$ 34,876

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

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

Net Pension Liability The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is provided below.

Actuarial Assumptions The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
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 2020-21 (measurement date of June 30, 2021) 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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

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:

Asset Class ⁽¹⁾	New Strategic Allocation	Real Return Year 1-10 ⁽²⁾	New Strategic Year 11 + ⁽³⁾
Public 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 ACFR, 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, 2022

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>	<u>Increase (Decrease)</u>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 6/30/2020	\$ 322,152	\$ 256,810	\$ 65,342
Changes for the year:			
Service cost	9,541	-	9,541
Interest on total pension liability	22,653	-	22,653
Difference between expected and actual experience	(3,584)	-	(3,584)
Contributions-employer	-	16,149	(16,149)
Contributions-employee	-	2,970	(2,970)
Net investment income	-	59,017	(59,017)
Benefit payments, including refunds of employee contributions	(13,023)	(13,023)	-
Administrative expense	-	(257)	257
Net changes	15,587	64,856	(49,269)
Balance at 6/30/2021	<u>\$ 337,739</u>	<u>\$ 321,666</u>	<u>\$ 16,073</u>

<u>Miscellaneous Plan</u>	<u>Increase (Decrease)</u>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 6/30/2020	\$ 460,535	\$ 373,751	\$ 86,784
Changes for the year:			
Service cost	10,807	-	10,807
Interest on total pension liability	32,342	-	32,342
Difference between expected and actual experience	(2,826)	-	(2,826)
Contributions-employer	-	19,831	(19,831)
Contributions-employee	-	4,535	(4,535)
Net investment income	-	85,403	(85,403)
Benefit payments, including refunds of employee contributions	(21,550)	(21,550)	-
Administrative expense	-	(373)	373
Net changes	18,773	87,846	(69,073)
Balance at 6/30/2021	<u>\$ 479,308</u>	<u>\$ 461,597</u>	<u>\$ 17,711</u>

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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	\$ 66,943	\$ 16,073	\$ (25,163)
Miscellaneous Plan	82,274	17,711	(35,602)
Combined Total	<u>\$ 149,247</u>	<u>\$ 33,784</u>	<u>\$ (60,765)</u>

Subsequent Events On July 12, 2021, CalPERS reported a preliminary 21.3 percent net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3 percent prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20 percent, from 7.00 percent to 6.80 percent. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM Process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90 percent (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.5 percent to 2.30 percent as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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 (EARSLS) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

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 2020-21 measurement period, ended June 30, 2021, is 5.7 years for the Sworn Plan and 3.9 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, 2020), the net pension liability was \$65,341,908 for the Sworn Plan and \$86,784,160 for the Miscellaneous Plan. For the measurement period ending June 30, 2021 (the measurement date), the City incurred a pension expense of \$5,721,943 and \$750,396 for the Sworn and Miscellaneous Plans, respectively.

As of June 30, 2021 (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	\$ 4,090	\$ 3,082	\$ 2,275	\$ 2,101
Change in assumptions	4,120	725	-	153
Contributions made after the measurement date	14,014	-	15,558	-
Net difference between projected and actual earnings on pension plan investments	-	29,276	-	42,491
Total	<u>\$ 22,224</u>	<u>\$ 33,083</u>	<u>\$ 17,833</u>	<u>\$ 44,745</u>

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense.

The \$14,014,485 and \$15,558,216 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, 2023. 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
2022	\$ (4,055)	\$ (9,850)
2023	(4,674)	(10,046)
2024	(7,051)	(10,850)
2025	(8,653)	(11,724)
2026	(440)	-
Thereafter	-	-

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

IV. Other Information (Continued)

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

Public Agency Retirement System Defined Contribution Plan

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

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

Annual Pension Cost As of June 30, 2022, the Plan had 729 active members and total Plan net assets were \$2,588,749. For the year ended June 30, 2022, employer contributions were \$174,602 and participant contributions were \$231,337.

E. Permanent Fund

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

The net position of the fund includes a nonexpendable amount of \$500,000, which is reported as part of Restricted Net Position, Nonexpendable. Expendable donations and accrued interest of \$856,664 are available for expenditure and are reflected as Restricted Net Position, Expendable.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount 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⁾

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount expressed in thousands)

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

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Actuarially determined contribution ⁽²⁾	\$ 532	\$ 557	\$ 425
Contribution in relation to the actuarially determined contribution	<u>(618)</u>	<u>(595)</u>	<u>(429)</u>
Contribution deficiency (excess)	<u>\$ (86)</u>	<u>\$ (38)</u>	<u>\$ (4)</u>
Covered payroll	\$ 276	\$ 265	\$ 323
Contributions as a percentage of covered payroll	192.92%	210.59%	131.78%

Notes to Schedule

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

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

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

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

(3) 10 year amortization of the unfunded liability

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

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

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

(7) RP-2014 Blue Collar Table with Improvement Scale MP-2018

(8) Closed 20-year amortization for any future assets or liability gains or losses with the current 10-year closed amortization for losses existing at January 1, 2019.

(9) RP-2014 Blue Collar Table with Improvement Scale MP-2020

(10) RP-2014 Blue Collar Table with Improvement Scale MP-2021

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount 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)
<u>\$ (26)</u>	<u>\$ (25)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount 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⁾

	2021	2020	2019
Total Pension Liability			
Service cost	\$ 9,541	\$ 9,569	\$ 9,169
Interest on total pension liability	22,653	21,582	20,284
Changes of benefits terms	-	-	-
Difference between expected and actual experience	(3,584)	242	1,733
Changes in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(13,023)	(12,115)	(11,362)
Net Change in Total Pension Liability	\$ 15,587	\$ 19,278	\$ 19,824
Total Pension Liability - Beginning	322,152	302,874	283,050
Total Pension Liability - Ending (a)	<u>\$ 337,739</u>	<u>\$ 322,152</u>	<u>\$ 302,874</u>
Plan Fiduciary Net Position			
Contribution - employer	\$ 16,149	\$ 12,327	\$ 16,464
Contribution - employee	2,970	2,942	2,830
Net investment income	59,017	12,191	14,618
Benefit payments, including refunds of employee contributions	(13,023)	(12,115)	(11,362)
Net plan to plan resource movement	-	-	-
Administrative expense	(257)	(341)	(157)
Other miscellaneous income / (expense)	-	-	1
Net Change in Fiduciary Net Position	\$ 64,856	\$ 15,004	\$ 22,394
Plan Fiduciary Net Position - Beginning	256,810	241,806	219,412
Plan Fiduciary Net Position - Ending (b)	<u>\$ 321,666</u>	<u>\$ 256,810</u>	<u>\$ 241,806</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 16,073</u>	<u>\$ 65,342</u>	<u>\$ 61,068</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	95.24%	79.72%	79.84%
Covered payroll	\$ 29,956	\$ 30,190	\$ 29,489
Plan net pension liability/(asset) as a percentage of covered payroll	53.66%	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 eight years are shown.

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

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

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms.

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expenses) to 7.65 percent (without a reduction for pension plan administrative expense).

In 2014, amount reported were based on the 7.50 percent discount rate.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)

2018 ⁽²⁾	2017	2016	2015	2014
\$ 9,005	\$ 8,348	\$ 6,966	\$ 6,238	\$ 6,341
18,924	17,393	16,258	14,875	13,661
-	-	-	-	-
6,915	(502)	5,005	4,152	-
(1,934)	16,239	-	(4,043)	-
(10,118)	(9,131)	(8,705)	(8,114)	(7,391)
\$ 22,792	\$ 32,347	\$ 19,524	\$ 13,108	\$ 12,611
260,258	227,911	208,387	195,279	182,668
<u>\$ 283,050</u>	<u>\$ 260,258</u>	<u>\$ 227,911</u>	<u>\$ 208,387</u>	<u>\$ 195,279</u>
\$ 14,077	\$ 11,332	\$ 8,628	\$ 8,369	\$ 11,701
2,708	2,760	2,286	2,131	2,694
16,943	19,779	791	3,683	24,267
(10,118)	(9,131)	(8,705)	(8,114)	(7,391)
-	-	-	1	-
(306)	(254)	(103)	(191)	-
(582)	-	-	-	-
\$ 22,722	\$ 24,486	\$ 2,897	\$ 5,879	\$ 31,271
196,690	172,204	169,307	163,428	132,157
<u>\$ 219,412</u>	<u>\$ 196,690</u>	<u>\$ 172,204</u>	<u>\$ 169,307</u>	<u>\$ 163,428</u>
<u>\$ 63,638</u>	<u>\$ 63,568</u>	<u>\$ 55,707</u>	<u>\$ 39,080</u>	<u>\$ 31,851</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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount expressed in thousands)

CalPERS Defined Benefit Pension Plan for Sworn Employees (Continued)

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Actuarially determined contribution	\$ 11,514	\$ 13,649	\$ 12,368
Contribution in relation to the actuarially determined contribution	<u>(14,014)</u>	<u>(16,149)</u>	<u>(12,368)</u>
Contribution deficiency (excess)	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	<u>\$ -</u>
Covered payroll	\$ 30,562	\$ 29,956	\$ 30,190
Contributions as a percentage of covered payroll	45.85%	53.91%	40.97%

Notes to Schedule of Plan Contributions:

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

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

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

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

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

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

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount 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⁾

	2021	2020	2019
Total Pension Liability			
Service cost	\$ 10,807	\$ 11,119	\$ 11,066
Interest on total pension liability	32,342	31,020	29,415
Changes of benefits terms	-	-	-
Difference between expected and actual experience	(2,826)	913	4,525
Changes in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(21,550)	(19,785)	(18,171)
Net Change in Total Pension Liability	\$ 18,773	\$ 23,267	\$ 26,835
Total Pension Liability - Beginning	460,535	437,268	410,433
Total Pension Liability - Ending (a)	<u>\$ 479,308</u>	<u>\$ 460,535</u>	<u>\$ 437,268</u>
Plan Fiduciary Net Position			
Contribution - employer	\$ 19,831	\$ 16,229	\$ 21,162
Contribution - employee	4,535	4,420	4,521
Net investment income	85,403	17,896	21,764
Benefit payments, including refunds of employee contributions	(21,550)	(19,785)	(18,171)
Net plan to plan resource movement	-	-	-
Administrative expense	(373)	(501)	(233)
Other miscellaneous income / (expense)	-	-	1
Net Change in Fiduciary Net Position	\$ 87,846	\$ 18,259	\$ 29,044
Plan Fiduciary Net Position - Beginning	373,751	355,492	326,448
Plan Fiduciary Net Position - Ending (b)	<u>\$ 461,597</u>	<u>\$ 373,751</u>	<u>\$ 355,492</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 17,711</u>	<u>\$ 86,784</u>	<u>\$ 81,776</u>
Plan fiduciary net position as a percentage of the total pension liability funded status	96.30%	81.16%	81.30%
Covered payroll	\$ 58,418	\$ 59,329	\$ 60,442
Plan net pension liability/(asset) as a percentage of covered payroll	30.32%	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 eight years are shown.

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

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

Notes to Schedule

Benefit Changes: There were no changes to benefit terms.

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expenses) to 7.65 percent (without a reduction for pension plan administrative expense).

In 2014, amount reported were based 'on the 7.50 percent discount rate.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount expressed in thousands)

CalPERS Defined Benefit Pension Plan for Miscellaneous Employees (Continued)

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

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount expressed in thousands)

CalPERS Defined Benefit Pension Plan for Miscellaneous Employees (Continued)

Schedule of Plan Contributions
Last Ten Fiscal Years ⁽¹⁾

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Actuarially determined contribution	\$ 13,058	\$ 17,331	\$ 16,235
Contribution in relation to the actuarially determined contribution	<u>(15,558)</u>	<u>(19,831)</u>	<u>(16,235)</u>
Contribution deficiency (excess)	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	<u>\$ -</u>
Covered payroll	\$ 61,686	\$ 58,418	\$ 59,329
Contributions as a percentage of covered payroll	25.22%	33.95%	27.36%

Notes to Schedule of Plan Contributions:

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

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

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

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

^(D) 20 years of projected on-going mortality

^(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 eight years are shown.

City of Irvine
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022
(amount 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⁾

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 675	\$ 605	\$ 537	\$ 505	\$ 490
Interest on total OPEB liability	190	222	242	239	227
Difference between expected and actual experience	-	585	-	-	-
Changes in assumptions	(1,383)	306	454	291	-
Benefit payments, including refunds of employee contributions	(495)	(449)	(431)	(401)	(380)
Net Change in Total OPEB Liability	\$ (1,013)	\$ 1,269	\$ 802	\$ 634	\$ 337
Total OPEB Liability - Beginning	9,488	8,219	7,417	6,783	6,446
Total OPEB Liability - Ending	<u>\$ 8,475</u>	<u>\$ 9,488</u>	<u>\$ 8,219</u>	<u>\$ 7,417</u>	<u>\$ 6,783</u>
Covered - employee payroll	\$ 79,596	\$ 77,536	\$ 77,898	\$ 78,178	\$ 74,034
Total OPEB Liability/(Asset) as a percentage of covered - employee payroll	10.65%	12.24%	10.55%	9.49%	9.16%

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

Notes to Schedule

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

OTHER GOVERNMENTAL FUNDS

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

City of Irvine
Combining Balance Sheet
Other Governmental Funds
June 30, 2022
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund	Total Other Governmental Funds
ASSETS				
Cash and investments	\$ 65,019	\$ 390,817	\$ 857	\$ 456,693
Receivables, net of allowances:				
Taxes	2,602	-	-	2,602
Accounts	330	146	-	476
Accrued interest	339	441	1	781
Escrow deposits	-	104	-	104
Due from other governments	1,090	8,818	-	9,908
Due from developers	-	23,810	-	23,810
Long-term notes receivable, net of allowances	424	-	-	424
Total Assets	<u>\$ 69,804</u>	<u>\$ 424,136</u>	<u>\$ 858</u>	<u>\$ 494,798</u>
LIABILITIES				
Accounts payable	\$ 4,614	\$ 6,295	\$ 1	\$ 10,910
Accrued liabilities	140	2,986	-	3,126
Due to other funds	86	-	-	86
Due to other governments	3	1	-	4
Retention payable	-	589	-	589
Deposits	81	427	-	508
Unearned revenue	-	100	-	100
Total Liabilities	<u>4,924</u>	<u>10,398</u>	<u>1</u>	<u>15,323</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	817	7,720	-	8,537
Total Deferred Inflows of Resources	<u>817</u>	<u>7,720</u>	<u>-</u>	<u>8,537</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	500	500
Restricted	40,832	328,430	357	369,619
Committed	23,128	77,588	-	100,716
Assigned	103	-	-	103
Total Fund Balances	<u>64,063</u>	<u>406,018</u>	<u>857</u>	<u>470,938</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 69,804</u>	<u>\$ 424,136</u>	<u>\$ 858</u>	<u>\$ 494,798</u>

City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund	Total Other Governmental Funds
REVENUES				
Taxes	\$ 30,111	\$ -	\$ -	\$ 30,111
Licenses and permits	72	-	-	72
Investment income	(2,720)	(11,462)	(34)	(14,216)
Intergovernmental	922	1,463	-	2,385
Charges for services	1,293	271	-	1,564
Contributions from property owners-				
Special districts contributions	-	1,960	-	1,960
Revenue from developers	-	7,604	-	7,604
Special assessments	11,070	23,803	-	34,873
Donations	11	-	31	42
Other revenue	59	3,621	-	3,680
Total Revenues	<u>40,818</u>	<u>27,260</u>	<u>(3)</u>	<u>68,075</u>
EXPENDITURES				
Current:				
General Government	158	51	-	209
Public Safety	1,710	-	-	1,710
Public Works & Transportation	29,526	1,522	-	31,048
Community Development	10	1	-	11
Community Services	-	-	140	140
Capital outlay	-	41,745	-	41,745
Total Expenditures	<u>31,404</u>	<u>43,319</u>	<u>140</u>	<u>74,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,414</u>	<u>(16,059)</u>	<u>(143)</u>	<u>(6,788)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,981	29,394	120	35,495
Transfers out	(12,091)	(14,164)	-	(26,255)
Total Other Financing Sources (Uses)	<u>(6,110)</u>	<u>15,230</u>	<u>120</u>	<u>9,240</u>
Net Change in Fund Balances	3,304	(829)	(23)	2,452
Fund Balances, Beginning	<u>60,759</u>	<u>406,847</u>	<u>880</u>	<u>468,486</u>
Fund Balances, Ending	<u>\$ 64,063</u>	<u>\$ 406,018</u>	<u>\$ 857</u>	<u>\$ 470,938</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, 2022
(amount expressed in thousands)
Page 1 of 3

	County Sales Tax Measure M	State Gasoline Tax	Systems Development
ASSETS			
Cash and investments	\$ 5,006	\$ 22,722	\$ 22,642
Receivables, net of allowances:			
Taxes	1,087	1,263	-
Accounts	-	-	-
Accrued interest	8	29	30
Due from other governments	-	1,071	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 6,101</u>	<u>\$ 25,085</u>	<u>\$ 22,672</u>
LIABILITIES			
Accounts payable	\$ 23	\$ 840	\$ 97
Accrued liabilities	1	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deposits	-	-	-
Total Liabilities	<u>24</u>	<u>840</u>	<u>97</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted	6,077	24,245	-
Committed	-	-	22,575
Assigned	-	-	-
Total Fund Balances	<u>6,077</u>	<u>24,245</u>	<u>22,575</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 6,101</u>	<u>\$ 25,085</u>	<u>\$ 22,672</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2022
(amount expressed in thousands)
Page 2 of 3

	Maintenance District	Air Quality Improvement	OCFA Settlement Agreement
ASSETS			
Cash and investments	\$ 3,629	\$ 607	\$ 287
Receivables, net of allowances:			
Taxes	199	-	-
Accounts	25	90	-
Accrued interest	5	1	-
Due from other governments	19	-	-
Long-term notes receivable, net of allowances	-	-	-
Total Assets	<u>\$ 3,877</u>	<u>\$ 698</u>	<u>\$ 287</u>
LIABILITIES			
Accounts payable	\$ 3,349	\$ 75	\$ 107
Accrued liabilities	77	-	8
Due to other funds	-	-	-
Due to other governments	1	-	-
Deposits	-	-	-
Total Liabilities	<u>3,427</u>	<u>75</u>	<u>115</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	32	89	-
Total Deferred Inflows of Resources	<u>32</u>	<u>89</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Restricted	-	534	172
Committed	418	-	-
Assigned	-	-	-
Total Fund Balances	<u>418</u>	<u>534</u>	<u>172</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 3,877</u>	<u>\$ 698</u>	<u>\$ 287</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2022
(amount expressed in thousands)
Page 3 of 3

	Major Special Events	iShuttle	Fees and Exactions	Total Other Special Revenue Funds
ASSETS				
Cash and investments	\$ 5	\$ 638	\$ 9,483	\$ 65,019
Receivables, net of allowances:				
Taxes	-	-	53	2,602
Accounts	207	8	-	330
Accrued interest	-	1	265	339
Due from other governments	-	-	-	1,090
Long-term notes receivable, net of allowances	-	-	424	424
Total Assets	\$ 212	\$ 647	\$ 10,225	\$ 69,804
LIABILITIES				
Accounts payable	\$ 1	\$ 94	\$ 28	\$ 4,614
Accrued liabilities	1	53	-	140
Due to other funds	86	-	-	86
Due to other governments	-	-	2	3
Deposits	-	-	81	81
Total Liabilities	88	147	111	4,924
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	19	-	677	817
Total Deferred Inflows of Resources	19	-	677	817
FUND BALANCES (DEFICITS)				
Restricted	-	500	9,304	40,832
Committed	105	-	30	23,128
Assigned	-	-	103	103
Total Fund Balances	105	500	9,437	64,063
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	\$ 212	\$ 647	\$ 10,225	\$ 69,804



City of Irvine
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Special Revenue Funds
For the Fiscal Year Ended June 30, 2022
 (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	\$ 6,227	\$ 12,155	\$ 7,635
Licenses and permits	-	-	-
Investment income	(240)	(892)	(972)
Intergovernmental	-	-	-
Charges for services	-	-	-
Special assessments	-	-	-
Donations	-	-	-
Other revenue	-	2	-
	<u>5,987</u>	<u>11,265</u>	<u>6,663</u>
EXPENDITURES			
Current:			
General Government	33	28	-
Public Safety	-	-	-
Public Works & Transportation	170	5,481	376
Community Development	-	-	-
	<u>203</u>	<u>5,509</u>	<u>376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,784</u>	<u>5,756</u>	<u>6,287</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1	-	250
Transfers out	(5,291)	(3,353)	(3,447)
	<u>(5,290)</u>	<u>(3,353)</u>	<u>(3,197)</u>
Net Change in Fund Balances	494	2,403	3,090
Fund Balances, Beginning	<u>5,583</u>	<u>21,842</u>	<u>19,485</u>
Fund Balances, Ending	<u>\$ 6,077</u>	<u>\$ 24,245</u>	<u>\$ 22,575</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, 2022
 (amounts expressed in thousands)
 Page 2 of 3

	Maintenance District	Air Quality Improvement	OCFA Settlement Agreement
REVENUES			
Taxes	\$ 3,880	\$ -	\$ -
Licenses and permits	-	-	-
Investment income	(235)	(24)	(11)
Intergovernmental	-	262	605
Charges for services	41	-	-
Special assessments	11,070	-	-
Donations	-	-	-
Other revenue	57	-	-
Total Revenues	<u>14,813</u>	<u>238</u>	<u>594</u>
EXPENDITURES			
Current:			
General Government	61	9	-
Public Safety	-	179	546
Public Works & Transportation	22,367	17	-
Community Development	-	-	-
Total Expenditures	<u>22,428</u>	<u>205</u>	<u>546</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,615)</u>	<u>33</u>	<u>48</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,492	-	3
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>5,492</u>	<u>-</u>	<u>3</u>
Net Change in Fund Balances	(2,123)	33	51
Fund Balances, Beginning	<u>2,541</u>	<u>501</u>	<u>121</u>
Fund Balances, Ending	<u>\$ 418</u>	<u>\$ 534</u>	<u>\$ 172</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, 2022
 (amounts expressed in thousands)
 Page 3 of 3

	Major Special Events	Shuttle	Fees and Exactions	Total Other Special Revenue Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 214	\$ 30,111
Licenses and permits	-	-	72	72
Investment income	-	(22)	(324)	(2,720)
Intergovernmental	-	-	55	922
Charges for services	1,063	-	189	1,293
Special assessments	-	-	-	11,070
Donations	-	11	-	11
Other revenue	-	-	-	59
Total Revenues	<u>1,063</u>	<u>(11)</u>	<u>206</u>	<u>40,818</u>
EXPENDITURES				
Current:				
General Government	-	-	27	158
Public Safety	985	-	-	1,710
Public Works & Transportation	13	836	266	29,526
Community Development	-	-	10	10
Total Expenditures	<u>998</u>	<u>836</u>	<u>303</u>	<u>31,404</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>65</u>	<u>(847)</u>	<u>(97)</u>	<u>9,414</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	235	-	5,981
Transfers out	-	-	-	(12,091)
Total Other Financing Sources	<u>-</u>	<u>235</u>	<u>-</u>	<u>(6,110)</u>
Net Change in Fund Balances	65	(612)	(97)	3,304
Fund Balances, Beginning	<u>40</u>	<u>1,112</u>	<u>9,534</u>	<u>60,759</u>
Fund Balances, Ending	<u>\$ 105</u>	<u>\$ 500</u>	<u>\$ 9,437</u>	<u>\$ 64,063</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, 2022
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 4,618	\$ 4,618	\$ 6,227	\$ 1,609
Investment income	-	-	(240)	(240)
Total Revenues	<u>4,618</u>	<u>4,618</u>	<u>5,987</u>	<u>1,369</u>
EXPENDITURES				
Current:				
General Government	28	28	33	(5)
Public Works & Transportation	151	174	170	4
Total Expenditures	<u>179</u>	<u>202</u>	<u>203</u>	<u>(1)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,439</u>	<u>4,416</u>	<u>5,784</u>	<u>1,368</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1	1
Transfers out	(5,543)	(6,204)	(5,291)	913
Total Other Financing Sources (Uses)	<u>(5,543)</u>	<u>(6,204)</u>	<u>(5,290)</u>	<u>914</u>
Net Change in Fund Balances	(1,104)	(1,788)	494	2,282
Fund Balances, Beginning	<u>5,583</u>	<u>5,583</u>	<u>5,583</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 4,479</u>	<u>\$ 3,795</u>	<u>\$ 6,077</u>	<u>\$ 2,282</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
State Gasoline Tax
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 12,449	\$ 12,449	\$ 12,155	\$ (294)
Investment income	-	-	(892)	(892)
Other revenue	-	-	2	2
Total Revenues	<u>12,449</u>	<u>12,449</u>	<u>11,265</u>	<u>(1,184)</u>
EXPENDITURES				
Current:				
General Government	37	38	28	10
Public Works & Transportation	5,444	5,489	5,481	8
Total Expenditures	<u>5,481</u>	<u>5,527</u>	<u>5,509</u>	<u>18</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,968</u>	<u>6,922</u>	<u>5,756</u>	<u>(1,166)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(18,894)	(21,551)	(3,353)	18,198
Total Other Financing Sources (Uses)	<u>(18,894)</u>	<u>(21,551)</u>	<u>(3,353)</u>	<u>18,198</u>
Net Change in Fund Balances	(11,926)	(14,629)	2,403	17,032
Fund Balances, Beginning	<u>21,842</u>	<u>21,842</u>	<u>21,842</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 9,916</u>	<u>\$ 7,213</u>	<u>\$ 24,245</u>	<u>\$ 17,032</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Systems Development
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,200	\$ 7,200	\$ 7,635	\$ 435
Investment income	123	123	(972)	(1,095)
Total Revenues	7,323	7,323	6,663	(660)
EXPENDITURES				
Current:				
Public Works & Transportation	1,020	1,020	376	644
Total Expenditures	1,020	1,020	376	644
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,303	6,303	6,287	(16)
OTHER FINANCING SOURCES (USES)				
Transfers in	250	250	250	-
Transfers out	(3,718)	(3,447)	(3,447)	-
Total Other Financing Sources (Uses)	(3,468)	(3,197)	(3,197)	-
Net Change in Fund Balances	2,835	3,106	3,090	(16)
Fund Balances, Beginning	19,485	19,485	19,485	-
Fund Balances, Ending	\$ 22,320	\$ 22,591	\$ 22,575	\$ (16)

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Maintenance District
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,634	\$ 3,634	\$ 3,880	\$ 246
Investment income	-	-	(235)	(235)
Charges for services	97	97	41	(56)
Special assessments	11,011	11,011	11,070	59
Other revenue	61	61	57	(4)
Total Revenues	<u>14,803</u>	<u>14,803</u>	<u>14,813</u>	<u>10</u>
EXPENDITURES				
Current:				
General Government	74	86	61	25
Public Works & Transportation	21,749	22,342	22,367	(25)
Total Expenditures	<u>21,823</u>	<u>22,428</u>	<u>22,428</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,020)</u>	<u>(7,625)</u>	<u>(7,615)</u>	<u>10</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,430	5,492	5,492	-
Total Other Financing Sources (Uses)	<u>5,430</u>	<u>5,492</u>	<u>5,492</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,590)</u>	<u>(2,133)</u>	<u>(2,123)</u>	<u>10</u>
Fund Balances, Beginning	<u>2,541</u>	<u>2,541</u>	<u>2,541</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 951</u>	<u>\$ 408</u>	<u>\$ 418</u>	<u>\$ 10</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Air Quality Improvement
For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ -	\$ (24)	\$ (24)
Intergovernmental	310	310	262	(48)
Total Revenues	<u>310</u>	<u>310</u>	<u>238</u>	<u>(72)</u>
EXPENDITURES				
Current:				
General Government	9	9	9	-
Public Safety	180	180	179	1
Public Works & Transportation	20	20	17	3
Total Expenditures	<u>209</u>	<u>209</u>	<u>205</u>	<u>4</u>
Excess (Deficiency) of Revenues	<u>101</u>	<u>101</u>	<u>33</u>	<u>(68)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(143)	(54)	-	54
Total Other Financing Sources (Uses)	<u>(143)</u>	<u>(54)</u>	<u>-</u>	<u>54</u>
Net Change in Fund Balances	(42)	47	33	(14)
Fund Balances, Beginning	<u>501</u>	<u>501</u>	<u>501</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 459</u>	<u>\$ 548</u>	<u>\$ 534</u>	<u>\$ (14)</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, 2022
(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	\$ (11)	\$ (12)
Intergovernmental	1,743	1,743	605	(1,138)
Total Revenues	<u>1,744</u>	<u>1,744</u>	<u>594</u>	<u>(1,150)</u>
EXPENDITURES				
Current:				
Public Safety	618	621	546	75
Total Expenditures	<u>618</u>	<u>621</u>	<u>546</u>	<u>75</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,126</u>	<u>1,123</u>	<u>48</u>	<u>(1,075)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3	3	-
Transfers out	(1,125)	(1,500)	-	1,500
Total Other Financing Sources (Uses)	<u>(1,125)</u>	<u>(1,497)</u>	<u>3</u>	<u>1,500</u>
Net Change in Fund Balances	1	(374)	51	425
Fund Balances, Beginning	<u>121</u>	<u>121</u>	<u>121</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 122</u>	<u>\$ (253)</u>	<u>\$ 172</u>	<u>\$ 425</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, 2022
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,199	\$ 1,199	\$ 1,063	\$ (136)
Total Revenues	<u>1,199</u>	<u>1,199</u>	<u>1,063</u>	<u>(136)</u>
EXPENDITURES				
Current:				
Public Safety	1,168	1,168	985	183
Public Works & Transportation	-	-	13	(13)
Total Expenditures	<u>1,168</u>	<u>1,168</u>	<u>998</u>	<u>170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31</u>	<u>31</u>	<u>65</u>	<u>34</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(40)	(40)	-	40
Total Other Financing Sources (Uses)	<u>(40)</u>	<u>(40)</u>	<u>-</u>	<u>40</u>
Net Change in Fund Balances	(9)	(9)	65	74
Fund Balances, Beginning	<u>40</u>	<u>40</u>	<u>40</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 31</u>	<u>\$ 31</u>	<u>\$ 105</u>	<u>\$ 74</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Shuttle
For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ -	\$ (22)	\$ (22)
Donations	\$ 71	\$ 71	\$ 11	\$ (60)
Total Revenues	<u>71</u>	<u>71</u>	<u>(11)</u>	<u>(82)</u>
EXPENDITURES				
Current:				
Public Works & Transportation	762	923	836	87
Total Expenditures	<u>762</u>	<u>923</u>	<u>836</u>	<u>87</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(691)</u>	<u>(852)</u>	<u>(847)</u>	<u>5</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	456	456	235	(221)
Total Other Financing Sources (Uses)	<u>456</u>	<u>456</u>	<u>235</u>	<u>(221)</u>
Net Change in Fund Balances	(235)	(396)	(612)	(216)
Fund Balances, Beginning	<u>1,112</u>	<u>1,112</u>	<u>1,112</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 877</u>	<u>\$ 716</u>	<u>\$ 500</u>	<u>\$ (216)</u>

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Fees and Exactions
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 300	\$ 300	\$ 214	\$ (86)
Licenses and permits	-	-	72	72
Investment income	74	74	(324)	(398)
Intergovernmental	664	663	55	(608)
Charges for services	-	189	189	-
Total Revenues	1,038	1,226	206	(1,020)
EXPENDITURES				
Current:				
General Government	100	100	27	73
Public Works & Transportation	81	270	266	4
Community Development	1,708	1,707	10	1,697
Total Expenditures	1,889	2,077	303	1,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	(851)	(851)	(97)	754
Net Change in Fund Balances	(851)	(851)	(97)	754
Fund Balances, Beginning	9,534	9,534	9,534	-
Fund Balances, Ending	\$ 8,683	\$ 8,683	\$ 9,437	\$ 754





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..

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

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

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2022
(amounts expressed in thousands)
Page 1 of 2

	Slurry Seal Fees	Park Development	Capital Improvement Projects	Community Facilities Districts
ASSETS				
Cash and investments	\$ 2,498	\$ 44,329	\$ 37,798	\$ 108,926
Receivables, net of allowances:				
Accounts	146	-	-	-
Accrued interest	2	56	48	81
Escrow deposits	7	-	97	-
Due from other governments	2	1,402	4,291	2,978
Due from developers	-	-	-	-
Total Assets	<u>\$ 2,655</u>	<u>\$ 45,787</u>	<u>\$ 42,234</u>	<u>\$ 111,985</u>
LIABILITIES				
Accounts payable	\$ 1,074	\$ 2,424	\$ 2,632	\$ 27
Accrued liabilities	-	-	126	2,860
Due to other governments	-	1	-	-
Retentions payable	64	298	227	-
Deposits	-	-	427	-
Unearned revenue	-	100	-	-
Total Liabilities	<u>1,138</u>	<u>2,823</u>	<u>3,412</u>	<u>2,887</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	2	1,402	4,211	1,960
Total Deferred Inflows of Resources	<u>2</u>	<u>1,402</u>	<u>4,211</u>	<u>1,960</u>
FUND BALANCES (DEFICITS)				
Restricted	-	100	-	107,138
Committed	1,515	41,462	34,611	-
Total Fund Balances	<u>1,515</u>	<u>41,562</u>	<u>34,611</u>	<u>107,138</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 2,655</u>	<u>\$ 45,787</u>	<u>\$ 42,234</u>	<u>\$ 111,985</u>

- continued -

City of Irvine
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2022
 (amounts expressed in thousands)
 Page 2 of 2

	Irvine Business Complex	North Irvine Transportation Mitigation	Total Other Capital Projects Funds
ASSETS			
Cash and investments	\$ 109,778	\$ 87,488	\$ 390,817
Receivables, net of allowances:			
Accounts	-	-	146
Accrued interest	141	113	441
Escrow deposits	-	-	104
Due from other governments	145	-	8,818
Due from developers	-	23,810	23,810
Total Assets	<u>\$ 110,064</u>	<u>\$ 111,411</u>	<u>\$ 424,136</u>
LIABILITIES			
Accounts payable	\$ 93	\$ 45	\$ 6,295
Accrued liabilities	-	-	2,986
Due to other governments	-	-	1
Retentions payable	-	-	589
Deposits	-	-	427
Unearned revenue	-	-	100
Total Liabilities	<u>93</u>	<u>45</u>	<u>10,398</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	145	-	7,720
Total Deferred Inflows of Resources	<u>145</u>	<u>-</u>	<u>7,720</u>
FUND BALANCES (DEFICITS)			
Restricted	109,826	111,366	328,430
Committed	-	-	77,588
Total Fund Balances	<u>109,826</u>	<u>111,366</u>	<u>406,018</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances (Deficits)	<u>\$ 110,064</u>	<u>\$ 111,411</u>	<u>\$ 424,136</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, 2022
(amounts expressed in thousands)
Page 1 of 2

	<u>Slurry Seal Fees</u>	<u>Park Development</u>	<u>Capital Improvement Projects</u>	<u>Community Facilities Districts</u>
REVENUES				
Investment income	\$ (45)	\$ (1,768)	\$ (1,219)	\$ (373)
Intergovernmental	-	-	1,463	-
Charges for services	233	38	-	-
Contribution from property owners-				
Special districts contributions	-	-	-	1,960
Revenue from developers	-	-	-	-
Special assessments	-	-	-	23,803
Other revenue	-	3,621	-	-
Total Revenues	<u>188</u>	<u>1,891</u>	<u>244</u>	<u>25,390</u>
EXPENDITURES				
Current:				
General Government	9	2	20	1
Public Works & Transportation	105	272	421	287
Community Development	-	1	-	-
Capital outlay	<u>5,151</u>	<u>10,610</u>	<u>9,535</u>	<u>15,386</u>
Total Expenditures	<u>5,265</u>	<u>10,885</u>	<u>9,976</u>	<u>15,674</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,077)</u>	<u>(8,994)</u>	<u>(9,732)</u>	<u>9,716</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,264	3,642	6,864	13,287
Transfers out	<u>-</u>	<u>(692)</u>	<u>-</u>	<u>(13,287)</u>
Total Other Financing Sources (Uses)	<u>5,264</u>	<u>2,950</u>	<u>6,864</u>	<u>-</u>
Net Change in Fund Balances	187	(6,044)	(2,868)	9,716
Fund Balances, Beginning	<u>1,328</u>	<u>47,606</u>	<u>37,479</u>	<u>97,422</u>
Fund Balances, Ending	<u>\$ 1,515</u>	<u>\$ 41,562</u>	<u>\$ 34,611</u>	<u>\$ 107,138</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, 2022
(amounts expressed in thousands)
Page 2 of 2

	<u>Irvine Business Complex</u>	<u>North Irvine Transportation Mitigation</u>	<u>Total Other Capital Projects Funds</u>
REVENUES			
Investment income	\$ (4,512)	\$ (3,545)	\$ (11,462)
Intergovernmental	-	-	1,463
Charges for services	-	-	271
Contribution from property owners-			
Special districts contributions	-	-	1,960
Revenue from developers	2,743	4,861	7,604
Special assessments	-	-	23,803
Other revenue	-	-	3,621
	<u>(1,769)</u>	<u>1,316</u>	<u>27,260</u>
EXPENDITURES			
Current:			
General Government	7	12	51
Public Works & Transportation	221	216	1,522
Community Development	-	-	1
Capital outlay	849	214	41,745
	<u>1,077</u>	<u>442</u>	<u>43,319</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,846)</u>	<u>874</u>	<u>(16,059)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	306	31	29,394
Transfers out	(185)	-	(14,164)
	<u>121</u>	<u>31</u>	<u>15,230</u>
Net Change in Fund Balances	(2,725)	905	(829)
Fund Balances, Beginning	<u>112,551</u>	<u>110,461</u>	<u>406,847</u>
Fund Balances, Ending	<u>\$ 109,826</u>	<u>\$ 111,366</u>	<u>\$ 406,018</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, 2022
 (amounts expressed in thousands)

	Senior Services Fund
ASSETS	
Cash and investments	\$ 857
Receivables, net of allowances:	
Accrued interest	1
Total Assets	\$ 858
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 1
Total Liabilities	1
Fund Balances:	
Nonspendable	500
Restricted	357
Total Fund Balances	857
Total Liabilities and Fund Balances	\$ 858

City of Irvine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Permanent Fund
For the Fiscal Year Ended June 30, 2022
 (amounts expressed in thousands)

	Senior Services Fund
REVENUES	
Investment income	(34)
Donations	\$ 31
Total Revenues	(3)
EXPENDITURES	
Current:	
Community Services	140
Total Expenditures	140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(143)
OTHER FINANCING SOURCES (USES)	
Transfers in	120
Total Other Financing Sources (Uses)	120
Net Change in Fund Balances	(23)
Fund Balances, Beginning	880
Fund Balances, Ending	\$ 857

City of Irvine
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Senior Services
For the Fiscal Year Ended June 30, 2022
(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	\$ -	\$ -	\$ (34)	\$ (34)
Donations	13	13	31	18
Total Revenues	<u>13</u>	<u>13</u>	<u>(3)</u>	<u>(16)</u>
EXPENDITURES				
Current:				
Community Services	259	259	140	119
Total Expenditures	<u>259</u>	<u>259</u>	<u>140</u>	<u>119</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(246)</u>	<u>(246)</u>	<u>(143)</u>	<u>(135)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	120	120	120	-
Total Other Financing Sources (Uses)	<u>120</u>	<u>120</u>	<u>120</u>	<u>-</u>
Net Change in Fund Balances	(126)	(126)	(23)	103
Fund Balances, Beginning	<u>880</u>	<u>880</u>	<u>880</u>	<u>-</u>
Fund Balances, Ending	<u><u>\$ 754</u></u>	<u><u>\$ 754</u></u>	<u><u>\$ 857</u></u>	<u><u>\$ 103</u></u>





INTERNAL SERVICE FUNDS

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

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

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

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

City of Irvine
Combining Statement of Net Position
Internal Service Funds
June 30, 2022
(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	\$ 22,731	\$ 34,453	\$ 72	\$ 57,256
Receivables, net of allowances:				
Accounts	142	124	-	266
Accrued interest	29	46	-	75
Prepaid items	-	1,185	104	1,289
Total Current Assets	22,902	35,808	176	58,886
Noncurrent Assets:				
Capital assets:				
Equipment	20	25,094	-	25,114
Less accumulated depreciation	(20)	(18,544)	-	(18,564)
Total Noncurrent Assets	-	6,550	-	6,550
Total Assets	22,902	42,358	176	65,436
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	161	374	-	535
Total Deferred Outflows of Resources	161	374	-	535
LIABILITIES				
Current Liabilities:				
Accounts payable	226	2,636	10	2,872
Accrued liabilities	134	74	-	208
Due to other governments	1	1	-	2
Compensated absences	42	161	-	203
Claims payable	5,263	-	-	5,263
Total Current Liabilities	5,666	2,872	10	8,548
Noncurrent Liabilities:				
Compensated absences	93	357	-	450
Claims payable	16,054	-	-	16,054
Net pension liability	159	372	-	531
Total Noncurrent Liabilities	16,306	729	-	17,035
Total Liabilities	21,972	3,601	10	25,583
DEFERRED INFLOWS OF RESOURCES				
Pension related items	403	940	-	1,343
Total Deferred Inflows of Resources	403	940	-	1,343
NET POSITION				
Net investment in capital assets	-	4,990	-	4,990
Unrestricted	688	33,201	166	34,055
Total Net Position	\$ 688	\$ 38,191	\$ 166	\$ 39,045

City of Irvine
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(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	\$ 9,627	\$ 29,300	\$ 321	\$ 39,248
Other	2	59	-	61
Total Operating Revenues	<u>9,629</u>	<u>29,359</u>	<u>321</u>	<u>39,309</u>
OPERATING EXPENSES				
Salaries and benefits	787	4,784	-	5,571
Supplies and equipment	30	8,254	315	8,599
Contract services	576	7,854	-	8,430
Administration	4	2,323	-	2,327
Self-insured losses	3,752	-	-	3,752
Insurance premiums	3,755	100	-	3,855
Depreciation	-	2,621	-	2,621
Total Operating Expenses	<u>8,904</u>	<u>25,936</u>	<u>315</u>	<u>35,155</u>
Operating Income (Loss)	<u>725</u>	<u>3,423</u>	<u>6</u>	<u>4,154</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	(935)	(1,377)	(2)	(2,314)
Gain (loss) on disposal of equipment	-	296	-	296
Total Nonoperating Revenues	<u>(935)</u>	<u>(1,081)</u>	<u>(2)</u>	<u>(2,018)</u>
Income (Loss) Before Capital Contributions and Transfers	(210)	2,342	4	2,136
Capital contributions	-	379	-	379
Transfers in	11	63	-	74
Transfers out	-	(46)	-	(46)
Change in Net Position	<u>(199)</u>	<u>2,738</u>	<u>4</u>	<u>2,543</u>
Total Net Position, Beginning	<u>887</u>	<u>35,453</u>	<u>162</u>	<u>36,502</u>
Total Net Position, Ending	<u>\$ 688</u>	<u>\$ 38,191</u>	<u>\$ 166</u>	<u>\$ 39,045</u>

City of Irvine
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Self- Insurance	Equipment and Services	Inventory	Total Internal Service
Cash Flows From Operating Activities				
Received from interfund services provided	\$ 9,569	\$ 29,254	\$ 321	\$ 39,144
Paid to suppliers and providers	(7,639)	(18,909)	(285)	(26,833)
Paid for salaries and benefits	(894)	(5,091)	(1)	(5,986)
Net Cash Provided (Used) by Operating Activities	<u>1,036</u>	<u>5,254</u>	<u>35</u>	<u>6,325</u>
Cash Flows From Non-Capital Financing Activities				
Transfers from other funds	11	63	-	74
Transfers to other funds	-	(46)	-	(46)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>11</u>	<u>17</u>	<u>-</u>	<u>28</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of equipment	-	380	-	380
Equipment purchases	-	(1,231)	-	(1,231)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(851)</u>	<u>-</u>	<u>(851)</u>
Cash Flows From Investing Activities				
Purchases of investments net of sales	(919)	(1,359)	(2)	(2,280)
Net Cash Provided (Used) by Investing Activities	<u>(919)</u>	<u>(1,359)</u>	<u>(2)</u>	<u>(2,280)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	128	3,061	33	3,222
Cash and Cash Equivalents, Beginning of Fiscal Year	22,603	31,392	39	54,034
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 22,731</u>	<u>\$ 34,453</u>	<u>\$ 72</u>	<u>\$ 57,256</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Cash Flows From Operating Activities				
Operating income (loss)	\$ 725	\$ 3,423	\$ 6	\$ 4,154
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	2,621	-	2,621
(Increase) decrease in receivables, net of allowances	(60)	(105)	-	(165)
(Increase) decrease in prepaid items	-	(518)	27	(491)
(Increase) decrease in deferred outflows	91	214	-	305
Increase (decrease) in accounts payable	92	140	4	236
Increase (decrease) in accrued liabilities	77	13	(1)	89
Increase (decrease) in due to other governments	(1)	-	-	(1)
Increase (decrease) in compensated absences	22	(10)	(1)	11
Increase (decrease) in claims payable	315	-	-	315
Increase (decrease) in net pension liability	(622)	(1,450)	-	(2,072)
Increase (decrease) in deferred inflow	397	926	-	1,323
Total Adjustments	<u>311</u>	<u>1,831</u>	<u>29</u>	<u>2,171</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,036</u>	<u>\$ 5,254</u>	<u>\$ 35</u>	<u>\$ 6,325</u>
Schedule of Non-Cash and Related Financing Activities				
Contribution of Capital Assets	\$ -	\$ 379	\$ -	\$ 379





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, 2022
(amount expressed in thousands)

	PENSION TRUST (December 31, 2021)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 478	\$ -	\$ 478
Receivables, net of allowances:			
Employer contributions	23	3	26
Plan member contributions	1	2	3
Loans	-	69	69
Investments:			
Pooled funds	20,954	4,872	25,826
Mutual funds - closed end funds equity	224	-	224
Mutual funds - equity	-	6,198	6,198
Mutual funds - corporate bonds	-	572	572
Mutual funds - balanced	-	1,633	1,633
Total Assets	21,680	13,349	35,029
LIABILITIES			
Accounts payable	-	15	15
Accrued liabilities	17	-	17
Total Liabilities	17	15	32
NET POSITION			
Restricted for pensions	21,663	13,334	34,997
Total Net Position	\$ 21,663	\$ 13,334	\$ 34,997

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended June 30, 2022
(amount expressed in thousands)

	PENSION TRUST		
	(December 31, 2021)		
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 595	\$ 105	\$ 700
Plan members	32	44	76
Interest from participants' loan	-	5	5
Total Contributions	<u>627</u>	<u>154</u>	<u>781</u>
Investment income (loss):			
Interest and dividends	6	66	72
Net appreciation (depreciation) in fair value of investments	<u>1,052</u>	<u>1,709</u>	<u>2,761</u>
Total Investment Income	1,058	1,775	2,833
Less: investment expenses	<u>(65)</u>	<u>-</u>	<u>(65)</u>
Net Investment Income	<u>993</u>	<u>1,775</u>	<u>2,768</u>
Total Additions	<u>1,620</u>	<u>1,929</u>	<u>3,549</u>
DEDUCTIONS			
Benefit payments	1,444	1,664	3,108
Administration expenses	<u>18</u>	<u>30</u>	<u>48</u>
Total Deductions	<u>1,462</u>	<u>1,694</u>	<u>3,156</u>
Change in Net Position	158	235	393
Total Net Position, Beginning	<u>21,505</u>	<u>13,099</u>	<u>34,604</u>
Total Net Position, Ending	<u><u>\$ 21,663</u></u>	<u><u>\$ 13,334</u></u>	<u><u>\$ 34,997</u></u>

City of Irvine
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2022
 (amounts expressed in thousands)

	<u>Successor Agency Debt Service</u>	<u>Redevelopment Obligation Retirement</u>	<u>Total Successor Agency Private-Purpose Trust</u>
ASSETS			
Cash and investments	\$ 212	\$ 11,624	\$ 11,836
Accrued interest	(7)	15	8
Due from other governments	87,615	-	87,615
Total Assets	<u>87,820</u>	<u>11,639</u>	<u>99,459</u>
LIABILITIES			
Accounts payable	-	4,843	4,843
Advances from the City of Irvine	87,615	-	87,615
Total Liabilities	<u>87,615</u>	<u>4,843</u>	<u>92,458</u>
NET POSITION			
Held in trust for enforceable obligations	<u>205</u>	<u>6,796</u>	<u>7,001</u>
Total Net Position	<u>\$ 205</u>	<u>\$ 6,796</u>	<u>\$ 7,001</u>

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Successor Agency Debt Service	Redevelopment Obligation Retirement	Total Successor Agency Private-Purpose Trust
ADDITIONS			
Taxes	\$ -	\$ 4,920	\$ 4,920
Investment income	204	(566)	(362)
Total Additions	<u>204</u>	<u>4,354</u>	<u>4,558</u>
DEDUCTIONS			
Distributions to the County	-	4,830	4,830
Administration expenses	83	22	105
Total Deductions	<u>83</u>	<u>4,852</u>	<u>4,935</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	83	-	83
Transfers out	-	(83)	(83)
Total Other Financing Sources (Uses)	<u>83</u>	<u>(83)</u>	<u>-</u>
Change in Net Position	204	(581)	(377)
Total Net Position, Beginning	<u>1</u>	<u>7,377</u>	<u>7,378</u>
Total Net Position, Ending	<u>\$ 205</u>	<u>\$ 6,796</u>	<u>\$ 7,001</u>

City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
 (amounts expressed in thousands)
 Page 1 of 8

	Eastwood Assessment District 13-25	Stonegate Assessment District 07-22	Orchard Hills Reassessment District 05-21
ASSETS			
Cash and investments	\$ 3,324	\$ -	\$ 12,938
Receivables, net of allowances:			
Taxes	32	-	124
Accounts	-	-	-
Accrued interest	1	-	7
Due from other funds	-	-	14
Due from developers	-	48	67
Total Assets	<u>3,357</u>	<u>48</u>	<u>13,150</u>
LIABILITIES			
Accounts payable	1	43	70
Accrued liabilities	-	-	1
Due to other funds	-	1	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>1</u>	<u>44</u>	<u>71</u>
NET POSITION			
Held in trust for bondholders	<u>3,356</u>	<u>4</u>	<u>13,079</u>
Total Net Position	<u>\$ 3,356</u>	<u>\$ 4</u>	<u>\$ 13,079</u>

- continued -

City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
 (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	\$ 7,028	\$ 15	\$ 150
Receivables, net of allowances:			
Taxes	41	-	-
Accounts	-	-	-
Accrued interest	3	-	-
Due from other funds	-	-	-
Due from developers	29	104	18
Total Assets	<u>7,101</u>	<u>119</u>	<u>168</u>
LIABILITIES			
Accounts payable	40	90	18
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>40</u>	<u>90</u>	<u>18</u>
NET POSITION			
Held in trust for bondholders	<u>7,061</u>	<u>29</u>	<u>150</u>
Total Net Position	<u>\$ 7,061</u>	<u>\$ 29</u>	<u>\$ 150</u>

- continued -

City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
 (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
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ -	\$ 226	\$ 7,301
Receivables, net of allowances:			
Taxes	-	-	-
Accounts	-	-	-
Accrued interest	-	-	-
Due from other funds	-	-	-
Due from developers	122	30	130
	<u>122</u>	<u>30</u>	<u>130</u>
Total Assets	<u>122</u>	<u>256</u>	<u>7,431</u>
 LIABILITIES			
Accounts payable	102	30	135
Accrued liabilities	1	-	-
Due to other funds	13	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
	<u>116</u>	<u>30</u>	<u>135</u>
Total Liabilities	<u>116</u>	<u>30</u>	<u>135</u>
 NET POSITION			
Held in trust for bondholders	<u>6</u>	<u>226</u>	<u>7,296</u>
Total Net Position	<u>\$ 6</u>	<u>\$ 226</u>	<u>\$ 7,296</u>

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City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
 (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
ASSETS			
Cash and investments	\$ 358	\$ 512	\$ 472
Receivables, net of allowances:			
Taxes	-	-	-
Accounts	-	6,543	10,017
Accrued interest	-	-	-
Due from other funds	-	-	-
Due from developers	34	54	75
Total Assets	<u>392</u>	<u>7,109</u>	<u>10,564</u>
LIABILITIES			
Accounts payable	35	54	67
Accrued liabilities	-	-	1
Due to other funds	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>35</u>	<u>54</u>	<u>68</u>
NET POSITION			
Held in trust for bondholders	<u>357</u>	<u>7,055</u>	<u>10,496</u>
Total Net Position	<u>\$ 357</u>	<u>\$ 7,055</u>	<u>\$ 10,496</u>

- continued -

City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
 (amounts expressed in thousands)
 Page 5 of 8

	Reassessment District 12-1	Reassessment District 13-1	Reassessment District 15-1
ASSETS			
Cash and investments	\$ 18,184	\$ 13,859	\$ 9,401
Receivables, net of allowances:			
Taxes	199	188	90
Accounts	1,223	49	-
Accrued interest	22	16	8
Due from other funds	-	-	-
Due from developers	-	-	-
Total Assets	<u>19,628</u>	<u>14,112</u>	<u>9,499</u>
LIABILITIES			
Accounts payable	4	2	1
Accrued liabilities	1	1	1
Due to other funds	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>5</u>	<u>3</u>	<u>2</u>
NET POSITION			
Held in trust for bondholders	<u>19,623</u>	<u>14,109</u>	<u>9,497</u>
Total Net Position	<u>\$ 19,623</u>	<u>\$ 14,109</u>	<u>\$ 9,497</u>

- continued -

City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
 (amounts expressed in thousands)
 Page 6 of 8

	Reassessment District 15-2	Reassessment District 19-1	Reassessment District 21-1
ASSETS			
Cash and investments	\$ 6,616	\$ 4,996	\$ 5,595
Receivables, net of allowances:			
Taxes	53	55	70
Accounts	-	-	-
Accrued interest	6	4	5
Due from other funds	-	-	-
Due from developers	-	-	-
Total Assets	<u>6,675</u>	<u>5,055</u>	<u>5,670</u>
LIABILITIES			
Accounts payable	1	4	2
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to developers	-	-	-
Due to other governments	-	-	-
Total Liabilities	<u>1</u>	<u>4</u>	<u>2</u>
NET POSITION			
Held in trust for bondholders	<u>6,674</u>	<u>5,051</u>	<u>5,668</u>
Total Net Position	<u>\$ 6,674</u>	<u>\$ 5,051</u>	<u>\$ 5,668</u>

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City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
 (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	\$ 2,049	\$ 1,757	\$ 28,581
Receivables, net of allowances:			
Taxes	23	15	1,474
Accounts	-	-	5,274
Accrued interest	1	3	60
Due from other funds	-	-	-
Due from developers	-	-	-
Total Assets	<u>2,073</u>	<u>1,775</u>	<u>35,389</u>
LIABILITIES			
Accounts payable	1	1	5
Accrued liabilities	-	-	1,020
Due to other funds	-	-	-
Due to developers	-	-	251
Due to other governments	-	-	5,274
Total Liabilities	<u>1</u>	<u>1</u>	<u>6,550</u>
NET POSITION			
Held in trust for bondholders	<u>2,072</u>	<u>1,774</u>	<u>28,839</u>
Total Net Position	<u>\$ 2,072</u>	<u>\$ 1,774</u>	<u>\$ 28,839</u>

- continued -

City of Irvine
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
 (amounts expressed in thousands)
 Page 8 of 8

	Inter-Agency Custodial Fund	Total Custodial Funds
ASSETS		
Cash and investments	\$ 181	\$ 123,543
Receivables, net of allowances:		
Taxes	-	2,364
Accounts	-	23,106
Accrued interest	-	136
Due from other funds	-	14
Due from developers	-	711
Total Assets	181	149,874
LIABILITIES		
Accounts payable	-	706
Accrued liabilities	-	1,026
Due to other funds	-	14
Due to developers	-	251
Due to other governments	181	5,455
Total Liabilities	181	7,452
NET POSITION		
Held in trust for bondholders	-	142,422
Total Net Position	\$ -	\$ 142,422

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2022
(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	\$ 1,957	\$ 117	\$ 8,080
Investment income	(2)	1	(10)
Charge for services	-	-	-
Contribution from property owners	-	-	-
Contribution from other districts	-	4,024	1,547
Total Additions	<u>1,955</u>	<u>4,142</u>	<u>9,617</u>
DEDUCTIONS			
Administration expenses	33	122	377
Payment for special assessment or special tax debt	1,924	8	7,693
Refunds of special taxes	-	-	-
Contribution to City for infrastructure	-	-	-
Contribution to other districts	-	4,094	1,578
Apportionment services	-	-	-
Total Deductions	<u>1,957</u>	<u>4,224</u>	<u>9,648</u>
Change in Net Position	(2)	(82)	(31)
Total Net Position, Beginning	<u>3,358</u>	<u>86</u>	<u>13,110</u>
Total Net Position, Ending	<u>\$ 3,356</u>	<u>\$ 4</u>	<u>\$ 13,079</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, 2022

(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
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 3,846	\$ 456	\$ 105
Investment income	(6)	-	-
Charge for services	14	-	-
Contribution from property owners	250	-	-
Contribution from other districts	3,234	-	-
Total Additions	<u>7,338</u>	<u>456</u>	<u>105</u>
DEDUCTIONS			
Administration expenses	120	411	96
Payment for special assessment or special tax debt	3,309	45	9
Refunds of special taxes	-	-	-
Contribution to City for infrastructure	29	-	-
Contribution to other districts	3,269	-	-
Apportionment services	14	-	-
Total Deductions	<u>6,741</u>	<u>456</u>	<u>105</u>
Change in Net Position	597	-	-
Total Net Position, Beginning	<u>6,464</u>	<u>29</u>	<u>150</u>
Total Net Position, Ending	<u>\$ 7,061</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, 2022

(amounts expressed in thousands)

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	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	\$ 2,173	\$ 157	\$ 576
Investment income	-	-	(20)
Charge for services	-	-	-
Contribution from property owners	-	-	-
Contribution from other districts	-	-	-
Total Additions	<u>2,173</u>	<u>157</u>	<u>556</u>
DEDUCTIONS			
Administration expenses	335	143	529
Payment for special assessment or special tax debt	1,866	14	58
Refunds of special taxes	-	-	-
Contribution to City for infrastructure	-	-	-
Contribution to other districts	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>2,201</u>	<u>157</u>	<u>587</u>
Change in Net Position	(28)	-	(31)
Total Net Position, Beginning	<u>34</u>	<u>226</u>	<u>7,327</u>
Total Net Position, Ending	<u>\$ 6</u>	<u>\$ 226</u>	<u>\$ 7,296</u>

- continued -

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds

For the Fiscal Year Ended June 30, 2022

(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	\$ 172	\$ 262	\$ 332
Investment income	-	-	(1)
Charge for services	-	-	-
Contribution from property owners	-	6,543	10,117
Contribution from other districts	-	-	-
Total Additions	<u>172</u>	<u>6,805</u>	<u>10,448</u>
DEDUCTIONS			
Administration expenses	156	237	299
Payment for special assessment or special tax debt	16	25	133
Refunds of special taxes	-	-	-
Contribution to City for infrastructure	-	-	-
Contribution to other districts	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>172</u>	<u>262</u>	<u>432</u>
Change in Net Position	-	6,543	10,016
Total Net Position, Beginning	<u>357</u>	<u>512</u>	<u>480</u>
Total Net Position, Ending	<u>\$ 357</u>	<u>\$ 7,055</u>	<u>\$ 10,496</u>

- continued -

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

Page 5 of 8

	<u>Reassessment District 12-1</u>	<u>Reassessment District 13-1</u>	<u>Reassessment District 15-1</u>
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 10,521	\$ 7,153	\$ 5,163
Investment income	14	4	(5)
Charge for services	-	-	-
Contribution from property owners	1,223	49	-
Contribution from other districts	-	-	-
Total Additions	<u>11,758</u>	<u>7,206</u>	<u>5,158</u>
DEDUCTIONS			
Administration expenses	158	70	73
Payment for special assessment or special tax debt	12,957	7,369	5,377
Refunds of special taxes	-	-	-
Contribution to City for infrastructure	-	-	-
Contribution to other districts	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>13,115</u>	<u>7,439</u>	<u>5,450</u>
Change in Net Position	(1,357)	(233)	(292)
Total Net Position, Beginning	<u>20,980</u>	<u>14,342</u>	<u>9,789</u>
Total Net Position, Ending	<u>\$ 19,623</u>	<u>\$ 14,109</u>	<u>\$ 9,497</u>

- continued -

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

Page 6 of 8

	Reassessment District 15-2	Reassessment District 19-1	Reassessment District 21-1
ADDITIONS			
Special assessments or special taxes collected from property owners	\$ 3,859	\$ 3,510	\$ 3,705
Investment income	(2)	(2)	(3)
Charge for services	-	-	-
Contribution from property owners	-	-	-
Contribution from other districts	-	-	136
Total Additions	<u>3,857</u>	<u>3,508</u>	<u>3,838</u>
DEDUCTIONS			
Administration expenses	44	53	39
Payment for special assessment or special tax debt	3,897	3,438	1,217
Refunds of special taxes	-	-	-
Contribution to City for infrastructure	-	-	-
Contribution to other districts	-	-	-
Apportionment services	-	-	-
Total Deductions	<u>3,941</u>	<u>3,491</u>	<u>1,256</u>
Change in Net Position	(84)	17	2,582
Total Net Position, Beginning	<u>6,758</u>	<u>5,034</u>	<u>3,086</u>
Total Net Position, Ending	<u>\$ 6,674</u>	<u>\$ 5,051</u>	<u>\$ 5,668</u>

- continued -

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds

For the Fiscal Year Ended June 30, 2022

(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	\$ 1,201	\$ 1,105	\$ 14,494
Investment income	(3)	-	(240)
Charge for services	-	-	-
Contribution from property owners	-	-	-
Contribution from other districts	1,156	-	-
Total Additions	<u>2,354</u>	<u>1,105</u>	<u>14,254</u>
DEDUCTIONS			
Administration expenses	24	14	286
Payment for special assessment or special tax debt	1,153	1,095	13,561
Refunds of special taxes	-	-	332
Contribution to City for infrastructure	-	-	1,960
Contribution to other districts	1,156	-	-
Apportionment services	-	-	-
Total Deductions	<u>2,333</u>	<u>1,109</u>	<u>16,139</u>
Change in Net Position	21	(4)	(1,885)
Total Net Position, Beginning	<u>2,051</u>	<u>1,778</u>	<u>30,724</u>
Total Net Position, Ending	<u>\$ 2,072</u>	<u>\$ 1,774</u>	<u>\$ 28,839</u>

- continued -

City of Irvine
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds

For the Fiscal Year Ended June 30, 2022

(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	\$ -	\$ 68,944
Investment income	-	(275)
Charge for services	-	14
Contribution from property owners	-	18,182
Contribution from other districts	-	10,097
Total Additions	-	96,962
DEDUCTIONS		
Administration expenses	-	3,619
Payment for special assessment or special tax debt	-	65,164
Refunds of special taxes	-	332
Contribution to City for infrastructure	-	1,989
Contribution to other districts	-	10,097
Apportionment services	-	14
Total Deductions	-	81,215
Change in Net Position	-	15,747
Total Net Position, Beginning	-	126,675
Total Net Position, Ending	\$ -	\$ 142,422



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)

	2022	2021	2020	2019
Governmental Activities				
Net investment in capital assets	\$ 1,898,665	\$ 1,931,810	\$ 1,986,371	\$ 2,028,242
Restricted	571,035	653,852	652,403	613,872
Unrestricted	561,805	443,796	420,129	434,434
Total Governmental Activities Net Position	<u>\$ 3,031,505</u>	<u>\$ 3,029,458</u>	<u>\$ 3,058,903</u>	<u>\$ 3,076,548</u>
Primary Government				
Net investment in capital assets	\$ 1,898,665	\$ 1,931,810	\$ 1,986,371	\$ 2,028,242
Restricted	571,035	653,852	652,403	613,872
Unrestricted	561,805	443,796	420,129	434,434
Total Primary Government Net Position	<u>\$ 3,031,505</u>	<u>\$ 3,029,458</u>	<u>\$ 3,058,903</u>	<u>\$ 3,076,548</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,745,962	\$ 1,601,315	\$ 1,566,452	\$ 1,517,272	\$ 1,541,807	\$ 1,575,361
493,547	583,855	500,057	478,204	404,305	320,962
442,116	433,617	434,395	416,521	351,248	362,179
<u>\$ 2,681,625</u>	<u>\$ 2,618,787</u>	<u>\$ 2,500,904</u>	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>

\$ 1,745,962	\$ 1,601,315	\$ 1,566,452	\$ 1,517,272	\$ 1,541,807	\$ 1,575,361
493,547	583,855	500,057	478,204	404,305	320,962
442,116	433,617	434,395	416,521	351,248	362,179
<u>\$ 2,681,625</u>	<u>\$ 2,618,787</u>	<u>\$ 2,500,904</u>	<u>\$ 2,411,997</u>	<u>\$ 2,297,360</u>	<u>\$ 2,258,502</u>

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

	2022	2021	2020	2019
EXPENSES				
Governmental Activities				
General Government	\$ 74,944	\$ 30,083	\$ 31,233	\$ 37,912
Public Safety	84,025	95,632	99,254	80,988
Public Works	90,102	92,186	89,371	98,899
Community Services	46,450	46,219	47,703	41,163
Community Development ⁽¹⁾	36,450	41,206	55,174	32,720
Transportation ⁽¹⁾	-	-	7,481	6,320
Great Park ⁽²⁾	-	-	-	-
Interest on long-term debt	8	-	-	-
Unallocated infrastructure depreciation	61,455	69,998	67,617	63,071
Total Governmental Activities Expenses	\$ 393,434	\$ 375,324	\$ 397,833	\$ 361,073
PROGRAM REVENUES				
Governmental Activities				
Charges for services:				
General Government	\$ 14,581	\$ 12,190	\$ 12,068	\$ 11,177
Public Safety	3,994	3,035	3,758	3,213
Public Works	49,619	51,342	39,737	30,833
Community Services	19,699	10,695	13,760	16,340
Community Development ⁽¹⁾	18,680	24,239	20,261	19,955
Transportation ⁽¹⁾	-	-	755	865
Great Park ⁽²⁾	-	-	-	-
Operating grants and contributions	85,415	38,077	44,589	40,146
Capital grants and contributions	16,785	26,585	45,591	432,784
Total Governmental Activities Program Revenues	208,773	166,163	180,519	555,313
Total Net Revenues (Expenses)	\$ (184,661)	\$ (209,161)	\$ (217,314)	\$ 194,240
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes:				
Property tax ⁽³⁾	\$ 89,089	\$ 84,349	\$ 79,784	\$ 74,492
Sales taxes	84,008	68,260	64,278	69,597
Franchise taxes	15,236	14,182	13,822	14,059
Transient occupancy taxes	13,750	5,788	12,387	20,597
Document transfer taxes	4,861	4,671	3,461	4,385
Unrestricted motor vehicle in-lieu	314	207	222	133
Gain on sale of assets	330	2	118	71
Investment revenue	(26,444)	457	22,376	17,135
Other revenue	5,564	1,800	3,221	214
Total General Revenues	186,708	179,716	199,669	200,683
Extraordinary gain (loss)	-	-	-	-
Special item	-	-	-	-
Changes in Net Position	\$ 2,047	\$ (29,445)	\$ (17,645)	\$ 394,923

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

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

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

Source: City Fiscal Services Division

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 46,151	\$ 36,411	\$ 29,152	\$ 24,558	\$ 32,863	\$ 28,141
77,266	71,836	63,878	59,266	62,745	59,284
99,067	106,478	91,387	70,697	63,897	70,423
46,104	40,231	37,152	39,119	22,980	29,944
31,993	34,743	27,943	24,278	39,689	20,575
3,408	-	-	-	-	-
-	-	-	-	16,812	59,621
-	-	-	6	16	20
58,997	55,529	51,423	49,647	48,367	46,693
<u>\$ 362,986</u>	<u>\$ 345,228</u>	<u>\$ 300,935</u>	<u>\$ 267,571</u>	<u>\$ 287,369</u>	<u>\$ 314,701</u>
\$ 9,805	\$ 12,259	\$ 11,336	\$ 4,566	\$ 1,984	\$ 560
2,870	2,984	2,968	4,395	4,548	4,471
30,947	33,599	26,898	46,387	18,321	13,847
15,230	13,526	12,611	19,362	15,375	14,326
25,296	29,367	27,545	19,414	30,129	14,410
227	-	-	-	-	-
-	-	-	-	3,292	4,233
36,550	26,790	29,738	30,404	31,661	32,664
185,320	170,654	136,641	111,989	76,751	145,897
<u>306,245</u>	<u>289,179</u>	<u>247,737</u>	<u>236,517</u>	<u>182,061</u>	<u>230,408</u>
<u>\$ (56,741)</u>	<u>\$ (56,049)</u>	<u>\$ (53,198)</u>	<u>\$ (31,054)</u>	<u>\$ (105,308)</u>	<u>\$ (84,293)</u>
\$ 68,135	\$ 62,374	\$ 57,944	\$ 53,300	\$ 49,524	\$ 46,659
62,834	61,617	62,120	58,725	56,499	51,596
14,243	14,022	14,669	14,100	13,690	12,505
18,632	15,708	15,368	13,465	11,664	11,256
4,631	3,957	3,762	3,554	2,911	2,404
140	116	101	99	98	115
3,884	-	-	10,112	144	129
4,441	2,500	5,779	5,243	15,632	7,740
214	184	825	118	93	1,448
<u>177,154</u>	<u>160,478</u>	<u>160,568</u>	<u>158,716</u>	<u>150,255</u>	<u>133,852</u>
		(7,781)	107,833	(5,500)	163,916
		99	-	-	-
<u>\$ 120,413</u>	<u>\$ 104,429</u>	<u>\$ 99,688</u>	<u>\$ 235,495</u>	<u>\$ 39,447</u>	<u>\$ 213,475</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
GENERAL FUND				
Non Spendable	\$ 38	\$ 1,396	\$ -	\$ 1,358
Restricted	-	212	356	419
Committed	50,388	57,664	51,700	43,783
Assigned	147,342	99,374	95,729	69,526
Unassigned	29,886	-	9,989	11,594
Total General Fund	<u>\$ 227,654</u>	<u>\$ 158,646</u>	<u>\$ 157,774</u>	<u>\$ 126,680</u>
ALL OTHER GOVERNMENTAL FUNDS				
Non Spendable	\$ 1,085	\$ 1,941	\$ 500	\$ 501
Restricted	571,278	643,532	623,950	607,503
Committed	100,716	103,466	90,749	84,846
Assigned	264,923	264,004	267,621	289,001
Unassigned	(356)	(17)	(4,013)	(2,514)
Total All Other Governmental Funds	<u>\$ 937,646</u>	<u>\$ 1,012,926</u>	<u>\$ 978,807</u>	<u>\$ 979,337</u>
ALL GOVERNMENTAL FUNDS	<u>\$ 1,165,300</u>	<u>\$ 1,171,572</u>	<u>\$ 1,136,581</u>	<u>\$ 1,106,017</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)

2018	2017	2016	2015	2014	2013
\$ 5	\$ -	\$ 87	\$ 7,617	\$ 8,033	\$ 7,987
5,936	2,784	8,188	5,682	5,730	5,378
36,811	41,034	30,090	25,946	18,904	16,538
72,601	79,242	77,713	63,790	66,581	70,987
9,788	3,912	12,163	23,867	8,666	11,105
<u>\$ 125,141</u>	<u>\$ 126,972</u>	<u>\$ 128,241</u>	<u>\$ 126,902</u>	<u>\$ 107,914</u>	<u>\$ 111,995</u>
\$ 499	\$ 518	\$ 526	\$ 496	\$ 586	\$ 136,400
499,515	585,466	502,440	750,871	501,039	296,160
77,230	106,858	374,603	79,880	50,195	63,194
305,023	269,151	2,899	5,256	7,148	5,062
(2,907)	(3,495)	(2,493)	(2,483)	-	(2,453)
<u>\$ 879,360</u>	<u>\$ 958,498</u>	<u>\$ 877,975</u>	<u>\$ 834,020</u>	<u>\$ 558,968</u>	<u>\$ 498,363</u>
<u>\$ 1,004,501</u>	<u>\$ 1,085,470</u>	<u>\$ 1,006,216</u>	<u>\$ 960,922</u>	<u>\$ 666,882</u>	<u>\$ 610,358</u>

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

	2022	2021	2020	2019
REVENUES				
Taxes				
Property taxes	\$ 89,089	\$ 84,349	\$ 79,784	\$ 74,492
Sales and use taxes	90,235	73,448	64,278	74,661
All other taxes	52,443	44,957	54,636	53,573
Licenses & permits	10,141	8,633	9,478	8,521
Fines & forfeitures	1,112	1,238	1,167	1,348
Investment income	(34,864)	1,467	36,447	29,870
Intergovernmental	76,131	25,405	15,060	8,054
Charges for services	40,062	25,981	33,259	35,367
Contributions from property owners-				
Special districts contributions	1,960	136	6,325	104,714
Revenue from developers	11,057	33,654	16,531	22,404
Special assessments	46,193	42,009	34,690	25,165
Donations	461	464	474	562
Other revenue	7,873	2,712	4,196	5,850
Total Revenues	<u>391,893</u>	<u>344,453</u>	<u>356,325</u>	<u>444,581</u>
EXPENDITURES				
Current:				
General Government	76,520	28,740	28,850	41,069
Public Safety	97,126	95,497	90,391	82,172
Public Works	80,489	69,392	61,512	57,472
Community Development	38,708	40,679	41,904	33,694
Community Services	49,694	44,753	45,514	45,223
Transportation ⁽¹⁾	-	-	5,465	5,374
Great Park ⁽²⁾	-	-	-	-
Capital Outlay	55,709	30,541	50,459	76,320
Debt Services:				
Principal retirement	24	-	-	-
Interest & fiscal charges	1	-	-	-
Total Expenditures	<u>398,271</u>	<u>309,602</u>	<u>324,095</u>	<u>341,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,378)</u>	<u>34,851</u>	<u>32,230</u>	<u>103,257</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from financing of capital asset	100	-	-	-
Proceeds from sale of property	34	36	15	-
Transfers in	104,587	61,227	58,191	73,441
Transfers out	(104,615)	(61,123)	(59,872)	(75,182)
Total Other Financing Sources (Uses)	<u>106</u>	<u>140</u>	<u>(1,666)</u>	<u>(1,741)</u>
EXTRAORDINARY GAIN (LOSS)				
Settlement agreement	-	-	-	-
Special item	-	-	-	-
Total Extraordinary Gain (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (6,272)</u>	<u>\$ 34,991</u>	<u>\$ 30,564</u>	<u>\$ 101,516</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.

Source: City Fiscal Services Division

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

	2018	2017	2016	2015	2014	2013
\$	68,135	\$ 62,374	\$ 67,060	\$ 53,300	\$ 49,524	\$ 46,659
	68,543	67,622	70,047	62,925	59,385	54,663
	53,989	47,472	51,291	48,373	41,891	37,445
	9,806	9,301	9,594	10,750	7,401	6,865
	1,415	1,394	1,453	1,531	1,830	1,780
	4,453	2,941	7,098	4,216	4,496	(283)
	7,583	9,870	14,317	11,663	16,312	18,694
	34,226	39,332	36,023	33,673	31,834	27,702
	19,676	137,228	77,699	69,650	25,257	31,520
	34,726	45,527	53,373	49,110	59,124	53,469
	20,240	17,559	6,809	32,615	6,172	6,015
	627	549	724	664	915	655
	5,138	4,165	4,660	5,014	3,394	4,234
	<u>328,557</u>	<u>445,334</u>	<u>400,148</u>	<u>383,484</u>	<u>307,535</u>	<u>289,418</u>
	44,549	34,962	29,957	29,446	31,305	26,446
	77,210	73,116	70,062	65,624	63,130	60,211
	51,149	53,331	60,261	50,841	40,451	41,330
	30,578	35,494	31,341	26,390	25,839	23,321
	44,912	40,618	39,673	35,920	38,861	34,839
	3,398	-	-	-	-	-
	-	-	-	-	12,364	15,235
	121,663	128,972	121,094	53,138	48,558	86,345
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>373,459</u>	<u>366,493</u>	<u>352,388</u>	<u>261,359</u>	<u>260,508</u>	<u>287,727</u>
	<u>(44,902)</u>	<u>78,841</u>	<u>47,760</u>	<u>122,125</u>	<u>47,027</u>	<u>1,691</u>
	-	-	-	-	-	-
	4,027	21	125	14,224	46	40
	46,581	71,162	55,454	47,426	23,505	31,166
	(45,981)	(71,187)	(55,617)	(47,735)	(23,408)	(33,417)
	<u>4,627</u>	<u>(4)</u>	<u>(38)</u>	<u>13,915</u>	<u>143</u>	<u>(2,211)</u>
	-	-	(6,568)	158,000	(5,500)	-
	-	-	99	158,000	(5,500)	-
	-	-	(6,469)	316,000	(11,000)	-
\$	<u>(40,275)</u>	<u>\$ 78,837</u>	<u>\$ 41,253</u>	<u>\$ 452,040</u>	<u>\$ 36,170</u>	<u>\$ (520)</u>
	0%	0%	0.0%	0.0%	0.0%	0.0%

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

Fiscal Year Ended June 30	Property Tax		Sales Tax ⁽²⁾	Transient Occupancy Tax	Franchise Tax	Document Transfer Tax	Other	Total
	City	Redevelopment Agency ⁽¹⁾						
2022	\$ 88,788	\$ 301	\$ 90,235	\$ 13,750	\$ 14,042	\$ 4,861	\$ 19,790	\$ 231,767
2021	84,072	277	73,448	5,787	13,169	4,671	21,330	202,754
2020	79,511	273	70,028	12,387	13,822	3,461	19,216	198,698
2019	74,271	221	74,661	16,463	13,098	4,385	19,627	202,726
2018	67,957	178	68,543	14,883	13,217	4,631	21,258	190,667
2017	62,217	157	67,622	12,520	13,089	3,957	17,906	177,468
2016	66,934	126	70,047	12,294	13,828	3,762	21,407	188,398
2015	53,086	214	62,925	10,772	13,479	3,554	20,568	164,598
2014	49,442	82	59,385	9,331	13,100	2,911	16,549	150,800
2013	46,564	95	54,663	9,005	11,950	2,404	14,086	138,767

(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		Assessed Value	Redevelopment Agency ⁽¹⁾			Tax Rate
	Secured	Unsecured		Secured	Unsecured	Incremental Valuation	
2022	\$ 89,758,310	\$ 5,435,422	95,193,732	\$ 7,385,968	\$ 182,691	\$ 7,568,659	0.0867%
2021	85,793,409	4,264,770	90,058,179	6,789,106	116,370	6,905,476	0.0870%
2020	80,881,596	4,163,416	85,045,012	5,640,707	119,674	5,760,381	0.0820%
2019	74,391,378	4,048,378	78,439,756	4,340,438	145,260	4,485,698	0.0822%
2018	67,809,744	4,088,964	71,898,708	3,139,318	534	3,139,852	0.0908%
2017	61,937,181	3,817,062	65,754,243	2,540,087	2,565	2,542,652	0.0913%
2016	57,124,817	3,787,877	60,912,694	1,770,828	453	1,771,281	0.1070%
2015	51,916,631	3,777,254	55,693,885	964,620	807	965,427	0.0941%
2014	47,393,124	3,609,124	51,002,248	611,176	320	611,496	0.0960%
2013	45,033,193	3,612,900	48,646,093	601,935	3,758	605,693	0.0947%

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: Orange County Assessor

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

	2022 *	2021	2020	2019
Apparel stores	\$ *	\$ 280,685	\$ 206,416	\$ 224,535
General merchandise	*	415,558	369,818	429,098
Food stores	*	142,679	142,321	140,939
Eating & drinking places	*	833,220	563,070	880,875
Home furnishings & appliances	*	-	-	-
Building material & farm tools	*	172,702	146,802	144,896
Auto dealers & supplies	*	1,329,683	965,743	1,028,427
Service stations	*	299,551	160,528	283,159
Other retail stores	*	911,735	748,047	791,145
All other outlets	*	3,146,026	2,981,584	2,940,504
Total	\$ -	\$ 7,531,839	\$ 6,284,329	\$ 6,863,578
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.

*Statistics for fiscal year 2021-22 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	211,329	\$ 218,728	\$ 222,412	\$ 210,020	\$ 213,839	\$ 209,566
	423,188	385,098	404,982	411,544	370,563	333,813
	132,898	125,787	120,943	122,536	609,828	148,776
	832,162	776,070	724,466	669,075	151,152	563,941
	-	-	-	-	410,687	372,189
	169,673	143,658	137,627	121,412	106,565	95,815
	963,272	900,540	837,144	819,580	655,268	626,940
	299,396	247,127	235,122	264,856	277,156	276,639
	834,627	835,929	787,667	821,149	438,521	428,451
	2,743,558	2,668,557	2,680,024	2,617,234	1,766,788	1,600,281
\$	<u>6,610,103</u>	<u>\$ 6,301,494</u>	<u>\$ 6,150,387</u>	<u>\$ 6,057,406</u>	<u>\$ 5,000,367</u>	<u>\$ 4,656,411</u>
	1.00%	1.00%	1.00%	0.75% (2)	0.75% (2)	0.75% (2)

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

Agency	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	0.19650	0.21320	0.24300	0.24300	0.24300	0.20202	0.17102	0.17102	0.41339	0.41339
Irvine Unified	0.02310	0.02802	0.02533	0.02804	0.02714	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	0.00350
Orange Usd Series 2018 2016	0.01656	0.01664	0.02288	0.02685	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Rancho Santiago Community College	0.04289	0.04520	0.05178	0.04537	0.05088	0.04945	0.05039	0.05078	0.03334	0.03241
Saddleback Valley Unified	0.02200	0.02336	0.02295	0.02392	0.02365	0.02688	0.03008	0.02806	0.03207	0.03265
Santa Ana Unified	0.06858	0.08127	0.07300	0.05561	0.06327	0.06377	0.06604	0.06869	0.07359	0.07749
Tustin Unified General Fund	0.06523	0.07102	0.06376	0.06687	0.06873	0.07001	0.07751	0.06955	0.08912	0.06729
Total Direct and Overlapping Rates ⁽²⁾	1.43836	1.48221	1.50620	1.49316	1.48017	1.41563	1.39854	1.39160	1.64501	1.62673
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	0.03180	0.01226
Voter Approved City Debt Rate										
Total Direct Rates ⁽⁴⁾	0.03060	0.03051	0.03059	0.03090	0.03115	0.03157	0.03190	0.03229	0.03267	0.04014

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

(2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

(3) City's Share of 1.00% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

(4) Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in fiscal year 2013-14, the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during fiscal year 2012-13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: HdL, Coren & Cone

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Irvine Company	\$ 2,810,528,429	1	2.96%	\$ 5,993,824,698	1	12.32%
LBA IV-PPI LLC	2,025,851,018	2	2.13%	352,117,356	5	0.72%
B Braun Medical Inc	553,249,623	3	0.58%	361,167,927	4	0.74%
Allergan USA Inc	528,272,818	4	0.56%	300,899,487	6	0.62%
Irvine Apartment Communities LP	460,618,163	5	0.48%	866,292,939	2	1.78%
Edwards Lifesciences LLC	447,397,477	6	0.47%	-	-	-
Jamboree Center LLC	433,634,011	7	0.46%	-	-	-
Park Place Michelson LLC	425,466,066	8	0.45%	-	-	-
Irvine Office Towers LLC	415,644,322	9	0.44%	-	-	-
Heritage Fields El Toro LLC	385,155,728	10	0.41%	607,439,224	3	1.25%
John Hancock Life	-	-	-	280,438,817	7	0.58%
Lennar Corporation	-	-	-	261,479,544	8	0.54%
Lakeshore Properties LLC	-	-	-	188,071,289	9	0.39%
Park Spectrum	-	-	-	180,377,381	10	0.37%
Totals	\$ 8,485,817,655		8.93%	\$ 9,392,108,662		19.31%

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
2022	\$ 96,340,158	\$ 95,162,564	98.78%	\$ 836,224	95,998,788	99.65%
2021	94,289,660	93,592,424	99.26%	421,803	94,014,227	99.71%
2020	92,477,398	90,810,360	98.20%	365,026	91,175,386	98.59%
2019	90,281,935	89,869,241	99.54%	411,689	90,280,930	100.00%
2018	85,775,306	84,940,559	99.03%	458,377	85,398,936	99.56%
2017	82,074,158	81,122,025	98.84%	526,453	81,648,478	99.48%
2016	80,233,275	79,071,170	98.55%	625,501	79,696,671	99.33%
2015	86,003,581	85,186,715	99.05%	159,584	85,346,299	99.24%
2014	76,486,915	76,278,909	99.73%	199,226	76,478,135	99.99%
2013	70,528,865	69,549,205	98.61%	739,919	70,289,124	99.66%

(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
2022	\$ -	\$ -	0.00%	0.000%	-
2021	-	-	0.00%	0.000%	-
2020	-	-	0.00%	0.000%	-
2019	-	-	0.00%	0.000%	-
2018	-	-	0.00%	0.000%	-
2017	-	-	0.00%	0.000%	-
2016	-	-	0.00%	0.000%	-
2015	78	78	0.00%	0.000%	-
2014	177	177	0.00%	0.000%	1
2013	470	470	0.00%	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
2022	310	-	-	-	0.00%	-
2021	308	-	-	-	0.00%	-
2020	282	-	-	-	0.00%	-
2019	280	-	-	-	0.00%	-
2018	276	-	-	-	0.00%	-
2017	267	-	-	-	0.00%	-
2016	258	-	-	-	0.00%	-
2015	250	-	-	-	0.00%	-
2014	243	-	-	-	0.00%	-
2013	231	-	-	-	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, 2022

2021-22 Assessed valuation: \$ 95,193,731,766

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total		City's Share of
	Debt 6/30/22	%Applicable (1)	Debt 6/30/22
Metropolitan Water District	\$ 20,175,000	2.806 %	\$ 566,111
Rancho Santiago Community College District	196,772,727	12.334	24,269,948
Rancho Santiago Community College District School Facilities Improvement District No. 1	154,720,000	23.167	35,843,982
Irvine Unified School District Facilities Improvement District No. 1	158,925,000	97.28	154,602,240
Irvine Unified School District Community Facilities Districts	554,045,000	100	554,045,000
Orange Unified School District	277,865,000	.0001	278
Saddleback Valley Unified School District	92,040,000	5.226	4,810,010
Santa Ana Unified School District	339,341,119	28.590	97,017,626
Santa Ana Unified School District Community Facilities District No. 2004-1	6,335,000	100	6,335,000
Tustin Unified School District School Facilities Improvement District No. 2002-1	44,035,000	9.517	4,190,811
Tustin Unified School District School Facilities Improvement District No. 2008-1	79,340,000	9.792	7,768,973
Tustin Unified School District School Facilities Improvement District No. 2012-1	35,595,000	22.604	8,045,894
Tustin Unified School District Community Facilities District No. 97-1	79,800,000	100	79,800,000
Tustin Unified School District Community Facilities District No. 2007-1	15,685,000	100	15,685,000
Tustin Unified School District Community Facilities District No. 2014-1	84,740,000	100	84,740,000
Irvine Ranch Water District Improvement Districts	494,103,936	11.742-100.	329,898,790
City of Irvine Community Facilities District No. 2004-1	16,500,000	100	16,500,000
City of Irvine Community Facilities District No. 2005-2	12,365,000	100	12,365,000
City of Irvine Community Facilities District No. 2013-3, I.A. 1	72,165,000	100	72,165,000
City of Irvine Community Facilities District No. 2013-3, I.A. 4	132,280,000	100	132,280,000
City of Irvine Community Facilities District No. 2013-3, I.A. 8	72,025,000	100	72,025,000
City of Irvine 1915 Act Bonds	703,689,000	100	703,689,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			2,416,643,663
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 376,780,000	13.967 %	\$ 52,624,863
Orange County Pension Obligation Bonds	521,784,000	13.967	72,877,571
Orange County Board of Education General Fund Obligations	11,620,000	13.967	1,622,965
Orange Unified School District Certificates of Participation and Benefit Obligation	17,195,278	0.0001	17
Santa Ana Unified School District General Fund Obligations	50,389,370	28.590	14,406,321
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 141,531,737
TOTAL DIRECT DEBT			\$ -
OVERLAPPING DEBT			\$ 2,558,175,400
COMBINED TOTAL DEBT			\$ 2,558,175,400 ⁽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 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt..... 2.54%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt 0.00%

Net Combined Total Debt..... 2.69%

Source: MuniServices, LLC

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assessed valuation	\$ 95,193,732	\$ 90,058,178,619	\$ 85,045,012,271	\$ 78,439,755,961
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 23,798,433	\$ 22,514,544,655	\$ 21,261,253,068	\$ 19,609,938,990
Debit limit percentage	15%	15%	15%	15%
Debt limit	3,569,765	3,377,181,698	3,189,187,960	2,941,490,849
Total Net Debt Applicable to Limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 3,569,765</u>	<u>\$ 3,377,181,698</u>	<u>\$ 3,189,187,960</u>	<u>\$ 2,941,490,849</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, Orange County Assessor

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 71,898,708,288	\$ 65,754,243,380	\$ 60,912,693,965	\$ 55,693,885,275	\$ 51,002,248,297	\$ 48,646,093,255
25%	25%	25%	25%	25%	25%
\$ 17,974,677,072	\$ 16,438,560,845	\$ 15,228,173,491	\$ 13,923,471,319	\$ 12,750,562,074	\$ 12,161,523,314
15%	15%	15%	15%	15%	15%
2,696,201,561	2,465,784,127	2,284,226,024	2,088,520,698	1,912,584,311	1,824,228,497
-	-	-	-	-	-
<u>\$ 2,696,201,561</u>	<u>\$ 2,465,784,127</u>	<u>\$ 2,284,226,024</u>	<u>\$ 2,088,520,698</u>	<u>\$ 1,912,584,311</u>	<u>\$ 1,824,228,497</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⁾
2022	310,250	\$ 13,944,948 ⁽²⁾	\$ 51,138	\$ 108,318	33.8	36,083 ⁽⁶⁾	2.8%
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%

(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	2022			2013		
	Number of Employees	Rank	Percentage of Employment	Number of Employees	Rank	Percentage of Employment
University of California Irvine	25,634	1	9.25%	21,800	1	10.80%
Peraton State and Local Inc.	17,000	2	6.13%	-	-	-
Irvine Unified School District	4,026	3	1.45%	2,839	2	1.41%
Blizzard Entertainment Inc.	4,022	4	1.45%	2,804	3	1.39%
Mastec North America Inc.	4,000	5	1.44%	-	-	-
Edwards Lifesciences LLC	3,152	6	1.14%	2,575	5	1.28%
Digital Insurance Inc.	2,603	7	0.94%	-	-	-
SA Recycling LLC	2,000	8	0.72%	-	-	-
B. Braun Medical Inc.	1,910	9	0.69%	-	-	-
Center for Autism	1,892	10	0.68%	-	-	-
Broadcom	-	-	-	2,604	4	1.29%
Verizon Wireless	-	-	-	2,335	6	1.16%
Kaiser Permanente Hospital	-	-	-	2,316	7	1.15%
Parker Hannifin	-	-	-	1,950	8	0.97%
Allergan	-	-	-	1,922	9	0.95%

Source: City Public Safety Department

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

FUNCTION	Fiscal Years as of June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government										
Full-time	124.70	103.70	106.70	103.70	103.00	94.00	92.00	87.00	88.00	82.00
Part-time	11.50	15.90	15.14	14.44	12.01	14.61	14.61	15.92	12.53	9.28
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	347.30	341.30	334.30	326.30	322.00	319.00	308.00	304.00	298.00	290.00
Part-time	41.20	41.19	40.50	38.62	38.30	32.87	33.35	31.44	30.95	30.95
Non-hourly	59.00	58.00	56.00	53.00	49.00	46.00	44.00	42.00	39.40	32.40
Public Works										
Full-time	169.00	169.00	140.25	142.25	139.25	155.00	150.00	140.00	142.00	122.00
Part-time	6.75	6.75	5.20	5.24	5.24	5.24	6.50	6.00	4.30	1.75
Non-hourly	5.00	5.00								
Community Development										
Full-time	111.00	111.00	111.00	111.00	114.00	113.00	109.00	108.00	102.00	99.00
Part-time	3.00	2.00	2.00	2.80	3.30	2.80	2.80	1.80	1.80	1.80
Non-hourly	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Community Services										
Full-time	132.00	131.00	130.00	127.00	127.00	125.00	118.00	109.00	108.00	113.00
Part-time	271.60	286.91	286.90	282.73	274.77	262.33	250.44	212.95	197.69	196.63
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
Part-time	-	-	-	-	-	-	-	-	-	7.13
Non-hourly	-	-	-	-	-	-	-	-	-	5.00
Total	1,309.05	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

Note:

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

Transportation department was established in fiscal year 2017-18.

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

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

Source: Various City departments

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

FUNCTION	Fiscal Years as of June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police Safety										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	76	72	64	61	61	55	51	49	52	46
Fire stations ⁽¹⁾	12	12	12	12	12	12	12	11	11	11
Public Works										
Streets (miles) ⁽²⁾	482	2,083	2,068	2,035	2,002	1,985	1,973	1,931	1,922	1,879
Traffic signals	378	376	366	366	356	344	344	341	338	337
Streetscape (acres)	940	940	938	938	918	918	911	889	872	834
Open space/greenbelts (acres)	6,673	6,673	6,673	6,672	6,638	6,638	6,638	5,600	5,590	5,250
Bicycle path-on/off street (miles) ⁽¹⁾	257	400	372	364	154	154	154	152	152	151
Culture and Recreation										
Community athletic parks	24	24	24	23	20	20	19	19	19	19
Multi use centers	20	20	20	18	16	15	15	14	14	14
Dog parks	1	1	1	1	1	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Soccer fields	70	70	70	70	63	41	41	41	40	40
Swimming pools	3	3	3	3	3	3	3	3	4	4
Batting cages	22	22	22	22	14	14	14	14	14	14
Basketball courts	37	37	37	36	35	31	31	31	30	29
Racquetball/handball courts	13	13	14	14	14	14	14	14	14	14
Tennis courts	98	98	98	98	91	64	64	64	64	64
Volleyball courts	23	23	23	23	22	17	17	17	16	16

(1) Joint Power Authority with Orange County Fire Authority

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

Source: Various City departments

City of Irvine
Operating Indicators by Function
Last Ten Fiscal Years

FUNCTION	2022	2021	2020	2019
General Government				
Checks/wire transfers	47,031	43,936	49,591	50,333
Number of purchase orders placed	1,661	2,162	2,179	2,192
Police				
Animal control service calls	10,637	12,190	9,608	7,785
Physical arrests	1,729	1,571	1,737	2,155
Parking citations	4,244	4,919	7,006	6,853
Traffic citations	14,185	16,793	16,513	22,050
Highways and Streets				
Arterial street resurfacing (centerline miles)	19.90	33.75	4.40	42.22
Arterial street sweeping (curb miles) ⁽²⁾	23,000	40,361	40,361	40,346
Community Development				
Building inspections completed	105,233	97,080	140,808	174,363
Building permits issued	11,580	10,060	11,606	16,764
Culture and Recreation				
Recreational & instructional classes offered	18,185	13,123	9,345	9,345
Recreational & instructional enrollees	296,211	160,974	125,664	164,380
Recreational & internet registrants for classes	61%	69%	54%	64%
Youth services participation units	NA	NA	NA	NA

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

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

Source: Various City departments

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

2018	2017	2016	2015	2014	2013
51,905	47,912	46,499	46,112	44,607	45,105
2,324	2,151	2,146	1,681	1,936	1,953
8,635	8,741	9,975	9,741	10,580	10,664
2,501	2,811	3,109	2,506	2,774	2,824
6,272	5,171	4,413	4,056	4,824	6,934
18,848	20,151	19,641	21,266	23,541	23,221
49	65	58	36	40	47
39,817	39,542	39,189	38,884	38,449	38,401
220,565	225,782	194,718	190,409	160,718	151,835
15,924	15,165	14,187	13,577	12,635	12,029
11,530	9,624	9,238	8,826	8,890	8,151
136,857	108,711	101,252	95,618	99,811	90,027
58%	56%	56%	57%	50%	52%
NA	NA	NA	NA	NA	NA

City of Irvine
Miscellaneous Statistical Information
June 30, 2022

<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 City of Irvine has always been a city of innovation, and it continues to be a thriving and remarkably diverse center of business with more than 17,000 businesses – including over 900 tech companies – producing more than 275,000 jobs. Our strategic location, strong partnerships, and values of creativity and innovation set Irvine apart as an ideal place for businesses to thrive. The City provides, at a high-level, most everything that is of value to a business: opportunities, local high-skilled employees, public education support, safety, and top-quality infrastructure.