



City of Placentia Press Release

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PLACENTIA REPORTS POSITIVE FINANCIAL NEWS

PLACENTIA, CA – The City of Placentia has received positive financial news regarding its annual audit and Comprehensive Annual Financial Report (CAFR). For the third year in a row, the City of Placentia received a “clean” or unmodified opinion for the audit this year in that there were no findings issued. Due to various actions taken by the City Council over the past several years, including establishing additional internal controls, the City has not received any findings since 2015-16.

The City’s independent auditing firm, The Pun group, LLP, affirmed that the financial statements provided were presented fairly in all material aspects. The audit of the City’s financial records was completed in accordance with generally accepted auditing standards applicable to financial audits contained in Government Audit Standards issued by the Government Accountability Office.

The Pun Group audited the City’s 2019-20 CAFR and assigned an unmodified or clean opinion including that the CAFR is free of any material misstatement. The CAFR is a complete record of the City’s financial activities from the past fiscal year. Unlike the City budget which outlines where funds are allocated for the fiscal year, the CAFR details where and how the funds were spent in the previous fiscal year.

“The results of the City’s Fiscal Year 2019-20 audit are a direct reflection of the hard work put forth by our dedicated city staff and Finance Department, and I strongly agree with our auditor’s opinion,” said Finance Director Jessica Brown.

In addition to a clean audit, the City also recently received a two-notch increase in credit rating with a ‘positive outlook’ from Standard & Poor’s (S&P) Global Ratings. The City’s S&P issuer credit rating is a forward-looking opinion about the City’s overall creditworthiness and focuses on the City’s capacity and willingness to meet its financial commitments. The ‘positive outlook’ reflects S&P’s view that the City has continued to make strides in improving its credit quality.

“It wasn’t that many years ago that we had a \$47 fund balance and 17 findings in our audit report, so where we are today as a City is such a blessing to be a part of,” said Mayor Craig Green. “Between this and our positive outlook on our credit rating, I am extremely pleased with the path our City is on and look forward to continuing the collaborative work to take our City even further.”

In recognition of the City’s continued progress in overall financial health and sustainability, the City Council recently increased the General Fund reserve policy to increase the reserve levels from 17% to 25%. Based upon the City’s improved financial position, the City Council has also given direction to staff to continue looking at how the City can improve parks and further invest in City public infrastructure, including our streets and sidewalks.

“The growth in our reserves coupled with the increase in the general fund reserve policy are evidence of the commitment by Staff and the City Council working together to provide good stewardship of taxpayers’ dollars as well as proof that the City continues to be on a strong financial path,” said City Administrator Damien R. Arrula.

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