



CITY OF PLACENTIA, CA



Annual Comprehensive Financial Report

For Fiscal Year Ending June 30, 2022

**CITY OF PLACENTIA
PLACENTIA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022**

**PREPARED BY THE FINANCE DEPARTMENT
OF THE CITY OF PLACENTIA**

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The People are the City



Mayor
WARD L. SMITH

Mayor Pro Tem
JEREMY B. YAMAGUCHI

Councilmembers:
KEVIN KIRWIN
RHONDA SHADER
CHAD P. WANKE

City Clerk:
ROBERT S. MCKINNEL

City Treasurer
KEVIN A. LARSON

City Administrator
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

May 8, 2023

To the Honorable Mayor, Members of the City Council, and Citizens of Placentia:

It is our pleasure to present the Annual Comprehensive Financial Report (ACFR) of the City of Placentia for the fiscal year ended June 30, 2022. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City. It is our opinion that the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of the operations of the City and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Placentia, California. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the Clifton Larson Allen, LLP., a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Placentia, California for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Placentia, California's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis

(MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Placentia's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

CITY PROFILE

The City of Placentia is located in north Orange County, in the heart of Southern California, with Los Angeles County to the north and San Diego County to the south. Orange County is the third largest county in California, trailing only Los Angeles and San Diego counties, and represents 8% of the state's population. There are currently 34 cities within the County. The City consists of approximately 6.7 square miles of land area and serves a population of 52,000.

The City was founded in 1910 and incorporated in 1926. It was home to major citrus growing companies. Under the City Charter adopted in 1965, the City government is organized in the Council-Administrator form. The City Council includes five (5) members, each of whom is elected at-large to overlapping four-year terms. In 2018, the City was divided into five districts with two of the districts electing a Councilmember in November of that year and the three remaining districts electing their Councilmembers in 2020. The City Council annually selects a Mayor and Mayor Pro Tem for a one-year term. The City Council serves as the legislative and policy-making body of the City government. The City Council appoints a City Administrator and a City Attorney. The City Administrator is the City's chief executive officer and appoints all other City staff. The City Administrator is responsible for the daily administration of the City government and provides overall direction to all City departments. The City Clerk and City Treasurer are separately elected by the voters.

The City provides a full range of municipal services including police, fire and life safety, maintenance of streets and parks, community development (e.g., building, planning, code compliance), recreational and cultural activities, economic development, and administrative services (e.g., personnel, finance, information services). Refuse collection is franchised to a private waste company, Republic Services.

FINANCIAL POLICIES

Budget: The annual budget serves as the foundation for the City's financial planning and control. The Finance Department, with City Administrator direction, develops revenue estimates and budget guidelines for each department every year in January. The departments then submit expenditure appropriation requests which are summarized by the Finance Department and presented to the City Administrator for review. The City Administrator then meets with each department and prepares a proposed budget document for the City Council.

The City's Charter requires that the City Administrator submit a proposed budget to the City Council at least 35 days prior to the start of each fiscal year. After the budget has been presented, it must be adopted by the City Council following a noticed public hearing.

The annual budget includes all the City's governmental and proprietary funds. The legal level of budgetary control is the fund level. The City Administrator has the discretion to transfer appropriations between departments within a fund but transfers between funds and additional appropriations and transfers must be approved by City Council.

General Fund Reserve Policy: The City's General Fund Reserve Policy provides guidance in the creation, maintenance, and use of reserves. The policy covers the allocation of new and one-time revenues to different committed reserves such as infrastructure, vehicles, and equipment reserve; post-employment benefits sustainability reserve; employee recruitment and retention reserve; and the General Fund contingency reserve. To ensure the availability of adequate reserves for potential contingencies or emergencies, the City Council established the City's General Fund Reserve Policy with a required general fund contingency reserve of 25% of annual General Fund operating expenditures. While the unrestricted fund balance of the General Fund was approximately \$23.6 million on June 30, 2022, the unassigned fund balance was approximately \$7.2 million, a \$2.7 million decrease of \$9.9 million at June 30, 2021. A relatively large portion of the current unrestricted fund balance is committed for the City's capital projects which includes the sewer project in the Transit-Oriented District (TOD). The purpose of this public investment is to further economic growth and prosperity in the downtown area.

Fees: In FY 2017-18, the Council adopted Citywide Development Impact and Residential Affordable Housing Impact Fees and updated its Comprehensive Fee Schedule following a comprehensive cost of services/user fee study. The fee schedule was proposed to be updated annually based upon consumer price index with another fee study to be conducted in the fifth year. Both the Citywide Development Impact Fees and the Comprehensive Fee Schedule will be updated FY 2022-23.

FACTORS AFFECTING THE CITY'S ECONOMIC CONDITION

Local Economy: Placentia's economic outlook is promising. Taxes represent eighty-seven (86%) of the City's total General Fund operating revenue and primarily include property taxes, sales and use taxes (including Measure U), utility users tax, franchise fees, and other taxes. Tax revenues for FY 2021-22 generally met or exceeded budget and are expected to exceed budgeted amounts for FY 2022-23 as well, with both property taxes and sales and use taxes showing continued growth.

LONG-TERM FINANCIAL PLANNING

Pension Unfunded Accrued Liability: On November 12, 2020, the City of Placentia issued lease revenue bonds through the Placentia Public Financing Authority taking advantage of the historic low interest rate environment. This bond issuance funded 100% of the City's CalPERS unfunded actuarial liability (UAL) for the miscellaneous and safety plans. Upon issuance of the bonds, the City paid approximately \$43.8 million to CalPERS for deposit to the CalPERS payment fund, which represented the unfunded liability for the miscellaneous and safety plans as of June 30, 2019. Although this resulted in a long-term

liability, the city was also able to increase its assets as reported in FY 2021-22 as a result of this transaction.

This transaction will provide \$14.3 million in savings over the term of the bonds and over \$600,000 annually during the first 15 years.

Debt Refinancing: Interest rates continued to hover around historic lows during fiscal year 21-22. As such, the City reevaluated all outstanding debt and determined that the 2003 Certificates of Participation could be refinanced at lower rates. The refinancing allowed the city to decrease the final maturity of the debt by one year or as soon as 2025 with estimated gross savings of \$21,583 per year to be shared by all the affected taxing entities, including the City, with estimated net present value savings of approximately \$98,369.

Post Employment Benefits: The City's General Fund Reserve Policy includes provisions to set-aside 10% of ongoing new revenue and 10% of one-time new revenue for unfunded liabilities. In addition, when the General Fund reaches its minimum fund balance of 25%, an additional 10% of one-time new revenue will be allocated toward funding this liability for a total of 20% annually.

DEVELOPMENT INITIATIVES

Enhanced Infrastructure Financing District: In response to the elimination of redevelopment agencies the California Senate Bill 628, effective January 1, 2015, and California Assembly Bill 313, effective January 1, 2016, authorized the formation of an Enhanced Infrastructure Financing District ("EIFD"), which is intended to succeed the former Redevelopment financing mechanism and provide more flexibility than Infrastructure Financing Districts ("IFDs"). An EIFD is a governmental entity, separate and distinct from the city or county that establishes it and is governed by a Public Financing Authority ("PFA"). EIFDs can aid local government entities in funding public capital facilities, or other specified projects of communitywide significance, primarily by capturing tax increment revenue ("TI") generated within the district. EIFDs provide an opportunity for agencies to issue bonds for an array of public infrastructure projects as well as supporting economic development efforts in specific areas.

At the April 23, 2019 Orange County Board of Supervisors meeting, the Board Members approved a partnership to participate in an EIFD with the City of Placentia. This is one of four EIFDs established in California, and the first EIFD in the State of California to involve a partnership between a city and county for improved infrastructure.

The City of Placentia and the Southern California Association of Governments (SCAG) worked on a comprehensive plan for the establishment of an EIFD in Placentia. Under this plan, the County would contribute 46% of its share of property tax increment within the boundary of the District, which would amount to approximately \$3.5 million over 20 years, or \$175,000 annually. The City's contribution would be 46% of its property taxes generated in the District, or about \$8.2 million over two decades. The total partnership between the County and the City would amount to \$11.7 million to make the necessary infrastructure improvements to the Old Town Placentia area. This includes public infrastructure improvements near the Metrolink Station, Placentia Old Town area, and the

Transit-Oriented Development District near the 57 and 91 freeways. With this unique City-County partnership, the City will be able to produce over 1,600 new units of housing, create 3,900 construction jobs, and over 1,100 permanent jobs at full build-out.

The City include the design of improvements in the EIFD in their FY 2022-23 budget.

Transit-Oriented Development: The City has been given a unique opportunity with the development of a new state-of-the-art Metrolink train station and 246-space parking structure within the Old Town Placentia area. The proposed station will help transform the Packing House District (near Melrose Street and Crowther Avenue) into an active, vibrant destination. Transit-Oriented Development (TOD) is a type of community development that includes a mixture of housing, office, retail, and/or other amenities integrated into a walkable neighborhood and located within a half-mile of a public transportation stop. It will also support existing retail and restaurant business while growing the City's local economy.

Based on an economic development analysis conducted by Kosmont Associates, the public and private investments in the future TOD and Old Town Revitalization Plan (OTP) areas are expected at build-out to generate up to \$540 million in local economic output and \$800 million in Countywide economic output. Upon completion, the TOD and OTP areas are estimated to generate approximately \$92 million annually in local economic output. Additionally, the proposed District areas would assist with reconstructing streets and street improvements, utilizing non-General Fund resources. In total, construction of the TOD and Old Town District is estimated to generate approximately 3,900 construction jobs and 1,100 permanent jobs.

Placentia's Old Town is a 33-acre area located in the southern and western portions of the City, north of a section of the Burlington Northern Santa Fe (BNSF) railroad. To take advantage of the upcoming Metrolink station and parking structure developments scheduled to begin construction in 2022, the Old Town Placentia Revitalization Plan was adopted by the City Council in July 2017. The plan's primary goal is to create a vibrant, safe, and pedestrian friendly area that respects the community's historical and cultural diversity, while also creating new opportunities for development and investment into the area. This comprehensive plan incorporates well- designed private and public physical improvements and amenities.

Based on the Plan's expectation of 853,000 square feet of new improvements at build-out, the Old Town Revitalization Plan is expected to generate \$217 million of private development activity, development impact fees of \$8.3 million and additional annual tax revenues for the City of \$900,000. In addition, 1,057 construction jobs and 823 of new on-site permanent jobs are anticipated as a result of the Plan.

As mentioned previously, to expedite these improvements in Old Town Placentia, the City partnered with the County of Orange to establish an EIFD near the City's future Metrolink Station, including the Old Town Placentia area and TOD Packing House District. The purpose of this district is to create a funding mechanism that can facilitate the construction of public infrastructure improvements in this area. A portion of the property tax increment (the amount above the property taxes collected in base year 2019) that the City and the County of Orange receive would be specifically restricted to pay for the infrastructure

projects listed in the Infrastructure Financing Plan (IFP) at an estimated cost of \$8.2 million. These infrastructure improvements include street improvements, pedestrian connectivity, and landscaping and lighting upgrades. The EIFD does not result in new taxes or fees to the property owners in the EIFD boundaries or the City's residents.

Car Dealership: On December 10, 2019, the City Planning Commission approved the development of a new Audi dealership on a vacant 4-acre area located on the north side of Yorba Linda Boulevard, east of Rose Drive at 1275 E. Yorba Linda Boulevard. The Audi dealership opened for business at the beginning of May 2022. This is the first Audi dealership in north Orange County. The new dealership includes a single-story showroom, enclosed service drive, and up to 27 service bays. The total building area is nearly 36,000 square feet. The showroom building features an interior vehicle display, sales area, offices, and ample guest amenities. The rear buildings house the parts department, employee support areas, service bays, detail/wash bays, and a vehicle photo booth. The architecture is a contemporary design consistent with modern Audi dealerships in California. Grading of the site began in January 2021, with construction completion and a business opening date anticipated for the first part of 2022. The new Audi dealership will generate approximately \$400,000 to \$500,000 annually in sales tax revenue, in addition to creating a significant number of new jobs and increasing discretionary spending in the City.

Commercial/Residential Development: One of the last remaining undeveloped parcels within the City of Placentia, located at the southeast corner of Alta Vista Street and Rose Drive, is an 8.45-acre parcel within the East Placentia Specific Plan (SP-7). Approved in July 2018, SC Placentia Development, LP, is slated to develop a 2-acre parcel located at the southeast corner of Alta Vista Street and Rose Drive with two single-story retail commercial buildings with a cumulative building size of approximately 10,420 square feet, with the remainder of the site to be developed for single-family residential uses (54 detached residences on approximately 6.46-acres).

SC Placentia Development has partnered with Shea Homes to construct 54 homes. As of June 30 2022 phases 1-5 have been completed. It is anticipated that construction for the commercial portion of the project to commence in the second half of 2023.

JPI Luxury Apartments is the second development in the City's Transit-Oriented Development (TOD) Zone is currently under construction. The project site comprises seven adjacent properties located between 505-551 W. Crowther Avenue, directly east of Tyler Lighting on the north side of Crowther Avenue. This particular development will feature 418 residential units and is a mixed-use development, featuring approximately 10,500 square feet of retail-commercial space on the ground floor accessible from Crowther Avenue. As of June 30, 2022 construction of the parking garage is complete and the framing of apartments has begun.

Toffoli Investments and Landsea Homes will be constructing a 139-unit residential townhome development called "Hudson." Hudson will be located at 443 S. Van Buren Street and will consist of 22 separate three-story buildings. Six floor plans are proposed consisting of 25 one-bedroom units, 52 two-bedroom units, and 62 three-bedroom units. The unit types will measure between 762 square feet and 1,349 square feet in overall floor area and feature an attached one or two-car garage per unit. Hudson amenities will

include a tot lot, barbeques, fire pits, bike racks, a dog run, and more. As of June 30, 2022 site grading and building permits have been issued.

In December 2019, the City of Placentia Planning Commission approved a facade rehabilitation project for the "Village Plaza" retail shopping center that will remodel all the aging buildings with new architecture, including various hardscape and landscape improvements. Project features will include new light fixtures for brighter lighting throughout the plaza, large concrete planters with seating along pedestrian walkways, and additional shade structures and awnings to make the public spaces more inviting and provide comfortable access to retail spaces. Construction is ongoing with finishing touches being installed on the facades of all four buildings. The buildings within the shopping center will reflect a Spanish Contemporary architectural design theme. The shopping center remodel is anticipated to be fully completed in the first quarter of 2023.

Buy Local Incentive Programs

Commercial Sign Waiver Program: As part of the City's Buy Local Incentive Program, the Placentia City Council approved the Commercial Sign Waiver Program. This program allows the City to waive all planning and building fees, up to \$1,000 per business that is interested in upgrading their existing commercial building sign. Participating business must have an active business license. The Commercial Sign Waiver Program started on May 1, 2022 and was available for six months.

Residential Vehicle Rebate Program: Placentia residents purchasing or leasing a new vehicle from Fairway Ford or Audi North OC are eligible to receive a \$500 rebate with proof of residency as part of the Buy Local Incentive Program. The Resident Vehicle Rebate Program will expire on April 30, 2025.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire Finance Department. Special recognition is also given to the audit firm of the Clifton Larson Allen, LLP. We also wish to recognize the commitment of the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully submitted,



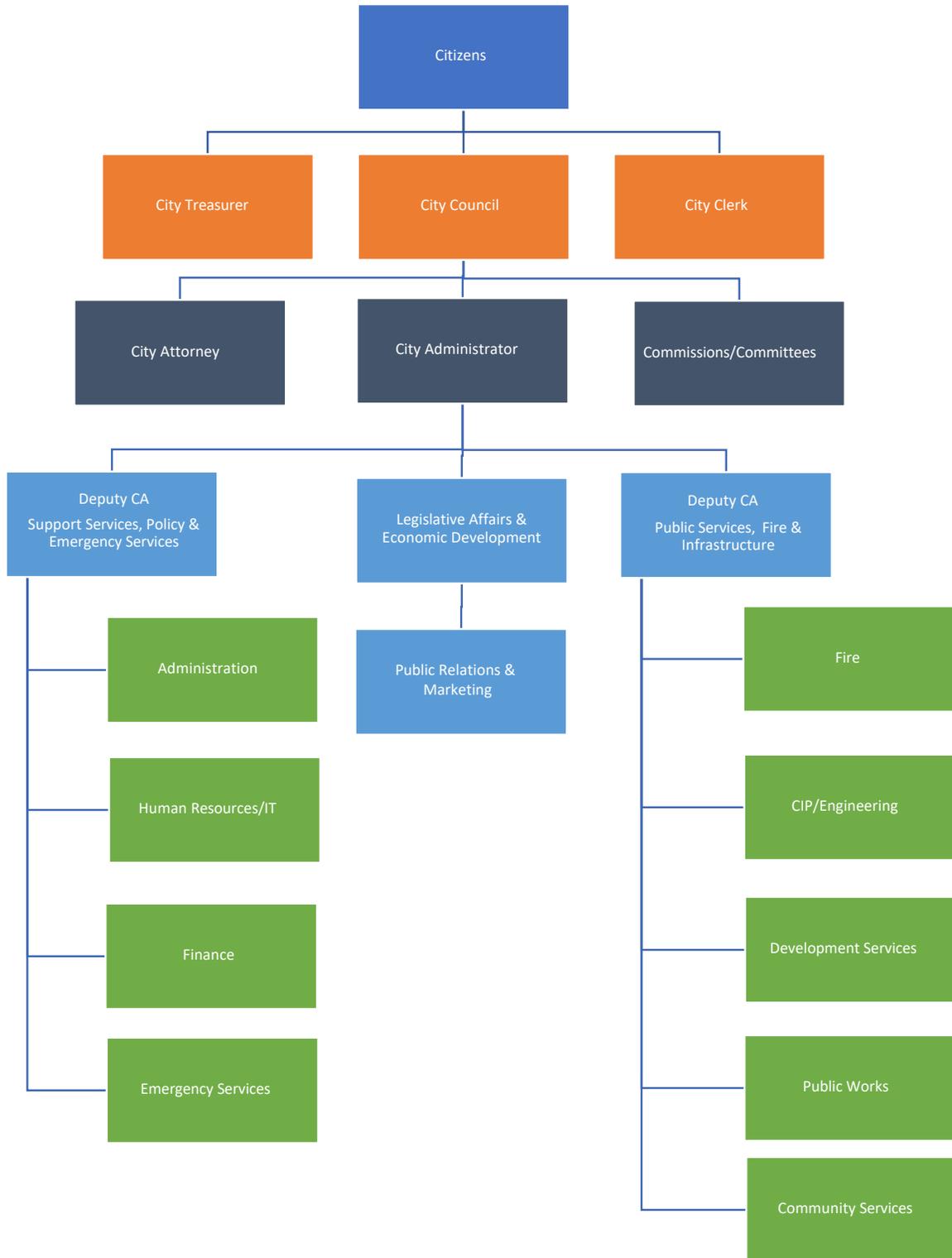
Jennifer Lampman
Director of Finance



Damien Arrula (May 10, 2023 19:32 PDT)

Damien Arrula
City Administrator

CITY OF PLACENTIA ORGANIZATION CHART



**CITY OF PLACENTIA
PRINCIPAL OFFICIALS
JUNE 30, 2022**

CITY COUNCIL

Rhonda Shader	Mayor
Chad P. Wanke	Mayor Pro Tempore
Craig S. Green	Councilmember
Ward L. Smith	Councilmember
Jeremy B. Yamaguchi	Councilmember

CITY OFFICIALS

Robert S. McKinnell	City Clerk
Kevin A. Larson	City Treasurer
Damien R. Arrula	City Administrator
Christian L. Bettenhausen	City Attorney
Jennifer Lampman	Director of Finance
Rosanna Ramirez	Director of Administrative Services
Karen Crocker	Director of Community Services
Joseph M. Lambert	Director of Development Services
Luis Estevez	Director of Public Works
Brad Butts	Police Chief
Jason Dobine	Fire Chief

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Placentia
Placentia, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Placentia (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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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. 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 discussed in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, GASB No. 87, *Leases*. The guidance requires lessees to recognize right-to-use asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Restatement

As described in Note 14 to the financial statements, The City restated the governmental activities beginning net position. 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 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 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 Budgetary Comparison Schedules - General and Major Special Revenue Funds, the schedules of changes in net pension liability and related ratios and the schedules of plan contributions for the City's pension plans, the schedule of changes in the net other post-employment benefit (OPEB) liability and related ratios, the schedule of OPEB plan contributions, and the schedule of OPEB plan investment returns, identified as Required Supplementary Information (RSI) in the accompanying table of contents 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 RSI 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 RSI 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 individual fund schedules and combining financial statements 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 individual fund schedules and combining financial statements funds is 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.

Honorable Mayor and Members of the City Council
City of Placentia

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2023, 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 City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
May 4, 2023

City of Placentia
Management’s Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

This discussion and analysis section of the City of Placentia’s (“City”) annual comprehensive financial report provides a narrative overview of the City’s financial activities for the fiscal year ended June 30, 2022. This information should be read in conjunction with the basic financial statements and the notes, which accompany the basic financial statements.

FINANCIAL HIGHLIGHTS

- The City’s net position equaled \$92.5 million on June 30, 2022. Net position is the amount by which total assets and deferred outflow of resources exceed total liabilities and deferred inflows of resources. The net position from governmental activities on June 30, 2022, was approximately \$83 million and from business-type activities, \$9.5 million.
- The City’s overall net position increased by approximately \$44.6 million during the fiscal year, compared to the net position on June 30, 2021. The net position from governmental activities increased by \$43.7 million while the net position from business-type activities increased by approximately \$1 million. Governmental activities increased significantly due to the employer contributions to pension that were made in prior fiscal year being reflected in the current fiscal year’s most recent pension measurement date. Business-type activities net position increased by \$1 million, primarily due to approximately \$1.3 million decrease in Pension related liabilities and Pension related expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City’s basic financial statements are presented in three parts:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

This section of the management’s discussion and analysis is intended to introduce and explain the basic financial statements. The report also includes supplementary information which is intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to give the reader a picture of the City from the economic resources’ measurement focus using the accrual basis of accounting. This broad overview is like the financial reporting used in private-sector business. The government-wide financial statements present governmental activities and business-type activities separately. Governmental activities of the City include general government (legislative, administration, City Council, human resources, and finance), public safety (police and Fire and Life Safety), public works, community development, and community services. The City’s business-type activities include refuse and sewer maintenance. Governmental activities are primarily supported by taxes, charges for services, and grants, while business-type activities are self-supporting through user fees and charges.

The Statement of Net Position presents financial information on all the City’s assets, deferred inflows and outflows of resources, and liabilities with the difference between these categories reported as net position. Over time, increases or decreases in net position may be one indicator of improvement or deterioration in the City’s overall financial health.

The focus of the Statement of Activities is to present the major program costs with corresponding major resources. To the extent a program’s cost is not recovered by direct charges and grants, it is funded from general taxes and other resources. This statement assists the user in determining the extent to which programs are self-supporting and/or subsidized by general revenues. All activity on this statement is reported on the accrual basis of accounting, which

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

requires that revenues be reported when earned and expenses be reported when incurred, regardless of when cash is received or disbursed.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions, or limitations. The City, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds**

Governmental funds are used to account for the governmental activities reported in the government-wide financial statements. Most of the City's basic services are included in the governmental funds. The basis of accounting is different between the governmental fund statements and the government-wide financial statements.

The governmental funds focus on near-term revenues/financial resources and expenditures, while the government-wide financial statements include both near-term and long-term revenues/financial resources and expenses. The information in the governmental fund statements can be used to evaluate the City's near-term financing requirements and immediate fiscal health. Comparing the governmental fund statements with the government-wide financial statements can help the reader better understand the long-term impact of the City's financing decisions. To assist in this comparison, reconciliations between the governmental fund statements and the government-wide financial statements are included with the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances.

- **Proprietary Funds**

The City maintains two different types of proprietary fund: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for refuse and sewer services.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The internal service funds primarily benefit the governmental activities and, therefore, the internal service fund information has been included with the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for each of the two business-type activities individually, but combined information for the City's three internal service funds. In the Supplementary Information section of this report, information for each of the three internal service funds is provided.

- **Fiduciary Funds**

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City's activities.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

Notes to the Financial Statements

The notes to the financial statements provide additional information that is important to obtain a full understanding of the data in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements.

Other Information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information. Required supplementary information may be found immediately following the notes to the financial statements. The combining statements for other governmental funds, the individual fund schedules, the internal service fund statements, and agency-type fiduciary fund schedules are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

	Statement of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Cash and Investments	\$ 47,351,462	\$ 41,168,842	\$ 1,231,595	\$ 1,210,737	\$ 48,583,057	\$ 42,379,579
Other Assets	54,427,009	10,759,683	1,038,376	111,721	55,465,385	10,871,404
Capital Assets	98,601,846	93,264,061	7,693,539	8,220,855	106,295,385	101,484,916
Total Assets	200,380,317	145,192,586	9,963,510	9,543,313	210,343,827	154,735,899
DEFERRED OUTFLOW OF RESOURCES						
	25,803,893	57,149,618	1,104,279	2,076,895	\$ 26,908,172	\$ 59,226,513
LIABILITIES						
Current Liabilities	18,933,738	11,436,049	348,929	332,450	19,282,667	11,768,499
Long-Term Liabilities	91,302,261	145,322,448	812,071	2,519,713	92,114,332	147,842,161
Total Liabilities	110,235,999	156,758,497	1,161,000	2,852,163	111,396,999	159,610,660
DEFERRED INFLOW OF RESOURCES						
	33,123,748	6,329,504	371,563	186,687	\$ 33,495,311	\$ 6,516,191
NET POSITION						
Net Investment						
in Capital Assets	86,044,986	86,061,117	7,693,539	8,220,855	93,738,525	94,281,972
Restricted	20,175,287	21,455,621	-	-	20,175,287	21,455,621
Unrestricted	(23,395,810)	(68,262,535)	1,841,687	360,503	(21,554,123)	(67,902,032)
Total Net Position	\$ 82,824,463	\$ 39,254,203	\$ 9,535,226	\$ 8,581,358	\$ 92,359,689	\$ 47,835,561

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

The City's net position can serve as a useful indicator of the City's financial position. As of June 30, 2022, the City's combined net position (governmental and business-type activities) totaled \$92.4 million, an increase of \$44.5 million over the prior year.

Net Position consists of three categories: net investment in capital assets, restricted, and unrestricted. The largest portion of the City's net position, approximately \$93.7 million on June 30, 2022, is the City's investment in capital assets (land, buildings, machinery, equipment, and infrastructure). Because capital assets are used to provide service to citizens, they are not available to fund the City's day-to-day activities. Restricted net position totaled \$20.2 million on June 30, 2022, reflecting a decrease of \$1.3 million dollars primarily due to a decrease in general fund debt service items. These resources are subject to external restrictions on how they can be used. The remaining unrestricted net position was a negative \$21.6 million.

Change in Net Position

The following is a summary of activities for the years ending June 30, 2022, and 2021:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for Services	\$ 6,468,453	\$ 6,400,408	4,522,691	4,471,631	\$ 10,991,144	\$ 10,872,039
Operating contribution and grants	6,499,104	6,102,506	-	-	6,499,104	6,102,506
Capital contributions and grants	1,850,038	8,026,712	-	-	1,850,038	8,026,712
General Revenues:					-	-
Taxes	41,621,461	37,856,465	-	-	41,621,461	37,856,465
Investment income	(297,210)	13,028	1,957	4,288	(295,253)	17,316
Contributions from Custodial Fund	-	30,000	-	-	-	30,000
Miscellaneous	256,115	280,293	-	-	256,115	280,293
Total revenues	56,397,961	58,709,412	4,524,648	4,475,919	60,922,609	63,185,331
EXPENSES						
General government	9,242,047	12,849,875	-	-	9,242,047	12,849,875
Public safety	(5,340,560)	26,045,332	-	-	(5,340,560)	26,045,332
Public works	3,159,219	9,846,347	-	-	3,159,219	9,846,347
Community development	1,553,558	2,893,489	-	-	1,553,558	2,893,489
Community services	1,684,915	2,580,108	-	-	1,684,915	2,580,108
Interest	2,591,011	764,752	-	-	2,591,011	764,752
Refuse	-	-	3,420,538	3,286,816	3,420,538	3,286,816
Sewer maintenance	-	-	150,242	(1,364,679)	150,242	(1,364,679)
Total Expenses	12,890,190	54,979,903	3,570,780	1,922,137	16,460,970	56,902,040
Increase in net position before transfers & special items	43,507,771	3,729,509	953,868	2,553,782	44,461,639	6,283,291
Transfers from Successor Agency	-	-	-	-	-	-
Transfers	-	38,667	-	(38,667)	-	-
Change in net position	43,507,771	3,768,176	953,868	2,515,115	44,461,639	6,283,291
Net position, beginning of year(restated)	39,316,692	35,486,027	8,581,358	6,066,243	47,898,050	41,552,270
Net position, end of year	\$ 82,824,463	\$ 39,254,203	\$ 9,535,226	\$ 8,581,358	\$ 92,359,689	\$ 47,835,561

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

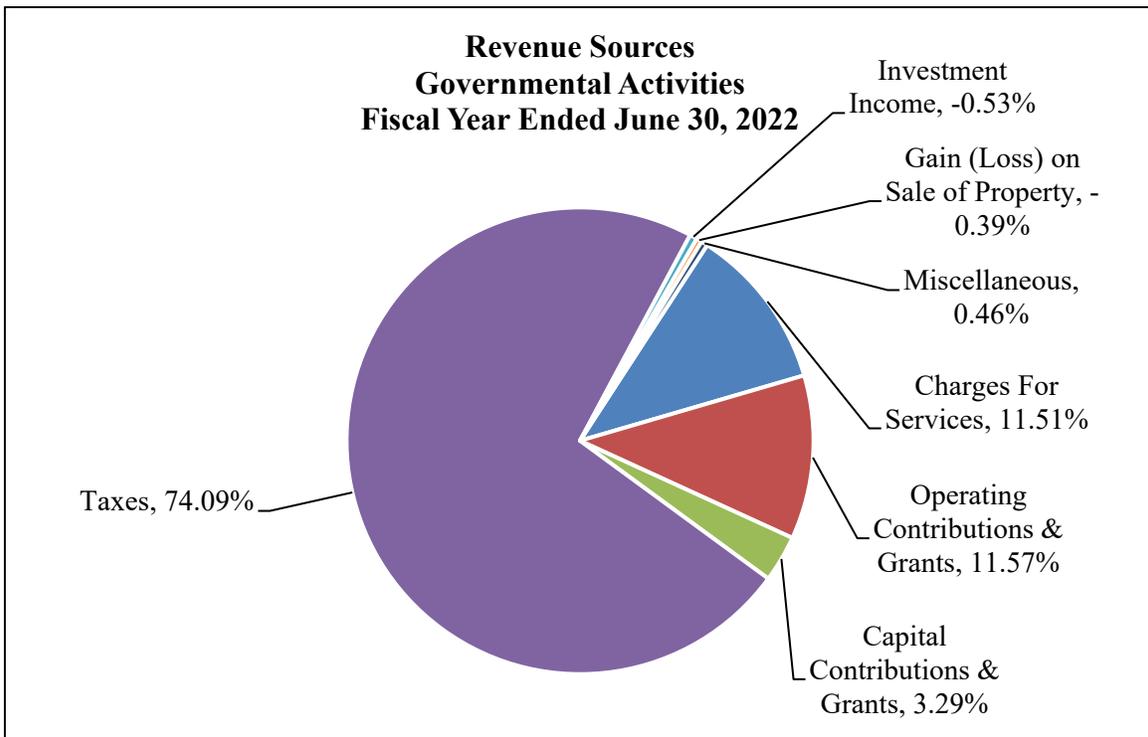
Governmental Activities:

Overall, governmental activities increased the City's net position by \$43.6 million. There were several factors that contributed to this change.

Revenues

Total revenue from governmental activities equaled \$56.2 million for the year. While there are differences in all revenue categories, the overall decrease was \$2.5 million, or 4.31% compared to the prior year.

The following chart shows the percentage breakdown of revenue derived from governmental activities:



As shown in the chart, revenue received from taxes makes up the largest portion of the City's revenue derived from governmental activities. This fiscal year, tax revenue increased by almost \$3.8 million, or 9.95%. Measure U and General sales taxes accounted for \$2.1 million of the increase. Additionally, the Wayfair Act allowed for sales tax to be collected from online sales for products being shipped to the city which helped mitigate any local sales tax decrease. Property taxes had an increase of \$.4 million composed of current year-secured, property tax VLF, pass-through property taxes, the addition of residual property taxes and various miscellaneous property taxes.

The Capital Contributions and Grants reflects a decrease of \$6.2 million. Development in the current fiscal year was not as large as the prior year in which multiple housing developments were completed, such as The Herald and the Alta Vista and Rose housing community.

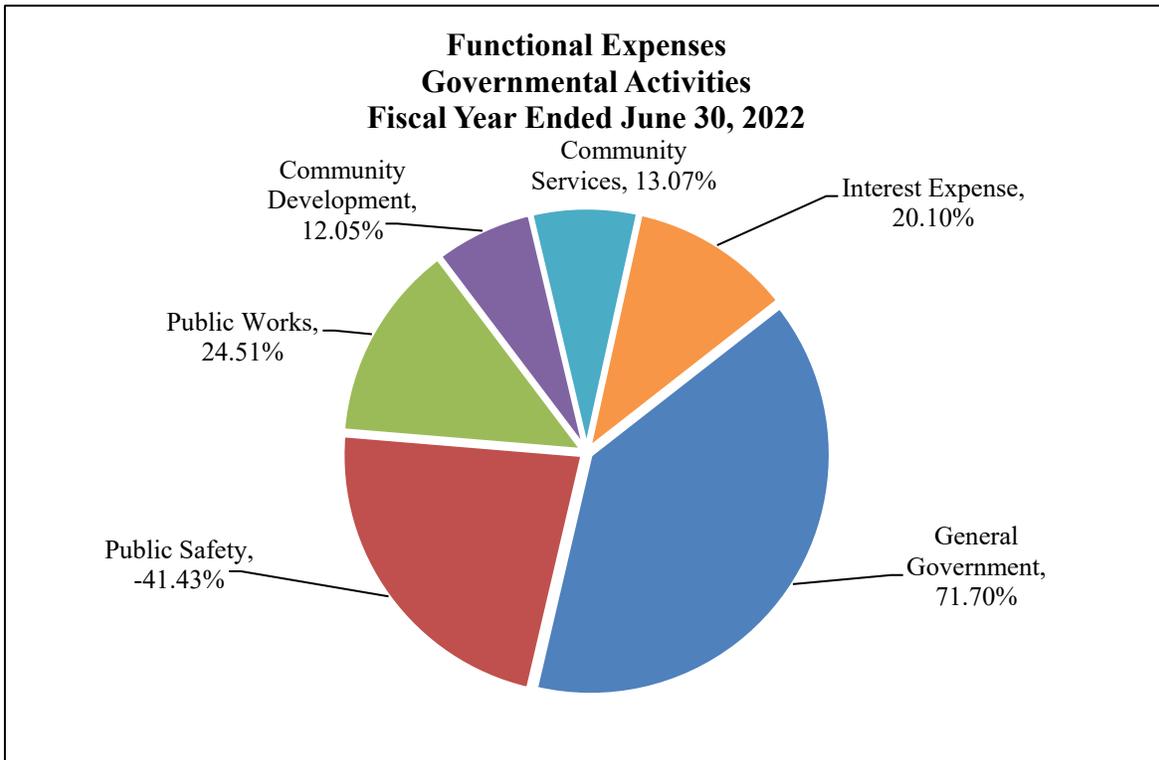
Investment income decreased by approximately \$.3 million or -2381.32% compared to last fiscal year. The decrease in Investment Income reflects a decrease in the market value adjustment of investments, particularly TVI.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

Expenses

Total expenses from governmental activities equaled approximately \$12.9 million, representing a decrease of \$42.1 million, or 76.55 %, over the previous year. There was a decrease which resulted from negative expenditures of approximately \$34.6 million due to the UAL payoff in the prior year. Negative pension-related expenditures had the largest effect in the Public Safety and Public Works departments, which accounted for approximately \$29 million in negative expenditures. and \$1.1 million in negative OPEB-related expenditures.

The following chart shows the percentage breakdown of expenses related to governmental activities:



Business-Type Activities:

Operating Revenues	\$ 4,522,691
Operating Expenses	<u>(3,394,080)</u>
Operating Income (loss)	1,128,611
Non-operating Income	<u>1,957</u>
Income(loss)before Transfers & Special Items	1,130,568
Transfers	<u>(176,700)</u>
Change in Net Position	<u>\$ 953,868</u>

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

The business-type activities include the City's refuse and sewer system activities. Total operating revenues for the business-type activities were approximately \$4.5 million and the operating expenses were \$ \$3.4million, for a net operating income of approximately \$ \$1.1 million.

Refuse

The refuse operation generated an operating income of \$311,188, a decrease of \$90,452 compared to the previous fiscal year. Revenue from other sources increased by approximately \$ 38,996 due to the additional revenue to help fund the Environmental Services Coordinator as a result of new state mandates AB341, SB1826, and SB1383. Additionally, administration costs increased by approximately \$231,455 primarily due to an increase in salaries and benefits as well as OPEB expenses. Landfill and contractor charges decreased by \$68,311 due to a rate decrease in the per-unit residential service.

Sewer

The sewer system operation generated a profit of \$640,723 compared to \$2.15 million in the previous year. While there was minimal change in operating revenues, the maintenance costs for salaries and the construction services for the Arterial Roadway Rehab Project increased. Additionally, the GASB 68 journal entry to account for pension-related expenditures increased compared to prior year.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

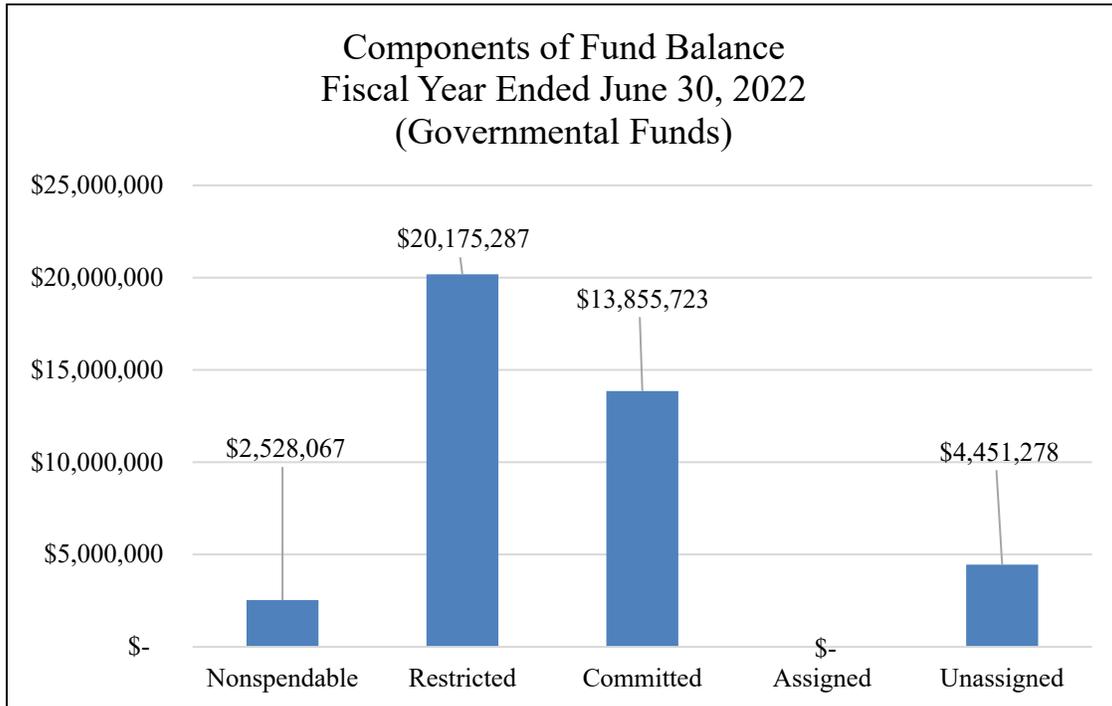
The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 is useful in assessing the City's financing requirements. In particular, the assigned fund balance and unassigned fund balance may serve as a useful measurement of the government's net resources available for spending at the end of the fiscal year. The unassigned fund balance represents the portion of fund balance that has not yet been obligated for a particular purpose by either an external party, the City Council, or anyone delegated the authority to assign resources.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$41 million, an increase of \$1.3 million from the prior year.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022



The total fund balance constitutes of \$2.5 million non-spendable fund balance; specifically, long-term loans receivable, inventories of supplies and prepaid expenditures, which cannot be used to finance operating expenditures.

The restricted fund balance of \$20.2 million reflects resources that can only be spent for specific purposes, due to constraints either (1) externally imposed by creditors (stated in the debt covenants), grantors, laws, or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. This is approximately a decrease of \$1.3 million compared to last year primarily due to a decrease in special revenue funds including Citywide Development Impact Fees and Debt Service. In the current year there were no large projects that materially contributed to the impact fees as compared to the previous year which included the development of apartments on Crowther Ave.

The City Council, the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts are classified as committed fund balance. As of June 30, 2022, the city has committed \$13.9 million from Measure U funds for the continuation of infrastructure projects and other capital projects.

Assigned fund balance represents funds that are constrained by the City's intent to use the funds for specific purposes. The City had no assigned fund balance as of June 30, 2022.

Unassigned fund balance represents the portion of fund balance that does not fall into any of the other four fund balance categories and does not have any specific spending limitations. The unassigned fund balance on June 30, 2022, for all governmental funds combined is \$4.5 million, consisting of \$7.2 million in unassigned fund balance in the General Fund and combined unassigned deficits with a total of \$2.8 million in miscellaneous grants capital projects fund, the Navigation Center Fund, the Housing and Community Development Fund, and the LMD 92-1 fund. The governmental fund deficits were the result of expenditures incurred in advance of reimbursements that were unavailable or otherwise not received by fiscal year-end.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

General Fund:

The General Fund is the main operating fund of the City. As of June 30, 2022, total fund balance of the General Fund was \$23.6 million, compared to \$20.2 million on June 30, 2021, representing an increase of \$3.4 million. Committed portions of the fund balance increased from the prior year due to an increase in construction projects started but not completed.

Revenue

The General Fund had revenues of \$48.7 million, compared to \$43.4 million in the prior year, an increase of \$5.3 million, or 12.11%. This increase is due primarily to the taxes category with the highest increases in Measure U sales tax, general sales/use tax, and property tax. There was also an increase in the intergovernmental funds as a result of transferring the American Rescue Plan Special Revenue Fund to the General Fund since funds received from ARPA are to cover revenue losses. Additionally, charges for services increased mostly due to an increase in engineering fees collected

Expense

General Fund expenditures as of June 30, 2022 were \$42.1 million, compared to \$37.4 million last year, which represents an increase of \$4.7 million or 12.64%. The major areas impacting the increase of expenditures are related to capital expenditures, debt service, and general government expenditures. The completion of the FY20/21 Arterial Roadway Rehab project and the new project for the TOD/Crowther Sewer Line were the largest capital projects. General government saw an increase in electricity costs, management consulting, legal services, and city admin costs to fund the Risk Management and Employee Health & Welfare funds.

Public Safety

Public safety expenditures slightly increased by \$0.5 million resulting mostly from the salaries and benefits for the Placentia Fire Life & Safety department.

Public Works

Public works expenditures had a net increase of \$84,825 due to an increase in construction inspection costs, an increase in fuel for fleet vehicles, and an increase in staff attendance at conferences and meetings. An increase in full-time staff was offset by a decrease in part-time salaries and a decrease in UAL payments as a result of the UAL bond. Additionally, the department UAL allocation to help pay the bond did not take place in the current fiscal year but should be expected to resume in the following year. A decrease in landscaping costs further reduced the increases in Public Works expenditures due to the reclassification of park maintenance costs from Public Works to Community Services.

Community Development

Community development expenditures increased by approximately \$266,795. This is partially due to increased personnel related expenditures and an increase in contracted services for building plan check services and temporary building permit technician services.

Community Services

Community services expenditures increased by \$852,028 primarily due to the increase in programs offered which resulted in an increase in full-time and part-time staff. Full-time staff increased due to the reclassification of a Public Works employee to the Community Services Department. The reclassification of park maintenance from the Public

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

Works department to Community Services had the second largest impact with an increase in maintenance costs of \$376,963 compared to prior year.

Capital Outlay

Capital Outlay increased by \$ 1.2 million compared to the prior year. The city increased the number of expenditures related to the ARPA funds received. The ARPA funds allowed for the city to invest in projects that benefited the general government of the city. Most notably, the city was able to complete the Arterial Roadway Rehab project.

Debt Service

Debt Service had an increase of approximately \$.6 million or 37% due to the costs associated with the refunding of the 2003 COP with the 2022 lease agreement.

Proprietary Funds

The city maintains proprietary funds for sewer maintenance and refuse operations. The combined net position of these two funds at the end of the fiscal year amounted to \$9.5 million, an almost \$1 million increase. The sewer maintenance fund had a net position of \$9.3 million of which \$7.7 million represents investment in capital assets. Sewer's increase in net position is related to net pension which is no longer a liability and is instead a net pension asset. This positive change was partially offset by the deferred inflows related to pensions and OPEB which substantially increased compared to the prior year. The refuse fund had a positive net position of \$264,949, an increase of \$311,701 compared to the prior year. This increase was also related to the net pension no longer being a liability to the city but rather an asset of the city.

The combined internal service funds had a negative net position of \$2.9 million on June 30, 2022. This is a decrease of \$1.1 million compared to prior year due to a continued increase in current and long-term claims.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there were adjustments made to both the estimated revenues and appropriations in the General Fund to more closely reflect actual amounts received and expended. It is also customary for the City to conduct a thorough analysis of estimated revenues and appropriations at the end of the first six (6) months of the fiscal year. Per City policy, increases to total general fund appropriations for the year were approved by the City Council.

The adopted general fund budget for FY 2021-22 included estimated revenues including transfers from other funds was nearly \$44.1 million but was increased by budget amendments totaling \$8.4 million, for a final budget of \$ 52.5 million. Actual revenues were \$45.8 million, with the largest positive budget variance of \$1.2 property taxes both performed well even during the COVID-19 Pandemic and an increase in property taxes due to improved valuations.

The adopted general fund expenditure budget for this fiscal year was \$48.8 million; however, the Council approved amendments and increased appropriations by \$9.5 million for a final amended budget of \$58.3 million. The biggest contributor to the increases is debt repayment and Capital Outlay. The debt was incurred to pay off the UAL liability with CALPERS. (The City issued debt to take advantage of the low market interest rate for bonds and the increased credit rating for the City. The issuance of the bond allowed produced an estimated net savings of \$13,000,000 over the life of the bond). Capital outlay expenses were to improvements to the City's streets, Fire station, park improvements, and purchase machinery/equipment during the fiscal year the City also received \$9.1 million dollars from the American Recovery Plan Act ("ARPA"). During April 2022, the City Administrator issued a stop spending order to help eliminate non-essential spending and increase fund balance. Due to the stop spending order, the City was able to reduce expenses to essential purchases and increase fund balance in the General fund by \$4.0M in operating surplus.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2022, totaled \$106.2 million, an increase of approximately \$4.7 million, or 4.62%, from the prior year. Capital assets include land, buildings, infrastructure, and equipment.

Governmental activities grew by \$5.3 million, net of accumulated depreciation. The growth is mostly due to a \$2.6 million construction in progress (CIP) activity, the implementation of GASB 87 for leases, and a \$2.1 million increase of depreciable assets. The \$2.6 million CIP activity is mostly composed of a large number of projects that were started in the fiscal year but were not completed.

Total business-type capital assets, net of accumulated depreciation, declined \$527,316 during the fiscal year due to the depreciation of capital assets and no new additions.

CAPITAL ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 25,201,872	\$ 25,201,872	\$ -	\$ -	\$ 25,201,872	\$ 25,201,872
Land - Right of Way	258,822	258,822	-	-	258,822	258,822
Construction in Progress	7,234,275	5,170,579	-	-	7,234,275	5,170,579
Trees	3,114,540	3,114,540	-	-	3,114,540	3,114,540
Structures & Improvements	11,511,755	11,792,712	7,638,920	8,154,020	19,150,675	19,946,732
Equipment	7,441,787	7,033,621	54,619	66,835	7,496,406	7,100,456
Right-to-Use Lease Land	\$ 532,707	\$ -	\$ -	\$ -	\$ 532,707	\$ -
Right-to-Use Lease Equipme:	110,090					
Land Improvements	48,972	54,768	-	-	48,972	54,768
Infrastructure						
Streets Network	31,932,649	29,074,719	-	-	31,932,649	29,074,719
Streets Appurtenances	8,846,752	9,212,273	-	-	8,846,752	9,212,273
Storm Drains	2,367,625	2,350,155	-	-	2,367,625	2,350,155
	<u>\$ 98,601,846</u>	<u>\$ 93,264,061</u>	<u>\$ 7,693,539</u>	<u>\$ 8,220,855</u>	<u>\$ 106,185,295</u>	<u>\$ 101,484,916</u>

For further detailed information see Note 5, Capital Assets.

Debt Administration

As of June 30, 2022, the City's long-term debt totaled approximately \$73.1 million, representing a decrease of \$78.3 million from the prior year. Although there was an increase in claims payable, the pension liabilities were negative \$23.3 million which resulted in the recognition of an asset while OPEB liabilities decreased by \$6.4 million due to assumption changes as a result of the payoff of the pension UAL which was reflected in the current measurement period. Additionally, there was a \$3.1 million decrease in debt because of regularly scheduled debt payments.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

LONG-TERM LIABILITIES

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
2003 Refunding Cert. of Participation \$	-	\$ 2,845,000	\$ -	\$ -	\$ -	\$ 2,845,000
2022 Loan Payable (2003 COP)	2,189,027	-	-	-	2,189,027	-
Capital Leases (Radio)	664,014	837,351	-	-	664,014	837,351
OCTA Advance	1,557,622	1,960,677	-	-	1,557,622	1,960,677
Fire Lease#1	2,785,389	3,116,360	-	-	2,785,389	3,116,360
Fire Lease#2	1,460,450	1,634,287	-	-	1,460,450	1,634,287
Fire UAL Payoff Loan	1,076,463	-	-	-	-	-
2021 Installment Sale Agreement	3,004,000	3,355,000	-	-	3,004,000	3,355,000
2020A Lease Revenue Bond	51,890,000	52,950,000	-	-	51,890,000	52,950,000
Leases Payable	650,728	-	-	-	650,728	-
Claims Payable	5,015,211	3,870,503	-	-	5,015,211	3,870,503
Compensated Absences	2,195,349	3,596,558	42,491	44,357	2,237,840	3,640,915
Other Postemployment Benefit	24,138,119	30,480,033	772,368	845,793	24,910,487	31,325,826
Pension Liabilities (Assets)	<u>(22,405,246)</u>	<u>44,254,407</u>	<u>(860,379)</u>	<u>1,632,065</u>	<u>(23,265,625)</u>	<u>45,886,472</u>
	<u>\$ 74,221,126</u>	<u>\$ 148,900,176</u>	<u>\$ (45,520)</u>	<u>\$ 2,522,215</u>	<u>\$ 73,099,143</u>	<u>\$ 151,422,391</u>

For further detailed information see Note 6, Long-Term Liabilities.

NEXT YEAR'S BUDGET, TAX RATES AND FEE LEVELS

The Fiscal Year 2022-23 adopted General Fund budget was balanced, with a surplus of revenues and transfers from other funds over expenditures and transfers to other funds of \$53,838.

General Fund revenues and transfers from other funds are currently estimated at \$45.5 million for FY 2022-23, which represents a \$5.2 million or 12.9% increase from actuals FY 2021-22 revenues and transfers from other funds. This increase is primarily due to increased property valuations, strong sales taxes, ARPA and the City meeting the General Fund reserve goal set by the City's Policy 460.

The adopted FY22-23 General Fund budget includes \$45.4 million of appropriations for expenditures (including CIP expenditures) and transfers to other funds. This represents an increase of \$9.2 million or 25.5% over FY 2021-22 actual expenditures and transfers to other funds.

The increase is due to the addition of new full-time positions and other personnel related expenses, reinstatement of programs in Community Services after pausing them during the pandemic, using ARPA for City projects, the purchase of servers and other computer equipment needed to replace outdated equipment citywide.

Approved staffing for FY 2022-23 is 187 full time positions, 5 unfunded over hires, and 73 elected and appointed personnel. As in prior years, contracts for services in all departments were reviewed during budget development, and in instances where contracts offered no potential cost savings, or where a higher level of service could be provided for the same or less cost, contract personnel were replaced by City employees.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2022

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. If you have questions concerning any of the information provided in this report or need additional financial information, please contact the City's Finance Department at the City of Placentia, 401 East Chapman Avenue, Placentia, California 92870, call (714) 993-8237 or visit our website at www.placentia.org.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**CITY OF PLACENTIA
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 40,822,136	\$ 1,231,595	\$ 42,053,731
Receivables, Net of Allowance:			
Accounts	2,205,305	146,902	2,352,207
Taxes	4,222,000	31,095	4,253,095
Grants	37,429	-	37,429
Interest	210,518	-	210,518
Loans	3,291,259	-	3,291,259
Leases	628,913	-	628,913
Prepaid Items	102,191	-	102,191
Inventory	173,020	-	173,020
Total Current Assets	<u>51,692,771</u>	<u>1,409,592</u>	<u>53,102,363</u>
Noncurrent Assets:			
Land Held for Resale	1,036,760	-	1,036,760
Leases Receivable	20,114,368	-	20,114,368
Aggregate Net Pension Assets	<u>22,405,246</u>	<u>860,379</u>	<u>23,265,625</u>
Restricted Assets:			
Cash and Investments with Fiscal Agent	6,529,326	-	6,529,326
Capital Assets - Nondepreciable	35,809,509	-	35,809,509
Capital Assets - Depreciable, Net	<u>62,792,337</u>	<u>7,693,539</u>	<u>70,485,876</u>
Total Noncurrent Assets	<u>148,687,546</u>	<u>8,553,918</u>	<u>157,241,464</u>
 Total Assets	 200,380,317	 9,963,510	 210,343,827
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding	305,534	-	305,534
Deferred Outflows of Resources Related to Pensions	20,907,480	957,381	21,864,861
Deferred Outflows of Resources Related to OPEB	<u>4,590,879</u>	<u>146,898</u>	<u>4,737,777</u>
Total Deferred Outflows of Resources	<u>25,803,893</u>	<u>1,104,279</u>	<u>26,908,172</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 2,669,752	\$ 308,538	\$ 2,978,290
Accrued Payroll and Benefits	1,042,131	37,603	1,079,734
Deposits Payable	1,207,237	-	1,207,237
Retentions Payable	122,245	-	122,245
Accrued Interest Payable	213,415	-	213,415
Unearned Revenues	8,354,847	-	8,354,847
Long-Term Debt Due Within One Year	3,926,264	-	3,926,264
Claims Payable Due Within One Year	1,253,803	-	1,253,803
Compensated Absences Due Within One Year	144,044	2,788	146,832
Total Current Liabilities	<u>18,933,738</u>	<u>348,929</u>	<u>19,282,667</u>
Noncurrent Liabilities			
Long-Term Debt Due in More Than One Year	61,351,429	-	61,351,429
Claims Payable Due in More Than One Year	3,761,408	-	3,761,408
Compensated Absences Due in More Than One Year	2,051,305	39,703	2,091,008
Aggregate Net OPEB Liabilities	<u>24,138,119</u>	<u>772,368</u>	<u>24,910,487</u>
Total Noncurrent Liabilities	<u>91,302,261</u>	<u>812,071</u>	<u>92,114,332</u>
Total Liabilities	110,235,999	1,161,000	111,396,999
DEFERRED INFLOWS OF RESOURCES			
Deferred Charges on Refunding	-	-	-
Leases Related	20,771,263	-	20,771,263
Deferred Pension - Related Items	4,035,752	105,445	4,141,197
Deferred OPEB - Related Items	<u>8,316,733</u>	<u>266,118</u>	<u>8,582,851</u>
Total Deferred Inflows of Resources	<u>33,123,748</u>	<u>371,563</u>	<u>33,495,311</u>
NET POSITION			
Net Investment in Capital Assets	86,044,986	7,693,539	93,738,525
Restricted for:			
Public Safety	720,405	-	720,405
Public Works	3,418,044	-	3,418,044
Community Development	1,231,807	-	1,231,807
Community Services	4,405,452	-	4,405,452
Debt Service	6,544,212	-	6,544,212
Transportation	826,150	-	826,150
Park Development	20,193	-	20,193
Street Maintenance	780,314	-	780,314
Air Quality	202,385	-	202,385
Affordable Housing	<u>2,026,325</u>	<u>-</u>	<u>2,026,325</u>
Total Restricted	<u>20,175,287</u>	<u>-</u>	<u>20,175,287</u>
Unrestricted (Deficit)	<u>(23,395,810)</u>	<u>1,841,687</u>	<u>(21,554,123)</u>
Total Net Position	<u>\$ 82,824,463</u>	<u>\$ 9,535,226</u>	<u>\$ 92,359,689</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Positions		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 9,242,047	\$ 2,812,280	\$ 648,944	\$ -	\$ (5,780,823)	\$ -	\$ (5,780,823)
Public Safety	(5,340,560)	927,962	2,771,449	-	9,039,971	-	9,039,971
Public Works	3,159,219	876,489	2,826,308	1,850,038	2,393,616	-	2,393,616
Community Development	1,553,558	1,598,318	252,403	-	297,163	-	297,163
Community Services	1,684,915	253,404	-	-	(1,431,511)	-	(1,431,511)
Interest	2,591,011	-	-	-	(2,591,011)	-	(2,591,011)
Total Governmental Activities	12,890,190	6,468,453	6,499,104	1,850,038	1,927,405	-	1,927,405
Business-Type Activities:							
Refuse	3,420,538	3,731,726	-	-	-	311,188	311,188
Sewer Maintenance	150,242	790,965	-	-	-	640,723	640,723
Total Business-Type Activities	3,570,780	4,522,691	-	-	-	951,911	951,911
Total Primary Government	<u>\$ 16,460,970</u>	<u>\$ 10,991,144</u>	<u>\$ 6,499,104</u>	<u>\$ 1,850,038</u>	1,927,405	951,911	2,879,316
GENERAL REVENUES							
Taxes:							
Property Taxes					17,191,426	-	17,191,426
Sales Taxes					17,247,980	-	17,247,980
Utility Users Tax					2,689,314	-	2,689,314
Franchise Taxes					2,650,604	-	2,650,604
Transient Occupancy Taxes					1,385,271	-	1,385,271
Real Property Transfer Taxes					450,575	-	450,575
Other Taxes					6,291	-	6,291
Investment Earnings					(297,210)	1,957	(295,253)
Miscellaneous					256,115	-	256,115
Total General Revenues					<u>41,580,366</u>	<u>1,957</u>	<u>41,582,323</u>
CHANGES IN NET POSITION					43,507,771	953,868	44,461,639
Net Position - Beginning of Year (as Restated)					<u>39,316,692</u>	<u>8,581,358</u>	<u>47,898,050</u>
NET POSITION - END OF YEAR					<u>\$ 82,824,463</u>	<u>\$ 9,535,226</u>	<u>\$ 92,359,689</u>

See accompanying Notes to Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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**CITY OF PLACENTIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Major Funds				Total
	General Fund	Citywide		Other Governmental Funds	
		Development Impact Fee Special Revenue Fund	Debt Service Fund		
ASSETS					
Cash and Investments	\$ 26,088,314	\$ 4,436,323	\$ -	\$ 8,114,372	\$ 38,639,009
Receivables:					
Accounts	228,067	-	-	1,973,201	2,201,268
Taxes	4,222,000	-	-	-	4,222,000
Grants	-	-	-	37,429	37,429
Accrued Interest	210,518	-	-	-	210,518
Loans and Notes	2,634,732	-	-	656,527	3,291,259
Leases	20,743,281	-	-	-	20,743,281
Prepaid Items	95,891	6,300	-	-	102,191
Due from Other Funds	2,620,039	-	-	-	2,620,039
Inventories	173,020	-	-	-	173,020
Land Held for Resale	-	-	-	1,036,760	1,036,760
Restricted Assets:					
Cash and Investments with Fiscal Agents	2,024	-	6,527,302	-	6,529,326
Total Assets	<u>\$ 57,017,886</u>	<u>\$ 4,442,623</u>	<u>\$ 6,527,302</u>	<u>\$ 11,818,289</u>	<u>\$ 79,806,100</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,743,077	\$ 30,871	\$ 675	\$ 814,665	\$ 2,589,288
Accrued Payroll and Benefits	1,029,247	-	-	12,879	1,042,126
Deposits Payable	1,207,237	-	-	-	1,207,237
Retentions Payable	41,668	-	-	80,577	122,245
Due to Other Funds	-	-	63,135	2,556,904	2,620,039
Unearned Revenue	8,185,730	-	-	169,117	8,354,847
Total Liabilities	<u>12,206,959</u>	<u>30,871</u>	<u>63,810</u>	<u>3,634,142</u>	<u>15,935,782</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	20,771,263	-	-	-	20,771,263
Unavailable Revenues	455,184	-	-	1,633,516	2,088,700
Total Deferred Inflows of Resources	<u>21,226,447</u>	<u>-</u>	<u>-</u>	<u>1,633,516</u>	<u>22,859,963</u>
FUND BALANCES					
Nonspendable	2,521,767	6,300	-	-	2,528,067
Restricted	2,024	4,405,452	6,463,492	9,304,319	20,175,287
Committed	13,855,723	-	-	-	13,855,723
Unassigned (Deficit)	7,204,966	-	-	(2,753,688)	4,451,278
Total Fund Balances	<u>23,584,480</u>	<u>4,411,752</u>	<u>6,463,492</u>	<u>6,550,631</u>	<u>41,010,355</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 57,017,886</u>	<u>\$ 4,442,623</u>	<u>\$ 6,527,302</u>	<u>\$ 11,818,289</u>	<u>\$ 79,806,100</u>

See accompanying Notes to Basic Financial Statements.

CITY OF PLACENTIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances - Governmental Funds	\$ 41,010,355
<p>Amounts reported for governmental activities in the statement of net position were reported differently because:</p>	
<p>Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds balance sheet.</p>	
Nondepreciable	35,809,509
Depreciable	62,792,337
	98,601,846
<p>The loss incurred by the City resulting from the refunding of long-term liabilities are recorded as deferred outflows of resources and amortized over the remaining service life, equal to the lesser of the remaining bond-years on the refunded debt or the bond years on the refunding debt.</p>	
	305,534
<p>Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the government-wide financial statements and, therefore, the revenue is recognized when eligibility requirements are met and earned.</p>	
	2,088,700
<p>Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds.</p>	
	(213,415)
<p>Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position:</p>	
Long-Term Debt	(58,810,218)
Capital Leases	(4,909,853)
OCTA Advance	(1,557,622)
Compensated Absences	(2,195,349)
	(67,473,042)
<p>Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:</p>	
Pension Related Deferred Outflows of Resources	20,907,480
Aggregate Net Pension Asset	22,405,246
Pension Related Deferred Inflows of Resources	(4,035,752)
<p>Net OPEB liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:</p>	
OPEB Related Deferred Outflows of Resources	4,590,879
Aggregate Net OPEB Liability	(24,138,119)
OPEB Related Deferred Inflows of Resources	(8,316,733)
<p>Internal Service Funds were used by management to charge the costs of certain activities, such as insurance and equipment replacement to individual funds. The assets and liabilities of the Internal Service Funds were included in the governmental activities in the government-wide statement of net position.</p>	
	(2,908,516)
Net Position of Governmental Activities as Reported on the Statement of Net Position	\$ 82,824,463

See accompanying Notes to Basic Financial Statements.

CITY OF PLACENTIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Major Funds				Total
	General Fund	Citywide Development Impact Fee Special Revenue Fund	Debt Service Fund	Other Governmental Funds	
REVENUES					
Taxes	\$ 41,621,461	\$ -	\$ -	\$ -	\$ 41,621,461
Intergovernmental	952,389	-	-	5,545,613	6,498,002
Licenses and Permits	2,440,102	-	-	-	2,440,102
Fines and Forfeitures	503,302	-	-	-	503,302
Investment Earnings (Losses)	(323,152)	9,138	1,582	15,226	(297,206)
Charges for Services	1,263,215	-	-	1,004,014	2,267,229
Leases and Rents	1,422,831	-	-	7,600	1,430,431
Contributions	-	730,492	-	-	730,492
Miscellaneous	785,684	-	-	633,541	1,419,225
Total Revenues	<u>48,665,832</u>	<u>739,630</u>	<u>1,582</u>	<u>7,205,994</u>	<u>56,613,038</u>
EXPENDITURES					
Current:					
General Government	12,055,475	-	-	49,916	12,105,391
Public Safety	15,441,982	10,283	-	2,023,960	17,476,225
Public Works	3,514,281	-	-	1,747,796	5,262,077
Community Development	1,482,732	-	-	524,802	2,007,534
Community Services	2,289,940	-	-	14,692	2,304,632
Capital Outlay	5,034,753	1,109,219	-	3,911,978	10,055,950
Debt Service:					
Principal Retirement	1,320,810	-	1,060,000	754,055	3,134,865
Payment to Refunding Bond Escrow Agent	488,521	-	-	-	488,521
Interest and Fiscal Charges	343,759	-	2,026,072	70,804	2,440,635
Debt Issuance Costs	117,995	-	63,810	-	181,805
Total Expenditures	<u>42,090,248</u>	<u>1,119,502</u>	<u>3,149,882</u>	<u>9,098,003</u>	<u>55,457,635</u>
REVENUES OVER (UNDER) EXPENDITURES	6,575,584	(379,872)	(3,148,300)	(1,892,009)	1,155,403
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	2,189,027	-	-	-	2,189,027
Payment to Refunding Bond Escrow Agent	(2,069,027)	-	-	-	(2,069,027)
Transfers In	102,947	-	3,069,763	861,466	4,034,176
Transfers Out	(3,444,522)	-	(78,594)	(511,060)	(4,034,176)
Total Other Financing Sources (Uses)	<u>(3,221,575)</u>	<u>-</u>	<u>2,991,169</u>	<u>350,406</u>	<u>120,000</u>
NET CHANGE IN FUND BALANCES	3,354,009	(379,872)	(157,131)	(1,541,603)	1,275,403
Fund Balances - Beginning of Year	20,230,471	4,791,624	6,620,623	8,092,234	39,734,952
FUND BALANCES - END OF YEAR	<u>\$ 23,584,480</u>	<u>\$ 4,411,752</u>	<u>\$ 6,463,492</u>	<u>\$ 6,550,631</u>	<u>\$ 41,010,355</u>

See accompanying Notes to Basic Financial Statements.

CITY OF PLACENTIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 1,275,403
Governmental activities in the Statement of Activities were reported differently because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Capital Outlay	9,567,530
Depreciation	(4,836,109)
Net Effect on Disposal of Capital Assets	<u>(217,859)</u>
	4,513,562
Amortization of the deferred charges on refunding is recognized as interest expense in the statement of activities.	
	(50,358)
Net change in revenues that was considered unavailable in the governmental funds. These items have been reported as revenue in the statement of activities.	
	(215,078)
Proceeds from the issuance of long-term debt is not a revenue in the statement of activities, but is reported as a liability on the government-wide statement of net position.	
	(2,189,027)
Principal repayment on long-term debt is not an expense in the statement of activities, but is considered an expenditure in governmental funds.	
Long-Term Debt	4,784,707
Capital Leases	678,145
OCTA Advance	<u>403,055</u>
	5,865,907
Interest accrued on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest is not reported as an expenditure in governmental funds. This amount represents the change in accrued interest from the prior year.	
	(150,376)
Compensated absences were reported in the government-wide statement of activities, but they did not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in the governmental funds.	
	(92,955)
Certain OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
	1,062,816
Certain pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
	34,620,403
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment replacement, to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities.	
	<u>(1,132,526)</u>
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	<u><u>\$ 43,507,771</u></u>

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

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**CITY OF PLACENTIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Major Enterprise Funds		Business-Type Activities	Governmental Activities
	Refuse	Sewer Maintenance	Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Investments	\$ 507,826	\$ 723,769	\$ 1,231,595	\$ 2,183,127
Receivables:				
Accounts	64,004	82,898	146,902	4,037
Taxes	31,095	-	31,095	-
Total Current Assets	<u>602,925</u>	<u>806,667</u>	<u>1,409,592</u>	<u>2,187,164</u>
Noncurrent Assets:				
Aggregate Net Pension Asset	177,442	682,937	860,379	-
Capital Assets, Net of Accumulated Depreciation	-	7,693,539	7,693,539	-
Total Noncurrent Assets	<u>177,442</u>	<u>8,376,476</u>	<u>8,553,918</u>	<u>-</u>
Total Assets	<u>780,367</u>	<u>9,183,143</u>	<u>9,963,510</u>	<u>2,187,164</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pensions	197,448	759,933	957,381	-
Deferred Outflows of Resources Related to OPEB	60,286	86,612	146,898	-
Total Deferred Outflows of Resources	<u>257,734</u>	<u>846,545</u>	<u>1,104,279</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	298,486	10,052	308,538	80,464
Accrued Payroll and Benefits	14,169	23,434	37,603	5
Compensated Absences - Due Within One Year	824	1,964	2,788	-
Claims And Judgments - Due Within One Year	-	-	-	1,253,803
Total Current Liabilities	<u>313,479</u>	<u>35,450</u>	<u>348,929</u>	<u>1,334,272</u>
Noncurrent Liabilities:				
Compensated Absences - Due in More Than One Year	11,735	27,968	39,703	-
Claims And Judgments - Due in More Than One Year	-	-	-	3,761,408
Net OPEB Liability	316,977	455,391	772,368	-
Total Noncurrent Liabilities	<u>328,712</u>	<u>483,359</u>	<u>812,071</u>	<u>3,761,408</u>
Total Liabilities	<u>642,191</u>	<u>518,809</u>	<u>1,161,000</u>	<u>5,095,680</u>
DEFERRED INFLOW OF RESOURCES				
Deferred Inflows of Resources Related to Pensions	21,747	83,698	105,445	-
Deferred Inflows of Resources Related to OPEB	109,214	156,904	266,118	-
Total Deferred Inflows of Resources	<u>130,961</u>	<u>240,602</u>	<u>371,563</u>	<u>-</u>
NET POSITION				
Investment in Capital Assets	-	7,693,539	7,693,539	-
Unrestricted (Deficit)	264,949	1,576,738	1,841,687	(2,908,516)
Total Net Position	<u>\$ 264,949</u>	<u>\$ 9,270,277</u>	<u>\$ 9,535,226</u>	<u>\$ (2,908,516)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF PLACENTIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities			Governmental
	Sewer			Internal
	Refuse	Maintenance	Total	Service
OPERATING REVENUES				
Reimbursements	\$ 38,996	\$ -	\$ 38,996	\$ 386,239
Sales and Service Charges	3,692,730	790,965	4,483,695	2,811,671
Other Revenues	-	-	-	24,601
Total Operating Revenues	<u>3,731,726</u>	<u>790,965</u>	<u>4,522,691</u>	<u>3,222,511</u>
OPERATING EXPENSES				
Administration	202,033	360,284	562,317	136,839
Reinsurance Premiums	-	-	-	122,162
Claims	-	-	-	1,945,174
Medical and Dental Premiums	-	-	-	954,142
Liability Insurance Premiums	-	-	-	1,196,720
Maintenance	-	(737,358)	(737,358)	-
Landfill and Contractor Charges	3,218,505	-	3,218,505	-
Depreciation Expense	-	527,316	527,316	-
Total Operating Expenses	<u>3,420,538</u>	<u>150,242</u>	<u>3,570,780</u>	<u>4,355,037</u>
OPERATING INCOME (LOSS)	311,188	640,723	951,911	(1,132,526)
NONOPERATING INCOME (LOSS)				
Investment Income	513	1,444	1,957	-
Total Nonoperating Income	<u>513</u>	<u>1,444</u>	<u>1,957</u>	<u>-</u>
CHANGES IN NET POSITION	311,701	642,167	953,868	(1,132,526)
Net Position - Beginning of Year	<u>(46,752)</u>	<u>8,628,110</u>	<u>8,581,358</u>	<u>(1,775,990)</u>
NET POSITION - END OF YEAR	<u>\$ 264,949</u>	<u>\$ 9,270,277</u>	<u>\$ 9,535,226</u>	<u>\$ (2,908,516)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities			Governmental
	Refuse	Sewer Maintenance	Total	Activities Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Users	\$ 3,671,719	\$ 784,696	\$ 4,456,415	\$ 3,218,527
Cash Paid to Suppliers for Goods and Services	(3,213,469)	737,113	(2,476,356)	(1,250,804)
Cash Paid to Employees for Services	(436,675)	(1,524,483)	(1,961,158)	-
Cash Paid for Insurance Claims	-	-	-	(1,945,174)
Net Cash Provided (Used) by Operating Activities	21,575	(2,674)	18,901	22,549
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Transfers In (Out)	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Received	513	1,444	1,957	-
Net Cash Provided (Used) by Investing Activities	513	1,444	1,957	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,088	(1,230)	20,858	22,549
Cash and Cash Equivalents - Beginning of Year	485,738	724,999	1,210,737	2,160,578
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 507,826</u>	<u>\$ 723,769</u>	<u>\$ 1,231,595</u>	<u>\$ 2,183,127</u>
CASH AND CASH EQUIVALENTS				
Cash and Investments	\$ 507,826	\$ 723,769	\$ 1,231,595	\$ 2,183,127
Cash and Investments with Fiscal Agent	-	-	-	-
Total Cash and Cash Equivalents	<u>\$ 507,826</u>	<u>\$ 723,769</u>	<u>\$ 1,231,595</u>	<u>\$ 2,183,127</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities			Governmental
	Sewer			Internal
	Refuse	Maintenance	Total	Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 311,188	\$ 640,723	\$ 951,911	\$ (1,132,526)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	527,316	527,316	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivables	(64,004)	(6,269)	(70,273)	(3,984)
(Increase) Decrease in Taxes Receivables	3,997	-	3,997	-
(Increase) Decrease in Deferred Outflows of Resources Related to Pension	200,584	772,003	972,587	-
(Increase) Decrease in Deferred Outflows of Resources Related to OPEB	(5,613)	5,642	29	-
Increase (Decrease) in Accounts Payable	5,036	(245)	4,791	14,351
Increase (Decrease) in Accrued Liabilities	5,576	5,826	11,402	-
Increase (Decrease) in Compensated Absences	1,361	(3,227)	(1,866)	-
Increase (Decrease) in Claims Payable	-	-	-	1,144,708
Increase (Decrease) in Net Pension Liabilities	(514,035)	(1,978,409)	(2,492,444)	-
Increase (Decrease) in Net OPEB Liabilities	2,248	(75,673)	(73,425)	-
Increase (Decrease) in Deferred Inflows of Resources Related to Pension	4,658	17,926	22,584	-
Increase (Decrease) in Deferred Inflows of Resources Related to OPEB	70,579	91,713	162,292	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 21,575</u>	<u>\$ (2,674)</u>	<u>\$ 18,901</u>	<u>\$ 22,549</u>

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

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**CITY OF PLACENTIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	RDA Successor Agency	Custodial Funds
ASSETS		
Pooled Cash and Investments	\$ 858,070	\$ 119,596
Receivables:		
Miscellaneous	-	427
Restricted Assets:		
Cash and Investments with Fiscal Agents	650,107	-
Total Assets	1,508,177	120,023
LIABILITIES		
Accounts Payable	-	7,866
Accrued Liability	5,399	14
Accrued Interest	154,135	-
Long-Term Liabilities:		
Due in One Year	973,824	-
Due in More Than One Year	11,520,900	-
Total Liabilities	12,654,258	42,921
NET POSITION (DEFICIT)		
Restricted for Individuals, Organizations, and Other Governments	(11,146,082)	32,226
Total Net Position (Deficit)	\$ (11,146,082)	\$ 32,226

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022**

	RDA Successor Agency	Custodial Funds
ADDITIONS		
Property Taxes	\$ 2,258,333	\$ -
	-	39,904
Investment Income	115	188
Total Additions	2,258,448	40,092
DEDUCTIONS		
Program Costs	110,997	-
Administrative Expenses	111,591	-
Interest Expense	367,952	-
Administrative Expenses	-	7,866
Total Deductions	590,540	7,866
CHANGE IN NET POSITION	1,667,908	32,226
Net Position - Beginning of Year (As Restated)	(12,813,990)	-
NET POSITION - END OF YEAR	\$ (11,146,082)	\$ 32,226

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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**CITY OF PLACENTIA
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JUNE 30, 2022**

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CITY OF PLACENTIA
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**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Placentia, California, (the City) have been prepared in conformity with accounting principles generally accepted in the United States (U.S. 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 following is a summary of the City's significant policies:

A. Financial Reporting Entity

The City was incorporated on December 2, 1926, under the General Laws of the state of California. The City operates under a Council-Administrator form of government and under provisions of a City Charter adopted on June 29, 1965.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Blended Component Units

Management determined that the following entities should be reported as blended component units based on the criteria above. Although the following is legally separate from the City, it has been "blended" as though it is part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component unit provides services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

The Placentia Public Financing Authority – The Placentia Public Financing Authority (the Authority) was formed in 1996 to issue Tax Revenue Bonds. The proceeds of the debt were used to refund the existing Mello-Roos Community Facilities District 89-1 bonds, originally issued in September 1996. The Authority is governed by a five-member board that is the City Council of the City. Separate financial statements are not prepared.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Blended Component Units (Continued)

Placentia Enhanced Infrastructure Financing District – The Placentia Enhanced Infrastructure Financing District (EIFD) was formed in September 2019 in partnership with the County of Orange near the City’s future Metrolink Station including the Old Town Placentia area and Transit Oriented Development Packing House District. The purpose of this district is to create a funding mechanism that can facilitate the construction of public infrastructure improvements in this area.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The statement of net position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources – represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

Government-Wide Financial Statements

The government-wide financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities of the City are not included in these statements.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for Services
- Operating Grants and Contributions
- Capital Grants and Contributions

Certain eliminations have been made in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated. In the statement of activities, internal service fund transactions have been included in the governmental activities. The following interfund activities have been eliminated:

- Due from and to other funds, which are short-term loans within the primary government.
- Transfers in and out, which are flows of assets between funds without the requirement for repayment.

Governmental Fund Financial Statements

All governmental funds are accounted for on a spending, or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, current liabilities, and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) which are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the City are property taxes, intergovernmental revenues, and other taxes. Business license fees are recorded as received, except at year-end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes business license revenue collected within 60 days as revenue at June 30. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences.

The City reports the following major Governmental Funds:

General Fund

The General Fund is the City’s principal operating fund. It accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government except those required to be accounted for in another fund.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Debt Service Fund

This fund is used to account for the debt service related to the governmental activities of the City.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows for each major Proprietary Fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include four individual funds that provide services directly to other City funds. These services include risk management, health and welfare, and equipment replacement.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major Proprietary Funds:

Refuse Fund

This fund is used to account for the provision of refuse services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operation, acquisition of equipment, and related debt service.

Sewer Maintenance Fund

This fund is used to account for the operations and maintenance of the sewer lines located in the City's sewer system, including administration and capital improvements. Fees are computed from water consumption amounts provided by local water companies. All residents and businesses connected to the City's sewer system are placed in billing categories based on a percentage of water consumption that is returned to the City's sewer system.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Internal service funds are presented in the proprietary fund financial statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a statement of net position and a statement of changes in fiduciary net position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

The City reports the following fiduciary funds:

Private-Purpose Trust Fund

This fund is used to account for the balances and transactions of the Successor Agency to the former Placentia Redevelopment Agency.

Custodial Funds

These funds account for resources held by the City in a custodial capacity as an agent for individuals, private organizations, other governments, and/or other funds.

C. Implementation of New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows 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.

D. Cash and Investments

The City's cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for statement of cash flows purposes.

Investments are stated at fair value (quoted market price or best available estimate thereof).

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

F. Property Taxes Receivable

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities in the current period.

Under California law, property taxes are assessed and collected by the counties at up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas. The County of Orange collects property taxes for the City. Tax liens attach annually as of 12:01 a.m. on the first day of January preceding the fiscal year for which the taxes are levied. Taxes are levied on July 1 and cover the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on March 1 each year, and are delinquent, if unpaid, on August 31.

G. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended using purchase method.

H. Inventories

Inventories within the various fund types consist of materials and supplies which are valued at cost on a weighted average basis. Reported expenditures reflect the consumption method of recognizing inventory-related expenditures.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans).

J. Capital Assets

In the government-wide financial statements, capital assets, which include land, buildings, improvements, equipment, furniture, infrastructure (e.g., roads, sidewalks, and similar items), and right-to-use leased assets, are recorded at historical cost or estimated historical if purchased or constructed. Donated capital assets are valued at their estimated acquisition value on the date donated. City policy has set the capitalization threshold for reporting capital assets with an initial, individual cost of more than \$2,500 and an estimated useful life of one year or more.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include street network, street appurtenances, and storm drains.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets used in operations are depreciated/amortized over their estimated useful lives using the straight-line method. The estimated useful lives used for depreciation/amortization purposes are as follows:

Structures and Improvements	5 to 50 Years
Civic Center Structures and Improvements	50 Years
Right-to-Use Lease Land	4 to 5 Years
Automotive Equipment	2 to 10 Years
Computer Equipment	3 Years
Other Equipment	5 Years
Right-to-Use Lease Equipment	2 to 4 Years
Infrastructure:	
Roadways	35 Years
Street Appurtenances	10 to 50 Years
Wastewater	50 to 60 Years
Storm Drains	50 Years

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases

Lessee

The City is a lessee for noncancellable leases of land and improvements and equipment. The City recognizes a lease liability and an intangible right-to-use asset (lease asset) in the governmental activities in the government-wide statement of net position. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

Lessor

The City is a lessor for a noncancellable leases of land, buildings and improvements. The City recognizes a lease receivable and a deferred inflow of resources in the statement of net position and in the governmental fund balance sheet. 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.

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.

L. Unearned and Unavailable Revenue

In the government-wide financial statements, unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the government-wide financial statements are cell phone site license lease payments received in advance, prepaid charges for services and facility rentals paid in advance.

In the fund financial statements, unearned and unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unearned revenue for transactions for which revenues have not been earned, and unavailable revenue when funds are not available to meet current financial obligations in accordance with GASB Statement No. 65. Typical transactions for which unearned or unavailable revenue is recorded are lease payments, quarterly encroachment fees, and advance registration for recreation classes which were not yet earned.

CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences Payable

City employees have vested interest in varying levels of vacation, sick leave, and compensatory time based on their length of employment. It is the policy of the City to pay all accumulated vacation pay and all or a portion of sick pay when an employee retires or terminates. The long-term amount is included as a liability in the governmental activities of the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

N. Claims Payable

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" (IBNR) claims. There is no fixed payment schedule to pay these liabilities.

O. Pensions

For purposes of measuring the aggregate net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The City has both Miscellaneous and Safety defined benefit pension plans.

The following timeframes are used for pension reporting:

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

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Pensions (Continued)

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. The difference between projected and actual earnings is amortized straight-line over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The General Fund is typically used to pay pension benefits. In proprietary funds, pension benefits are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the plan (Note 10).

For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for OPEB reporting:

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

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. 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 differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as Liabilities in the statement of net position. 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.

R. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, related debt, and deferred outflows of resources.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable Fund Balance – These amounts cannot be spent because they are not in a spendable form, such as loans receivable or inventory, or because resources legally or contractually must remain intact.

Restricted Fund Balance – These are the portion of fund balance that have externally enforceable limitations on their usage through legislation or limitations imposed by creditors, grantor, laws, and regulations of other governments or enabling legislation.

Committed Fund Balance – These have self-imposed limitations by the highest level of decision-making authority, namely the City Council, prior to the end of the reporting period. City Council adoption of a resolution is required to commit resources or to rescind the commitment.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Fund Balances (Continued)

Assigned Fund Balance – These have limitations imposed by management based on the intended use of the funds. Modifications or rescissions of the constraints can be removed by the same type of action that limited the use of the funds. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the Finance Director for that purpose.

Unassigned Fund Balance – These represent the residual net resources in excess of the other classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

T. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance:

- Committed
- Assigned
- Unassigned

U. Use of Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. Certain restricted funds which are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investments with fiscal agents.

The City had the following cash and investments at June 30, 2022:

	Government-Wide Statement of Net Position		Statement of Fiduciary Net Position	Total
	Governmental Activities	Business-Type Activities		
Cash and Investments	\$ 40,822,136	\$ 1,231,595	\$ 977,666	\$ 43,031,397
Cash and Investments with Fiscal Agent	<u>6,529,326</u>	<u>-</u>	<u>650,107</u>	<u>7,179,433</u>
Total Cash and Investments	<u>\$ 47,351,462</u>	<u>\$ 1,231,595</u>	<u>\$ 1,627,773</u>	<u>\$ 50,210,830</u>

The City's cash and investments at June 30, 2022, in more detail:

Cash and Cash Equivalents:	
Demand Deposits	\$ 14,341,986
Petty Cash	<u>17,565</u>
Total Cash and Cash Equivalents	14,359,551
Investments:	
Local Agency Investment Fund	15,660
Money Market Mutual Fund	22,931
Negotiable Certificates of Deposit	911,026
U.S. Treasury Securities	26,794,065
Federal Agency Securities	928,060
Investments with Fiscal Agent:	
Money Market Mutual Fund	<u>7,179,537</u>
Total Investments	<u>35,851,279</u>
Total Cash and Investments	<u>\$ 50,210,830</u>

A. Demand Deposits

The carrying amounts of the City's demand deposits were \$14,341,986 at June 30, 2022. Bank balances at that date were \$15,371,170, the total amount of which was insured or collateralized with accounts held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

A. Demand Deposits (Continued)

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

B. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States (U.S.) Treasury Obligation	5 Years	None	None
Federal Agency Securities	5 Years	30%	15%
Negotiable Certificates of Deposits	5 Years	30%	\$250,000
Non-Negotiable Certificates of Deposit	5 Years	40%	\$250,000
Money Market Funds	N/A	20%	10%
Passbook Savings	N/A	None	None
Commercial Paper	270 Days	25%	10%
Banker's Acceptances	180 Days	30%	30%
Local Agency Investment Fund (LAIF)	N/A	None	None
Orange County Investment Pool	N/A	None	None
CalTrust (JPA)	N/A	None	None
California Asset Management Program	N/A	None	None
Repurchase Agreements	1 year	30%	None

*The table is based on state law requirements or investment policy requirements, whichever is more restrictive.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

C. Investments Authorized by Debt Agreements

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States (U.S.) Treasury Obligation	N/A	None	None
Federal Agency Securities	N/A	None	None
Negotiable Certificates of Deposits	N/A	None	None
Non-Negotiable Certificates of Deposit	N/A	None	None
Money Market Funds	N/A	None	None
Passbook Savings	N/A	None	None
Commercial Paper	270 Days	None	None
Banker's Acceptances	180 Days	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Orange County Investment Pool	N/A	None	None

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, and concentration of credit risk.

D. Fair Value Measurement

At June 30, 2022, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within the GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2022:

Investment Type	Measurement Input		Total
	Significant Observable Input (Level 2)	Other Uncategorized ⁽³⁾	
Local Agency Investment Fund	\$ -	\$ 15,660	\$ 15,660
Money Market Mutual Funds	-	22,931	22,931
Negotiable Certificates of Deposit ⁽¹⁾	911,026	-	911,026
U.S. Treasury Securities ⁽¹⁾	26,794,065	-	26,794,065
Federal Agency Securities ⁽¹⁾	928,060	-	928,060
Held by Fiscal Agent:			
Money Market Mutual Funds	-	7,179,537	7,179,537
Total	<u>\$ 28,633,151</u>	<u>\$ 7,218,128</u>	<u>\$ 35,851,279</u>

⁽¹⁾ Pricing based on institutional bond quotes - evaluations based on various market and industry inputs.

⁽²⁾ Evaluations based on various market factors.

⁽³⁾ Cash and cash equivalents

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

D. Fair Value Measurement (Continued)

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

E. Risk Disclosures

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

Investment Type	Fair Value	Investment Maturities (in Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Local Agency Investment Fund	\$ 15,660	\$ 15,660	\$ -	\$ -	\$ -	\$ -
Money Market Mutual Funds	22,931	22,931	-	-	-	-
Negotiable Certificates of Deposit	911,026	-	-	233,715	226,712	450,599
U.S. Treasury Securities	26,794,065	5,754,883	9,943,280	6,675,731	2,951,345	1,468,826
Federal Agency Securities	928,060	-	-	466,605	461,455	-
Held by Fiscal Agent:						
Money Market Mutual Funds	7,179,537	7,179,537	-	-	-	-
Total	\$ 35,851,279	\$ 12,973,011	\$ 9,943,280	\$ 7,376,051	\$ 3,639,512	\$ 1,919,425

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 (where applicable) the California Government Code or the City's investment policy, or debt agreements, and the actual rating as of fiscal year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Not Rated	
			AAA	Rated
Local Agency Investment Fund	\$ 15,660	N/A	\$ -	\$ 15,660
Money Market Mutual Funds	22,931	AAA	22,931	-
Negotiable Certificates of Deposit	911,026	N/A	-	911,026
U.S. Treasury Securities	26,794,065	N/A	26,794,065	-
Federal Agency Securities	928,060	N/A	928,060	-
Held by Fiscal Agent:				
Money Market Mutual Funds	7,179,537	AAA	7,179,537	-
Total	\$ 35,851,279		\$ 34,924,593	\$ 926,686

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

E. Risk Disclosures (Continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City has no investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits as disclosed in Note 2A.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government. At June 30, 2022, the investments held by bond trustee were held in money market mutual funds, which are considered to be cash equivalents.

F. Investment in Local Agency Investment Fund (LAIF)

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The City's investments with LAIF at June 30, 2022, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities, which included the following:

Structured Notes – debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities – generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations), or credit card receivables.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

F. Investment in Local Agency Investment Fund (LAIF) (Continued)

As of June 30, 2022, the City had \$15,660 invested in LAIF, which had invested 1.10% of the pool investment funds in structured notes and asset-backed securities. The fair value of the City's portion in the pool is the same as the value of the pool shares and reported at amortized cost.

NOTE 3 INTERFUND TRANSACTIONS

A. Due From/To Other Funds

At June 30, 2022, the City had the following due from/to other funds:

<u>Due To Other Funds</u>	<u>Due From Other Funds General Fund</u>	<u>Total</u>
Debt Service Fund	\$ 63,135	\$ 63,135
Nonmajor Special Revenue Funds:		
Miscellaneous Grants Fund	164,903	164,903
Landscape Maintenance District 92-1	39,490	39,490
Housing and Community Development	713,863	713,863
Gasoline Tax	87,245	87,245
PEG	18,205	18,205
Community Based Transitional Housing	118	118
Placentia Regional Navigation Center	1,208,745	1,208,745
Nonmajor Capital Projects Funds:		
City Projects	324,335	324,335
Total	<u>\$ 2,620,039</u>	<u>\$ 2,620,039</u>

The above amounts resulted from when one fund reflects a deficit in its pooled cash account. Short-term loans were made from the General Fund to address these deficits.

B. Transfers

During the year ended June 30, 2022, the City had the following transfers:

<u>Transfers In</u>	<u>Transfers Out</u>			<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ -	\$ 102,947	\$ 102,947
Debt Service Fund	3,069,763	-	-	3,069,763
Nonmajor Governmental Funds	374,759	78,594	408,113	861,466
Total	<u>\$ 3,444,522</u>	<u>\$ 78,594</u>	<u>\$ 511,060</u>	<u>\$ 4,034,176</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 INTERFUND TRANSACTIONS (CONTINUED)

B. Transfers (Continued)

In general, transfers are used to 1) use revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 2) to transfer to the General Fund to fund administration services. Some of the more significant transfers are detailed below.

Transfers from nonmajor governmental funds to the General Fund of \$102,947 were to fund police, street maintenance, and other operating costs.

The General Fund transferred \$374,747 to the Street Lighting Special Revenue Fund to subsidize street lighting districts, \$12 to nonmajor funds as operating subsidies and \$3,069,763 to the Debt Service Fund to fund debt service.

The Gas Tax Special Revenue Fund transferred \$486,716 to the Gas Tax Debt Service Fund to fund the 2011 Gas Tax Certificate of Participation debt service. The Gas Tax Debt Service Fund transferred \$78,594 to the Debt Service fund to consolidate the Citywide debt service and close out the Gas Tax Debt Service Fund.

NOTE 4 LONG-TERM RECEIVABLES

A. Loans Receivable

At June 30, 2022, the City has the following loans receivable:

	General Fund	Housing Successor Special Revenue Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Certificates of Participation Reimbursement	\$ 2,183,624	\$ -	\$ 2,183,624
Owner's Participation Agreement	-	43,749	43,749
Real Property Loan Obligation Receivable	451,108	112,778	563,886
Placentia Veterans Village Loan	-	500,000	500,000
Total	<u>\$ 2,634,732</u>	<u>\$ 656,527</u>	<u>\$ 3,291,259</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

A. Loans Receivable (Continued)

Certificates of Participation Reimbursement

On April 16, 2007, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a reimbursement agreement between the City and the former Placentia Redevelopment Agency. This agreement provides that the former Placentia Redevelopment Agency will reimburse the City for a portion of the lease payment paid by the City to the bond trustee, with respect to the 2003 Certificates of Participation (COP). The 2003 COP were refinanced with the 2022 COP during the year (see note 7).

The portion reimbursed (87.52%) is based upon the portion of the capital improvements and improved facilities benefiting from the original proceeds of the 2003 COP related debt issue that were within the confines of the development project area.

Owner's Participation Agreement

The Placentia Redevelopment Agency entered into an owner participation agreement dated January 5, 2001. Pursuant to that agreement, the Agency loaned \$150,000 to a small business in Placentia. The term of the loan is 30 years and does not bear interest, except upon default. The loan was recorded in the Low and Moderate Housing fund of the former Redevelopment Agency of Placentia. Upon dissolution of the Redevelopment Agency at February 1, 2012, the outstanding loan receivable balance was transferred to the Housing Successor Fund. During the 2021 fiscal year, the City received \$4,167 in principal payments. The ending loan receivable balance at June 30, 2022, is \$43,749.

Real Property Loan Obligation Receivable

On January 20, 2009, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a Purchase and Sale agreement between the City and the former Placentia Redevelopment Agency. This agreement provided that the Placentia Redevelopment Agency would finance and purchase two real properties from the City; 312 South Melrose Street and 110 South Bradford Avenue for \$2,270,000 based on appraised property values at an interest rate of 7%.

Due to the dissolution of the former Placentia Redevelopment Agency at February 1, 2012, the interest rate was decreased to 3% and the recalculated loan shall be applied first to principal and second to interest in compliance with Health and Safety Code 34191.4 (b) (3). In addition, 20% of the outstanding loan receivable balance was transferred from the City's General Fund to the Housing Successor Agency fund in compliance with Health and Safety Code 34191.4 (b) (3) (C). The total principal and interest loan obligation receivable balance as of June 30, 2022, is \$501,108 to the City's General Fund and \$112,778 to the Housing Successor Agency Fund for a total of \$613,886.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

A. Loans Receivable (Continued)

Placentia Veterans Village Loan Receivable

On November 13, 2018, the City Council of the Housing Successor Agency to the former Redevelopment Agency of the City of Placentia approved a loan agreement of \$500,000 between the Housing Successor Agency and Mercy Housing California to initiate construction of the Placentia Veterans Village. The loan receivable balance at June 30, 2022, is \$500,000.

B. Leases Receivables

The City, acting as lessor, leases land and improvements under thirteen long-term, noncancellable lease agreements. The leases expire at various dates through July 1, 2065. The net present values of the leases receivable were determined using discount rates ranging from 0.218% to 2.184%. Rent payments ranging from \$300 to \$3,543, are received monthly or ranging from \$75,000 to \$250,000, received annually. During the year ended June 30, 2022, the City recognized \$799,597 and \$244,298 in lease revenue and interest revenue respectively, pursuant to these lease agreements.

The leases provide for increases in future minimum monthly rent payments, subject to certain stated increases.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30, 2022:

	Balance June 30, 2021 Restated (1)	Additions	Deletions	Reclassifications	Balance June 30, 2022
Capital Assets Not Being Depreciated/Amortized:					
Land	\$ 25,201,872	\$ -	\$ -	\$ -	\$ 25,201,872
Land-Right of Way	258,822	-	-	-	258,822
Infrastructure - Trees	3,114,540	-	-	-	3,114,540
Construction in Progress	5,170,579	7,861,915	(212,557)	(5,585,662)	7,234,275
Total Capital Assets Not Being Depreciated	33,745,813	7,861,915	(212,557)	(5,585,662)	35,809,509
Capital Assets Being Depreciated/Amortized:					
Structures and Improvements	18,745,829	-	-	361,718	19,107,547
Right-to-Use Lease Land	684,909	-	-	-	684,909
Right-to-Use Lease Equipment	139,314	-	-	-	139,314
Equipment	14,486,837	1,705,615	(115,641)	473,760	16,550,571
Land Improvements	172,528	-	-	-	172,528
Infrastructure:					
Streets Network	53,995,415	-	-	4,402,385	58,397,800
Street Appurtenances	24,120,429	-	-	149,829	24,270,258
Storm Drain	9,027,054	-	-	197,970	9,225,024
Total Capital Assets Being Depreciated/Amortized	121,372,315	1,705,615	(115,641)	5,585,662	128,547,951
Less: Accumulated Depreciation/Amortization for:					
Structures and Improvements	(6,953,117)	(642,675)	-	-	(7,595,792)
Right-to-Use Lease Land	-	(152,202)	-	-	(152,202)
Right-to-Use Lease Equipment	-	(29,224)	-	-	(29,224)
Equipment	(7,453,216)	(1,765,907)	110,339	-	(9,108,784)
Land Improvements	(117,760)	(5,796)	-	-	(123,556)
Infrastructure:					
Streets Network	(24,920,696)	(1,544,455)	-	-	(26,465,151)
Street Appurtenances	(14,908,156)	(515,350)	-	-	(15,423,506)
Storm Drain	(6,676,899)	(180,500)	-	-	(6,857,399)
Total Accumulated Depreciation/Amortization	(61,029,844)	(4,836,109)	110,339	-	(65,755,614)
Total Capital Assets Being Depreciated/Amortized, Net	60,342,471	(3,130,494)	(5,302)	5,585,662	62,792,337
Total Governmental Activities	<u>\$ 94,088,284</u>	<u>\$ 4,731,421</u>	<u>\$ (217,859)</u>	<u>\$ -</u>	<u>\$ 98,601,846</u>

(1) The beginning balance was restated to add right-to-use lease assets due to the implementation of GASB Statement No. 87, *Leases*. See Note 11.

Depreciation/amortization expense was charged to functions/programs of governmental activities for the year ended June 30, 2022, as follows:

General Government	\$ 498,426
Public Safety	1,515,939
Public Works	2,417,056
Community Services	404,688
Total Depreciation/Amortization Expense	<u>\$ 4,836,109</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2022:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
Capital Assets Being Depreciated:				
Structures and Improvements	\$ 28,155,969	\$ -	\$ -	\$ 28,155,969
Equipment	<u>122,158</u>	<u>-</u>	<u>-</u>	<u>122,158</u>
Total Capital Assets Being Depreciated	28,278,127	-	-	28,278,127
Less: Accumulated Depreciation for:				
Structures and Improvements	(20,001,949)	(515,100)	-	(20,517,049)
Equipment	<u>(55,323)</u>	<u>(12,216)</u>	<u>-</u>	<u>(67,539)</u>
Total Accumulated Depreciation	<u>(20,057,272)</u>	<u>(527,316)</u>	<u>-</u>	<u>(20,584,588)</u>
Total Capital Assets Being Depreciated, Net	<u>8,220,855</u>	<u>(527,316)</u>	<u>-</u>	<u>7,693,539</u>
Total Business-Type Activities	<u>\$ 8,220,855</u>	<u>\$ (527,316)</u>	<u>\$ -</u>	<u>\$ 7,693,539</u>

Depreciation expense was charged to the Sewer Maintenance Fund within business-type activities.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES

A. Governmental Activities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2022, is as follows:

	Balance			Balance June 30, 2022	Classification	
	June 30, 2021 (As Restated)	Additions	Deletions		Due within One Year	Due in More Than One Year
Long-Term Debt:						
Certificates of Participation:						
2003 Refunding and Improvement Project Certificates of Participation	\$ 2,845,000	\$ -	\$ (2,845,000)	\$ -	\$ -	\$ -
Direct Borrowings and Placements:						
Loan Payable- Radio	837,351	-	(173,337)	664,014	148,417	515,597
Loan Payable-Fire #1	3,116,360	-	(330,971)	2,785,389	339,935	2,445,454
Loan Payable-Fire #2	1,634,287	-	(173,837)	1,460,450	178,474	1,281,976
OCTA Advance	1,960,677	-	(403,055)	1,557,622	415,741	1,141,881
Fire UAL Payoff Loan	1,431,676	-	(355,213)	1,076,463	362,202	714,261
Loan Payable-Ref 2003 COP 2021 Installment Sale Agreement (2011 Gas Tax Refunding) 2020A Lease Revenue Bonds	-	2,189,027	-	2,189,027	436,330	1,752,697
Total Direct Borrowings and Placements	65,285,351	2,189,027	(2,847,413)	64,626,965	3,734,099	60,892,866
Leases Payable	823,958	-	(173,230)	650,728	192,165	458,563
Total Long-Term Debt	68,954,309	2,189,027	(5,865,643)	65,277,693	3,926,264	61,351,429
Claims Payable	3,870,503	2,541,152	(1,396,444)	5,015,211	1,253,803	3,761,408
Compensated Absences	2,102,395	118,317	(25,363)	2,195,349	144,044	2,051,305
Total Long-Term Liabilities	<u>\$ 74,927,207</u>	<u>\$ 4,848,496</u>	<u>\$ (7,287,450)</u>	<u>\$ 72,488,253</u>	<u>\$ 5,324,111</u>	<u>\$ 67,164,142</u>

2003 Refunding and Improvements Project Certificates of Participation

On November 13, 2003, the City issued certificates of participation in the amount of \$11,145,000 to (a) refinance certain obligations relating to the Placentia Redevelopment Agency's 2003 Taxable Convertible Certificates of Participation (2003 Financing Project), (b) refinance certain obligations relating to the City's 2001 Certificates of Participation (Traffic Circulation Project), and (c) finance and refinance certain capital improvements in the City. The certificates were refinanced during the year.

Loan Payable – Refunding of 2003 Certificates of Participation

On June 1, 2022, the City entered into a loan payable agreement in the amount of \$2,189,027 with the Municipal Finance Corporation to (a) refinance certain obligations relating to the 2003 Refunding and Improvements Project Certificates of Participation. The reacquisition price was greater than the net carrying amount of the old debt by \$353,395, which resulted in the recognition of deferred outflow of resources. The difference between the reacquisition price and the net carrying amount of the old debt is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. A cash flow savings of \$115,156 was achieved as a result of the refunding.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities (Continued)

Loan Payable – Refunding of 2003 Certificates of Participation (Continued)

Principal is payable annually on January 1. Interest is payable semi-annually on January 1 and July 1, commencing January 1, 2023.

On April 17, 2007, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a reimbursement agreement between the City and the Placentia Redevelopment Agency. This agreement provides that the former Placentia Redevelopment Agency will reimburse the City for a portion of the lease payment paid by the city to the Bond trustee. The portion reimbursed is based upon the portion of the capital improvements and improved facilities benefiting from the original proceeds of the related debt issue that were within the confines of the redevelopment project area.

The loan payable is the obligation of the City and is reported in full in the government-wide statement of net position, within the governmental activities. A portion of the 2003 Certificates of Participation, which constitutes 87.52% of the total obligation amount, is to be repaid by the former Placentia Redevelopment Agency, pursuant to the reimbursement agreement mentioned above. As such, an amount reflecting the total obligation is reported on the statement of fiduciary net position within the RDA Successor Agency Private-Purpose Trust Fund. A note receivable is reported in the General Fund, relating to the total obligation that the city is expected to have reimbursement by the former Placentia Redevelopment Agency (See Note 4 for additional details). The outstanding balance of the 2022 Certificates of Participation as of June 30, 2022, is \$2,189,027.

The final payment on this refinancing will be January 1, 2027 and may be prepaid in whole or in part on any payment date beginning on July 1, 2025.

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 436,330	\$ 28,865	\$ 465,195
2024	421,431	41,188	462,619
2025	433,047	31,285	464,332
2026	443,986	21,108	465,094
2027	454,233	10,674	464,907
Total	<u>\$ 2,189,027</u>	<u>\$ 133,120</u>	<u>\$ 2,322,147</u>

CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities (Continued)

2020 Lease Revenue Bonds

On November 12, 2020, the City issued the 2020A Lease Revenue Bonds through the Placentia Public Financing Authority to pay the City's currently unamortized, unfunded accrued actuarial liability to CalPERS for the benefit of City employees, to fund certain anticipated increases to the accrued liability to CalPERS, to fund a reserve account for the bonds and to pay the costs incurred in connection with the issuance of the bonds. The bonds are issued in denominations of \$5,000 and bear interest ranging from 1.7% to 4.0%. Interest on the bonds will be paid semi-annually on June 1 and December 1, of each year, commencing June 1, 2021.

The bonds are secured under an indenture as of November 1, 2020, by the authority and US Bank as trustee. The bonds are payable from the revenues pledged under the indenture. Under the indenture, the revenues are defined as base rental payment made by the City to the Authority as the rental for real property and improvements thereon. The City is required under the lease agreement to pay to the Authority specified amounts for use and possession of the leased property which amounts are calculated to be sufficient in both time and amount to pay, when due, the principal of and interest on the Bonds. Except for the Authority's right, title, and interest in and to the base rental payments and otherwise to the lease agreement which have been assigned to the trustee, no funds or properties of the Authority or the City are pledged to or otherwise liable for the bonds or any other obligations of the Authority.

The bonds are being issued to fund 100% of the City's unfunded liability for the miscellaneous plan and safety plan. Upon the issuance of the bonds, the city paid \$43,777,218 to CalPERS for deposit to the CalPERS payment fund. This amount represents the June 30, 2019, unfunded liability for the miscellaneous and safety plans shown in the 2019 CalPERS reports, rolled forward to November 12, 2020, and taking into account payments made during the fiscal years 2020 and 2021.

The bonds maturing on or after June 1, 2031, are subject to optional redemption prior to maturity on or after June 1, 2030, at the option of the City, in whole, or in part, on any date, at a redemption price equal to the principal amount of the bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium. The bonds maturing on June 1, 2035, and June 1, 2045, are subject to mandatory redemption on June 1, in each year until maturity, from mandatory sinking account payments made by the Authority, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, provided however, that in lieu of redemption thereof, such term bonds may be purchased by the Authority and tendered to the trustee.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities (Continued)

2020 Lease Revenue Bonds (Continued)

The bonds are reported in full in the government-wide statement of net position, within the governmental activities. The outstanding balance of the 2020A Lease Revenue Bonds as of June 30, 2022, is \$51,890,000. The annual debt service requirements are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,500,000	\$ 2,004,248	\$ 3,504,248
2024	1,860,000	1,975,342	3,835,342
2025	2,190,000	1,933,772	4,123,772
2026	2,405,000	1,878,036	4,283,036
2027	2,475,000	1,806,944	4,281,944
2028-2032	13,730,000	7,688,234	21,418,234
2033-2037	16,640,000	4,785,245	21,425,245
2038-2042	8,845,000	1,652,596	10,497,596
2043-2046	2,245,000	178,201	2,423,201
Total	<u>\$ 51,890,000</u>	<u>\$ 23,902,618</u>	<u>\$ 75,792,618</u>

2021 Installment Sale Agreement

On March 1, 2021, the City entered into an installment sale agreement with Trust Bank to refund all outstanding 2011 Gas Tax Certificates of Participation and to pay the costs of issuance in connection with such refunding. The agreement constitutes the legal and valid binding agreement of the City enforceable against the City. The installment payment, in the aggregate, are \$3,656,000 and include interest components, calculated at the rate of 1.65%, on the unpaid principal payable on the respective installment payment date. On the closing date, the City used the proceeds to pay (1) the amount of \$3,531,754 to the escrow fund and \$124,246 to the custodial account used to pay all costs of issuance related to the installment agreement.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities (Continued)

2021 Installment Sale Agreement (Continued)

The City's obligation to pay the installment payments is a special obligation of the City limited solely to the Gas Tax revenues and all amounts on deposit in the Gas Tax Fund. Under no circumstances is the City required to advance moneys derived from any source of income other than the Gas Tax revenues and other sources specifically identified in the agreement. The City has the option to prepay the principal components of the installment payments in whole, on any date, commencing on December 1, 2025. The bonds are reported in full in the government-wide statement of net position, within the governmental activities. The outstanding balance of the 2021 Installment Sale Agreement as of June 30, 2022, is \$3,004,000. The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 353,000	\$ 48,106	\$ 401,106
2024	358,000	42,265	400,265
2025	368,000	36,316	404,316
2026	373,000	30,220	403,220
2027	377,000	24,049	401,049
2028-2032	1,175,000	34,080	1,209,080
Total	<u>\$ 3,004,000</u>	<u>\$ 215,036</u>	<u>\$ 3,219,036</u>

Loans Payable

800 MHz CCCS Public Safety Radio Upgrade

On October 1, 2016, the City entered into a Purchase Agreement to finance the acquisition and implementation of Citywide public safety radios and dispatch site with the Orange County 800MHz Countywide Coordinated Communications System (CCCS). The assets acquired through the financing agreement were included in the machinery and equipment for governmental activities in the amount of \$1,319,360. The loan is for a period of 10 years with an interest rate of 3.13% for a total of \$187,871. Loan payments are payable quarterly in arrears of the period to which they relate to.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 148,417	\$ 19,053	\$ 167,470
2024	153,118	14,352	167,470
2025	157,967	9,503	167,470
2026	204,512	4,826	209,338
2027	-	-	-
Total	<u>\$ 664,014</u>	<u>\$ 47,734</u>	<u>\$ 711,748</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities (Continued)

Capital Lease (Continued)

Fire Loan Payable #1

On August 27, 2019, the City entered into an agreement for financing the acquisition of fire trucks and equipment for the Placentia Fire and Life Safety Department. The assets acquired through the financing agreement were included in the machinery and equipment for governmental activities in the amount of \$3,400,000. The loan is for a period of 10 years with an interest rate of 2.69%. Loan payments are payable on February 1 and August 1, commencing August 1, 2020. The title to the purchased equipment is in the name of the City. The loan proceeds are provided on a reimbursement basis after equipment has been purchased. Through June 30, 2022, the City had drawn down \$3,400,000, all of the available funds. Therefore, future debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 339,935	\$ 72,656	\$ 412,591
2024	349,140	63,450	412,590
2025	358,596	53,995	412,591
2026	368,307	44,284	412,591
2027	378,281	34,310	412,591
2028-2031	991,130	40,348	1,031,478
Total	<u>\$ 2,785,389</u>	<u>\$ 309,043</u>	<u>\$ 3,094,432</u>

Fire Loan Payable #2

On November 25, 2019, the City entered into an agreement for financing the acquisition of fire trucks and equipment for the Placentia Fire and Life Safety Department. The assets acquired through the financing agreement were included in the machinery and equipment for governmental activities in the amount of \$1,795,000. The loan is for a period of 10 years with an interest rate of 2.65%. Loan payments are payable on February 1 and August 1, commencing August 1, 2020. The title to the purchased equipment is in the name of the City. Through June 30, 2022, the City had drawn down \$1,795,000, all of the available funds. Therefore, future debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 178,474	\$ 37,527	\$ 216,001
2024	183,235	32,766	216,001
2025	188,123	27,879	216,002
2026	193,141	22,860	216,001
2027	198,293	17,708	216,001
2028-2031	519,184	20,817	540,001
Total	<u>\$ 1,460,450</u>	<u>\$ 159,557</u>	<u>\$ 1,620,007</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

A. Governmental Activities (Continued)

OCTA Advance

On February 16, 2010, the City entered into a cooperative agreement with the Orange County Transportation Authority (the OCTA). Terms of the cooperative agreement required OCTA to repay CalTrans \$1.5 million for previously disallowed costs in exchange for the City's support of OCTA's direction to CalTrans for any eligible project in Orange County.

In addition, OCTA advanced the City \$4.1 million of future Measure M funds to the City. Principal and accrued but unpaid interest payments are deducted from future Measure M funds over approximately 19 years. Interest is equal to the yield on OCTA's short-term investment portfolio, and resets annually on June 30. The outstanding principal as of June 30, 2022, is \$1,557,622.

Fire UAL Payoff Loan

On May 5, 2020 the City approved a payment plan to Cal PERS to pay off the \$1,878,760 unfunded accrued liability (UAL) on the termination of the City's Safety-Fire category of the City's contract with CalPERS. The payment plan is for a period of 5 years with an interest rate of 1.95%. Payments of \$31,664 are payable monthly through May 2025.

Leases Payable

The City leases land and improvements for various terms under five long-term, noncancelable lease agreements. The leases expire at various dates through May 11, 2026. The net present values of the leases payable were determined using a discount rates ranging from 0.315 to 2.093%. Rent payments ranging from \$723 to \$1,151, are paid monthly or ranging from \$1,483 to \$39,128, paid quarterly. The leases provide for increases in future minimum monthly rental payments subject to stated increases.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 192,165	\$ 2,800	\$ 194,965
2024	191,669	1,910	193,579
2025	174,650	1,037	175,687
2026	92,244	228	92,472
Total	<u>\$ 650,728</u>	<u>\$ 5,975</u>	<u>\$ 656,703</u>

Claims Payable

Estimated claims payable from general liability and workers' compensation claims as determined by outside claims administrator. Outstanding balance as of June 30, 2022, is as follows:

General Liability Claims	\$ 435,330
Workers' Compensation Claims	3,435,173
Total Claims Payable	<u>\$ 3,870,503</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Business-Type Activities

A summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2022, is as follows:

	Balance			Balance June 30, 2022	Classification	
	(As Restated)	Additions	Deletions		Due Within One Year	Due in More than One Year
Compensated Absences	\$ 44,357	\$ -	\$ (1,866)	\$ 42,491	\$ 2,788	\$ 39,703
Total	\$ 44,357	\$ -	\$ (1,866)	\$ 42,491	\$ 2,788	\$ 39,703

C. Fiduciary Activities

A summary of changes in long-term liabilities for fiduciary activities for the year ended June 30, 2022, is as follows:

	Balance			Balance June 30, 2022	Classification	
	June 30, 2021	Additions	Deletions		Due Within One Year	Due in More Than One Year
Bonds Payable:						
2013 Tax Allocation Refunding Bonds	\$ 9,355,000	\$ -	\$ (635,000)	\$ 8,720,000	\$ 650,000	\$ 8,070,000
Bond Premium:						
2013 Tax Allocation Refunding Bonds	39,460	-	(3,560)	35,900	-	35,900
Other Liabilities:						
2003 Refunding and Improvement Project Certificates of Participation	2,489,944	-	(306,320)	2,183,624	323,824	1,859,800
SERAF Obligation	991,314	-	-	991,314	-	991,314
Real Property Loan Obligation	1,215,676	-	(651,790)	563,886	-	563,886
Total	\$ 14,091,394	\$ -	\$ (1,596,670)	\$ 12,494,724	\$ 973,824	\$ 11,520,900

2013 Tax Allocation Refunding Bonds

On December 1, 2013, the Successor Agency to the Redevelopment Agency of the City of Placentia issued a tax allocation refunding bond (TARB) in the amount of \$13,120,000. Proceeds of the bond were used to refund the 2002 Series A & Series B Tax Allocation Bonds and the 2009 Subordinate Tax Allocation Note. The bond proceeds, together with other funds deposited from reserves, redeemed the 2002 Series A outstanding principal of \$2,445,000, the 2002 Series B outstanding principal of \$3,670,000, and the 2009 Subordinate TAN outstanding principal of \$6,850,000. In lieu of funding the Reserve Account with proceeds of the Bonds, the Successor Agency has determined to purchase a Municipal Bond Debt Service Reserve Insurance Policy issued by the Insurer.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

C. Fiduciary Activities (Continued)

2013 Tax Allocation Refunding Bonds (Continued)

The bond is a special obligation of the Successor Agency. The bond does not constitute a debt or liability of the City of Placentia, County of Orange, state of California, or of any political subdivision thereof, other than the Successor Agency. The Successor Agency shall only be obligated to pay the principal of the bond, or interest thereon, from the funds described within the Official Statement. Neither the faith and credit nor the taxing power of the City of Placentia, the County of Orange, the state of California, or any of its political subdivisions is pledged to the payment of the principal of or the interest on the bond. The Successor Agency has no taxing power. As of June 30, 2022, the outstanding principal on this bond is \$8,720,000.

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 650,000	\$ 360,175	\$ 1,010,175
2024	670,000	339,538	1,009,538
2025	695,000	315,619	1,010,619
2026	720,000	288,188	1,008,188
2027	750,000	258,788	1,008,788
2028-2032	4,260,000	753,050	5,013,050
2033	975,000	23,156	998,156
Total	<u>\$ 8,720,000</u>	<u>\$ 2,338,514</u>	<u>\$ 11,058,514</u>

Debt Related Pledge of Revenue

The Successor Agency has pledged a portion of future tax increment revenues to repay the 2013 TARB as the source of repayment of this debt. Tax increment revenues were projected to produce a certain percentage of the debt service requirements over the life of the debt. Due to the dissolution of the former Placentia Redevelopment Agency, the pledged revenue is deposited to the County of Orange Redevelopment Property Tax Trust Fund (RPTTF). The County forwards the City funds to pay these recognized obligations.

Certificates of Participation City Reimbursement

On April 17, 2007, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a reimbursement agreement between the City and the former Placentia Redevelopment Agency. This agreement provides that the former Placentia Redevelopment Agency will reimburse the City for a portion of the lease payment paid by the City to the bond trustee, with respect to the 2003 Certificates of Participation, which were refinanced during the year with the 2022 Certificates of Participation.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

C. Fiduciary Activities (Continued)

Certificates of Participation City Reimbursement (Continued)

The portion reimbursed is based upon the portion of the capital improvements and improved facilities benefiting from the original proceeds of the related debt issue that were within the confines of the redevelopment project area. The updated long-term liability balance as of June 30, 2022, of \$2,183,624 represents the portion of the outstanding principal balance of the 2022 COP for which the Successor Agency will reimburse the City.

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 323,824	\$ 103,772	\$ 427,596
2024	336,952	88,341	425,293
2025	354,456	72,335	426,791
2026	371,960	55,499	427,459
2027	389,464	37,831	427,295
2028	406,968	19,331	426,299
Total	<u>\$ 2,183,624</u>	<u>\$ 377,109</u>	<u>\$ 2,560,733</u>

Supplemental Education Revenue Augmentation Fund (SERAF) Obligation

The Successor Agency has accrued a liability in the amount of \$991,314 in regard to its Supplemental Education Revenue Augmentation Fund (SERAF) obligation. This amount includes the unpaid portions from fiscal years 2009-10 and 2010-11. In 2009, the state of California issued a mandate that shifted redevelopment funds to education purposes. This action required each local redevelopment agency to make payment to their respective County Auditor-Controller. The Placentia Redevelopment Agency did not make payment on this obligation for two fiscal years, as it did not have the means to do so. Nonpayment of SERAF obligations would usually result in suspension of redevelopment activity. Upon dissolution of redevelopment in 2012, this unpaid obligation was transferred to the Successor Agency. The Successor Agency will continue working to resolve this matter. Outstanding balance of SERAF Obligation as of June 30, 2022, was \$991,314.

Real Property Loan Obligation

On January 20, 2009, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a Purchase and Sale agreement between the City and the former Placentia Redevelopment Agency. This agreement provides that the Placentia Redevelopment Agency will finance and purchase two real properties from the City; 312 South Melrose Street and 110 South Bradford Avenue for \$2,270,000 based on appraised property values at an interest rate of 7%.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

C. Fiduciary Activities (Continued)

Real Property Loan Obligation Continued

Due to the dissolution of the former Placentia Redevelopment Agency at February 1, 2012, the obligation was transferred to the Successor Agency. The interest rate was decreased to 3% and the recalculated loan is applied first to principal and second to interest in compliance with Health and Safety Code 34191.4 (b) (3). Since the Successor Agency has no taxing ability, repayment of the obligation is from County of Orange Redevelopment Property Tax Trust Fund (RPTTF) proceeds distributed to the Successor Agency based on an annual tax increment distribution formula. The total principal and interest loan obligation due to the City as of June 30, 2022, is \$563,886.

NOTE 7 DEFERRED COMPENSATION PLANS

Section 457 Plan

The City has made available to its employees two deferred compensation plans, created in accordance with Internal Revenue Code (the IRC) Section 457, whereby employees authorize the City to defer a portion of their salary to be deposited in individual investment accounts. There are several options available for employees to invest, including annuities, life insurance, savings accounts, and mutual funds. Funds may be withdrawn by participants upon termination of employment, retirement, or a certified emergency. The City makes no contribution under the plans.

Pursuant to changes in IRC Section 457, the City amended its plans and established a trust into which all assets and income of the 457 plan were transferred during the year ended June 30, 1998. The assets and all income attributable to such amounts are held in trust for the exclusive benefit of the participant and their beneficiaries. These assets are no longer the property of the City, and therefore, are no longer subject to the claims of the City's general creditors. As a result, the assets of the 457 deferred compensation plans are no longer presented in an agency fund of the City's financial statements. The City has minimal involvement in the administration of the 457 plans, and therefore, lacks the fiduciary accountability that would require the 457 assets be recorded in an expendable trust fund.

The Defined Compensation Plan assets are not included in the accompanying basic financial statements.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 DEFERRED COMPENSATION PLANS (CONTINUED)

Section 401(a) Qualified Defined Contribution Pension Plan

All City sworn full-time fire personnel are eligible to participate in the Section 401(a) qualified defined contribution pension plan as allowed under the Internal Revenue Code. The plan type sponsored by the City is the Money Purchase Plan (Plan), which was last amended on January 1, 2020. The Plan is a defined contribution retirement plan in which the employer's contribution is nondiscretionary and is based on a formula that is not related to profits. The Plan sponsor guarantees no benefit and bears no investment risk while the Plan participants bear all investment risk and have no guaranteed level of benefits.

An administrative committee comprised of City personnel governs the Plan. The City Council has the authority to establish or amend the Plan's provisions. The Plan's provisions and contribution requirements are established and may be amended by City Council resolution.

Eligible employees begin participating the first day of the month following their employment date of work. The Plan is entirely funded by City contributions of 10% of the participants' gross pay to the deferred compensation plan. The City's contributions vest at 100% after completion of four years of uninterrupted employment.

Participants are eligible to begin receiving benefits at age 50 and are required to begin receiving benefits no later than April after age 70-1/2. The employees may also roll their funds to another retirement plan upon separation of service.

The City's payroll for employees covered by the Plan for the year ended June 30, 2022, was \$2,659,736. Total employee contributions paid by the City amounted to \$187,311 or 7.04% of covered payroll and of total payroll.

The Plan's assets are invested with ICMA Retirement Corporation Governmental Money Purchase Plan & Trust, a mutual fund company that offers participants multiple mutual fund category selections from which they can choose. As of June 30, 2022, the Plan had 25 participants and the market value of the Plan amounted to \$378,607.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Pension Contribution Made After Measurement Date:			
CalPERS Miscellaneous	\$ 531,247	\$ 58,634	\$ 589,881
CalPERS Safety	1,015,425	-	1,015,425
Total Pension Contribution Made After Measurement Date	1,546,672	58,634	1,605,306
Change in Assumptions			
CalPERS Miscellaneous	-	-	-
CalPERS Safety	-	-	-
Total Change in Assumptions	-	-	-
Difference Between Projected and Actual Investment Earnings:			
CalPERS Miscellaneous	6,804,920	751,065	7,555,985
CalPERS Safety	8,695,703	-	8,695,703
Total Difference Between Projected and Actual Investment Earnings	15,500,623	751,065	16,251,688
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous	-	-	-
CalPERS Safety	-	-	-
Total Difference Between Expected and Actual Experience	-	-	-
Changes in Proportion and differences between employer contributions and proportionate share of contributions:			
CalPERS Miscellaneous	1,338,052	147,682	1,485,734
CalPERS Safety	2,522,133	-	2,522,133
Total Employer Contributions in Excess of Proportionate Share of Contribution	3,860,185	147,682	4,007,867
Total Deferred Outflows of Resources:			
CalPERS Miscellaneous	8,674,219	957,381	9,631,600
CalPERS Safety	12,233,261	-	12,233,261
Total Deferred Outflows of Resources	<u>\$ 20,907,480</u>	<u>\$ 957,381</u>	<u>\$ 21,864,861</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS (CONTINUED)

A. Summary (Continued)

	Governmental Activities	Business-Type Activities	Total
Net Pension Assets:			
CalPERS Miscellaneous	\$ 7,795,341	\$ 860,379	\$ 8,655,720
CalPERS Safety	14,609,905	-	14,609,905
Total Net Pension Assets	<u>\$ 22,405,246</u>	<u>\$ 860,379</u>	<u>\$ 23,265,625</u>
Deferred Inflows of Resources:			
Change in Assumptions			
CalPERS Miscellaneous	\$ -	\$ -	\$ -
CalPERS Safety	-	-	-
Total Change in Assumptions	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Proportion and differences between employer contributions and proportionate share of contributions:			
CalPERS Miscellaneous	81,203	8,963	90,166
CalPERS Safety	584,295	-	584,295
Total Adjustment Due to Difference in Proportions	<u>665,498</u>	<u>8,963</u>	<u>674,461</u>
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous	874,164	96,482	970,646
CalPERS Safety	2,496,090	-	2,496,090
Total Difference Between Expected and Actual Experience	<u>3,370,254</u>	<u>96,482</u>	<u>3,466,736</u>
Employer Contributions In Excess of Proportionate Share of Contribution:			
CalPERS Miscellaneous	-	-	-
CalPERS Safety	-	-	-
Total Employer Contributions in Excess of Proportionate Share of Contribution	<u>-</u>	<u>-</u>	<u>-</u>
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous	-	-	-
CalPERS Safety	-	-	-
Total Difference Between Expected and Actual Experience	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources:			
CalPERS Miscellaneous	955,367	105,445	1,060,812
CalPERS Safety	3,080,385	-	3,080,385
Total Deferred Inflows of Resources	<u>\$ 4,035,752</u>	<u>\$ 105,445</u>	<u>\$ 4,141,197</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS (CONTINUED)

A. Summary (Continued)

	Governmental Activities	Business-Type Activities	Total
Pension (Income) Expenses:			
CalPERS Miscellaneous	\$ (13,034,592)	\$ (1,438,639)	\$ (14,473,231)
CalPERS Safety	(20,039,140)	-	(20,039,140)
Total Net Pension Income	<u>\$ (33,073,732)</u>	<u>\$ (1,438,639)</u>	<u>\$ (34,512,371)</u>

B General Information about the Pension Plans

Plan Description

The City contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing, multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of the CalPERS annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Employees Covered by Benefit Terms

At the June 30, 2020, measurement date the following employees were covered by the benefit terms:

	Miscellaneous	Miscellaneous Tier 2	Miscellaneous PEPRA	Safety	Safety PEPRA
Active Employees	23	9	61	22	29
Transferred Employees	52	13	36	19	10
Separated Employees	31	2	32	10	6
Retired Employees and Beneficiaries	180	-	2	119	-
Total	<u>286</u>	<u>24</u>	<u>131</u>	<u>170</u>	<u>45</u>

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS members become eligible for service retirement upon attainment of age 55 with at least five years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS (CONTINUED)

B General Information about the Pension Plans (Continued)

Benefit Provided (Continued)

Following are the benefit provisions for each plan:

	<u>Miscellaneous</u>	<u>Miscellaneous Tier 2</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
Benefit Formula	2.0% @ 55	2.0% @ 60	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	55	62	62	50	50-57
Monthly Benefits, as a Percentage of Eligible Compensation	2.0%	2.0%	2.0%	3.0%	2.7%
Required Employee Contribution Rate	7.000%	7.000%	6.750%	9.000%	13.000%
Required Employer Contribution Rate	10.880%	9.130%	7.590%	23.710%	13.130%

Contributions

For the year ended June 30, 2022, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Contributions - Employer	<u>\$ 1,485,734</u>	<u>\$ 2,522,133</u>	<u>\$ 4,007,867</u>

C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension (Income) Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

	<u>Plan Total Pension (Asset) Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension (Asset) / Liability</u>
Miscellaneous:			
Balance at June 30, 2020 (Valuation date)	\$ 57,082,960	\$ 40,663,791	\$ 16,419,169
Balance at June 30, 2021 (Measurement Date)	58,538,186	67,193,906	(8,655,720)
Net Changes During 2021-2022	<u>\$ 1,455,226</u>	<u>\$ 26,530,115</u>	<u>\$ (25,074,889)</u>
Safety:			
Balance at June 30, 2019 (Valuation date)	\$ 98,921,800	\$ 69,454,497	\$ 29,467,303
Balance at June 30, 2020 (Measurement Date)	98,844,465	113,454,370	(14,609,905)
Net Changes During 2021-2022	<u>\$ (77,335)</u>	<u>\$ 43,999,873</u>	<u>\$ (44,077,208)</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS (CONTINUED)

C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension (Income) Expense (Continued)

The City's net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2020, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability/(asset) for each Plan as of the June 30, 2019, measurement date (June 30, 2020, reporting date) and 2020 measurement date (June 30, 2021, reporting date) was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2021	0.38926 %	0.44230 %
Proportion - June 30, 2022	(0.45585)	(0.41630)
Change - Increase (Decrease)	<u>(0.84511)%</u>	<u>(0.85860)%</u>

For the year ended June 30, 2022, the City recognized pension income of \$14,473,231 and \$20,039,140, for the Miscellaneous and Safety plans, respectively. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution Made After the Measurement Date	\$ 589,881	\$ -
Difference Between Expected and Actual Experience	-	970,646
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,555,985	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,485,734	90,166
Total	<u>\$ 9,631,600</u>	<u>\$ 1,060,812</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS (CONTINUED)

C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension (Income) Expense (Continued)

	<u>Safety Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution Made After the Measurement Date	\$ 1,015,425	\$ -
Difference Between Expected and Actual Experience	-	2,496,090
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,695,703	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>2,522,133</u>	<u>584,295</u>
Total	<u>\$ 12,233,261</u>	<u>\$ 3,080,385</u>
	<u>Aggregate Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution Made After the Measurement Date	\$ 1,605,306	\$ -
Difference Between Expected and Actual Experience	-	3,466,736
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	16,251,688	-
Employer Contributions In Excess (Under) Proportionate Share of Contributions	-	-
Adjustments Due to Difference in Proportions	<u>4,007,867</u>	<u>674,461</u>
Total	<u>\$ 21,864,861</u>	<u>\$ 4,141,197</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS (CONTINUED)

C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension (Income) Expense (Continued)

For the Miscellaneous Plan and Safety Plan, \$589,881 and \$1,015,425, respectively, were reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period <u>Ending June 30,</u>	Deferred (Inflows) Outflows of Resources		
	Miscellaneous	Safety	Total
	Plan	Plan	
2023	\$1,838,447	\$1,329,925	\$ 3,168,372
2024	2,000,870	2,021,644	4,022,514
2025	2,053,506	2,392,946	4,446,452
2026	2,088,084	2,392,936	4,481,020
2027	-	-	-
Thereafter	-	-	-
Total	<u>\$ 7,980,907</u>	<u>\$ 8,137,451</u>	<u>\$ 16,118,358</u>

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS (CONTINUED)

C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Actuarial Assumptions (Continued)

The mortality table used was developed based on CalPERS-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 years 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.

Discount Rate

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of 1%.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

¹ An expected inflation of 2.0% was used for this period.

² An expected inflation of 2.92% was used for this period.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS (CONTINUED)

C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Discount Rate (Continued)

The discount rate used to measure the total pension liability was 7.15% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 Section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. The difference was deemed immaterial to the Public Agency Cost Sharing Multiple-Employer Defined Benefit Pension Plan.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net position liability for the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Plan's Net Pension (Asset) Liability		
	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Miscellaneous	\$ (926,869)	\$ (8,655,720)	\$ (15,045,048)
Safety	(1,304,587)	(14,609,905)	(25,538,580)
Total	\$ (2,231,456)	\$ (23,265,625)	\$ (40,583,628)

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 PENSION PLANS (CONTINUED)

C. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Payable to the Pension Plan

At June 30, 2022, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2022.

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Employer Contributions Made Subsequent to the Measurement Date	\$ 1,096,972	\$ 35,101	\$ 1,132,073
Changes in Assumptions	<u>3,493,907</u>	<u>111,797</u>	<u>3,605,704</u>
Total Deferred Outflows of Resources	<u>\$ 4,590,879</u>	<u>\$ 146,898</u>	<u>\$ 4,737,777</u>
Total OPEB Liability	<u>\$ 24,138,119</u>	<u>\$ 772,368</u>	<u>\$ 24,910,487</u>
Total OPEB liability	<u>\$ 24,138,119</u>	<u>\$ 772,368</u>	<u>\$ 24,910,487</u>
Deferred Inflows of Resources:			
Changes in Assumptions Difference Between Expected and Actual Experience	\$ 2,612,976	\$ 83,610	\$ 2,696,586
Total Deferred Inflows of Resources	<u>5,703,757</u>	<u>182,508</u>	<u>5,886,265</u>
	<u>\$ 8,316,733</u>	<u>\$ 266,118</u>	<u>\$ 8,582,851</u>
OPEB Expense	<u>\$ 153,246</u>	<u>\$ 4,904</u>	<u>\$ 158,150</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

B. General Information About OPEB

Plan Description

The City provides single-employer, post-employment defined benefits to retired employees in the form of a contribution towards their health insurance premiums under the CalPERS health plan which provides health insurance benefits to eligible retirees in accordance with various labor agreements. The minimum required retiree contributions are established by CalPERS. Survivor benefits are not provided. Copies of the CalPERS' annual financial report can be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Eligibility

All employees hired prior to November 21, 1995, are in Tier I and become eligible for these benefits as long as they are 50 years of age or older and have worked for the City a minimum of five years and elect a service retirement from the City. The health benefits for Tier I retirees include medical, dental, optical, and life. These benefits are considered to be vested for Tier I employees. The City pays the same contribution for these benefits to Tier I employees as is paid to active employees. Vision benefits are also provided to Tier I employees who retired after September 30, 1990. The life insurance is available to Tier I retirees until they reach age of 70.

All employees hired on or after November 21, 1995, are Tier II. The City pays the minimum required medical insurance contribution established by CalPERS for Tier II employees.

Membership in the plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Active Plan Members	168
Retirees	148
Total	316

C. Total OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

Contributions

The obligation of the City to contribute to the plan is established and may be amended by the City Council. The City Council has established a policy of funding the actuarially determined contribution (ADC) on a pay-as-you-go basis. For the fiscal year ended June 30, 2022, the City's average contribution rate was 8.16% of covered payroll. Employees are not required to contribute to the plan.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

C. Total OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability at June 30, 2022, was \$24,910,487.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	2.16% (Bond Buyer 20-Bond Index)
Inflation	2.50% Annually
Aggregate Payroll Increases	2.75%
Expected Long-Term Investment Rate of Return	N/A
Mortality, Termination, and Disability	CalPERS 2000-2019 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2021
Healthcare Trend Rate - Non-Medicare	An annual healthcare cost trend rate of 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Healthcare Trend Rate - Medicare	An annual healthcare cost trend rate of 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of the December 2017 CalPERS experience study covering 1997 to 2015.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21% percent. This discount rate is the mid-point, rounded to five basis points of the range of three 20-year municipal bond rate indices; S&P Municipal bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

C. Total OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Change in the Total OPEB Liability

	Total OPEB Liability
Balance - June 30, 2020 (Measurement Date)	\$ 31,325,826
Changes Recognized for the Measurement Period:	
Service Cost	532,568
Interest on the Total OPEB Liability	691,435
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(4,989,665)
Changes of Assumptions	(1,506,167)
Contributions from the Employer	-
Net Investment Income	-
Administrative Expenses	-
Benefit Payments	(1,143,510)
Net Changes	(6,415,339)
Balance - June 30, 2021 (Measurement Date)	\$ 24,910,487

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.21%) or 1-percentage point higher (3.21%) than the current discount rate:

	Plan's Total OPEB Liability		
	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
	OPEB Pension Plan	\$ 28,681,622	\$ 24,910,487

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	Plan's Total OPEB Liability		
	Healthcare		
	1% Decrease	Cost Trend Rates	1% Increase
OPEB Pension Plan	\$ 21,821,211	\$ 24,910,487	\$ 28,746,238

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

C. Total OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$158,150. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ -	\$ 5,886,265
Changes in Assumptions	3,605,704	2,696,586
Employer Contributions Made Subsequent to the Measurement Date	1,132,073	-
Total	<u>\$ 4,737,777</u>	<u>\$ 8,582,851</u>

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 7.1 years, which was determined as of July 1, 2019, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

\$1,132,073 was reported as a deferred outflow of resources related to OPEB resulting from the City's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (1,068,498)
2024	(1,068,498)
2025	(678,498)
2026	(499,392)
2027	(231,418)
Thereafter	(1,430,843)
Total	<u>\$ (4,977,147)</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 RISK MANAGEMENT AND SELF-INSURANCE PROGRAM

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in municipal agency risk pools for their property, workers' compensation, and excess liability coverage.

A. General Liability

The City is a member of the Public Agency Risk Sharing Authority of California (PARSAC), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the program, the City has a \$100,000 retention limits similar to a deductible with the PARSAC being responsible for losses above that amount up to \$1 million.

The PARSAC has additional coverage of \$34 million in excess of its \$1 million retention limit affiliated risk management authorities. The PARSAC also provides \$1 billion aggregate per occurrence property coverage to its members with such coverage provided by purchased insurance.

B. Workers' Compensation

The City is a member of the Local Agency Workers' Compensation Excess (the LAWCX), a joint powers authority, which provides joint protection programs for public entities covering worker's compensation claims. Under the program, the City has a \$250,000 retention limits similar to a deductible with the LAWCX being responsible for losses above that amount up to \$4.7 million. The City has purchased excess coverage for Workers' Compensation excess of \$5 million.

C. Other Insurance

The City has Crime Bond Insurance coverage as a member of PARSAC under Alliant Crime Insurance Program (the ACIP) excess of \$2,500 up to \$1 million. This insurance includes coverage for faithful performance of duty, forgery, or alteration, inside premises theft of money and securities, inside premises robbery and safety, burglary other property outside the premises, computer fraud, funds transfer fraud, and money orders and counterfeit paper currency fraud.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 RISK MANAGEMENT AND SELF-INSURANCE PROGRAM (CONTINUED)

C. Other Insurance (Continued)

A reconciliation of changes in aggregates for claims filed in the current and prior fiscal years are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability	Amounts Due within One Year	Amounts Due in more than One Year
Workers' Compensation:						
2019-2020	\$ 2,207,945	\$ 153,342	\$ (385,700)	\$ 1,975,587	\$ 493,897	\$ 1,481,690
2020-2021	1,975,587	2,157,487	(697,901)	3,435,173	858,793	2,576,380
2021-2022	3,435,173	1,034,044	(762,874)	3,706,343	926,586	2,779,757
General Liability:						
2019-2020	\$ 23,901	\$ 264,501	\$ (28,745)	\$ 259,657	\$ 64,914	\$ 194,743
2020-2021	259,657	230,514	(54,841)	435,330	108,833	326,497
2021-2022	435,330	272,173	601,365	1,308,868	327,217	981,651

NOTE 11 CLASSIFICATION OF FUND BALANCES

At June 30, 2022, fund balances are classified in the governmental funds as follows:

	General Fund	Citywide Development Impact Fee Special Revenue Fund	2020A PFA Lease Revenue Bonds Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Inventory	\$ 173,020	\$ -	\$ -	\$ -	\$ 173,020
Prepaid Items	95,891	6,300	-	-	102,191
Loans Receivable	2,252,856	-	-	-	2,252,856
Total Nonspendable	2,521,767	6,300	-	-	2,528,067
Restricted:					
Public Safety	-	-	-	720,405	720,405
Public Works	-	-	-	3,418,044	3,418,044
Community Development	-	-	-	1,231,807	1,231,807
Community Services	-	4,405,452	-	-	4,405,452
Debt Service	2,024	-	6,463,492	78,696	6,544,212
Grant Programs	-	-	-	-	-
Transportation	-	-	-	826,150	826,150
Park Development	-	-	-	20,193	20,193
Street Maintenance	-	-	-	780,314	780,314
Air Quality	-	-	-	202,385	202,385
Housing	-	-	-	2,026,325	2,026,325
Total Restricted	2,024	4,405,452	6,463,492	9,304,319	20,175,287
Committed:					
Measure U - Infrastructure	4,035,815	-	-	-	4,035,815
Measure U - OPEB	770,595	-	-	-	770,595
Capital Projects	9,049,313	-	-	-	9,049,313
Total Committed	13,855,723	-	-	-	13,855,723
Unassigned	7,204,966	-	-	(2,753,688)	4,451,278
Total Fund Balances	<u>\$ 23,584,480</u>	<u>\$ 4,411,752</u>	<u>\$ 6,463,492</u>	<u>\$ 6,550,631</u>	<u>\$ 41,010,355</u>

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 COMMITMENTS AND CONTINGENCIES

A. Commitments

The City had several outstanding or planned construction and other projects as of June 30, 2022. These projects are evidenced by contractual commitments with contractors or other agencies and include:

<u>Project</u>	<u>Commitment</u>
TOD/Crowther Sewer Project	\$ 3,217,616
Replace Hydraulic Vehicle Lift	65,321
Pergola replacement for Civic	14,948
FY 2020-21 Arterial Roadway R	478,433
FY 2021-22 Slurry Seal Project	149,398
FY 2021-22 Concrete Repair Pro	8,868
Storm Drain Master Plan	188,747
Old City Hall Renovation	369,868
Total	<u>\$ 4,493,199</u>

The City has various outstanding purchase commitments. Total commitments at June 30, 2022, are as follows:

	<u>Outstanding Purchase Commitments</u>
Governmental Funds:	
General Fund	\$ 5,641,289
Other Governmental Funds	3,443,442
Total	<u>\$ 9,084,731</u>

B. Contingencies

The City is a defendant in a number of lawsuits, which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

C. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of noncompliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 OTHER REQUIRED FUND DISCLOSURES

A. Expenditures in Excess of Appropriation

Excess of expenditures over appropriations occurred in individual funds during the year ended June 30, 2022, as follows:

	<u>Expenditures</u>	<u>Appropriation</u>	<u>Expenditure in Excess of Appropriations</u>
Special Revenue Funds:			
Street Lighting	\$ 510,730	\$ 170,900	\$ (339,830)
Landscape Maintenance			
District 92-1	427,416	407,412	(20,004)
Gasoline Tax	809,650	300,800	(508,850)
TOD Impact Fee	378,453	220,000	(158,453)
Debt Service Funds:			
Major Debt Service Fund	3,149,882	3,086,600	(63,282)

B. Deficit Net Position and Fund Balances

Funds with deficit net position/fund balance at June 30, 2022, are as follows:

	<u>Deficit Fund Balance</u>	<u>Deficit Net Position</u>
Capital Projects Fund:		
City Capital Projects	<u>\$ (608,236)</u>	
Internal Service Fund:		
Risk Management		<u>\$ (2,978,592)</u>
Special Revenue Funds:		
Miscellaneous Grants	\$ (219,138)	
Landscape Maintenance District 92-1	(70,616)	
Housing and Community Development	(649,863)	
Placentia Regional Navigation Center	<u>(1,208,745)</u>	
Total	<u>\$ (649,863)</u>	

At June 30, 2022, the City had an unrestricted net position deficit of \$(65,260,587) on the statement of activities. This deficit was created from the implementation of GASB Statement 68 (Net Pension Liability) in fiscal year 2015 and the implementation of GASB Statement 75 (Total OPEB Liability) in 2018. The City expects to eliminate the deficit via increased pension and OPEB contributions consistent with the amortization schedules provided by the City's pension and OPEB administrators.

**CITY OF PLACENTIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 PRIOR PERIOD ADJUSTMENTS

Beginning net position (deficit) was restated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position at July 1, 2021, as Previously Reported	\$ 39,254,203	\$ 8,581,358	\$ 47,835,561
Restatement Due to Compensated Absences	1,494,165	-	(28,181,307)
Restatement Due Fire UAL	<u>(1,431,676)</u>	<u>-</u>	<u>(1,431,676)</u>
Net Position at July 1, 2021, as Restated	<u>\$ 39,316,692</u>	<u>\$ 8,581,358</u>	<u>\$ 18,222,578</u>
	<u>Fiduciary Funds</u>		
	RDA		
	<u>Successor Agency</u>		
Net Deficit at July 1, 2021, as Previously Reported	\$ (13,454,422)		
Restatement to Correct for Revenue Recorded as Unearned in the Prior Year in Error	<u>640,432</u>		
Net Deficit at July 1, 2021, as Restated	<u>\$ (12,813,990)</u>		

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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**CITY OF PLACENTIA
BUDGETARY COMPARISON SCHEDULE –
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 37,372,300	\$ 40,218,145	\$ 41,621,461	\$ 1,403,316
Intergovernmental	265,000	274,000	952,389	678,389
Licenses and Permits	1,874,900	2,029,900	2,440,102	410,202
Fines and Forfeitures	444,200	444,200	503,302	59,102
Investment Income	50,000	67,000	(323,152)	(390,152)
Charges for Services	1,155,700	1,175,700	1,263,215	87,515
Leases and Rents	1,293,400	1,293,400	1,422,831	129,431
Miscellaneous	947,300	983,988	785,684	(198,304)
Total Revenues	<u>43,402,800</u>	<u>46,486,333</u>	<u>48,665,832</u>	<u>2,179,499</u>
EXPENDITURES				
Current:				
General Government	11,744,600	12,021,455	12,055,475	(34,020)
Public Safety	16,081,300	15,910,968	15,441,982	468,986
Public Works	4,142,600	4,352,813	3,514,281	838,532
Community Development	1,276,000	1,677,522	1,482,732	194,790
Community Services	2,357,100	2,504,689	2,289,940	214,749
Capital Outlay	4,911,700	16,036,738	5,034,753	11,001,985
Debt Service:				
Principal Retirement	2,094,500	2,094,500	1,320,810	773,690
Payment to Refunding Bond Escrow Agent	-	-	488,521	(488,521)
Interest and Fiscal Charges	307,600	307,600	343,759	(36,159)
Debt Issuance Costs	-	-	117,995	
Total Expenditures	<u>42,915,400</u>	<u>54,906,285</u>	<u>42,090,248</u>	<u>12,934,032</u>
REVENUE OVER (UNDER) EXPENDITURES	487,400	(8,419,952)	6,575,584	15,113,531
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	2,189,027	2,189,027
Payment to Escrow for Refunding Debt	-	-	(2,069,027)	(2,069,027)
Transfers In	2,855,500	9,105,992	102,947	(9,003,045)
Transfers Out	(3,135,600)	(3,139,600)	(3,444,522)	(304,922)
Total Other Financing Sources (Uses)	<u>(280,100)</u>	<u>5,966,392</u>	<u>(3,221,575)</u>	<u>(9,187,967)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 207,300</u>	<u>\$ (2,453,560)</u>	3,354,009	<u>\$ 5,807,569</u>
Fund Balance - Beginning of Year			<u>20,230,471</u>	
FUND BALANCE - END OF YEAR			<u>\$ 23,584,480</u>	

See accompanying Notes to Budgetary Comparison Schedules.

**CITY OF PLACENTIA
BUDGETARY COMPARISON SCHEDULE –
CITYWIDE DEVELOPMENT IMPACT FEE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	9,138	9,138
Total Revenues	-	-	9,138	9,138
EXPENDITURES				
Current:				
Public Safety	-	-	10,283	(10,283)
Capital Outlay	1,102,500	3,813,904	1,109,219	2,704,685
Total Expenditures	1,102,500	3,813,904	1,119,502	2,694,402
REVENUE OVER (UNDER) EXPENDITURES	<u>(1,102,500)</u>	<u>(3,813,904)</u>	<u>(1,110,364)</u>	<u>2,703,540</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,102,500)</u>	<u>\$ (3,813,904)</u>	<u>(1,110,364)</u>	<u>\$ 2,703,540</u>
Fund Balance - Beginning of Year			<u>4,791,624</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,681,260</u>	

See accompanying Notes to Budgetary Comparison Schedules.

**CITY OF PLACENTIA
NOTES TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2022**

Budgetary Control and Accounting Policy

The City prepares its budgets on the basis of estimated revenues and expenditures and, accordingly, the budget amounts included in the accompanying financial statements are presented on a basis substantially consistent with generally accepted accounting principles. Encumbrance accounting is utilized during the fiscal year, whereby purchase orders, contracts, and other commitments are recorded in order to control appropriations. However, at fiscal year-end, all appropriations lapse. Accordingly, encumbrances are cancelled and generally are re-appropriated as part of the following year's budget. Encumbrances are not included in reported expenditures.

Annual budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. In 2022, the City did not create a budget for the following governmental special revenue funds: Park Development, Traffic Offender, Sewer Construction, Community Based Transitional Housing Grant, and Orangethorpe Corridor.

The budgetary level of control for all governmental fund types is the fund level. The City Administrator has the discretion to transfer appropriations between departments within a fund, but transfers between funds must be approved by the City Council.

**CITY OF PLACENTIA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITIES AND RELATED RATIOS –
MISCELLANEOUS PLAN
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022**

Measurement Period, Year Ended ¹	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan's Proportion of the Net Pension Liability	-0.45585%	0.38926%	0.14843%	0.14479%	0.14212%	0.14024%	0.13337%	0.13850%
Plan's Proportionate Share of the Net Pension (Asset) Liability	\$ (8,655,720)	\$ 16,419,169	\$ 15,209,436	\$ 13,952,246	\$ 14,094,828	\$ 12,135,165	\$ 9,154,245	\$ 8,617,803
Plan's Covered Payroll	\$ 4,587,533	\$ 4,453,916	\$ 4,324,190	\$ 4,198,243	\$ 4,075,964	\$ 4,140,888	\$ 3,220,454	\$ 3,712,315
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	-188.68%	368.65%	351.73%	332.34%	345.80%	293.06%	284.25%	232.14%
Plan's Fiduciary Net Position	\$ 67,193,906	\$ 40,663,791	\$ 41,142,220	\$ 40,682,189	\$ 39,816,871	\$ 38,103,697	\$ 40,735,920	\$ 42,161,022
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	114.79%	71.24%	73.01%	74.46%	73.86%	75.85%	81.65%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 2,642,842	\$ 1,383,994	\$ 1,139,534	\$ 932,993	\$ 785,438	\$ 667,441	\$ 383,155	\$ 412,406

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

In fiscal year 2017-2018, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of this assumption change and the unamortized portion of the changes of assumptions related to prior measurement periods.

From fiscal year June 30, 2018 to June 30, 2019:

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

From fiscal year June 30, 2019 to June 30, 2020:

In fiscal year 2019-2020, the financial reporting discount rate was reduced from 7.375% to 7.150%. The inflation rate was reduced from 2.75% to 2.50% in fiscal year 2019-2020.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

¹ Historical information is presented only for measurement periods after GASB 68 implementation.

CITY OF PLACENTIA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITIES AND RELATED RATIOS –
SAFETY PLAN
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022

Measurement Period, Year Ended ¹	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan's Proportion of the Net Pension Liability	-0.41630%	0.44230%	0.26351%	0.27222%	0.27242%	0.28572%	0.30267%	0.30596%
Plan's Proportionate Share of the Net Pension (Asset) Liability	\$ (14,609,905)	\$ 29,467,303	\$ 27,002,144	\$ 26,231,540	\$ 27,017,047	\$ 24,723,412	\$ 20,774,757	\$ 19,038,500
Plan's Covered Payroll	\$ 4,381,633	\$ 4,254,013	\$ 4,130,110	\$ 4,009,816	\$ 3,893,025	\$ 4,142,921	\$ 4,074,947	\$ 4,323,789
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	692.69%	653.79%	654.18%	693.99%	596.76%	509.82%	440.32%
Plan's Fiduciary Net Position	\$ 113,454,370	\$ 69,454,497	\$ 69,385,418	\$ 65,913,238	\$ 62,459,293	\$ 58,150,629	\$ 60,121,518	\$ 61,484,214
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	114.78%	70.21%	71.99%	71.53%	69.81%	70.17%	74.32%	76.36%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 6,061,344	\$ 2,517,884	\$ 2,108,590	\$ 3,034,432	\$ 2,753,462	\$ 2,568,441	\$ 2,175,167	\$ 2,157,763

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without redu for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

In fiscal year 2017-2018, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of this assumption change and the unamortized portion of the changes of assu related to prior measurement periods.

From fiscal year June 30, 2018 to June 30, 2019:

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptic December 2017. There were no changes in the discount rate.

From fiscal year June 30, 2019 to June 30, 2020:

In fiscal year 2019-2020, the financial reporting discount rate was reduced from 7.375% to 7.150%. The inflation rate was reduced from 2.75% to 2.50% fiscal year 2019-2020.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

¹ Historical information is presented only for measurement periods after GASB 68 implementation.

**CITY OF PLACENTIA
SCHEDULE OF CITY'S PENSION CONTRIBUTIONS –
MISCELLANEOUS PLAN
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022**

Fiscal Year ¹	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually Determined Contribution (Actuarially Determined)	\$ 589,881	\$ 1,516,621	\$ 1,383,994	\$ 1,139,534	\$ 932,993	\$ 785,438	\$ 667,441	\$ 383,155
Contributions in Relation to the Actuarially Determined Contributions	<u>(589,881)</u>	<u>(17,663,643)</u>	<u>(1,383,994)</u>	<u>(1,139,534)</u>	<u>(932,993)</u>	<u>(785,438)</u>	<u>(667,441)</u>	<u>(383,155)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (16,147,022)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 4,725,159	\$ 4,587,533	\$ 4,453,916	\$ 4,324,190	\$ 4,198,243	\$ 4,075,964	\$ 4,140,888	\$ 3,220,454
Contributions as a Percentage of Covered Payroll	0.00%	385.04%	31.07%	26.35%	22.22%	19.27%	16.12%	11.90%

Notes to Schedule:

Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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Methods and Assumptions Used
to Determine

Contribution Rates:								
Actuarial Cost Method	Entry age							
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	15 Year Smoothed Market Method						
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.150% (3)	7.150% (3)	7.150% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2%@62**
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

¹ Historical information is presented only for measurement periods after GASB 68 implementation.

**CITY OF PLACENTIA
SCHEDULE OF CITY'S PENSION CONTRIBUTIONS –
SAFETY PLAN
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022**

Fiscal Year	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15 ¹
Contractually Determined Contribution (Actuarially Determined)	\$ 1,015,425	\$ 2,561,365	\$ 2,519,683	\$ 2,108,590	\$ 3,034,432	\$ 2,753,462	\$ 2,568,441	\$ 2,175,167
Contributions in Relation to the Actuarially Determined Contributions	(1,015,425)	(30,597,527)	(2,519,683)	(2,108,590)	(3,034,432)	(2,753,462)	(2,568,441)	(2,175,167)
Contribution Deficiency (Excess)	\$ -	\$ (28,036,162)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,513,082	\$ 4,587,533	\$ 4,254,014	\$ 4,130,110	\$ 4,009,816	\$ 3,893,025	\$ 4,142,921	\$ 4,074,947
Contributions as a Percentage of Covered Payroll	22.50%	666.97%	59.23%	51.05%	75.68%	70.73%	62.00%	53.38%

Notes to Schedule:

Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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Methods and Assumptions Used
to Determine

Contribution Rates:								
Actuarial Cost Method	Entry age							
Amortization Method	(1.00)	(1.00)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	15 Year Smoothed Market Method						
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.150% (3)	7.150% (3)	7.150% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2%@62**
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

¹ Historical information is presented only for measurement periods after GASB 68 implementation.

CITY OF PLACENTIA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022

Measurement Period, Year Ending: ¹	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB Liability:					
Service Cost	\$ 532,568	\$ 359,454	\$ 542,976	\$ 569,606	\$ 675,000
Interest	691,435	919,735	1,092,405	1,032,870	899,000
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	(4,989,665)	-	(2,606,242)	-	-
Changes of Assumptions	(1,506,167)	4,699,117	332,593	(1,089,486)	(3,058,000)
Benefit Payments, Including Refunds of Member Contributions	(1,143,510)	(1,142,314)	(1,112,888)	(1,107,000)	(1,116,000)
Net change in Total OPEB Liability	<u>(6,415,339)</u>	<u>4,835,992</u>	<u>(1,751,156)</u>	<u>(594,010)</u>	<u>(2,600,000)</u>
Total OPEB Liability - Beginning	<u>31,325,826</u>	<u>26,489,834</u>	<u>28,240,990</u>	<u>28,835,000</u>	<u>31,435,000</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 24,910,487</u></u>	<u><u>\$ 31,325,826</u></u>	<u><u>\$ 26,489,834</u></u>	<u><u>\$ 28,240,990</u></u>	<u><u>\$ 28,835,000</u></u>
OPEB Fiduciary Net Position:					
Contributions - Employer	\$ 1,132,073	\$ 1,146,160	\$ 1,142,314	\$ 1,112,888	\$ 1,116,000
Net Investment Income	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,132,073)	(1,146,160)	(1,142,314)	(1,112,888)	(1,116,000)
Administrative Expense	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Net OPEB Liability - Ending (a) - (b)	<u><u>\$ 24,910,487</u></u>	<u><u>\$ 31,325,826</u></u>	<u><u>\$ 26,489,834</u></u>	<u><u>\$ 28,240,990</u></u>	<u><u>\$ 28,835,000</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 17,448,843	\$ 13,993,405	\$ 12,286,189	\$ 11,810,189	\$ 9,367,000
Plan Net OPEB Liability as a Percentage of Covered Payroll	0%	224%	216%	239%	308%

Notes to Schedule:

For the June 30, 2021, measurement date, the discount rate was updated based on the municipal bond rate as of the measurement date.

¹ Historical information is only presented for measurement periods after GASB 75 implementation.

**CITY OF PLACENTIA
SCHEDULE OF CITY'S OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022**

Fiscal Year ¹	2021-22	2020-21	2019-20	2018-19	2017-18
Actuarially Determined Contribution	\$ 1,132,073	\$ 1,146,160	\$ 1,142,314	\$ 1,112,888	\$ 1,107,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(1,132,073)</u>	<u>(1,146,160)</u>	<u>(1,142,314)</u>	<u>(1,112,888)</u>	<u>(1,107,000)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$ 17,448,843	\$ 13,993,405	\$ 12,286,189	\$ 11,810,189	\$ 11,466,203
Contributions as a Percentage of Covered Payroll	0.00%	8.19%	9.30%	9.42%	9.65%

Notes to Schedule:

Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2017	6/30/2017
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Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level Percentage of Payroll
Inflation	2.50% Annually
Salary Increases	Aggregate 2.75% Annually, Merit - CalPERS 2000-2019 Experience Study
Payroll Growth	2.75%
Discount Rate	2.21% (Bond Buyer 20-Bond Index)
Mortality, Retirement, Disability, and Termination	CalPERS Experience Study 2000-2019
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2021

¹ Historical information is only presented for measurement periods after GASB 75 implementation.

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SUPPLEMENTARY INFORMATION

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CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DEBT SERVICE FUND (MAJOR FUND)
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 1,582	\$ 1,582
Total Revenues	<u>-</u>	<u>-</u>	<u>1,582</u>	<u>1,582</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	360,000	307,500	1,060,000	(752,500)
Interest and Fiscal Charges	2,026,600	2,026,600	2,026,072	528
Debt Issuance Costs	700,000	752,500	63,810	688,690
Total Expenditures	<u>3,086,600</u>	<u>3,086,600</u>	<u>3,149,882</u>	<u>(63,282)</u>
REVENUE OVER (UNDER) EXPENDITURES	(3,086,600)	(3,086,600)	(3,148,300)	(61,700)
OTHER FINANCING SOURCES				
Issuance of Debt	700,000	752,500	-	(752,500)
Transfers In	53,000	(53,000)	3,069,763	3,122,763
Transfers Out	-	-	(78,594)	(78,594)
Total Other Financing Sources	<u>753,000</u>	<u>699,500</u>	<u>2,991,169</u>	<u>2,291,669</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,333,600)</u>	<u>\$ (2,387,100)</u>	(157,131)	<u>\$ 2,229,969</u>
Fund Balance - Beginning of Year			<u>6,620,623</u>	
FUND BALANCE - END OF YEAR			<u>\$ 6,463,492</u>	

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NONMAJOR GOVERNMENTAL FUNDS

Miscellaneous Grants Special Revenue Fund – to account for federal, state, county, or other grants received which are not otherwise separately accounted for in other funds.

Park Development Special Revenue Fund – to account for in lieu fees charged to developers on a per unit basis for park development and rehabilitation.

Street Lighting Special Revenue Fund – to account for funds received from special assessments on property owners to provide street lighting in areas of the City not covered by the County lighting district.

Measure M Special Revenue Fund – to account for funds received by the City as a result of the voter-approved ballot measure in 1990 and extended by voter approval in 2006 to increase sales tax by ½% in Orange County to fund transportation projects.

Storm Drain Construction Special Revenue Fund – to account for funds restricted by state law to be spent on storm drain construction, which are received from acreage fees placed on developers at the time of development. The City is divided into eight storm drain areas and funds can be expended only within the area in which funds are collected.

Thoroughfare Construction Special Revenue Fund – to account for funds restricted by City ordinance to be spent for traffic signal, bridge, and culvert construction, which are received from acreage fees placed on developers at the time of development.

Asset Seizure Special Revenue Fund – to account for monies seized from criminal activities. Revenues are restricted for use in law enforcement.

Traffic Offender Special Revenue Fund – to account for revenue generated from driving under the influence (DUI) administrative impound fees that are restricted to be spent on traffic enforcement activities, including, but not limited to, personnel, training, and equipment costs.

Supplemental Law Enforcement Special Revenue Fund – to account for the receipts and expenditures of funds resulting from the Citizen's Option for Public Safety (COPS) program, a state funded program, which are restricted for front line municipal police services.

Air Quality Special Revenue Fund – to account for the City's portion of motor vehicle registration fees collected pursuant to AB2766 passed during the 1990 state legislative session. This fee was levied to fund programs to reduce air pollution from mobile sources, such as cars, trucks, and buses.

Landscape Maintenance District 92-1 Special Revenue Fund – to account for benefit assessments levied under the Landscaping and Lighting Act of 1972, restricted for maintenance, operation, and administration of landscape improvements in certain areas of the City.

Housing and Community Development Special Revenue Fund – to account for U.S. Housing and Community Development Department grants requiring segregated fund accounting, such as the Community Development Block Grant program.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Gasoline Tax Special Revenue Fund – to account for receipts and expenditures of money apportioned under Streets and Highways Code Sections 2103, 2105, 2106, 2107, and 2107.5 of the state of California. These funds are earmarked for maintenance, rehabilitation, or improvement of public streets.

Sewer Construction Special Revenue Fund – to account for funds restricted by state law to be spent on sewer construction, which are received from acreage fees placed on developers at the time of development.

PEG Special Revenue Fund – to account for a portion of funds received from cable television franchise fees that are restricted for use for Public, Educational, and Governmental (PEG) access channels and related programming.

Affordable Housing in Lieu Fund – to account for the receipt and expenditure of developer fees restricted for affordable housing purposes.

SBJ Gas Tax Fund – to account for the receipts and expenditures of Road Maintenance and Rehabilitation Account (RMRA) funds resulting from the Road Repair and Accountability Act of 2017 (SB 1). Funds are restricted for maintenance, rehabilitation or improvement of streets, freeways, bridges, and other transit related improvements.

North Orange County Public Safety Grant Fund – to account for the receipts and expenditures of the North Orange County Public Safety Task Force (NOC) grant funds to the City. Funds are restricted to be used for law enforcement activities, including, but not limited to, pertaining to violence prevention, intervention, and suppression activities.

Community Based Transitional Housing Grant Fund – to account for the receipts and expenditures of the Community-Based Transitional Housing Program Grant awarded by the state of California Department of Finance. Funds are restricted to be used to provide transitional support housing that provides treatment and reentry programming to individuals who will benefit from those services.

TOD Impact Fee Special Revenue Fund – to account for the receipts and expenditures of new development impact on the City's sewer collection system in the City's Transit-Oriented Development Zone (TOD). Funds are restricted within the TOD project area, including, but not limited to acquisition, financing, construction, and reconstruction of sanitary or sewer facilities and infrastructure in the TOD.

Placentia Regional Navigation Center Special Revenue Fund – to account for the receipts and expenditures related to the construction and operation of the Placentia Regional Navigation Center. Revenues include the Homeless Emergency Aid Program (HEAP) Grant and SB2 funds. Future revenue sources will include reimbursements from the North Orange County Cities.

General Plan Update Fee Fund – to account for the accumulation of General Plan update fees that are charged on building permits. Expenditures are restricted to update the City General Plan or other specific plans.

Technology Impact Fee Fund – to account for the accumulation of technology fees charged on building permits. Expenditures are restricted for the acquisition and construction of technology improvements.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

OCATT Fund – to account for public safety staff assigned to the Orange County Auto Theft Task Force (OCATT). Activities include auto theft, including, but not limited to, prevention, intervention, and suppression activities.

Housing Successor Fund – to account for the residual balance of the former low- and moderate-income housing fund of the former Placentia Redevelopment Agency, and revenues and expenditures related to such housing projects and programs.

Orangethorpe Corridor Fund –to account for financing and construction of all rail projects within the boundaries of the City.

Cal Recycle Grant Fund – to account for the receipts and expenditures related to the funding received from CalRecycle grants related to recycling and material diversion programs.

American Rescue Plan Act Fund – to account for the receipts and expenditures related to the American Rescue Plan Act which was provided to fund additional relief for individuals and business affected by the coronavirus pandemic.

City Capital Projects Fund – to account for and report financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities within the boundaries of the City.

Gas Tax Debt Service Fund – to account for the receipt and expenditure of gas tax revenues pledged for the payment of debt service on debt payable from Gas Tax proceeds.

**CITY OF PLACENTIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds						
	Miscellaneous Grants	Park Development	Street Lighting	Measure M	Storm Drain Construction	Thoroughfare Construction	Asset Seizure
ASSETS							
Cash and Investments	\$ -	\$ 20,193	\$ 49,716	\$ 675,684	\$ 530	\$ 4,752	\$ 230,492
Receivables:							
Accounts	-	-	1,128	106,819	-	-	-
Grants	-	-	-	-	-	-	-
Loans and Notes	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 20,193</u>	<u>\$ 50,844</u>	<u>\$ 782,503</u>	<u>\$ 530</u>	<u>\$ 4,752</u>	<u>\$ 230,492</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 54,787	\$ -	\$ 50,844	\$ 2,690	\$ -	\$ -	\$ 20,360
Accrued Liabilities	(552)	-	-	-	-	-	-
Retentions Payable	-	-	-	-	-	-	-
Due to Other Funds	164,903	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>219,138</u>	<u>-</u>	<u>50,844</u>	<u>2,690</u>	<u>-</u>	<u>-</u>	<u>20,360</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted	-	20,193	-	779,813	530	4,752	210,132
Unassigned (Deficit)	(219,138)	-	-	-	-	-	-
Total Fund Balances	<u>(219,138)</u>	<u>20,193</u>	<u>-</u>	<u>779,813</u>	<u>530</u>	<u>4,752</u>	<u>210,132</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 20,193</u>	<u>\$ 50,844</u>	<u>\$ 782,503</u>	<u>\$ 530</u>	<u>\$ 4,752</u>	<u>\$ 230,492</u>

**CITY OF PLACENTIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds						
	Traffic Offender	Supplemental Law Enforcement	Air Quality	Landscape Maintenance District 92-1	Housing and Community Development	Gasoline Tax	Sewer Construction
ASSETS							
Cash and Investments	\$ 4,571	\$ 214,156	\$ 202,385	\$ -	\$ -	\$ 501	\$ 22,019
Receivables:							
Accounts	1,126	-	16,831	5,877	502,150	97,145	-
Grants	-	-	-	-	-	-	-
Loans and Notes	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	<u>\$ 5,697</u>	<u>\$ 214,156</u>	<u>\$ 219,216</u>	<u>\$ 5,877</u>	<u>\$ 502,150</u>	<u>\$ 97,646</u>	<u>\$ 22,019</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ 32,704	\$ -	\$ 9,900	\$ -
Accrued Liabilities	-	-	-	4,299	-	-	-
Retentions Payable	-	-	-	-	10,602	-	-
Due to Other Funds	-	-	-	39,490	713,863	87,245	-
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,493</u>	<u>724,465</u>	<u>97,145</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	-	-	16,831	-	427,548	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>16,831</u>	<u>-</u>	<u>427,548</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted	5,697	214,156	202,385	-	-	501	22,019
Unassigned (Deficit)	-	-	-	(70,616)	(649,863)	-	-
Total Fund Balances	<u>5,697</u>	<u>214,156</u>	<u>202,385</u>	<u>(70,616)</u>	<u>(649,863)</u>	<u>501</u>	<u>22,019</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,697</u>	<u>\$ 214,156</u>	<u>\$ 202,385</u>	<u>\$ 5,877</u>	<u>\$ 74,602</u>	<u>\$ 97,646</u>	<u>\$ 22,019</u>

**CITY OF PLACENTIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds						
	PEG	Affordable Housing In-Lieu	SB1 Gas Tax	NOC Public Safety Grant	Community Based Transitional Housing Grant	TOD Impact Fee	
ASSETS							
Cash and Investments	\$ -	\$ 36,827	\$ 962,002	\$ 382,680	\$ 195	\$ 3,501,647	\$ -
Receivables:							
Accounts	21,089	-	180,306	-	-	-	1,038,930
Grants	-	-	-	-	-	-	-
Loans and Notes	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	<u>\$ 21,089</u>	<u>\$ 36,827</u>	<u>\$ 1,142,308</u>	<u>\$ 382,680</u>	<u>\$ 195</u>	<u>\$ 3,501,647</u>	<u>\$ 1,038,930</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 179	\$ -	\$ 289,842	\$ -	\$ -	\$ 96,595	\$ -
Accrued Liabilities	(205)	-	-	9,260	77	-	-
Retentions Payable	-	-	26,316	-	-	9,045	-
Due to Other Funds	18,205	-	-	-	118	-	1,208,745
Unearned Revenue	-	-	-	83,000	-	-	-
Total Liabilities	<u>18,179</u>	<u>-</u>	<u>316,158</u>	<u>92,260</u>	<u>195</u>	<u>105,640</u>	<u>1,208,745</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	-	-	-	-	-	-	1,038,930
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,038,930</u>
FUND BALANCES							
Restricted	-	36,827	826,150	290,420	-	3,396,007	-
Unassigned (Deficit)	2,910	-	-	-	-	-	(1,208,745)
Total Fund Balances	<u>2,910</u>	<u>36,827</u>	<u>826,150</u>	<u>290,420</u>	<u>-</u>	<u>3,396,007</u>	<u>(1,208,745)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,089</u>	<u>\$ 36,827</u>	<u>\$ 1,142,308</u>	<u>\$ 382,680</u>	<u>\$ 195</u>	<u>\$ 3,501,647</u>	<u>\$ -</u>

**CITY OF PLACENTIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds					
	General Plan Update Fee	Technology Impact Fee	Housing Successor	Orangethorpe Corridor	Cal Recycle Grant	American Rescue Plan
ASSETS						
Cash and Investments	\$ 840,598	\$ 393,236	\$ 407,189	\$ 168	\$ 86,135	\$ -
Receivables:						
Accounts	-	-	1,800	-	-	-
Grants	-	-	-	-	-	-
Loans and Notes	-	-	656,527	-	-	-
Land Held for Resale	-	-	1,036,760	-	-	-
	<u>-</u>	<u>-</u>	<u>1,036,760</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 840,598</u>	<u>\$ 393,236</u>	<u>\$ 2,102,276</u>	<u>\$ 168</u>	<u>\$ 86,135</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 3,909	\$ 3,400	\$ -	\$ 168	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-	-
Retentions Payable	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	86,117	-
Total Liabilities	<u>3,909</u>	<u>3,400</u>	<u>-</u>	<u>168</u>	<u>86,117</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues	-	-	112,778	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>112,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	836,689	389,836	1,989,498	-	18	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances	<u>836,689</u>	<u>389,836</u>	<u>1,989,498</u>	<u>-</u>	<u>18</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 840,598</u>	<u>\$ 393,236</u>	<u>\$ 2,102,276</u>	<u>\$ 168</u>	<u>\$ 86,135</u>	<u>\$ -</u>

**CITY OF PLACENTIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Other Governmental Funds</u>
	<u>City Capital Projects</u>	<u>Gas Tax</u>	
ASSETS			
Cash and Investments	\$ -	\$ 78,696	\$ 8,114,372
Receivables:			
Accounts	-	-	1,973,201
Grants	37,429	-	37,429
Loans and Notes	-	-	656,527
Land Held for Resale	-	-	1,036,760
	<u>-</u>	<u>-</u>	<u>1,036,760</u>
Total Assets	<u>\$ 37,429</u>	<u>\$ 78,696</u>	<u>\$ 11,818,289</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 249,287	\$ -	\$ 814,665
Accrued Liabilities	-	-	12,879
Retentions Payable	34,614	-	80,577
Due to Other Funds	324,335	-	2,556,904
Unearned Revenue	-	-	169,117
Total Liabilities	<u>608,236</u>	<u>-</u>	<u>3,634,142</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	37,429	-	1,633,516
Total Deferred Inflows of Resources	<u>37,429</u>	<u>-</u>	<u>1,633,516</u>
FUND BALANCES			
Restricted	-	78,696	9,304,319
Unassigned (Deficit)	(608,236)	-	(2,753,688)
Total Fund Balances	<u>(608,236)</u>	<u>78,696</u>	<u>6,550,631</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 37,429</u>	<u>\$ 78,696</u>	<u>\$ 11,818,289</u>

CITY OF PLACENTIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds						
	Miscellaneous Grants	Park Development	Street Lighting	Measure M	Storm Drain Construction	Thoroughfare Construction	Asset Seizure
REVENUES							
Intergovernmental	\$ 267,557	\$ -	\$ -	\$ 1,027,353	\$ -	\$ -	\$ -
Investment Earnings	-	41	-	1,262	11	12	590
Charges for Services	-	-	135,984	-	-	-	-
Lease Revenue	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>267,557</u>	<u>41</u>	<u>135,984</u>	<u>1,028,615</u>	<u>11</u>	<u>12</u>	<u>590</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	5,203	-	-	-	-	-	72,869
Public Works	-	-	510,730	-	-	-	-
Community Development	-	-	-	-	-	-	-
Community Services	14,692	-	-	-	-	-	-
Capital Outlay	411,299	-	-	492,041	24,000	828	80,805
Debt Service:							
Principal Retirement	-	-	-	403,055	-	-	-
Interest and Fiscal Charges	-	-	-	13,648	-	-	-
Total Expenditures	<u>431,194</u>	<u>-</u>	<u>510,730</u>	<u>908,744</u>	<u>24,000</u>	<u>828</u>	<u>153,674</u>
REVENUES OVER (UNDER) EXPENDITURES	(163,637)	41	(374,746)	119,871	(23,989)	(816)	(153,084)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	374,747	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>374,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(163,637)	41	1	119,871	(23,989)	(816)	(153,084)
Fund Balances - Beginning of Year	(55,501)	20,152	(1)	659,942	24,519	5,568	363,216
FUND BALANCES - END OF YEAR	<u>\$ (219,138)</u>	<u>\$ 20,193</u>	<u>\$ -</u>	<u>\$ 779,813</u>	<u>\$ 530</u>	<u>\$ 4,752</u>	<u>\$ 210,132</u>

CITY OF PLACENTIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds						
	Traffic Offender	Supplemental Law Enforcement	Air Quality	Landscape Maintenance District 92-1	Housing and Community Development	Gasoline Tax	
REVENUES							
Intergovernmental	\$ -	\$ 161,285	\$ 49,003	\$ -	\$ 155,258	\$ 1,217,319	\$ -
Investment Earnings	14	419	325	-	-	501	42
Charges for Services	-	-	-	449,956	-	-	-
Lease Revenue	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	14	161,704	49,328	449,956	155,258	1,217,820	42
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	427,416	-	809,650	-
Community Development	-	-	-	-	506,302	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	212,035	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	-	-	-	427,416	718,337	809,650	-
REVENUES OVER (UNDER) EXPENDITURES	14	161,704	49,328	22,540	(563,079)	408,170	42
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	(100,000)	-	-	-	(408,122)	-
Total Other Financing Sources (Uses)	-	(100,000)	-	-	-	(408,122)	-
NET CHANGES IN FUND BALANCES	14	61,704	49,328	22,540	(563,079)	48	42
Fund Balances - Beginning of Year	5,683	152,452	153,057	(93,156)	(86,784)	453	21,977
FUND BALANCES - END OF YEAR	\$ 5,697	\$ 214,156	\$ 202,385	\$ (70,616)	\$ (649,863)	\$ 501	\$ 22,019

CITY OF PLACENTIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds						Placentia Regional Navigation Center
	PEG	Affordable Housing In-Lieu	SB1 Gas Tax	NOC Public Safety Grant	Community Based Transitional Housing Grant	TOD Impact Fee	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 1,034,090	\$ 118,181	\$ -	\$ -	\$ 1,515,567
Investment Earnings	-	135	1,928	577	-	7,039	-
Charges for Services	82,557	-	-	-	-	85,456	-
Lease Revenue	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>82,557</u>	<u>135</u>	<u>1,036,018</u>	<u>118,758</u>	<u>-</u>	<u>92,495</u>	<u>1,515,567</u>
EXPENDITURES							
Current:							
General Government	49,916	-	-	-	-	-	-
Public Safety	-	-	-	135,421	3	-	1,810,464
Public Works	-	-	-	-	-	-	-
Community Development	-	18,500	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	-	-	1,355,681	2,475	-	378,453	123,943
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	<u>49,916</u>	<u>18,500</u>	<u>1,355,681</u>	<u>137,896</u>	<u>3</u>	<u>378,453</u>	<u>1,934,407</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>32,641</u>	<u>(18,365)</u>	<u>(319,663)</u>	<u>(19,138)</u>	<u>(3)</u>	<u>(285,958)</u>	<u>(418,840)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	3	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>32,641</u>	<u>(18,365)</u>	<u>(319,663)</u>	<u>(19,138)</u>	<u>-</u>	<u>(285,958)</u>	<u>(418,840)</u>
Fund Balances - Beginning of Year	<u>(29,731)</u>	<u>55,192</u>	<u>1,145,813</u>	<u>309,558</u>	<u>-</u>	<u>3,681,965</u>	<u>(789,905)</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,910</u>	<u>\$ 36,827</u>	<u>\$ 826,150</u>	<u>\$ 290,420</u>	<u>\$ -</u>	<u>\$ 3,396,007</u>	<u>\$ (1,208,745)</u>

CITY OF PLACENTIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds					
	General Plan Update Fee	Technology Impact Fee	Housing Successor	Orangethorpe Corridor	Cal Recycle Grant	American Rescue Plan
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	1,445	731	-	-	18	-
Charges for Services	163,222	86,839	-	-	-	-
Lease Revenue	-	-	7,600	-	-	-
Miscellaneous	-	-	130,358	-	-	-
Total Revenues	<u>164,667</u>	<u>87,570</u>	<u>137,958</u>	<u>-</u>	<u>18</u>	<u>-</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	37,100	32,340	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>37,100</u>	<u>32,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	127,567	55,230	137,958	-	18	-
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(2,938)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,938)</u>
NET CHANGES IN FUND BALANCES	127,567	55,230	137,958	-	18	(2,938)
Fund Balances - Beginning of Year	709,122	334,606	1,851,540	-	-	2,938
FUND BALANCES - END OF YEAR	<u>\$ 836,689</u>	<u>\$ 389,836</u>	<u>\$ 1,989,498</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ -</u>

CITY OF PLACENTIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Other Governmental Funds</u>
	<u>City Capital Projects</u>	<u>Gas Tax</u>	
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 5,545,613
Investment Earnings	-	136	15,226
Charges for Services	-	-	1,004,014
Lease Revenue	-	-	7,600
Miscellaneous	503,183	-	633,541
Total Revenues	<u>503,183</u>	<u>136</u>	<u>7,205,994</u>
EXPENDITURES			
Current:			
General Government	-	-	49,916
Public Safety	-	-	2,023,960
Public Works	-	-	1,747,796
Community Development	-	-	524,802
Community Services	-	-	14,692
Capital Outlay	760,978	-	3,911,978
Debt Service:			
Principal Retirement	-	351,000	754,055
Interest and Fiscal Charges	-	57,156	70,804
Total Expenditures	<u>760,978</u>	<u>408,156</u>	<u>9,098,003</u>
REVENUES OVER (UNDER) EXPENDITURES	(257,795)	(408,020)	(1,892,009)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	486,716	861,466
Transfers Out	-	-	(511,060)
Total Other Financing Sources (Uses)	<u>-</u>	<u>486,716</u>	<u>350,406</u>
NET CHANGES IN FUND BALANCES	(257,795)	78,696	(1,541,603)
Fund Balances - Beginning of Year	<u>(350,441)</u>	<u>-</u>	<u>8,092,234</u>
FUND BALANCES - END OF YEAR	<u>\$ (608,236)</u>	<u>\$ 78,696</u>	<u>\$ 6,550,631</u>

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
MISCELLANEOUS GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 477,100	\$ 1,866,480	\$ 267,557	\$ (1,598,923)
Total Revenues	<u>477,100</u>	<u>1,866,480</u>	<u>267,557</u>	<u>(1,598,923)</u>
EXPENDITURES				
Current:				
Public Safety	254,500	1,500	5,203	(3,703)
Community Services	-	23,341	14,692	8,649
Capital Outlay	216,500	1,848,637	411,299	1,437,338
Total Expenditures	<u>471,000</u>	<u>1,873,478</u>	<u>431,194</u>	<u>1,442,284</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,100</u>	<u>\$ (6,998)</u>	(163,637)	<u>\$ (3,041,207)</u>
Fund Balance - Beginning of Year			<u>(55,501)</u>	
FUND BALANCE - END OF YEAR			<u>\$ (219,138)</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
STREET LIGHTING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 135,000	\$ 135,000	\$ 135,984	\$ 984
Total Revenues	<u>135,000</u>	<u>135,000</u>	<u>135,984</u>	<u>984</u>
EXPENDITURES				
Current:				
Public Works	170,900	170,900	510,730	(339,830)
Total Expenditures	<u>170,900</u>	<u>170,900</u>	<u>510,730</u>	<u>(339,830)</u>
REVENUE OVER (UNDER) EXPENDITURES	(35,900)	(35,900)	(374,746)	(338,846)
OTHER FINANCING SOURCES				
Transfers In	53,000	(53,000)	374,747	427,747
Total Other Financing Sources	<u>53,000</u>	<u>(53,000)</u>	<u>374,747</u>	<u>427,747</u>
NET CHANGE IN FUND BALANCE	<u>\$ 17,100</u>	<u>\$ (88,900)</u>	1	<u>\$ 88,901</u>
Fund Balance - Beginning of Year			<u>(1)</u>	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 807,000	\$ 807,000	\$ 1,027,353	\$ 220,353
Investment Income	8,000	8,000	1,262	(6,738)
Total Revenues	<u>815,000</u>	<u>815,000</u>	<u>1,028,615</u>	<u>213,615</u>
EXPENDITURES				
Current:				
Community Development	55,800	55,800	-	55,800
Capital Outlay	676,200	1,140,019	492,041	647,978
Debt Service:				
Principal Retirement	246,000	246,000	403,055	(157,055)
Interest and Fiscal Charges	32,600	32,600	13,648	18,952
Total Expenditures	<u>1,010,600</u>	<u>1,474,419</u>	<u>908,744</u>	<u>565,675</u>
NET CHANGE IN FUND BALANCE	<u>\$ (195,600)</u>	<u>\$ (659,419)</u>	119,871	<u>\$ 779,290</u>
Fund Balance - Beginning of Year			<u>659,942</u>	
FUND BALANCE - END OF YEAR			<u>\$ 779,813</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
STORM DRAIN CONSTRUCTION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 11	\$ 11
Total Revenues	-	-	11	11
EXPENDITURES				
Capital Outlay	-	24,400	24,000	400
Total Expenditures	-	24,400	24,000	400
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (24,400)</u>	(23,989)	<u>\$ 411</u>
Fund Balance - Beginning of Year			<u>24,519</u>	
FUND BALANCE - END OF YEAR			<u>\$ 530</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
THROUGHFARE CONSTRUCTION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ -	\$ -	\$ 12	\$ 12
Total Revenues	-	-	12	12
EXPENDITURES				
Capital Outlay	-	5,000	828	4,172
Total Expenditures	-	5,000	828	4,172
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (5,000)</u>	(816)	<u>\$ 4,184</u>
Fund Balance - Beginning of Year			5,568	
FUND BALANCE - END OF YEAR			<u>\$ 4,752</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
ASSET SEIZURE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 590	\$ 590
Total Revenues	<u>-</u>	<u>-</u>	<u>590</u>	<u>590</u>
EXPENDITURES				
Current:				
Public Safety	150,000	155,432	72,869	82,563
Capital Outlay	180,000	176,005	80,805	95,200
Total Expenditures	<u>330,000</u>	<u>331,437</u>	<u>153,674</u>	<u>177,763</u>
NET CHANGE IN FUND BALANCE	<u>\$ (330,000)</u>	<u>\$ (331,437)</u>	(153,084)	<u>\$ 178,353</u>
Fund Balance - Beginning of Year			<u>363,216</u>	
FUND BALANCE - END OF YEAR			<u>\$ 210,132</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 161,285	\$ 161,285
Investment Earnings	-	-	419	419
Total Revenues	-	-	161,704	161,704
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	-
NET CHANGE IN FUND BALANCE	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	61,704	<u>\$ 161,704</u>
Fund Balance - Beginning of Year			152,452	
FUND BALANCE - END OF YEAR			<u>\$ 214,156</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
AIR QUALITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 66,000	\$ 66,000	\$ 49,003	\$ (16,997)
Investment Earnings	3,000	3,000	325	(2,675)
Total Revenues	<u>69,000</u>	<u>69,000</u>	<u>49,328</u>	<u>(19,672)</u>
EXPENDITURES				
Capital Outlay	<u>53,000</u>	<u>53,000</u>	-	<u>53,000</u>
Total Expenditures	<u>53,000</u>	<u>53,000</u>	<u>-</u>	<u>53,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 16,000</u>	<u>\$ 16,000</u>	49,328	<u>\$ 33,328</u>
Fund Balance - Beginning of Year			<u>153,057</u>	
FUND BALANCE - END OF YEAR			<u>\$ 202,385</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
LANDSCAPE MAINTENANCE DISTRICT 92-1 SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 417,300	\$ 417,300	\$ 449,956	\$ 32,656
Total Revenues	<u>417,300</u>	<u>417,300</u>	<u>449,956</u>	<u>32,656</u>
EXPENDITURES				
Current:				
Public Works	417,300	407,412	427,416	(20,004)
Total Expenditures	<u>417,300</u>	<u>407,412</u>	<u>427,416</u>	<u>(20,004)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 9,888</u>	22,540	<u>\$ 12,652</u>
Fund Balance - Beginning of Year			<u>(93,156)</u>	
FUND BALANCE - END OF YEAR			<u>\$ (70,616)</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 352,000	\$ 1,034,284	\$ 155,258	\$ (879,026)
Miscellaneous	-	86,734	-	(86,734)
Total Revenues	352,000	1,121,018	155,258	(965,760)
EXPENDITURES				
Current:				
Community Development	171,100	577,948	506,302	71,646
Capital Outlay	141,700	417,186	212,035	205,151
Total Expenditures	312,800	995,134	718,337	276,797
REVENUE OVER (UNDER) EXPENDITURES	39,200	125,884	(563,079)	(688,963)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(39,100)	(39,100)	-	39,100
Total Other Financing Sources (Uses)	(39,100)	(39,100)	-	39,100
NET CHANGE IN FUND BALANCE	<u>\$ 100</u>	<u>\$ 86,784</u>	(563,079)	<u>\$ (649,863)</u>
Fund Balance - Beginning of Year			<u>(86,784)</u>	
FUND BALANCE - END OF YEAR			<u>\$ (649,863)</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
GASOLINE TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,340,800	\$ 1,340,800	\$ 1,217,319	\$ (123,481)
Investment Earnings	2,000	2,000	501	(1,499)
Total Revenues	<u>1,342,800</u>	<u>1,342,800</u>	<u>1,217,820</u>	<u>(124,980)</u>
EXPENDITURES				
Current:				
Public Works	300,800	300,800	809,650	(508,850)
Capital Outlay	-	-	-	-
Total expenditures	<u>300,800</u>	<u>300,800</u>	<u>809,650</u>	<u>(508,850)</u>
REVENUE OVER (UNDER) EXPENDITURES	1,042,000	1,042,000	408,170	(633,830)
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,009,500)</u>	<u>(1,009,500)</u>	<u>(408,122)</u>	<u>601,378</u>
Total Other Financing (Uses)	<u>(1,009,500)</u>	<u>(1,009,500)</u>	<u>(408,122)</u>	<u>601,378</u>
NET CHANGE IN FUND BALANCE	<u>\$ 32,500</u>	<u>\$ 32,500</u>	48	<u>\$ (32,452)</u>
Fund Balance - Beginning of Year			<u>453</u>	
FUND BALANCE - END OF YEAR			<u>\$ 501</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
PEG SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Charges for Services	80,000	80,000	82,557	2,557
Total Revenues	82,000	82,000	82,557	557
EXPENDITURES				
Current:				
General Government	120,300	120,300	49,916	70,384
Total Expenditures	120,300	120,300	49,916	70,384
REVENUE OVER (UNDER) EXPENDITURES	(38,300)	(38,300)	32,641	70,941
OTHER FINANCING SOURCES (USES)				
Transfers In	83,100	83,100	-	(83,100)
Total Other Financing Sources (Uses)	83,100	83,100	-	(83,100)
NET CHANGE IN FUND BALANCE	<u>\$ 44,800</u>	<u>\$ 44,800</u>	32,641	(12,159)
Fund Balance - Beginning of Year			(29,731)	
FUND BALANCE - END OF YEAR			<u>\$ 2,910</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
AFFORDABLE HOUSING IN-LIEU SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	135	135
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>135</u>	<u>135</u>
EXPENDITURES				
Current:				
Community Development	53,500	53,500	18,500	35,000
Total Expenditures	<u>53,500</u>	<u>53,500</u>	<u>18,500</u>	<u>35,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (53,500)</u>	<u>\$ (53,500)</u>	(18,365)	<u>\$ 35,135</u>
Fund Balance - Beginning of Year			<u>55,192</u>	
FUND BALANCE - END OF YEAR			<u>\$ 36,827</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
SB1 RMRA GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,022,800	\$ 1,022,800	\$ 1,034,090	\$ 11,290
Investment Earnings	-	-	1,928	1,928
Total Revenues	<u>1,022,800</u>	<u>1,022,800</u>	<u>1,036,018</u>	<u>13,218</u>
EXPENDITURES				
Capital Outlay	<u>772,900</u>	<u>1,783,414</u>	<u>1,355,681</u>	<u>427,733</u>
Total Expenditures	<u>772,900</u>	<u>1,783,414</u>	<u>1,355,681</u>	<u>427,733</u>
NET CHANGE IN FUND BALANCE	<u>\$ 249,900</u>	<u>\$ (760,614)</u>	<u>(319,663)</u>	<u>\$ 440,951</u>
Fund Balance - Beginning of Year			<u>1,145,813</u>	
FUND BALANCE - END OF YEAR			<u>\$ 826,150</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
NORTH ORANGE COUNTY (NOC) PUBLIC SAFETY GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 118,000	\$ 118,181	\$ 181
Investment Earnings	-	-	577	577
Total Revenues	-	118,000	118,758	758
EXPENDITURES				
Current:				
Public Safety	-	396,326	135,421	260,905
Community Services	-	-	-	-
Capital Outlay	-	52,476	2,475	50,001
Total Expenditures	-	448,802	137,896	310,906
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (330,802)</u>	(19,138)	<u>\$ 311,664</u>
Fund Balance - Beginning of Year			<u>309,558</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 290,420</u></u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
TOD IMPACT FEE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 7,039	\$ 7,039
Charges for Services	-	-	85,456	85,456
Total Revenues	-	-	92,495	92,495
EXPENDITURES				
Capital Outlay	220,000	220,000	378,453	(158,453)
Total Expenditures	220,000	220,000	378,453	(158,453)
NET CHANGE IN FUND BALANCE	<u>\$ (220,000)</u>	<u>\$ (220,000)</u>	(285,958)	<u>\$ (65,958)</u>
Fund Balance - Beginning of Year			3,681,965	
FUND BALANCE - END OF YEAR			<u>\$ 3,396,007</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
PLACENTIA REGIONAL NAVIGATION CENTER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,662,500	\$ 2,927,774	\$ 1,515,567	\$ (1,412,207)
Contributions	-	-	-	-
Total Revenues	<u>1,662,500</u>	<u>2,927,774</u>	<u>1,515,567</u>	<u>(1,412,207)</u>
EXPENDITURES				
Current:				
Public Safety	1,662,500	2,131,100	1,810,464	320,636
Community Services	-	-	-	-
Capital Outlay	-	127,114	123,943	3,171
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,662,500</u>	<u>2,258,214</u>	<u>1,934,407</u>	<u>323,807</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 669,560</u>	<u>(418,840)</u>	<u>\$ (1,088,400)</u>
Fund Balance - Beginning of Year			<u>(789,905)</u>	
FUND BALANCE - END OF YEAR			<u>\$ (1,208,745)</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
GENERAL PLAN UPDATE FEE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 1,445	\$ 1,445
Charges for Services	120,000	120,000	163,222	43,222
Total Revenues	120,000	120,000	164,667	44,667
EXPENDITURES				
Capital Outlay	-	150,000	37,100	112,900
Total Expenditures	-	150,000	37,100	112,900
REVENUE OVER (UNDER) EXPENDITURES	120,000	(30,000)	127,567	157,567
OTHER FINANCING SOURCES (USES)				
Transfers Out	(75,000)	(75,000)	-	75,000
Total Other Financing Sources (Uses)	(75,000)	(75,000)	-	75,000
NET CHANGE IN FUND BALANCE	<u>\$ 45,000</u>	<u>\$ (105,000)</u>	127,567	<u>\$ 232,567</u>
Fund Balance - Beginning of Year			709,122	
FUND BALANCE - END OF YEAR			<u>\$ 836,689</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
TECHNOLOGY IMPACT FEE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 731	\$ 731
Charges for Services	60,000	60,000	86,839	26,839
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>87,570</u>	<u>27,570</u>
EXPENDITURES				
Current:				
Public Safety	60,000	60,000	-	60,000
Capital Outlay	158,000	158,000	32,340	125,660
Total Expenditures	<u>218,000</u>	<u>218,000</u>	<u>32,340</u>	<u>185,660</u>
NET CHANGE IN FUND BALANCE	(158,000)	(158,000)	55,230	<u>\$ 213,230</u>
Fund Balance - Beginning of Year			<u>334,606</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 389,836</u></u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
HOUSING SUCCESSOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Lease Revenue	\$ 6,000	\$ 6,000	\$ 7,600	\$ 1,600
Miscellaneous	95,800	95,800	130,358	34,558
Total Revenues	<u>101,800</u>	<u>101,800</u>	<u>137,958</u>	<u>36,158</u>
NET CHANGE IN FUND BALANCE	<u>\$ 101,800</u>	<u>\$ 101,800</u>	137,958	<u>\$ 36,158</u>
Fund Balance - Beginning of Year			<u>1,851,540</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,989,498</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
CAL RECYCLE GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 81,160	\$ -	\$ (81,160)
Investment Earnings	-	-	18	18
Total Revenues	-	81,160	18	(81,142)
EXPENDITURES				
Current:				
Public Safety	-	81,160	-	81,160
Total Expenditures	-	81,160	-	81,160
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	18	<u>\$ 18</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ 18</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 81,160	\$ -	\$ (81,160)
Investment Earnings	-	-	18	18
Total Revenues	-	81,160	18	(81,142)
EXPENDITURES				
Current:				
Public Safety	-	81,160	-	81,160
Total Expenditures	-	81,160	-	81,160
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	18	<u>\$ 18</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ 18</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
CITY CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 3,842,057	\$ -	\$ (3,842,057)
Miscellaneous	-	-	503,183	503,183
Total Revenues	-	3,842,057	503,183	(3,338,874)
Expenditures:				
Capital Outlay	-	4,369,508	760,978	3,608,530
Total Expenditures	-	4,369,508	760,978	3,608,530
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (527,451)</u>	(257,795)	<u>\$ 269,656</u>
Fund Balance - Beginning of Year			(350,441)	
FUND BALANCE - END OF YEAR			<u>\$ (608,236)</u>	

CITY OF PLACENTIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
GAS TAX DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 136	\$ 136
Total Revenues	-	-	136	136
EXPENDITURES				
Debt Service:				
Principal Retirement	409,500	409,500	351,000	58,500
Interest and Fiscal Charges	58,500	58,500	57,156	1,344
Total Expenditures	468,000	468,000	408,156	59,844
REVENUE OVER (UNDER) EXPENDITURES	(468,000)	(468,000)	(408,020)	59,980
OTHER FINANCING SOURCES (USES)				
Proceeds From Issuance of Debt	-	-	-	-
Payment to Escrow for Refunding Debt	-	-	-	-
Transfers In	409,500	(409,500)	486,716	896,216
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	409,500	(409,500)	486,716	896,216
NET CHANGE IN FUND BALANCE	<u>\$ (58,500)</u>	<u>\$ (877,500)</u>	78,696	<u>\$ 956,196</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ 78,696</u>	

**CITY OF PLACENTIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022**

	Risk Management	Health and Welfare	Equipment Replacement	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 2,100,306	\$ 19,343	\$ 63,478	\$ 2,183,127
Receivable:				
Accounts	4,037	-	-	4,037
Total Current Assets	2,104,343	19,343	63,478	2,187,164
Total Assets	2,104,343	19,343	63,478	2,187,164
LIABILITIES				
Current Liabilities:				
Accounts Payable	67,719	327	12,418	80,464
Accrued Liabilities	5	-	-	5
Accrued Claims and Judgments - Due Within One Year	1,253,803	-	-	1,253,803
Total Current Liabilities	1,321,527	327	12,418	1,334,272
Noncurrent Liabilities:				
Accrued Claims and Judgments - Due in More Than One Year	3,761,408	-	-	3,761,408
Total Noncurrent Liabilities	3,761,408	-	-	3,761,408
Total Liabilities	5,082,935	327	12,418	5,095,680
NET POSITION				
Unrestricted	(2,978,592)	19,016	51,060	(2,908,516)
Total Net Position	\$ (2,978,592)	\$ 19,016	\$ 51,060	\$ (2,908,516)

CITY OF PLACENTIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities			Total
	Risk Management	Health and Welfare	Equipment Replacement	
OPERATING REVENUES				
Reimbursements	\$ 269,945	\$ 116,294	\$ -	\$ 386,239
Sales and Service Charges	1,829,892	981,779	-	2,811,671
Other Revenues	-	-	24,601	24,601
Total Operating Revenues	<u>2,099,837</u>	<u>1,098,073</u>	<u>24,601</u>	<u>3,222,511</u>
OPERATING EXPENSES				
Administration	108,074	16,347	12,418	136,839
Reinsurance Premiums	-	122,162	-	122,162
Claims	1,945,174	-	-	1,945,174
Medical and Dental Premiums	-	954,142	-	954,142
Liability Insurance Premiums	1,191,297	5,423	-	1,196,720
Total Operating Expenses	<u>3,244,545</u>	<u>1,098,074</u>	<u>12,418</u>	<u>4,355,037</u>
CHANGES IN NET POSITION	(1,144,708)	(1)	12,183	(1,132,526)
Net Position - Beginning of Year	<u>(1,833,884)</u>	<u>19,017</u>	<u>38,877</u>	<u>(1,775,990)</u>
NET POSITION - END OF YEAR	<u>\$ (2,978,592)</u>	<u>\$ 19,016</u>	<u>\$ 51,060</u>	<u>\$ (2,908,516)</u>

**CITY OF PLACENTIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Risk Management	Health and Welfare	Equipment Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Users	\$ 2,095,800	\$ 1,098,126	\$ 24,601	\$ 3,218,527
Cash Paid to Suppliers for Goods and Services	(139,695)	(1,111,109)	-	(1,250,804)
Cash Paid for Insurance Claims	(1,945,174)	-	-	(1,945,174)
Net Cash Provided (Used) by Operating Activities	<u>10,931</u>	<u>(12,983)</u>	<u>24,601</u>	<u>22,549</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,931	(12,983)	24,601	22,549
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION				
Beginning of Year	<u>2,089,375</u>	<u>32,326</u>	<u>38,877</u>	<u>2,160,578</u>
End of Year	<u>\$ 2,100,306</u>	<u>\$ 19,343</u>	<u>\$ 63,478</u>	<u>\$ 2,183,127</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (1,144,708)	\$ (1)	\$ 12,183	\$ (1,132,526)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	-	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivables	(4,037)	53	-	(3,984)
Increase (Decrease) in Accounts Payable	14,968	(13,035)	12,418	14,351
Increase (Decrease) in Accrued Liabilities	-	-	-	-
Increase (Decrease) in Claims Payable	1,144,708	-	-	1,144,708
Net Cash Provided (Used) by Operating Activities	<u>\$ 10,931</u>	<u>\$ (12,983)</u>	<u>\$ 24,601</u>	<u>\$ 22,549</u>

FIDUCIARY FUNDS

CUSTODIAL FUNDS

Community Facilities District Fund – to account for the Community Facilities Districts No. 89-1 (East Placentia) and 2018-1 (Transit Oriented District) providing a special tax to pay for certain public facilities within such community facilities district, to levy such special tax, and to provide non-General Fund and sustainable funding source to pay for the ongoing maintenance and repairs of the public streetscape improvements constructed within the Transit Oriented District. This fund also accounts for the service of \$25,000,000 of Community Facilities District No. 89-1 (East Placentia) Special Tax Bonds issued to finance the construction of street and drainage infrastructure improvements and to fund development of a 13-acre park/recreation sports complex to benefit properties within the District.

Public Safety CFD 2014-01 Fund – to account for revenues and expenditures to provide public safety services associated with new development within Placentia including, but not limited to, police protection, fire protection, and ambulance and paramedic services. The services would be partially paid for through the levy of a Special Tax on real property.

**CITY OF PLACENTIA
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2022**

	Custodial Funds		Total
	Community Facilities District	Public Safety CFD 2014-01	
ASSETS			
Cash and Investments	\$ 48,963	\$ 70,633	\$ 119,596
Miscellaneous Receivables	-	427	427
Total Assets	<u>48,963</u>	<u>71,060</u>	<u>120,023</u>
LIABILITIES			
Accounts Payable	-	7,866	7,866
Accrued Liabilities	-	14	14
Retention Payable	-	-	-
Deposits Payable	191	34,850	35,041
Total Liabilities	<u>191</u>	<u>42,730</u>	<u>42,921</u>
NET POSITION (DEFICIT)			
Restricted for Individuals, Organizations, and Other Governments	<u>48,772</u>	<u>28,330</u>	<u>77,102</u>
Total Net Position (Deficit)	<u>\$ 48,772</u>	<u>\$ 28,330</u>	<u>\$ 77,102</u>

**CITY OF PLACENTIA
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Custodial Funds		Total
	Community Facilities District	Public Safety CFD 2014-01	
ADDITIONS			
Charges for Services	\$ -	\$ 39,904	\$ 39,904
Investment Income	94	94	188
Total Additions	<u>94</u>	<u>39,998</u>	<u>40,092</u>
DEDUCTIONS			
Administrative Expenses	-	7,866	7,866
Total Deductions	<u>-</u>	<u>7,866</u>	<u>7,866</u>
CHANGE IN NET POSITION	94	32,132	32,226
Net Position - Beginning of Year	<u>48,678</u>	<u>(3,802)</u>	<u>44,876</u>
NET POSITION - END OF YEAR	<u>\$ 48,772</u>	<u>\$ 28,330</u>	<u>\$ 77,102</u>

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STATISTICAL SECTION

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**CITY OF PLACENTIA
DESCRIPTION OF STATISTICAL SECTION CONTENTS**

This part of the City of Placentia’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 say about the government’s overall financial health.

Contents:	Page
<i>Financial Trends</i> – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	146
<i>Revenue Capacity</i> – These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	151
<i>Debt Capacity</i> – These schedules present information to help the reader assess the affordability of the City’s current level of outstanding debt and the City’s ability to issue additional debt in the future.	156
<i>Demographic and Economic Information</i> – These schedules offer demographics and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	159
<i>Operating Information</i> – These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report related to the services the City provides and activities it performs.	161

**CITY OF PLACENTIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESS IN THOUSANDS)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 78,273	\$ 74,238	\$ 66,333	\$ 66,799	\$ 67,960	\$ 67,915	\$ 72,176	\$ 81,106	\$ 86,061	\$ 86,188
Restricted	3,630	2,901	7,027	7,681	6,199	5,819	6,090	7,732	21,456	20,175
Unrestricted	(14,229)	(9,273)	(34,145)	(30,490)	(32,780)	(52,089)	(50,858)	(53,352)	(68,263)	(23,439)
Total Governmental Activities Net Position	\$ 67,674	\$ 67,866	\$ 39,215	\$ 43,990	\$ 41,379	\$ 21,645	\$ 27,408	\$ 35,486	\$ 39,254	\$ 82,924
Business-Type Activities:										
Net Investment in Capital Assets	\$ 12,275	\$ 11,760	\$ 11,280	\$ 10,765	\$ 10,303	\$ 9,778	\$ 9,275	\$ 8,748	\$ 8,221	\$ 7,694
Unrestricted	(1,115)	(680)	1,289	845	1,066	(1,514)	(2,055)	(2,682)	361	1,842
Total Business-Type Activities Net Position	\$ 11,160	\$ 11,080	\$ 12,569	\$ 11,610	\$ 11,369	\$ 8,264	\$ 7,220	\$ 6,066	\$ 8,582	\$ 9,536
Primary Government:										
Net Investment in Capital Assets	\$ 90,548	\$ 85,998	\$ 77,613	\$ 77,564	\$ 78,263	\$ 77,693	\$ 81,451	\$ 89,854	\$ 94,282	\$ 93,882
Restricted	3,630	2,901	7,027	7,681	6,199	5,819	6,090	7,732	21,456	20,175
Unrestricted	(15,344)	(9,953)	(32,856)	(29,645)	(31,714)	(53,603)	(52,913)	(56,034)	(67,902)	(21,597)
Total Primary Government Net Position	\$ 78,834	\$ 78,946	\$ 51,784	\$ 55,600	\$ 52,748	\$ 29,909	\$ 34,628	\$ 41,552	\$ 47,836	\$ 92,460

Source: City of Placentia, Finance Department

**CITY OF PLACENTIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESS IN THOUSANDS)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PROGRAM REVENUE										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,268	\$ 2,408	\$ 2,053	\$ 1,956	\$ 2,136	\$ 2,206	\$ 2,356	\$ 2,651	\$ 2,754	\$ 2,812
Public Safety	1,570	1,282	1,469	1,340	1,092	1,078	742	771	567	928
Public Works	1,539	3,238	854	679	597	670	1,100	776	917	877
Community Development	317	590	277	1,211	1,074	1,251	1,011	1,670	2,014	1,598
Community Services	-	-	-	221	194	314	213	145	148	253
Operating Grants	1,656	700	1,407	4,744	4,637	4,575	7,709	9,588	6,103	6,499
Capital Grants and Contributions	1,256	1,634	3,216	145	465	4,528	1,117	2,994	8,027	1,850
Total Governmental Activities Program Revenues	8,606	9,852	9,276	10,296	10,195	14,622	14,248	18,595	20,530	14,817
Business-Type Activities:										
Charges for Services:										
Refuse	2,749	2,865	2,874	2,890	2,958	3,039	3,148	3,252	3,688	3,732
Compressed Natural Gas	335	119	25	-	-	-	-	-	-	-
Sewer Maintenance	876	884	819	688	722	760	722	723	783	791
Total Business-Type Activities Program Revenues	3,960	3,868	3,718	3,578	3,680	3,799	3,870	3,975	4,471	4,523
Total Primary Government Program Revenues	12,566	13,720	12,994	13,874	13,875	18,421	18,118	22,570	25,001	19,340
EXPENSES										
Governmental Activities:										
General Government	10,516	9,673	9,248	5,343	10,579	10,046	9,346	11,654	12,850	9,242
Public Safety	16,965	16,915	15,689	18,556	19,188	18,114	20,547	26,139	26,045	(5,341)
Public Works	6,506	5,720	6,644	7,445	7,246	4,328	2,465	4,926	9,846	3,159
Community Development	1,011	1,142	1,845	1,373	1,904	1,068	1,502	1,640	2,893	1,554
Community Services	-	-	-	1,263	1,318	1,690	4,401	1,757	2,580	1,685
Redevelopment	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	603	667	861	837	783	717	588	475	765	2,591
Total Governmental Activities	35,601	34,117	34,287	34,817	41,018	35,963	38,849	46,591	54,979	12,890
Business-Type Activities:										
Refuse	2,933	2,950	2,795	2,555	2,571	3,034	3,164	3,127	3,287	3,421
Compressed Natural Gas	137	-	-	-	-	-	-	-	-	-
Sewer Maintenance	1,143	1,071	1,069	1,418	954	1,943	1,593	1,836	(1,365)	150
Total Business-Type Activities	4,213	4,021	3,864	3,973	3,525	4,977	4,757	4,963	1,922	3,571
Total Primary Government Expenses	39,814	38,138	38,151	38,790	44,543	40,940	43,606	51,554	56,901	16,461
NET REVENUE (EXPENSE)										
Governmental Activities	(26,995)	(24,265)	(25,011)	(24,521)	(30,823)	(21,341)	(24,601)	(27,996)	(34,449)	1,927
Business-Type Activities	(253)	(153)	(146)	(395)	155	(1,178)	(887)	(988)	2,549	952
Total Primary Government Net Expense	(27,248)	(24,418)	(25,157)	(24,916)	(30,668)	(22,519)	(25,488)	(28,984)	(31,900)	2,879

**CITY OF PLACENTIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESS IN THOUSANDS)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL REVENUE AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property	\$ 11,389	\$ 11,804	\$ 12,449	\$ 13,259	\$ 13,972	\$ 14,560	\$ 15,478	\$ 15,981	\$ 16,752	\$ 17,191
Sales and Use	4,160	4,512	6,284	6,848	7,020	6,948	8,184	13,141	15,113	17,248
Utility Users	2,863	2,800	2,874	2,750	2,637	2,545	2,461	2,362	2,503	2,689
Franchise	2,186	2,228	2,338	2,332	2,244	2,270	2,340	2,358	2,466	2,651
Other	998	1,029	1,177	1,258	1,365	1,316	1,267	1,047	1,022	1,842
Miscellaneous	1,359	1,336	1,451	35	41	125	136	447	280	256
Investment Income	197	24	576	34	31	72	227	312	13	(297)
Other	2,918	708	-	-	-	-	-	215	-	-
Special Item	-	-	(2,764)	-	-	-	-	-	-	-
Contribution from successor Agency	-	-	-	-	-	-	-	19	-	-
Contribution from Custodial Fund	-	-	-	-	-	-	-	-	30	-
Extraordinary Item	-	-	-	(1,035)	-	-	-	-	-	-
Transfers	248	4	165	646	402	251	268	192	39	-
Total Government Activities	<u>26,318</u>	<u>24,445</u>	<u>24,550</u>	<u>26,127</u>	<u>27,712</u>	<u>28,087</u>	<u>30,361</u>	<u>36,074</u>	<u>38,218</u>	<u>41,580</u>
Business-Type Activities:										
Investment Income	5	2	5	7	7	24	34	27	4	2
Special Item	-	-	2,764	-	-	-	-	-	-	-
Other	75	75	75	75	-	-	-	-	-	-
Transfers	(478)	(4)	(165)	(646)	(402)	(251)	(192)	(192)	(39)	-
Total Business-Type Activities	<u>(398)</u>	<u>73</u>	<u>2,679</u>	<u>(564)</u>	<u>(395)</u>	<u>(227)</u>	<u>(158)</u>	<u>(165)</u>	<u>(35)</u>	<u>2</u>
Total Primary Government	<u>25,920</u>	<u>24,518</u>	<u>27,229</u>	<u>25,563</u>	<u>27,317</u>	<u>27,860</u>	<u>30,203</u>	<u>35,909</u>	<u>38,183</u>	<u>41,582</u>
CHANGE IN NET POSITION										
Governmental Activities	(677)	180	(461)	1,606	(3,111)	6,746	5,760	8,078	3,769	43,507
Business-Type Activities	(651)	(80)	2,533	(959)	(240)	(1,405)	(1,045)	(1,153)	2,514	954
Total Primary Government	<u>\$ (1,328)</u>	<u>\$ 100</u>	<u>\$ 2,072</u>	<u>\$ 647</u>	<u>\$ (3,351)</u>	<u>\$ 5,341</u>	<u>\$ 4,715</u>	<u>\$ 6,925</u>	<u>\$ 6,283</u>	<u>\$ 44,461</u>

Source: City of Placentia, Finance Department

**CITY OF PLACENTIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESS IN THOUSANDS)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nonspendable	\$ 4,368	\$ 3,450	\$ 4,104	\$ 3,881	\$ 3,354	\$ 4,955	\$ 4,706	\$ 3,734	\$ 3,347	\$ 2,522
Restricted	-	439	1,030	1,030	1,024	1,019	571	555	556	2
Committed	-	-	119	3,600	3,600	3,400	4,528	5,811	6,434	13,856
Assigned	-	-	185	286	40	-	-	-	-	-
Unassigned	1,385	1,001	2,510	72	56	(1,346)	543	3,866	9,894	7,205
Total General Fund	<u>\$ 5,753</u>	<u>\$ 4,890</u>	<u>\$ 7,948</u>	<u>\$ 8,869</u>	<u>\$ 8,074</u>	<u>\$ 8,028</u>	<u>\$ 10,348</u>	<u>\$ 13,966</u>	<u>\$ 20,231</u>	<u>\$ 23,585</u>
All Other Governmental Funds:										
Nonspendable	\$ 88	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 6
Restricted	3,630	2,930	5,999	6,651	5,175	4,800	5,518	7,177	20,900	20,173
Assigned	-	-	485	-	-	-	-	-	-	-
Unrestricted	(2,196)	(761)	-	-	(368)	(531)	(1,045)	(1,552)	(1,406)	(2,754)
Total All Other Governmental Funds	<u>\$ 1,522</u>	<u>\$ 2,253</u>	<u>\$ 6,484</u>	<u>\$ 6,651</u>	<u>\$ 4,807</u>	<u>\$ 4,269</u>	<u>\$ 4,473</u>	<u>\$ 5,625</u>	<u>\$ 19,504</u>	<u>\$ 17,425</u>

Source: City of Placentia, Finance Department

CITY OF PLACENTIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESS IN THOUSANDS)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Property Tax	\$ 11,389	\$ 11,804	\$ 12,449	\$ 13,259	\$ 13,972	\$ 14,551	\$ 15,478	\$ 15,981	\$ 16,752	\$ 17,191
Sales Tax	5,519	5,848	6,284	7,257	7,020	6,948	10,646	13,141	15,113	17,248
Other Tax	6,047	6,138	6,316	6,318	6,222	6,043	3,548	5,708	5,993	7,182
Intergovernmental	3,143	3,531	4,033	2,998	3,572	6,487	7,530	8,459	6,700	6,498
Licenses and Permits	1,211	1,618	1,690	1,733	1,572	1,702	1,922	2,454	2,828	2,440
Fines and Forfeitures	842	575	733	1,154	1,297	592	613	819	314	503
Investment Income	161	210	177	34	32	69	228	307	13	(297)
Charges for Services	1,800	1,912	2,228	2,216	1,743	2,197	2,003	4,056	9,334	2,267
Other Tax	4,598	2,087	2,424	2,108	1,892	2,151	2,289	2,327	2,536	3,581
Total Revenues	34,710	33,723	36,334	37,077	37,322	40,740	44,257	53,252	59,583	56,613
EXPENDITURES										
Current:										
General Government	4,275	4,409	6,432	6,571	10,450	8,109	7,889	8,389	10,995	12,105
Public Safety	16,845	16,853	16,500	17,880	18,436	19,156	18,718	23,442	16,938	17,476
Public Works	10,826	5,760	4,246	4,824	5,050	5,951	6,078	5,938	5,049	5,262
Community Development	1,011	1,142	1,824	952	1,858	1,291	1,171	1,693	2,245	2,007
Community Services	-	-	-	1,191	1,292	1,526	4,405	1,793	1,547	2,305
Redevelopment	-	-	-	-	-	-	-	-	-	-
Capital Outlay	347	79	2,042	1,262	2,340	2,971	1,047	11,534	6,178	-
Debt Service:										
Principal	355	723	1,070	1,333	1,654	1,855	2,105	1,177	1,904	3,135
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-	-	-	-	2,440
Interest	594	577	813	837	783	717	587	475	765	489
Debt Issuance Costs	-	-	-	-	-	-	-	-	-	182
Total Expenditures	34,253	29,543	32,927	34,850	41,863	41,576	42,000	54,441	45,621	45,401
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	457	4,180	3,407	2,227	(4,541)	(836)	2,257	(1,189)	13,962	11,212
OTHER FINANCING SOURCES (USES)										
Transfers In	12,072	6,998	4,939	7,000	8,010	4,778	1,515	1,882	2,849	4,034
Transfers Out	(17,827)	(11,310)	(4,552)	(6,354)	(7,607)	(4,527)	(1,247)	(1,690)	(2,811)	(4,034)
Issuance of Debt	-	-	-	251	-	-	-	5,766	57,583	2,189
Other	-	-	(2,764)	-	-	-	-	-	(51,441)	(2,069)
Total Other Financing Sources (Uses)	(5,755)	(4,312)	(2,377)	897	403	251	268	5,958	6,180	120
EXTRAORDINARY ITEMS	-	-	-	-	1,500	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ (5,298)</u>	<u>\$ (132)</u>	<u>\$ 1,030</u>	<u>\$ 3,124</u>	<u>\$ (2,638)</u>	<u>\$ (585)</u>	<u>\$ 2,525</u>	<u>\$ 4,769</u>	<u>\$ 20,142</u>	<u>\$ 11,332</u>
Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures	2.88%	4.62%	6.49%	6.91%	6.57%	7.14%	7.04%	4.00%	7.26%	14.24%

Source: City of Placentia, Finance Department

**CITY OF PLACENTIA
REVENUES BY SOURCE – GENERAL FUND
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Property Taxes	Sales and Use Taxes	Other Taxes	Licenses and Permits	Fines, Forfeitures, and Penalties	Use of Money and Property	Investment Earnings*	Leases and Rents*	Inter-Governmental Revenue	Charges for Current Services	Other Revenues	Totals
2013	\$ 11,388,950	\$ 5,518,907	\$ 3,183,996	\$ 1,210,722	\$ 468,229	\$ 160,212	\$ -	\$ -	\$ 127,867	\$ 1,256,723	\$ 4,597,034	\$ 27,912,640
2014	11,804,238	5,847,742	3,338,556	1,618,068	459,123	206,104	-	-	58,058	1,189,249	1,571,109	26,092,247
2015	12,448,958	6,207,771	3,394,915	1,690,191	484,676	170,892	-	-	224,246	1,383,803	1,778,619	27,784,071
2016	13,259,241	7,257,004	3,550,183	1,733,049	542,253	-	24,157	670,631	466,271	1,091,250	1,053,220	29,647,259
2017	13,971,691	7,019,906	3,578,424	1,571,584	587,005	-	3,645	1,199,161	297,831	863,387	629,737	29,722,371
2018	14,551,076	6,948,279	6,042,998	1,701,878	562,390	-	31,161	1,255,240	252,963	1,284,507	708,662	33,339,154
2019	15,477,587	10,646,101	3,547,567	1,922,689	438,581	-	164,724	1,230,532	353,354	1,070,821	944,874	35,796,830
2020	15,980,879	13,140,914	5,708,333	2,453,827	418,752	-	170,567	1,211,622	701,864	885,206	885,076	41,557,040
2021	16,752,112	15,112,657	5,993,621	2,827,761	290,534	-	(28,258)	1,079,979	9,743	879,298	490,006	43,407,453
2022	17,191,426	17,247,980	7,182,055	2,440,102	503,302	-	(323,152)	1,422,831	952,389	1,263,215	785,684	48,665,832

* Investment Earnings and Rents previously reported as Use of Money and Property Leases previously reported as Other Revenues.

Source: City of Placentia, Annual Comprehensive Financial Reports

**CITY OF PLACENTIA
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESS IN THOUSANDS)**

Fiscal Year	City				Taxable Assessed Value	Direct Rate
	Secured	Public Utility	Unsecured			
2013	\$ 4,934,183	292	\$ 145,927	\$ 5,080,402	0.1644	
2014	5,065,170	292	141,308	5,206,770	0.1644	
2015	5,359,402	292	155,890	5,515,584	0.1644	
2016	5,706,871	292	169,843	5,877,006	0.1644	
2017	5,948,117	292	186,698	6,135,107	0.1644	
2018	6,259,165	292	183,716	6,443,173	0.1644	
2019	6,564,402	544	210,294	6,775,240	0.1644	
2020	6,862,623	544	189,948	7,053,115	0.1644	
2021	7,160,394	544	191,112	7,352,050	0.1644	
2022	7,373,165	544	187,422	7,561,131	0.1644	

Note:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. 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 described above.

Source: County of Orange

**CITY OF PLACENTIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Placentia City	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340
Placentia City Street Lighting Reorg.	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304
Direct City Rate	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644
Overlapping Rates:										
OC Water District - Water Reserve	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
OC Vector Control	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011
OC Transportation Authority	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026
Orange County Water District	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080
OC Harbor Beaches & Parks	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144
OC Department of Education	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171
Orange County Flood Control	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186
OC Sanitation District #2 Operating	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309
Placentia Library District	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376
Orange County General Fund	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579
North OC Comm. College General Fund	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655
Education Revenue Augmentation Fund	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876
Placentia Yorba Linda Unified Gen. Fund	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943
Total Overlapping Rate	0.8356	0.8356	0.8356	0.8356	0.8356	0.8356	0.8356	0.8356	0.8356	0.8356
Metropolitan Water District	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Placentia Yorba Linda Unified	0.0620	0.0653	0.0582	0.0567	0.0548	0.0553	0.0526	0.0485	0.0603	0.0485
N. Orange County Community College	0.0190	0.0170	0.0170	0.0304	0.0289	0.0293	0.0283	0.0241	0.0320	0.0288
Total Rate	1.0845	1.0858	1.0787	1.0906	1.0871	1.0881	1.0844	1.0761	1.0958	1.0809

Note:

In 1978, the voters of the State of California passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within.

Source: HdL Coren Cone

**CITY OF PLACENTIA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND NINE YEARS AGO
(AMOUNTS EXPRESS IN THOUSANDS)**

Taxpayer	2022			Taxpayer	2013		
	Taxable Assessed Value	Estimated Total Tax	Percent of Total City Taxable Assessed Value		Taxable Assessed Value	Estimated Total Tax	Percent of Total City Taxable Assessed Value
Fairfield Placentia Place LLC	\$ 112,754	\$1,128	1.49 %	OC of SD Holdings	\$65,578	\$ 656	1.29 %
Placentia 422	60,612	606	.80	Placentia 422	52,234	522	1.03
Villa Angelina Apartment Fund LTD	57,955	580	.77	Villa Tierra Apartments LLC	34,328	343	.68
MG Union Place Apartments LLC	47,445	474	.63	Placentia-Linda Hospital Inc.	30,437	304	.60
Placentia-Linda Hospital Inc.	40,374	404	.53	Donahue Schriber Realty Group	25,136	251	.49
Sedona-Placentia Owner LLC	39,650	397	.52	Reef Imperial Rose Inc.	23,902	239	.47
NMC Placentia LLC	37,553	376	.50	Inland Western Placentia LLC	22,712	227	.45
Reef Imperial Rose Inc.	31,639	316	.42	Hartwell Corporation	21,039	210	.41
Donahue Schriber Realty Group	29,428	294	.39	Western Oak Tree Court Partners LP	16,866	169	.33
Arlon Graphics LLC	28,897	289	.38	Bradford Terrace Placentia Apartments	16,435	164	.32
Total	\$ 486,307	\$ 4,864	6.43 %	Total	\$ 308,667	\$ 3,087	6.08 %

Source: HdL Coren Cone

**CITY OF PLACENTIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	\$ 12,064,669	\$ 11,889,799	98.55 %	N/A	N/A	N/A
2014	12,294,236	12,266,287	99.77	N/A	N/A	N/A
2015	13,012,736	12,973,298	99.70	N/A	N/A	N/A
2016	12,742,715	13,529,800	106.18	N/A	N/A	N/A
2017	12,831,914	12,865,221	100.26	N/A	N/A	N/A
2018	13,471,679	13,421,607	99.63	N/A	N/A	N/A
2019	14,144,498	14,244,954	100.71	N/A	N/A	N/A
2020	14,623,234	14,675,128	100.35	N/A	N/A	N/A
2021	15,211,067	15,384,500	101.14	N/A	N/A	N/A
2022	15,734,335	15,777,022	100.27	N/A	N/A	N/A

Note:

The amounts presented include City property taxes, In-Lieu Vehicle License Fees, and "triple flip" property tax revenue in lieu of sales tax. 2016 includes final payment of "triple flip" property tax revenue.

Source: County of Orange Auditor-Controller

CITY OF PLACENTIA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESS IN THOUSANDS, EXCEPT PER CAPITA)

Fiscal Year	Governmental Activities				Business-Type	Total Primary Government	Percent of Assessed Valuation	Per Capita	Percent of Personal Income
	Tax Allocation Bonds and Notes	Loans Payable	Certificates of Participation	Leases Payable	Loans Payable				
2013	\$ 4,062	\$ 189	\$ 10,471	\$ -	-	\$ 14,722	.290 %	\$ 284	.97 %
2014	3,870	75	9,572	-	-	13,517	.260	259	.89
2015	3,579	41	9,147	-	-	12,767	.231	245	.83
2016	3,063	218	8,697	-	-	11,978	.204	229	.76
2017	2,242	162	8,237	-	-	10,641	.173	204	.66
2018	1,226	1,325	7,737	-	-	10,288	.160	195	.60
2019	-	1,144	7,680	-	-	8,824	.130	169	.49
2020	-	6,154	7,095	-	-	13,249	.188	257	.70
2021	58,266	5,587	2,845	-	-	66,698	.907	1,303	3.40
2022	55,970	8,656	-	651	-	65,277	.863	1,275	3.22

Source: City of Placentia, Finance Department

**CITY OF PLACENTIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT
JUNE 30, 2022**

2020-22 Assessed Valuation	\$7,561,131
Successor Agency Incremental Valuation	394,528
Adjusted Assessed Valuation	<u>\$7,166,603</u>

	Total Debt June 30, 2022	% Applicable (1)	City's Share of Debt June 30, 2022
Direct Debt:			
Placentia 2022 Ref and Improv Cops	\$ 2,189,027	100.00 %	\$ 2,189,027
Placentia Public Safety Radio Loan Payable	664,014	100.00	664,014
Placentia Fire Loan Payable #1	2,785,389	100.00	2,785,389
Placentia Fire Loan Payable #2	1,460,450	100.00	1,460,450
Placentia Fire UAL Loan Payoff	1,076,463	100.00	1,076,463
Placentia OCTA Advance	1,557,622	100.00	1,557,622
Placentia 2021 Installment Sale Agreement	3,004,000	100.00	3,004,000
Placentia PFA 2020A Lease Revenue Bonds	51,890,000	100.00	51,890,000
Total Direct Debt			<u>64,626,965</u>
Overlapping Tax and Assessment Debt:			
Placentia -Yorba Linda Unified 2002 and 2008 Bond	\$228,563,164	22.109 %	\$50,533,030
Metropolitan Water District	4,050,721	1.110	44,963
N. OC Community College 2002, 2005, 2014 Bond	203,447,070	5.137	10,451,076
Total Overlapping Debt			<u>61,029,069</u>
Total Direct and Overlapping Debt			<u>\$ 125,656,034</u>

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

Ratios of Direct vs. Overlapping Debt:	
Direct Debt	51.43 %
Overlapping Debt	48.57
Total Debt	<u>100.00 %</u>

Ratios of Debt to Assessed Valuation:	
Direct Debt	.90 %
Overlapping Debt	.85
Total Debt	<u>1.75 %</u>

Source: HdL, Coren Cone

**CITY OF PLACENTIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for the Current Year:

Assessed Value	\$7,765,615,887
Debt Limit (3.75% of Assessed Value)	291,210,596
Debt Applicable to Limit	-
Legal Debt Margin - Current Year	<u><u>\$ 291,210,596</u></u>

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2013	\$ 181,800,203	\$ -	\$ 181,800,203	-
2014	186,635,310	-	186,635,310	-
2015	213,385,760	-	213,385,760	-
2016	220,387,742	-	220,387,742	-
2017	230,066,512	-	230,066,512	-
2018	248,734,552	-	248,734,552	-
2019	261,192,507	-	261,192,507	-
2020	271,595,021	-	271,595,021	-
2021	283,280,448	-	283,280,448	-
2022	291,210,596	-	291,210,596	-

Note:

The City charter includes a debt limit of 15%; however, at the time the charter was established, only 25% of the market value was used. For the purpose of determining the debt limit, the City is following the intent of the charter and reducing the debt limit to 3.75% of assessed valuation.

Source: City of Placentia, Finance Department

**CITY OF PLACENTIA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
 (PERSONAL INCOME IN THOUSANDS, EXCEPT PER CAPITA)**

Calendar Year	City Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2012	51,776	\$ 1,525,217	\$ 29,458	5.0 %
2013	52,094	1,511,507	29,015	4.4
2014	52,084	1,540,384	29,575	6.2
2015	52,263	1,567,115	29,985	5.1
2016	52,268	1,614,628	30,891	4.5
2017	52,755	1,716,075	32,529	3.5
2018	52,333	1,805,719	34,504	3.0
2019	51,494	1,899,759	36,892	2.9
2020	51,173	1,959,175	38,285	8.7
2021	51,204	2,024,718	39,542	5.8

Sources: City Population - State Department of Finance
 Unemployment Date - California Employment Development Department
 HdL, Coren Cone

**CITY OF PLACENTIA
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(AMOUNTS EXPRESS IN THOUSANDS)**

	Calendar Year										
	2012	2013	2014	2015	2012	2016	2017	2018	2019	2020	2021
Apparel Stores	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,114
General Merchandise	6,227	6,482	6,459	6,635	6,227	6,759	7,178	7,440	7,649	8,208	7,907
Food Stores	17,718	17,541	17,898	18,529	17,718	17,919	17,102	17,530	18,363	20,539	19,152
Eating and Drinking Places	61,816	62,479	66,582	79,730	61,816	84,676	85,373	83,083	87,912	77,897	101,361
Building Materials	39,460	37,884	48,092	38,156	39,460	55,996	60,664	68,803	74,767	69,616	89,608
Auto Dealers and Supplies	69,200	78,924	85,659	105,341	69,200	107,146	104,963	82,789	72,781	71,301	99,240
Service Stations	83,112	80,210	78,562	70,961	83,112	62,495	68,101	74,924	73,200	49,981	72,505
Other Retail Stores	55,311	63,164	64,434	60,419	55,311	70,775	74,578	75,597	76,411	65,702	62,668
All Other Outlets	192,626	197,944	213,510	255,719	192,626	240,166	234,501	245,115	268,067	269,831	278,458
Total	\$ 525,470	\$ 544,628	\$ 581,196	\$ 635,490	\$ 525,470	\$ 645,932	\$ 652,460	\$ 655,281	\$ 679,150	\$ 633,075	\$ 730,899

Note:

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's sales tax revenue.

The category "Apparel Stores" was added in the FY21/22 ACFR

Source: State of California Board of Equalization and The HdL Companies

**CITY OF PLACENTIA
BUDGETED FULL-TIME EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS**

Department	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Clerk	2.00	1.00	2.00	2.00	2.00	2.00	-	2.00	2.00	2.00
Administration	7.00	6.00	8.00	7.00	7.00	11.50	9.50	10.50	25.45	26.45
Finance	7.00	7.00	6.00	7.00	7.00	8.00	8.00	8.00	9.00	9.00
Development Services	3.00	-	-	4.00	4.75	6.50	8.50	8.50	8.55	9.55
Police	68.00	62.00	67.00	69.50	74.50	80.00	76.00	84.00	71.00	72.00
Fire and Life Safety	-	-	-	-	-	-	-	-	25.00	27.00
Public Works	22.00	19.00	18.00	19.00	20.25	20.75	20.00	22.00	22.00	26.00
Community Services	4.00	4.00	4.00	6.00	6.50	7.25	7.00	7.00	7.00	8.00
Total	113.00	99.00	105.00	114.50	122.00	136.00	129.00	142.00	170.00	180.00

Source: City of Placentia, Finance Department

**CITY OF PLACENTIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Physical Arrests	1,289	1,600	1,732	1,373	1,250	1,381	1,282	1,053	1,257	1,400
Parking Citations	6,970	7,147	11,141	12,729	13,161	2,359	7,398	4,646	3,742	2,974
Traffic Citations	3,366	3,330	2,498	2,060	1,824	2,659	7,707	1,601	1,162	509
Community Development:										
Building Permits	776	808	1,411	1,472	1,268	1,347	1,263	1,407	1,346	1,425
Building and Zoning Inspections	145	97	178	133	128	87	92	126	181	128
Public Works:										
Feet of Sewer Main Cleaned	401,280	401,280	401,280	401,280	249,134	385,510	318,118	396,000	372,246	372,246
Streetsweeping Miles	21,684	21,684	21,684	21,684	21,684	7,955	7,955	8,772	8,772	8,772
Traffic Signals Maintained	57	57	57	57	57	61	61	63	63	63
Culture and Recreation:										
Recreation Classes	704	710	787	747	727	645	610	577	387	421

Source: City of Placentia, Finance Department

**CITY OF PLACENTIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Public Safety:											
Police Stations	1	1	1	1	1	1	1	1	1	1	1
Sworn Officers	47	46	46	46	46	51	51	46	51	46	
Patrol Vehicles	26	26	26	26	26	32	32	33	16	16	
Fire Stations	2	2	2	2	2	2	2	2	2	2	
Highways and Streets:											
Miles of Streets	107	107	107	107	107	107	132	132	132	133	
Street Trees	9,214	9,214	9,214	9,214	9,214	9,139	7,175	7,077	6,929	6,688	
Traffic Signals	229	229	229	229	229	230	230	230	230	230	
Street Lights	3,656	3,656	3,656	3,656	3,656	3,660	3,660	3,656	3,656	3,656	
Sewer:											
Miles of Sanitary Sewers	76	76	76	76	76	76	76	84	84	84	
Storm Drains	506	506	506	506	506	506	506	506	506	531	
Culture and Recreation:											
Parks	16	16	16	16	16	16	16	15	15	15	
Area of Parks (Acres)	72.9	72.9	72.9	72.9	72.9	72.9	100.9	60.9	60.9	60.9	
Community Buildings	7	7	7	7	7	7	7	7	7	7	
Community Centers	3	3	3	3	3	3	3	3	3	3	
Senior Centers	1	1	1	1	1	1	1	1	1	1	
Baseball Diamonds	7	7	7	7	7	7	7	7	7	7	
Basketball Courts	8	8	8	8	8	8	8	7	7	7	
Soccer Fields	1	1	1	1	1	1	1	1	1	1	
Pools	2	2	2	2	2	2	2	2	2	2	
Gymnasiums	1	1	1	1	1	1	1	1	1	1	

Note:

In FY20/21, the Fleet Manager provided the number of patrol vehicles as 16. The police department could not recreate the previously reported number of 33. When taking into account all police department vehicles, the number was 45. Therefore, only the actual patrol vehicles were reported starting in FY20/21.

Source: City of Placentia, Finance Department

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Prepared by the Finance Department
of the City of Placentia