

**CITY OF PLACENTIA  
PLACENTIA, CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2023**

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



CPAs | CONSULTANTS | WEALTH ADVISORS

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*The People are the City*



**Mayor**  
JEREMY B. YAMAGUCHI

**Mayor Pro Tem**  
KEVIN KIRWIN

**Councilmembers:**  
RHONDA SHADER  
CHAD P. WANKE  
WARD L. SMITH

**City Clerk:**  
ROBERT S. MCKINNELL

**City Treasurer**  
KEVIN A. LARSON

**City Administrator**  
DAMIEN R. ARRULA

*401 East Chapman Avenue – Placentia, California 92870*

May 13, 2024

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, 2023. 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, 2023, 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, 2023, 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 fund balance of the General Fund was approximately \$26.7 million on June 30, 2023, the unassigned fund balance was approximately \$19.9 million, a \$12.7 million increase from June 30, 2022. 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 2023-24.

## **FACTORS AFFECTING THE CITY'S ECONOMIC CONDITION**

**Local Economy:** Placentia's economic outlook is promising. Taxes represent seventy-three percent (73%) 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 2022-23 generally slightly exceeded budget and are expected to exceed budgeted amounts for FY 2023-24 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.

**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.

**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, 2023 construction is complete and leasing of apartments and retail space is underway.

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, 2023 construction of some of the buildings is complete, including the model homes. Home sales are underway for the remaining buildings.

### **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**

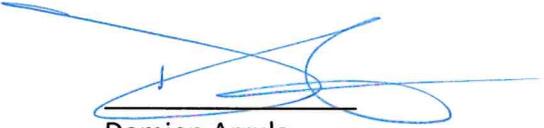
The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire Finance Department. Special recognition is also given to the audit firm of the Clifton Larson Allen, LLP. We also wish to recognize the commitment of the City Council to the high 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,



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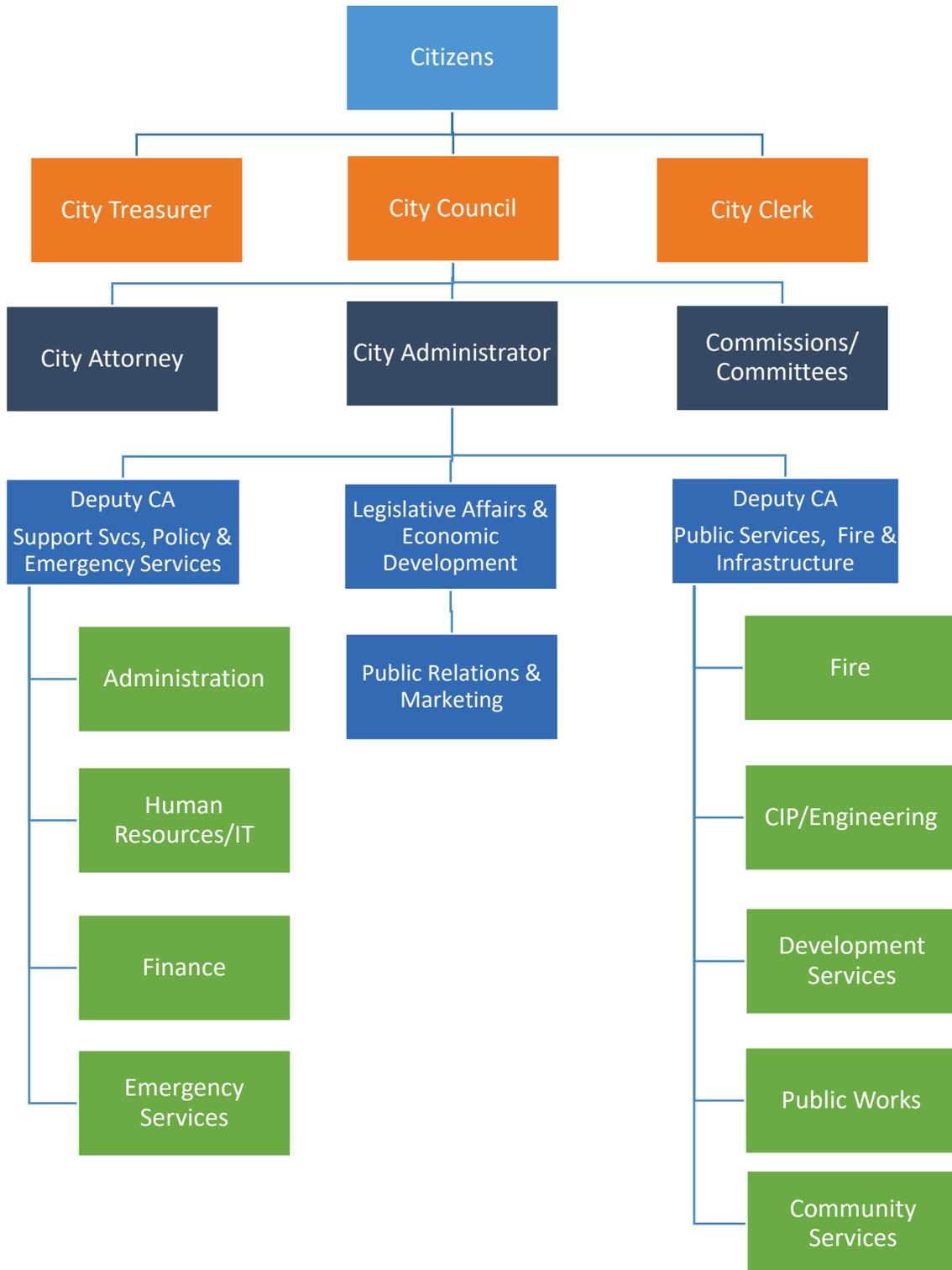
Jennifer Lampman  
Director of Finance



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Damien Arrula  
City Administrator

# CITYWIDE ORGANIZATION CHART



**CITY OF PLACENTIA  
PRINCIPAL OFFICIALS  
JUNE 30, 2023**

**CITY COUNCIL**

Jeremy B. Yamaguchi	Mayor
Kevin Kirwin	Mayor Pro Tempore
Rhonda Shader	Councilmember
Ward L. Smith	Councilmember
Chad P. Wanke	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**

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## 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, 2023, 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, 2023, 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 1C to the financial statements, effective July 1, 2022, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*. 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 the City's proportionate share of the net pension liabilities 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, and the schedule of OPEB plan contributions, 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

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 April 30, 2024, 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  
April 30, 2024

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

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, 2023. 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 \$87 million on June 30, 2023. 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, 2023, was approximately \$78.6 million and from business-type activities, \$8.4 million.
- The City's overall net position decreased by approximately \$5.4 million during the fiscal year, compared to the net position on June 30, 2022. The net position from governmental activities decreased by \$4.2 million while the net position from business-type activities decreased by approximately \$1.1 million. Governmental activities increased significantly due to the employer contributions to pension that were made in the prior fiscal year being reflected in the current fiscal year's most recent pension measurement date. Business-type activities net position decreased by \$1.1 million, primarily due to an approximately \$900 thousand decrease in pension-related assets.

**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.

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

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 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 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.

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

- **Proprietary Funds**

The City maintains two different types of proprietary funds: 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.

### **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.

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

**Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Cash and Investments	\$ 38,182,514	\$ 47,351,462	\$ 1,778,578	\$ 1,231,595	\$ 39,961,092	\$ 48,583,057
Other Assets	42,866,148	54,427,009	214,152	1,038,376	43,080,300	55,465,385
Capital Assets	118,450,405	98,601,846	7,166,223	7,693,539	125,616,628	106,295,385
Total Assets	<u>199,499,067</u>	<u>200,380,317</u>	<u>9,158,953</u>	<u>9,963,510</u>	<u>208,658,020</u>	<u>210,343,827</u>
<b>Deferred Outflows of Resources</b>	18,139,862	25,803,893	678,259	1,104,279	18,818,121	26,908,172
<b>Liabilities</b>						
Current Liabilities	15,401,307	18,933,738	393,716	348,929	15,795,023	19,282,667
Long-Term Liabilities	86,871,991	91,302,261	680,187	812,071	87,552,178	92,114,332
Total Liabilities	<u>102,273,298</u>	<u>110,235,999</u>	<u>1,073,903</u>	<u>1,161,000</u>	<u>103,347,201</u>	<u>111,396,999</u>
<b>Deferred Inflows of Resources</b>	<u>36,790,463</u>	<u>33,123,748</u>	<u>351,954</u>	<u>371,563</u>	<u>37,142,417</u>	<u>33,495,311</u>
<b>Net Position</b>						
Net Investment in Capital Assets	103,757,453	86,044,986	7,166,223	7,693,539	110,923,676	93,738,525
Restricted	18,360,789	20,175,287	-	-	18,360,789	20,175,287
Unrestricted	<u>(43,543,074)</u>	<u>(23,395,810)</u>	<u>1,245,132</u>	<u>1,841,687</u>	<u>(42,297,942)</u>	<u>(21,554,123)</u>
Total Net Position	<u>\$ 78,575,168</u>	<u>\$ 82,824,463</u>	<u>\$ 8,411,355</u>	<u>\$ 9,535,226</u>	<u>\$ 86,986,523</u>	<u>\$ 92,359,689</u>

The City's net position can serve as a useful indicator of the City's financial position. As of June 30, 2023, the City's combined net position (governmental and business-type activities) totaled \$87 million, a decrease of \$5.4 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 \$110.9 million on June 30, 2023, is the City's net investment in capital assets (land, buildings, machinery, equipment, and infrastructure net of related debt). 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 \$18.4 million on June 30, 2023, reflecting a decrease of \$1.8 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 \$42.3 million.

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

**Change in Net Position**

The following is a summary of activities for the years ended June 30, 2023 and 2022:

**Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 6,940,710	\$ 6,468,453	\$ 5,731,079	\$ 4,522,691	\$ 12,671,789	\$ 10,991,144
Operating Contributions and Grants	15,642,625	6,499,104	-	-	15,642,625	6,499,104
Capital Contributions and Grants	5,024,953	1,850,038	-	-	5,024,953	1,850,038
General Revenues:						
Taxes	44,499,687	41,621,461	-	-	44,499,687	41,621,461
Investment Income	377,738	(297,210)	18,644	1,957	396,382	(295,253)
Miscellaneous	2,544,611	256,115	-	-	2,544,611	256,115
<b>Total Revenues</b>	<b>75,030,324</b>	<b>56,397,961</b>	<b>5,749,723</b>	<b>4,524,648</b>	<b>80,780,047</b>	<b>60,922,609</b>
<b>Expenses:</b>						
General Government	19,220,385	9,242,047	-	-	19,220,385	9,242,047
Public Safety	39,862,578	(5,340,560)	-	-	39,862,578	(5,340,560)
Public Works	11,631,983	3,159,219	-	-	11,631,983	3,159,219
Community Development	2,425,348	1,553,558	-	-	2,425,348	1,553,558
Community Services	3,755,053	1,684,915	-	-	3,755,053	1,684,915
Interest	2,372,525	2,591,011	-	-	2,372,525	2,591,011
Refuse	-	-	4,340,551	3,420,538	4,340,551	3,420,538
Sewer Maintenance	-	-	2,533,043	150,242	2,533,043	150,242
<b>Total Expenses</b>	<b>79,267,872</b>	<b>12,890,190</b>	<b>6,873,594</b>	<b>3,570,780</b>	<b>86,141,466</b>	<b>16,460,970</b>
<b>Change in Net Position</b>	<b>(4,237,548)</b>	<b>43,507,771</b>	<b>(1,123,871)</b>	<b>953,868</b>	<b>(5,361,419)</b>	<b>44,461,639</b>
Net Position - Beginning of Year	82,812,716	39,316,692	9,535,226	8,581,358	92,347,942	47,898,050
<b>Net Position - End of Year</b>	<b>\$ 78,575,168</b>	<b>\$ 82,824,463</b>	<b>\$ 8,411,355</b>	<b>\$ 9,535,226</b>	<b>\$ 86,986,523</b>	<b>\$ 92,359,689</b>

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

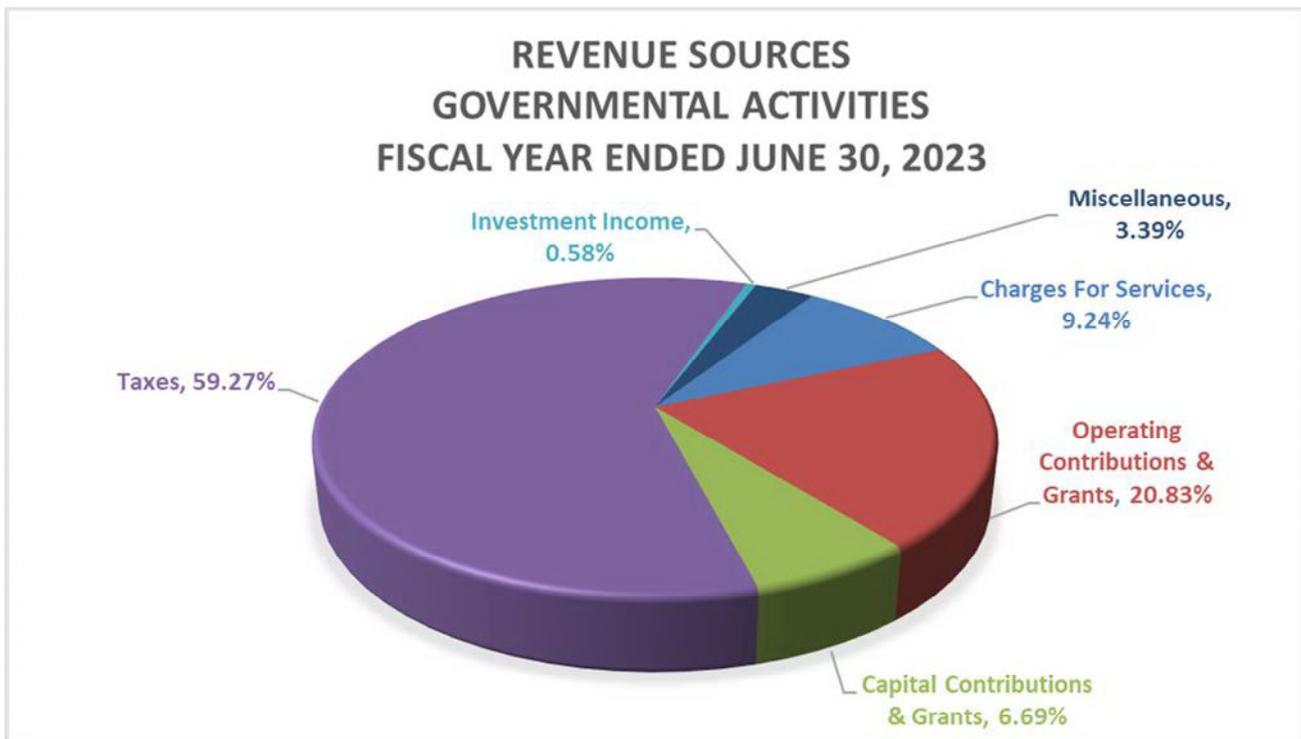
**Governmental Activities:**

Overall, governmental activities decreased the City's net position by \$4.2 million. There were several factors that contributed to this change.

**Revenues**

Total revenue from governmental activities equaled \$75.0 million for the year. While there are differences in all revenue categories, the overall increase was \$18.6 million, or 33.0% 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 \$2.9 million, or 6.9%. Property tax, transient occupancy tax, and utility users tax accounted for \$2.4 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. Of the \$2.4 million increase property taxes had an increase of \$1.6 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 reflect an increase of \$3.1 million. The large increase in Capital Contributions and Grants was due to a large reimbursement from Caltrans related to the Highway Safety Improvement Program and increased developer impact fees.

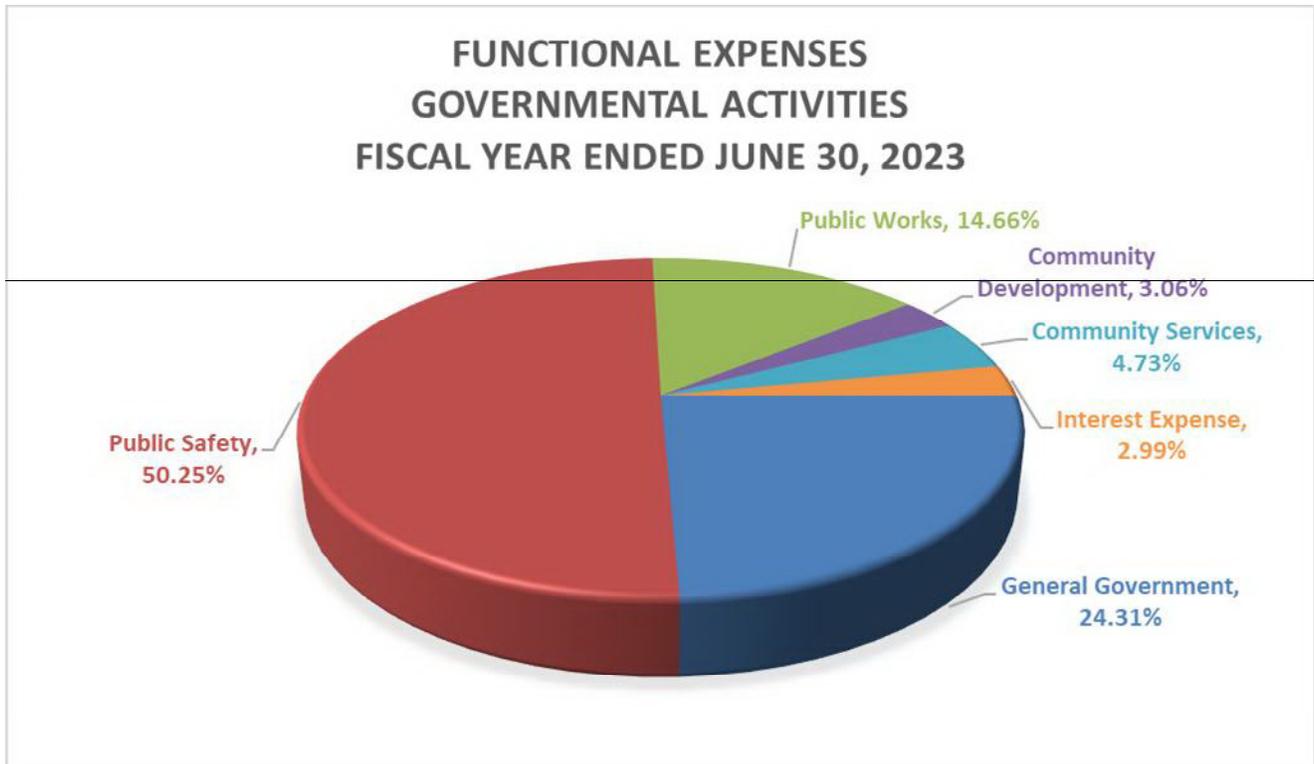
**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

Investment income increased by approximately \$675 thousand or 227% compared to last fiscal year. The increase in Investment Income reflects an increase in the market value adjustment of investments, particularly, Time Value Investments (TVI).

**Expenses**

Total expenses from governmental activities equaled approximately \$79.3 million, representing an increase of \$66.4 million, or 514.7%, over the previous year. A large part of this increase is due to the pension UAL creating a negative pension expense in the prior year.

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



**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

**Business-Type Activities:**

	<u>2023</u>	<u>2022</u>
Operating Revenues	\$ 5,731,079	\$ 4,522,691
Operating Expenses	<u>6,873,594</u>	<u>3,570,780</u>
Operating Income (Loss)	(1,142,515)	951,911
Nonoperating Income	<u>18,644</u>	<u>1,957</u>
Change in Net Position	<u>\$ (1,123,871)</u>	<u>\$ 953,868</u>

The business-type activities include the City's refuse and sewer system activities. Total operating revenues for the business-type activities were approximately \$5.7 million and the operating expenses were \$6.8 million, for a net operating deficit of approximately \$1.1 million.

*Refuse*

The City of Placentia contracts with Republic Services to provide weekly residential, multi-family, and commercial waste collection services. The refuse operation in fiscal year 22-23 triggered an operating deficit of \$57,402, a decrease of \$368 thousand compared to the previous fiscal year. This change was caused by an increase in administration costs by approximately \$419,037 primarily due to an increase in salaries and benefits as well as Other Post-Employment Benefit (OPEB) expenses. Also, landfill and contractor charges increased by \$500,976 due to a yearly CPI increase.

*Sewer*

The City operates and maintains 84 miles of gravity sanitary sewer pipelines that serve the majority of parcels within the 6.6 square mile City limits. Operations, maintenance, and repair activities include sewer line cleaning, root removal, manhole maintenance and repair, sewer line video inspection, and sewer lateral maintenance, repair, and replacement. The sewer system operation generated an operating loss of \$1.1 million compared to operating income of \$640 thousand 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 allocation of pension-related expense increased compared to the prior year.

**FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS**

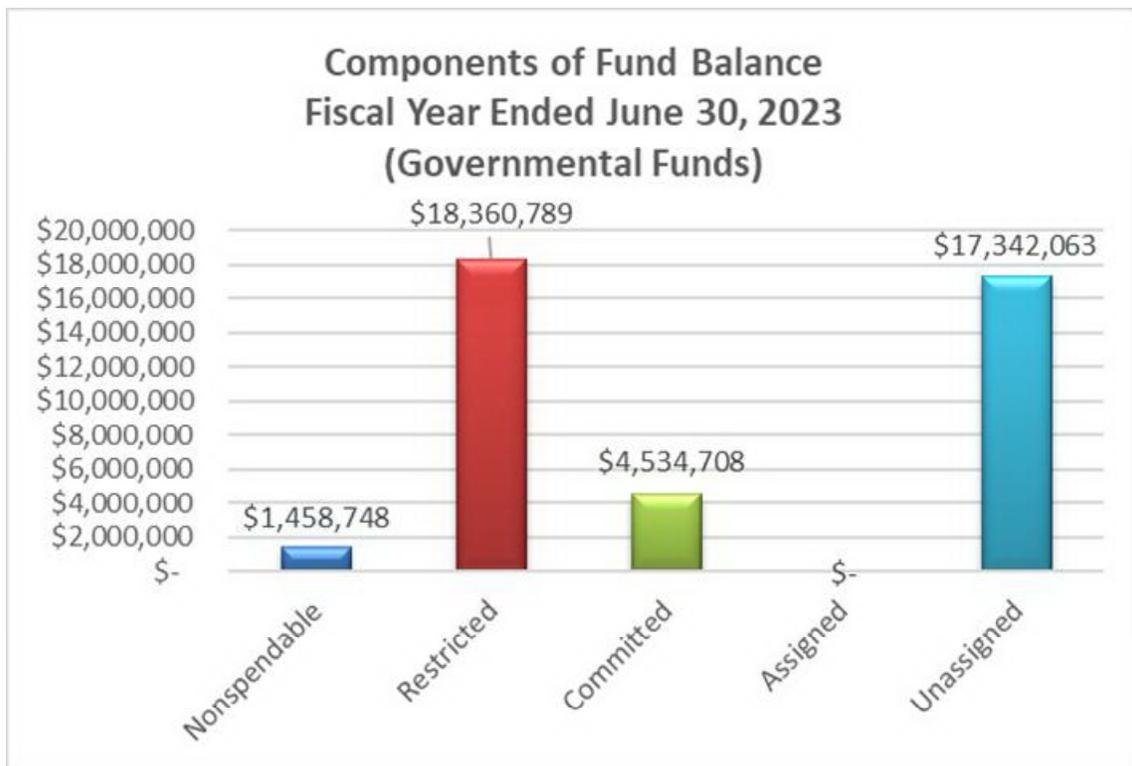
The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

**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 \$41.7 million, an increase of \$686 thousand from the prior year.



The total fund balance includes \$1.5 million non-spendable fund balance; specifically, long-term loans receivable, inventories of supplies and prepaid expenditures, and prepaid items, which cannot be used to finance operating expenditures.

The restricted fund balance of \$18.4 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 \$1.8 million compared to last year primarily due to an increase in activity in Debt Service for the Placentia Public Financing Authority.

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

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, 2023, the city has committed \$4.5 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, 2023.

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, 2023, for all governmental funds combined is \$17.3 million, consisting of \$19.9 million in unassigned fund balance in the General Fund and combined unassigned deficits with a total of \$2.6 million in miscellaneous grants, capital projects fund, the Navigation Center Fund, the Housing and Community Development Fund, Sewer Construction, 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 and negative fund balances at the beginning of the year offsetting the positive net changes throughout the year.

**General Fund:**

The General Fund is the main operating fund of the City. As of June 30, 2023, total fund balance of the General Fund was \$26.7 million, compared to \$23.6 million on June 30, 2022, representing an increase of \$3.1 million. Committed portions of the fund balance decreased from the prior year due to the removal of the capital projects which were started but not completed.

**Revenue**

The General Fund had revenues of \$60.6 million, compared to \$48.7 million in the prior year, an increase of \$11.9 million, or 24.44%. 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. The large increase in intergovernmental revenues was due to the recognition of revenues from ARPA and a payment from the County of Orange for the Annexation of Hamer Island.

**Expenditures**

General Fund expenditures as of June 30, 2023, were \$57.7 million, compared to \$42.1 million last year, which represents an increase of \$15.6 million or 37.05%. The major areas impacting the increase of expenditures are related to capital expenditures, debt service, and general government expenditures. General government saw an increase arising from the purchase of new servers and switches, an increase in city administration costs to fund the Risk Management and Employee Health & Welfare Funds, and the pre-funding of a trust for OPEB.

Public Safety

Public safety expenditure increased by \$0.9 million resulting mostly from the salaries and benefits for the Placentia Fire Life & Safety department. A large portion of the increase is due to contracted services for inspections and plan check.

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

Public Works

Public works expenditures had a net increase of \$586 thousand due to an increase in the repair and maintenance of city facilities and park facilities as well as repairs to the HVAC system and rental of chilling towers. Additional costs incurred were due to an increase in fuel costs to power generators at the City Yard while electrical wiring and trenching was underway in the adjacent lot for the construction of the butler building.

Capital Outlay

Capital Outlay increased by \$9.4 million or 187.50% compared to the prior year. The city increased the number of expenditures related to the ARPA funds received in prior years. The ARPA funds have allowed the city to invest in projects that benefited the general government of the city.

Debt Service

Debt Service had an increase of approximately \$420 thousand or 18.48% primarily because of GASB 87 and GASB 96 lease and subscription payments made throughout the year being reclassified as principal and interest.

**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 \$8.4 million, a \$1.1 million decrease from the prior year. The sewer maintenance fund had a net position of \$8.2 million of which \$7.2 million represents a net investment in capital assets. The sewer maintenance had an increase to its share of net pension liabilities that accounted for \$759 thousand of the \$2.4 million increase in sewer maintenance expenses. The Refuse Fund had a positive net position of \$212,422, a decrease of \$52,527 compared to the prior year.

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year adjustments were made to 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 2022-23 included estimated revenues including transfers from other funds was nearly \$51.5 million but was increased by budget amendments totaling \$9.9 million, for a final budget of \$61.4 million. Actual revenues were \$60.6 million, with the largest positive budget variance being \$1.1 million in taxes due to improved valuations. These revenues continued to perform well since the COVID-19 Pandemic.

The adopted General Fund expenditure budget for this fiscal year was \$48.9 million; however, the Council approved amendments and increased appropriations by \$16.5 million for a final amended budget of \$65.4 million. The largest necessary increases were to Capital Outlay. Capital outlay expenses improvement the City's streets, Fire station, parks, and purchase machinery/equipment. In fiscal year 22-23 the City also received \$9.1 million dollars from the American Recovery Plan Act ("ARPA"). During April 2023, 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 on essential purchases and increase the fund balance in the General Fund by \$1.3 million in operating surplus.

**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, 2023, totaled \$125.6 million, an increase of approximately \$19.3 million, or 18.2%, from the prior year. Capital assets include land, buildings, infrastructure, and equipment.

Governmental activities grew by \$17.1 million, net of accumulated depreciation. The growth is mostly due to a \$16.9 million construction in progress (CIP) activity and the implementation of GASB 96. The \$16.9 million CIP activity is mostly composed of a large number of projects that were started in the fiscal year but were not completed and carried into the following fiscal year.

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.

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

**CAPITAL ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 26,118,971	\$ 25,201,872	\$ -	\$ -	\$ 26,118,971	\$ 25,201,872
Land - Right of Way	1,008,822	258,822	-	-	1,008,822	258,822
Trees	3,114,540	3,114,540	-	-	3,114,540	3,114,540
Construction in Progress	24,107,558	7,234,275	-	-	24,107,558	7,234,275
Structures and Improvements	12,059,077	11,511,755	7,123,820	7,638,920	19,182,897	19,150,675
Right-to-Use Lease Land	380,505	532,707	-	-	380,505	532,707
Right-to-Use Lease Equipment	597,417	110,090	-	-	597,417	110,090
Subscription Assets	2,181,848	-	-	-	2,181,848	-
Equipment	6,961,004	7,441,787	42,403	54,619	7,003,407	7,496,406
Land Improvements	43,176	48,972	-	-	43,176	48,972
Infrastructure:						
Streets Network	31,203,613	31,932,649	-	-	31,203,613	31,932,649
Streets Appurtenances	8,498,752	8,846,752	-	-	8,498,752	8,846,752
Storm Drains	2,175,122	2,367,625	-	-	2,175,122	2,367,625
<b>Total</b>	<b>\$ 118,450,405</b>	<b>\$ 98,601,846</b>	<b>\$ 7,166,223</b>	<b>\$ 7,693,539</b>	<b>\$ 125,616,628</b>	<b>\$ 106,295,385</b>

For further detailed information see Note 5, Capital Assets.

**Debt Administration**

As of June 30, 2023, the City's long-term debt totaled approximately \$93.5 million, representing an increase of \$19.3 million from the prior year. Although there was a decrease in claims payable, the estimated pension liabilities were \$4.3 million based on new estimates after the Pension Bond was issued, while OPEB liabilities decreased by \$6.3 million due to pension liabilities in the prior year being recognized as an asset because of the UAL payoff but it now has become a liability.

**LONG-TERM LIABILITIES**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Radios Loan	\$ 515,597	\$ 664,014	\$ -	\$ -	\$ 515,597	\$ 664,014
Fire Lease #1 Loan	2,445,454	2,785,389	-	-	2,445,454	2,785,389
Fire Lease #2 Loan	1,281,976	1,460,450	-	-	1,281,976	1,460,450
Easement Loan	284,411	-	-	-	284,411	-
Vehicles Loan	124,631	-	-	-	124,631	-
OCTA Advance	1,144,278	1,557,622	-	-	1,144,278	1,557,622
Fire UAL Payoff Loan	714,261	1,076,463	-	-	714,261	1,076,463
2002 Loan Payable (2003 COP)	1,752,697	2,189,027	-	-	1,752,697	2,189,027
2021 Installment Sale Agreement	2,651,000	3,004,000	-	-	2,651,000	3,004,000
2020A Lease Revenue Bond	50,390,000	51,890,000	-	-	50,390,000	51,890,000
Leases Payable	987,563	650,728	-	-	987,563	650,728
Subscription Liability	1,849,671	-	-	-	1,849,671	-
Claims Payable	4,051,344	5,015,211	-	-	4,051,344	5,015,211
Compensated Absences	2,511,619	2,195,349	45,575	42,491	2,557,194	2,237,840
Other Postemployment Benefit	17,803,729	24,138,119	511,032	772,368	18,314,761	24,910,487
Pension Liabilities (Assets)	4,337,200	(22,405,246)	126,102	(860,379)	4,463,302	(23,265,625)
<b>Total</b>	<b>\$ 92,845,431</b>	<b>\$ 74,221,126</b>	<b>\$ 682,709</b>	<b>\$ (45,520)</b>	<b>\$ 93,528,140</b>	<b>\$ 74,175,606</b>

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

**CITY OF PLACENTIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2023**

**NEXT YEAR'S BUDGET, TAX RATES, AND FEE LEVELS**

The Fiscal Year 2023-24 adopted General Fund operating budget was balanced, with a surplus of revenues and transfers from other funds over expenditures and transfers to other funds of \$863,175 and a contribution from Measure U for General Fund Reserve of \$920,000.

General Fund revenues and transfers from other funds are currently estimated at \$49.8 million for FY 2023-24, which represents a \$10.8 million or 21.7% decrease from actuals FY 2022-23 revenues and transfers from other funds. This decrease is primarily due to a decrease in Intergovernmental revenue, which is the one-time ARPA funding that the City has previously been awarded.

The adopted FY23-24 General Fund budget includes \$48.0 million of appropriations for expenditures (excluding CIP expenditures) and transfers to other funds. This represents an increase of \$1.4 million or 3.3% over FY 2022-23 amended budget expenditures and transfers to other funds.

The increase is due to the new MOU's being effective July 1, 2024, 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 2023-24 is 200 full time positions, 4 unfunded over hires, and 76 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.

The City is also making significant investments in Capital Projects. The Fiscal Year 2023-24 adopted General Fund budget includes \$4.3 million supported from unassigned fund balance. Projects include Wayfinding signage, additional funding for public safety building, design of new Senior/Community Center, design of a potential dog park, an IT master plan, facility conditions assessment, communication and marketing plan, and other building improvements.

**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](http://www.placentia.org).

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF PLACENTIA  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 38,182,514	\$ 1,778,578	\$ 39,961,092
Receivables, Net of Allowance:			
Accounts	3,847,859	175,911	4,023,770
Taxes	3,648,548	38,241	3,686,789
Grants	1,377,309	-	1,377,309
Interest	160,382	-	160,382
Loans	2,706,556	-	2,706,556
Leases	574,218	-	574,218
Prepaid Items	263,629	-	263,629
Inventory	47,288	-	47,288
Total Current Assets	<u>50,808,303</u>	<u>1,992,730</u>	<u>52,801,033</u>
Noncurrent Assets:			
Land Held for Resale	1,036,760	-	1,036,760
Leases Receivable	24,181,234	-	24,181,234
Restricted Assets:			
Cash and Investments with Fiscal Agent	4,216,844	-	4,216,844
Pension Stability Fund	805,521	-	805,521
Capital Assets - Nondepreciable	54,349,891	-	54,349,891
Capital Assets - Depreciable, Net	<u>64,100,514</u>	<u>7,166,223</u>	<u>71,266,737</u>
Total Noncurrent Assets	<u>148,690,764</u>	<u>7,166,223</u>	<u>155,856,987</u>
Total Assets	199,499,067	9,158,953	208,658,020
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges on Refunding	255,176	-	255,176
Deferred Outflows of Resources Related to Pensions	12,328,239	518,769	12,847,008
Deferred Outflows of Resources Related to OPEB	<u>5,556,447</u>	<u>159,490</u>	<u>5,715,937</u>
Total Deferred Outflows of Resources	<u>18,139,862</u>	<u>678,259</u>	<u>18,818,121</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA  
STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 4,632,941	\$ 370,909	\$ 5,003,850
Accrued Payroll and Benefits	436,300	20,285	456,585
Deposits Payable	1,259,985	-	1,259,985
Retentions Payable	908,109	-	908,109
Accrued Interest Payable	229,685	-	229,685
Unearned Revenues	1,960,847	-	1,960,847
Long-Term Debt Due Within One Year	4,835,288	-	4,835,288
Claims Payable Due Within One Year	999,086	-	999,086
Compensated Absences Due Within One Year	139,066	2,522	141,588
Total Current Liabilities	<u>15,401,307</u>	<u>393,716</u>	<u>15,795,023</u>
Noncurrent Liabilities			
Long-Term Debt Due in More Than One Year	59,306,251	-	59,306,251
Claims Payable Due in More Than One Year	3,052,258	-	3,052,258
Compensated Absences Due in More Than One Year	2,372,553	43,053	2,415,606
Total OPEB Liability	17,803,729	511,032	18,314,761
Aggregate Net Pension Liabilities	4,337,200	126,102	4,463,302
Total Noncurrent Liabilities	<u>86,871,991</u>	<u>680,187</u>	<u>87,552,178</u>
Total Liabilities	102,273,298	1,073,903	103,347,201
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases Related	24,466,845	-	24,466,845
Deferred Pension - Related Items	167,689	3,034	170,723
Deferred OPEB - Related Items	12,155,929	348,920	12,504,849
Total Deferred Inflows of Resources	<u>36,790,463</u>	<u>351,954</u>	<u>37,142,417</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	103,757,453	7,166,223	110,923,676
Restricted for:			
Public Safety	1,693,882	-	1,693,882
Public Works	1,940,847	-	1,940,847
Community Development	1,750,391	-	1,750,391
Community Services	4,483,485	-	4,483,485
Debt Service	4,237,250	-	4,237,250
Transportation	484,321	-	484,321
Park Development	20,461	-	20,461
Street Maintenance	582,564	-	582,564
Air Quality	288,865	-	288,865
Affordable Housing	2,073,202	-	2,073,202
Pension Stability	805,521	-	805,521
Total Restricted	<u>18,360,789</u>	<u>-</u>	<u>18,360,789</u>
Unrestricted (Deficit)	<u>(43,543,074)</u>	<u>1,245,132</u>	<u>(42,297,942)</u>
Total Net Position	<u>\$ 78,575,168</u>	<u>\$ 8,411,355</u>	<u>\$ 86,986,523</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

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
<b>PRIMARY GOVERNMENT</b>							
Governmental Activities:							
General Government	\$ 19,220,385	\$ 3,214,903	\$ 231,411	\$ -	\$ (15,774,071)	\$ -	\$ (15,774,071)
Public Safety	39,862,578	877,505	10,728,682	-	(28,256,391)	-	(28,256,391)
Public Works	11,631,983	810,780	2,871,710	5,024,953	(2,924,540)	-	(2,924,540)
Community Development	2,425,348	1,700,509	1,383,950	-	659,111	-	659,111
Community Services	3,755,053	337,013	426,872	-	(2,991,168)	-	(2,991,168)
Interest	2,372,525	-	-	-	(2,372,525)	-	(2,372,525)
Total Governmental Activities	<u>79,267,872</u>	<u>6,940,710</u>	<u>15,642,625</u>	<u>5,024,953</u>	<u>(51,659,584)</u>	<u>-</u>	<u>(51,659,584)</u>
Business-Type Activities:							
Refuse	4,340,551	4,283,149	-	-	-	(57,402)	(57,402)
Sewer Maintenance	2,533,043	1,447,930	-	-	-	(1,085,113)	(1,085,113)
Total Business-Type Activities	<u>6,873,594</u>	<u>5,731,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,142,515)</u>	<u>(1,142,515)</u>
Total Primary Government	<u>\$ 86,141,466</u>	<u>\$ 12,671,789</u>	<u>\$ 15,642,625</u>	<u>\$ 5,024,953</u>	<u>(51,659,584)</u>	<u>(1,142,515)</u>	<u>(52,802,099)</u>
<b>GENERAL REVENUES</b>							
Taxes:							
					18,809,203	-	18,809,203
					17,530,357	-	17,530,357
					3,199,994	-	3,199,994
					2,869,628	-	2,869,628
					1,672,519	-	1,672,519
					411,674	-	411,674
					6,312	-	6,312
					377,738	18,644	396,382
					2,544,611	-	2,544,611
					<u>47,422,036</u>	<u>18,644</u>	<u>47,440,680</u>
<b>CHANGES IN NET POSITION</b>					(4,237,548)	(1,123,871)	(5,361,419)
Net Position - Beginning of Year					<u>82,812,716</u>	<u>9,535,226</u>	<u>92,347,942</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 78,575,168</u>	<u>\$ 8,411,355</u>	<u>\$ 86,986,523</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, 2023**

	Major Funds				Total
	General Fund	Citywide Development Impact Fee Special Revenue Fund	Debt Service Fund	Other Governmental Funds	
<b>ASSETS</b>					
Cash and Investments	\$ 23,002,748	\$ 4,595,929	\$ -	\$ 7,886,360	\$ 35,485,037
Receivables:					
Accounts	1,029,222	-	-	2,818,528	3,847,750
Taxes	3,648,548	-	-	-	3,648,548
Grants	-	-	-	1,377,309	1,377,309
Accrued Interest	160,357	-	-	25	160,382
Loans and Notes	1,575,424	511,933	-	619,199	2,706,556
Leases	24,741,675	-	-	13,777	24,755,452
Prepaid Items	200,016	4,856	-	250	205,122
Due from Other Funds	3,373,473	-	-	-	3,373,473
Inventories	47,288	-	-	-	47,288
Land Held for Resale	-	-	-	1,036,760	1,036,760
Restricted Assets:					
Cash and Investments with Fiscal Agents	-	-	4,216,844	-	4,216,844
Pension Stability Fund	805,521	-	-	-	805,521
Total Assets	<u>\$ 58,584,272</u>	<u>\$ 5,112,718</u>	<u>\$ 4,216,844</u>	<u>\$ 13,752,208</u>	<u>\$ 81,666,042</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 3,730,697	\$ 125,879	\$ -	\$ 676,897	\$ 4,533,473
Accrued Payroll and Benefits	427,045	-	-	9,250	436,295
Deposits Payable	1,259,985	-	-	-	1,259,985
Retentions Payable	585,362	-	-	322,747	908,109
Due to Other Funds	-	-	63,135	3,272,016	3,335,151
Unearned Revenue	1,364,599	-	-	596,248	1,960,847
Total Liabilities	<u>7,367,688</u>	<u>125,879</u>	<u>63,135</u>	<u>4,877,158</u>	<u>12,433,860</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases	24,453,190	-	-	13,655	24,466,845
Unavailable Revenues	50,638	511,933	-	2,506,458	3,069,029
Total Deferred Inflows of Resources	<u>24,503,828</u>	<u>511,933</u>	<u>-</u>	<u>2,520,113</u>	<u>27,535,874</u>
<b>FUND BALANCES</b>					
Nonspendable	1,453,892	4,856	-	-	1,458,748
Restricted	805,521	4,470,050	4,153,709	8,931,509	18,360,789
Committed	4,534,708	-	-	-	4,534,708
Unassigned (Deficit)	19,918,635	-	-	(2,576,572)	17,342,063
Total Fund Balances	<u>26,712,756</u>	<u>4,474,906</u>	<u>4,153,709</u>	<u>6,354,937</u>	<u>41,696,308</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 58,584,272</u>	<u>\$ 5,112,718</u>	<u>\$ 4,216,844</u>	<u>\$ 13,752,208</u>	<u>\$ 81,666,042</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, 2023**

Total Fund Balances - Governmental Funds \$ 41,696,308

Amounts reported for governmental activities in the statement of net position were reported differently because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds balance sheet.

Nondepreciable	54,349,891
Depreciable	64,100,514
	118,450,405

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.

255,176

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.

3,069,029

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.

(229,685)

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:

Financed Purchases	(4,652,069)
OCTA Advance	(1,144,278)
Compensated Absences	(2,511,619)
Loans Payable	(5,117,958)
Bonds Payable	(50,390,000)
Leases Payable	(987,563)
Subscription Liability	(1,849,671)
	(66,653,158)

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:

Pension Related Deferred Outflows of Resources	12,328,239
Aggregate Net Pension Liabilities	(4,337,200)
Pension Related Deferred Inflows of Resources	(167,689)

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:

OPEB Related Deferred Outflows of Resources	5,556,447
Net OPEB Liability	(17,803,729)
OPEB Related Deferred Inflows of Resources	(12,155,929)

Internal Service Funds were used BR 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.

(1,433,046)

Net Position of Governmental Activities as Reported on the Statement of Net Position

\$ 78,575,168

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, 2023**

	Major Funds				Total
	General Fund	Citywide Development Impact Fee Special Revenue Fund	Debt Service Fund	Other Governmental Funds	
<b>REVENUES</b>					
Taxes	\$ 44,429,339	\$ -	\$ -	\$ -	\$ 44,429,339
Intergovernmental	8,640,895	-	-	7,928,539	16,569,434
Licenses and Permits	2,643,941	-	-	-	2,643,941
Fines and Forfeitures	457,065	-	-	1,319,603	1,776,668
Investment Earnings (Losses)	67,366	61,501	149,405	99,135	377,407
Charges for Services	1,364,054	-	-	1,023,134	2,387,188
Leases and Rents	1,572,445	-	-	147	1,572,592
Contributions	-	1,530,026	-	-	1,530,026
Miscellaneous	1,385,763	-	-	1,293,984	2,679,747
Total Revenues	<u>60,560,868</u>	<u>1,591,527</u>	<u>149,405</u>	<u>11,664,542</u>	<u>73,966,342</u>
<b>EXPENDITURES</b>					
Current:					
General Government	15,748,766	-	-	21,884	15,770,650
Public Safety	16,357,168	62,969	-	2,718,892	19,139,029
Public Works	4,100,553	-	-	1,905,116	6,005,669
Community Development	1,718,087	-	-	447,323	2,165,410
Community Services	2,617,825	-	-	4,847	2,622,672
Capital Outlay	14,475,128	1,465,404	-	6,163,602	22,104,134
Debt Service:					
Principal Retirement	2,438,273	-	1,500,000	821,344	4,759,617
Interest and Fiscal Charges	252,565	-	2,007,997	95,693	2,356,255
Total Expenditures	<u>57,708,365</u>	<u>1,528,373</u>	<u>3,507,997</u>	<u>12,178,701</u>	<u>74,923,436</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	2,852,503	63,154	(3,358,592)	(514,159)	(957,094)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Debt	1,588,047	-	-	55,000	1,643,047
Transfers In	2,610,514	-	3,505,634	821,604	6,937,752
Transfers Out	(3,922,788)	-	(2,456,825)	(558,139)	(6,937,752)
Total Other Financing Sources (Uses)	<u>275,773</u>	<u>-</u>	<u>1,048,809</u>	<u>318,465</u>	<u>1,643,047</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,128,276	63,154	(2,309,783)	(195,694)	685,953
Fund Balances - Beginning 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>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 26,712,756</u>	<u>\$ 4,474,906</u>	<u>\$ 4,153,709</u>	<u>\$ 6,354,937</u>	<u>\$ 41,696,308</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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$	685,953
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		22,852,253
Depreciation		(5,356,821)
Net Effect on Disposal of Capital Assets		(90,123)
		17,405,309
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.		
		1,454,910
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.		
		(1,643,047)
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		3,585,364
Financed Purchases		760,909
OCTA Advance		413,344
		4,759,617
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.		
		(16,270)
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.		
		(316,270)
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.		
		3,460,762
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.		
		(31,453,624)
Internal Service Funds are used BR 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.		
		1,475,470
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	\$	(4,237,548)

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, 2023**

	Major Enterprise Funds		Business-Type Activities	Governmental Activities
	Refuse	Sewer Maintenance	Total	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 659,706	\$ 1,118,872	\$ 1,778,578	\$ 2,697,477
Receivables:				
Accounts	25,894	150,017	175,911	109
Taxes	38,241	-	38,241	-
Prepays	-	-	-	58,507
Total Current Assets	<u>723,841</u>	<u>1,268,889</u>	<u>1,992,730</u>	<u>2,756,093</u>
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	-	7,166,223	7,166,223	-
Total Noncurrent Assets	<u>-</u>	<u>7,166,223</u>	<u>7,166,223</u>	<u>-</u>
Total Assets	723,841	8,435,112	9,158,953	2,756,093
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows of Resources Related to Pensions	205,081	313,688	518,769	-
Deferred Outflows of Resources Related to OPEB	65,395	94,095	159,490	-
Total Deferred Outflows of Resources	<u>270,476</u>	<u>407,783</u>	<u>678,259</u>	<u>-</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	355,281	15,628	370,909	99,468
Accrued Payroll and Benefits	6,844	13,441	20,285	5
Due to Other Funds	-	-	-	38,322
Compensated Absences - Due Within One Year	892	1,630	2,522	-
Claims And Judgments - Due Within One Year	-	-	-	999,086
Total Current Liabilities	<u>363,017</u>	<u>30,699</u>	<u>393,716</u>	<u>1,136,881</u>
Noncurrent Liabilities:				
Compensated Absences - Due in More Than One Year	15,224	27,829	43,053	-
Claims And Judgments - Due in More Than One Year	-	-	-	3,052,258
Total OPEB Liability	209,536	301,496	511,032	-
Aggregate Net Pension Liabilities	49,852	76,250	126,102	-
Total Noncurrent Liabilities	<u>274,612</u>	<u>405,575</u>	<u>680,187</u>	<u>3,052,258</u>
Total Liabilities	637,629	436,274	1,073,903	4,189,139
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Inflows of Resources Related to Pensions	1,200	1,834	3,034	-
Deferred Inflows of Resources Related to OPEB	143,066	205,854	348,920	-
Total Deferred Inflows of Resources	<u>144,266</u>	<u>207,688</u>	<u>351,954</u>	<u>-</u>
<b>NET POSITION</b>				
Investment in Capital Assets	-	7,166,223	7,166,223	-
Unrestricted (Deficit)	<u>212,422</u>	<u>1,032,710</u>	<u>1,245,132</u>	<u>(1,433,046)</u>
Total Net Position	<u>\$ 212,422</u>	<u>\$ 8,198,933</u>	<u>\$ 8,411,355</u>	<u>\$ (1,433,046)</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, 2023**

	Business-Type Activities			Governmental
	Refuse	Sewer		Internal
		Maintenance	Total	
<b>OPERATING REVENUES</b>				
Reimbursements	\$ 39,523	\$ -	\$ 39,523	\$ 730,620
Sales and Service Charges	4,243,626	1,447,930	5,691,556	3,275,025
Other Revenues	-	-	-	24,000
Total Operating Revenues	<u>4,283,149</u>	<u>1,447,930</u>	<u>5,731,079</u>	<u>4,029,645</u>
<b>OPERATING EXPENSES</b>				
Administration	621,070	306,775	927,845	168,017
Reinsurance Premiums	-	-	-	225,378
Claims	-	-	-	(1,610)
Medical and Dental Premiums	-	-	-	893,189
Liability Insurance Premiums	-	-	-	1,352,855
Maintenance	-	1,698,952	1,698,952	-
Landfill and Contractor Charges	3,719,481	-	3,719,481	-
Depreciation Expense	-	527,316	527,316	-
Total Operating Expenses	<u>4,340,551</u>	<u>2,533,043</u>	<u>6,873,594</u>	<u>2,637,829</u>
<b>OPERATING INCOME (LOSS)</b>	(57,402)	(1,085,113)	(1,142,515)	1,391,816
<b>NONOPERATING INCOME (LOSS)</b>				
Investment Income	4,875	13,769	18,644	-
Gain on Disposal of Capital Assets	-	-	-	83,654
Total Nonoperating Income	<u>4,875</u>	<u>13,769</u>	<u>18,644</u>	<u>83,654</u>
<b>CHANGES IN NET POSITION</b>	(52,527)	(1,071,344)	(1,123,871)	1,475,470
Net Position - Beginning of Year	<u>264,949</u>	<u>9,270,277</u>	<u>9,535,226</u>	<u>(2,908,516)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 212,422</u>	<u>\$ 8,198,933</u>	<u>\$ 8,411,355</u>	<u>\$ (1,433,046)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	Business-Type Activities			Governmental Activities
	Refuse	Sewer	Total	Internal Service
		Maintenance		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers and Users	\$ 4,314,113	\$ 1,380,811	\$ 5,694,924	\$ 4,033,573
Cash Paid to Suppliers for Goods and Services	(3,662,686)	(1,693,376)	(5,356,062)	(3,642,809)
Cash Paid to Employees for Services	(504,422)	693,899	189,477	-
Cash Paid for Insurance Claims	-	-	-	1,610
Net Cash Provided (Used) by Operating Activities	<u>147,005</u>	<u>381,334</u>	<u>528,339</u>	<u>392,374</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash Transfers In (Out)	-	-	-	38,322
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,322</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from Sale of Capital Assets	-	-	-	83,654
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,654</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest Received	4,875	13,769	18,644	-
Net Cash Provided (Used) by Investing Activities	<u>4,875</u>	<u>13,769</u>	<u>18,644</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	151,880	395,103	546,983	514,350
Cash and Cash Equivalents - Beginning of Year	<u>507,826</u>	<u>723,769</u>	<u>1,231,595</u>	<u>2,183,127</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 659,706</u>	<u>\$ 1,118,872</u>	<u>\$ 1,778,578</u>	<u>\$ 2,697,477</u>
<b>CASH AND CASH EQUIVALENTS</b>				
Cash and Investments	<u>\$ 659,706</u>	<u>\$ 1,118,872</u>	<u>\$ 1,778,578</u>	<u>\$ 2,697,477</u>
Total Cash and Cash Equivalents	<u>\$ 659,706</u>	<u>\$ 1,118,872</u>	<u>\$ 1,778,578</u>	<u>\$ 2,697,477</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	Business-Type Activities			Governmental
	Sewer			Activities
	Refuse	Maintenance	Total	Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BR OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (57,402)	\$ (1,085,113)	\$ (1,142,515)	\$ 1,391,816
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	38,110	(67,119)	(29,009)	3,928
(Increase) Decrease in Taxes Receivables	(7,146)	-	(7,146)	-
(Increase) Decrease in Prepaids	-	-	-	(58,507)
(Increase) Decrease in Deferred Outflows of Resources Related to Pension	(7,633)	446,245	438,612	-
(Increase) Decrease in Deferred Outflows of Resources Related to OPEB	(5,109)	(7,483)	(12,592)	-
Increase (Decrease) in Accounts Payable	56,795	5,576	62,371	19,004
Increase (Decrease) in Accrued Liabilities	(7,325)	(9,993)	(17,318)	-
Increase (Decrease) in Compensated Absences	3,557	(473)	3,084	-
Increase (Decrease) in Claims Payable	-	-	-	(963,867)
Increase (Decrease) in Net Pension Liabilities	227,294	759,187	986,481	-
Increase (Decrease) in Net OPEB Liabilities	(107,441)	(153,895)	(261,336)	-
Increase (Decrease) in Deferred Inflows of Resources Related to Pension	(20,547)	(81,864)	(102,411)	-
Increase (Decrease) in Deferred Inflows of Resources Related to OPEB	33,852	48,950	82,802	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 147,005</u>	<u>\$ 381,334</u>	<u>\$ 528,339</u>	<u>\$ 392,374</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, 2023**

	RDA Successor Agency	Custodial Funds
<b>ASSETS</b>		
Pooled Cash and Investments	\$ 786,814	\$ 198,734
Receivables:		
Miscellaneous	-	688
Restricted Assets:		
Cash and Investments with Fiscal Agents	682,794	-
Total Assets	1,469,608	199,422
<b>LIABILITIES</b>		
Accounts Payable	1,603	756
Accrued Liability	2,604	14
Accrued Interest	146,010	-
Deposits Payables	-	191
Long-Term Liabilities:		
Due in One Year	1,090,668	-
Due in More Than One Year	9,588,777	-
Total Liabilities	10,829,662	961
<b>NET POSITION (DEFICIT)</b>		
Restricted for Individuals, Organizations, and Other Governments	(9,360,054)	198,461
Total Net Position (Deficit)	\$ (9,360,054)	\$ 198,461

See accompanying Notes to Basic Financial Statements.

**CITY OF PLACENTIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	RDA Successor Agency	Custodial Funds
<b>ADDITIONS</b>		
Property Taxes	\$ 1,993,187	\$ -
Charges for Services	-	120,186
Investment Income	13,696	1,929
Gain on Debt Forgiveness	325,839	-
Total Additions	2,332,722	122,115
<b>DEDUCTIONS</b>		
Program Costs	96,031	-
Administrative Expenses	102,173	-
Interest Expense	348,490	-
Administrative Expenses	-	756
Total Deductions	546,694	756
<b>CHANGE IN NET POSITION</b>	1,786,028	121,359
Net Position (Deficit) - Beginning of Year	(11,146,082)	77,102
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	\$ (9,360,054)	\$ 198,461

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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JUNE 30, 2023**

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**CITY OF PLACENTIA**  
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**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023**

**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 a consumption of net assets that applies to future periods, therefore, will not be recognized as an expense until that time.

*Deferred Inflows of Resources* – represent an acquisition of net assets that applies to future periods, 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.

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

**CITY OF PLACENTIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting and Measurement Focus (Continued)**

Government-Wide Financial Statements (Continued)

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.

**Debt Service Fund**

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

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting and Measurement Focus (Continued)**

Governmental Fund Financial Statements (Continued)

**Citywide Development Impact Fee Special Revenue Fund**

This fund is used to account for the receipts and expenditures of new development impact on the City's sewer collection system in the City's Transit.

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, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting and Measurement Focus (Continued)**

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 May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the City reporting SBITA assets and SBITA liabilities as disclosed in Note 5 and Note 6.

**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, 2023**

**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, 2023**

**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
Automotive Equipment	2 to 10 Years
Computer Equipment	3 Years
Other Equipment	5 Years
Infrastructure:	
Roadways	35 Years
Street Appurtenances	10 to 50 Years
Wastewater	50 to 60 Years
Storm Drains	50 Years

Lease assets and SBITAs are amortized using the straight-line method over the shorter of the agreement term or the useful life of the underlying asset.

**CITY OF PLACENTIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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. Subscription-Based Information Technology Arrangements (SBITAs)**

The City recognizes a SBITA liability and a SBITA asset at the commencement of the SBITA term, unless the SBITA is a short-term contract, or it transfers ownership of the underlying asset. The SBITA liability is measured at the present value of payments expected to be made during the contract term (less any incentives). The SBITA asset is measured at the amount of the initial measurement of the SBITA liability, plus any payments made to the vendor at or before the commencement of the contract term and certain direct costs.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. 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 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 grant receivables, grant award advances, quarterly encroachment fees, and advance registration for recreation classes which were not yet earned.

**N. 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.

**O. 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.

**P. Pensions**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office and are in accordance with the implementation of GASB Statement No, 68. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS's website under Forms and Publications.

**CITY OF PLACENTIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Other Postemployment Benefits (OPEB)**

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the City's plan, have been determined by an independent actuary in accordance with GASB Statement No. 75.

**R. 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.

**S. Net Position**

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

*Net 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.

**T. 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.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**T. Fund Balances (Continued)**

*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.

*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.

**U. 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

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**V. 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.

**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, 2023:

	Government-Wide Statement of Net Position		Statement of Fiduciary Net Position	Total
	Governmental Activities	Business-Type Activities		
Cash and Investments	\$ 38,182,514	\$ 1,778,578	\$ 985,548	\$ 40,946,640
Cash and Investments with Fiscal Agent	4,216,844	-	682,794	4,899,638
Total Cash and Investments	<u>\$ 42,399,358</u>	<u>\$ 1,778,578</u>	<u>\$ 1,668,342</u>	<u>\$ 45,846,278</u>

The City's cash and investments at June 30, 2023, in more detail:

Cash and Cash Equivalents:	
Demand Deposits	\$ 3,323,609
Petty Cash	17,565
Total Cash and Cash Equivalents	<u>3,341,174</u>
Investments:	
Local Agency Investment Fund	15,890
CAMP	5,092,511
Money Market Mutual Fund	57,013
Negotiable Certificates of Deposit	3,230,844
U.S. Treasury Securities	23,900,165
Federal Agency Securities	5,309,055
Investments with Fiscal Agent:	
Money Market Mutual Fund	4,899,626
Total Investments	<u>42,505,104</u>
Total Cash and Investments	<u>\$ 45,846,278</u>

**CITY OF PLACENTIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**A. Demand Deposits**

The carrying amounts of the City's demand deposits were \$3,323,609 at June 30, 2023. Bank balances at that date were \$3,820,960, 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.

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.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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
Joint Powers Authority Pools (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, 2023**

**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, 2023, 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, 2023:

Investment Type	Measurement Input		Total
	Significant Other Observable Input (Level 2)	Uncategorized <sup>(3)</sup>	
Local Agency Investment Fund	\$ -	\$ 15,890	\$ 15,890
California Asset Management Program		5,092,511	5,092,511
Money Market Mutual Funds	-	57,013	57,013
Negotiable Certificates of Deposit <sup>(1)</sup>	3,230,844	-	3,230,844
U.S. Treasury Securities <sup>(1)</sup>	23,900,165	-	23,900,165
Federal Agency Securities <sup>(1)</sup>	5,309,055	-	5,309,055
Held by Fiscal Agent:			
Money Market Mutual Funds	-	4,899,626	4,899,626
Total	<u>\$ 32,440,064</u>	<u>\$ 10,065,040</u>	<u>\$ 42,505,104</u>

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

<sup>(2)</sup> Evaluations based on various market factors.

<sup>(3)</sup> Cash and cash equivalents

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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	\$ 15,890	\$ 15,890	\$ -	\$ -	\$ -	\$ -
California Asset Management Program	5,092,511	5,092,511	-	-	-	-
Money Market Mutual Funds	57,013	57,013	-	-	-	-
Negotiable Certificates of Deposit	3,230,844	-	233,135	1,423,349	432,080	1,142,280
U.S. Treasury Securities	23,900,165	10,189,753	6,561,790	-	4,278,343	2,870,279
Federal Agency Securities	5,309,055	-	1,963,187	446,940	720,555	2,178,373
Held by Fiscal Agent:						
Money Market Mutual Funds	4,899,626	4,899,626	-	-	-	-
<b>Total</b>	<b>\$ 42,505,104</b>	<b>\$ 20,254,793</b>	<b>\$ 8,758,112</b>	<b>\$ 1,870,289</b>	<b>\$ 5,430,978</b>	<b>\$ 6,190,932</b>

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	
Local Agency Investment Fund	\$ 15,890	N/A	\$ -	\$ 15,890
California Asset Management Program	5,092,511	N/A	-	5,092,511
Money Market Mutual Funds	57,013	AAA	57,013	-
Negotiable Certificates of Deposit	3,230,844	N/A	-	3,230,844
U.S. Treasury Securities	23,900,165	N/A	23,900,165	-
Federal Agency Securities	5,309,055	N/A	5,309,055	-
Held by Fiscal Agent:				
Money Market Mutual Funds	4,899,626	AAA	4,899,626	-
<b>Total</b>	<b>\$ 42,505,104</b>		<b>\$ 34,165,859</b>	<b>\$ 8,339,245</b>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023, 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, 2023, 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, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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

As of June 30, 2023, the City had \$15,890 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.

**G. California Asset Management Program (CAMP)**

The City invests in this investment trust, California Asset Management Program (CAMP), which is similar to a money market mutual fund. The fund invests primarily in certificates of deposit, commercial paper, and U.S. Government and Agency obligations. The City is a voluntary participant in the investment trust.

The CAMP Cash Reserve Portfolio (the Pool) is exempt from registration with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940 but operates in a manner consistent with SEC Rule 2a-7, "Money Market Funds," of that Act. Accordingly, the Pool meets the definition of a "2a-7 like pool" set forth in GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. While the Pool itself is exempt from SEC registration, the Pool's investment advisor and administrator, PFM Asset Management LLC, is registered with the SEC as an investment advisor under the Investment Advisers Act of 1940. PFM Asset Management LLC has filed with the California Department of Corporations, as well as various other states, as an investment advisor under state securities laws.

In addition, the Pool also meets the definition of "Municipal Fund Security" outlined by Municipal Securities Rulemaking Board (MSRB) Rule 0-12; therefore, contacts with prospective investors relating to shares of the Pool are conducted through PFM Asset Management LLC's wholly owned subsidiary, PFMAM, Inc., a broker/dealer that is registered with the SEC and MSRB and is a member of the National Association of Securities Dealers. The Pool also files an income tax return annually with the Internal Revenue Service, though the net income of the Pool is generally exempt from federal income tax.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 INTERFUND TRANSACTIONS**

**A. Due From/To Other Funds**

At June 30, 2023, the City had the following due from/to other funds:

Due To Other Funds	Due From Other Funds General Fund
Debt Service Fund	\$ 63,135
Nonmajor Special Revenue Funds:	
Landscape Maintenance District 92-1	737
Housing and Community Development	633,111
Gasoline Tax	22,006
Sewer Construction	94,843
Placentia Regional Navigation Center	1,955,308
Nonmajor Capital Projects Funds:	
City Projects	566,011
Internal Service Funds:	
Health and Welfare	38,322
Total	\$ 3,373,473

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, 2023, the City had the following transfers:

Transfers In	Transfers Out			Total
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 2,456,825	\$ 153,689	\$ 2,610,514
Debt Service Fund	3,505,634	-	-	3,505,634
Nonmajor Governmental Funds	417,154	-	404,450	821,604
Total	\$ 3,922,788	\$ 2,456,825	\$ 558,139	\$ 6,937,752

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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 the Debt Service Fund to the General Fund of \$2,456,825 were to establish a pension stability fund and pre-fund a trust for the City's OPEB plan.

Transfers from nonmajor governmental funds to the General Fund of \$153,689 were to fund police department expenditures.

The General Fund transferred \$417,154 to nonmajor funds as operating subsidies and \$3,505,634 to the Debt Service Fund to fund debt service.

The Gas Tax Special Revenue Fund transferred \$404,450 to the Gas Tax Debt Service Fund to fund the 2011 Gas Tax Certificate of Participation debt service.

**NOTE 4 LONG-TERM RECEIVABLES**

**A. Loans Receivable**

At June 30, 2023, the City has the following loans receivable:

	General Fund	Citywide Development Impact Fee Special Revenue Fund	Other Governmental Funds	Total
Certificates of Participation				
Reimbursement	\$ 1,533,961	\$ -	\$ -	\$ 1,533,961
Owner's Participation Agreement	-	-	37,916	37,916
Real Property Loan Obligation				
Receivable	41,463	-	10,367	51,830
Placentia Veterans Village Loan	-	-	500,000	500,000
Placentia Veterans Village DIF				
Mitigation Loan	-	511,933	70,916	582,849
Total	<u>\$ 1,575,424</u>	<u>\$ 511,933</u>	<u>\$ 619,199</u>	<u>\$ 2,706,556</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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 current fiscal year, the City received \$ 5,833 in principal payments. The ending loan receivable balance at June 30, 2023, is \$37,916.

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, 2023, is \$41,463 to the City's General Fund and \$10,367 to the Housing Successor Agency Fund for a total of \$51,830.

**CITY OF PLACENTIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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, 2023, is \$500,000.

Placentia Veterans Village Developer Impact Fee Mitigation Loan Receivable

On February 20, 2018, the City Council of the Housing Successor Agency to the former Redevelopment Agency of the City of Placentia approved a loan agreement between the Housing Successor Agency and Mercy Housing California whereby the collection of up to \$582,850 of developer impact fees would be deferred. The loan shall be payable from fifty percent (50%) of the residual receipts of the housing project (to be shared pro-rata with other housing project lenders whose loans are payable from residual receipts), until the loan has been paid in full. The loan receivable balance at June 30, 2023, is \$582,849.

**B. Leases Receivables**

The City, acting as lessor, leases land and improvements under fourteen 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 \$50,000 to \$250,000, received annually. During the year ended June 30, 2023, the City recognized \$909,707 and \$322,290 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, 2023**

**NOTE 5 CAPITAL ASSETS**

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30, 2023:

	Balance June 30, 2022 Restated (1)	Additions	Deletions	Reclassifications	Balance June 30, 2023
Capital Assets Not Being Depreciated/Amortized:					
Land	\$ 25,201,871	\$ 917,100	\$ -	\$ -	\$ 26,118,971
Land-Right of Way	258,822	750,000	-	-	1,008,822
Infrastructure - Trees	3,114,540	-	-	-	3,114,540
Construction in Progress	7,234,274	20,207,056	(90,123)	(3,243,649)	24,107,558
Total Capital Assets Not Being Depreciated	35,809,507	21,874,156	(90,123)	(3,243,649)	54,349,891
Capital Assets Being Depreciated/Amortized:					
Structures and Improvements	19,107,547	-	-	1,309,063	20,416,610
Right-to-Use Lease Land	684,909	-	-	-	684,909
Right-to-Use Lease Equipment	139,314	729,717	(10,362)	-	858,669
Subscription Assets	2,047,653	495,253	-	-	2,542,906
Equipment	16,550,571	160,472	(275,158)	1,068,677	17,504,562
Land Improvements	172,528	-	-	-	172,528
Infrastructure:					
Streets Network	58,397,800	-	-	696,699	59,094,499
Street Appurtenances	24,270,258	-	-	169,210	24,439,468
Storm Drains	9,225,024	-	-	-	9,225,024
Total Capital Assets Being Depreciated/Amortized	130,595,604	1,385,442	(285,520)	3,243,649	134,939,175
Less: Accumulated Depreciation/Amortization for:					
Structures and Improvements	(7,595,792)	(761,741)	-	-	(8,357,533)
Right-to-Use Lease Land	(152,202)	(152,202)	-	-	(304,404)
Right-to-Use Lease Equipment	(29,224)	(242,390)	10,362	-	(261,252)
Subscription Assets	-	(361,058)	-	-	(361,058)
Equipment	(9,108,784)	(1,709,932)	275,158	-	(10,543,558)
Land Improvements	(123,556)	(5,796)	-	-	(129,352)
Infrastructure:					
Streets Network	(26,465,149)	(1,425,737)	-	-	(27,890,886)
Street Appurtenances	(15,427,251)	(513,465)	-	-	(15,940,716)
Storm Drain	(6,865,402)	(184,500)	-	-	(7,049,902)
Total Accumulated Depreciation/Amortization	(65,767,360)	(5,356,821)	285,520	-	(70,838,661)
Total Capital Assets Being Depreciated/Amortized, Net	64,828,244	(3,971,379)	-	3,243,649	64,100,514
Total Governmental Activities	\$ 100,637,751	\$ 17,902,777	\$ (90,123)	\$ -	\$ 118,450,405

(1) The beginning balance was restated to add subscription assets due to the implementation of GASB Statement No.96, *Subscription-Based Information Technology Arrangements*. See Note 1C.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

Depreciation/amortization expense was charged to functions/programs of governmental activities for the year ended June 30, 2023, as follows:

General Government	\$ 1,222,467
Public Safety	1,400,511
Public Works	2,310,994
Community Services	422,849
Total Depreciation/Amortization Expense	<u>\$ 5,356,821</u>

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2023:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Capital Assets Being Depreciated:				
Structures and Improvements	\$ 28,155,969	\$ -	\$ -	\$ 28,155,969
Equipment	122,158	-	-	122,158
Total Capital Assets Being Depreciated	28,278,127	-	-	28,278,127
Less: Accumulated Depreciation for:				
Structures and Improvements	(20,517,049)	(515,100)	-	(21,032,149)
Equipment	(67,539)	(12,216)	-	(79,755)
Total Accumulated Depreciation	<u>(20,584,588)</u>	<u>(527,316)</u>	<u>-</u>	<u>(21,111,904)</u>
Total Capital Assets Being Depreciated, Net	<u>7,693,539</u>	<u>(527,316)</u>	<u>-</u>	<u>7,166,223</u>
Total Business-Type Activities	<u>\$ 7,693,539</u>	<u>\$ (527,316)</u>	<u>\$ -</u>	<u>\$ 7,166,223</u>

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

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023 is as follows:

	Balance			Balance June 30, 2023	Classification	
	June 30, 2022	Additions	Deletions		Due within One Year	Due in More Than One Year
	As Restated (1)					
Long-Term Debt:						
Direct Borrowings and Placements:						
Loan Payable- Radio	\$ 664,014	\$ -	\$ (148,417)	\$ 515,597	\$ 153,118	\$ 362,479
Loan Payable-Fire #1	2,785,389	-	(339,935)	2,445,454	349,140	2,096,314
Loan Payable-Fire #2	1,460,450	-	(178,474)	1,281,976	183,235	1,098,741
Loan Payable - Easement	-	342,655	(58,244)	284,411	61,739	222,672
Loan Payable - Vehicles	-	160,470	(35,839)	124,631	28,101	96,530
OCTA Advance	1,557,622	-	(413,344)	1,144,278	408,155	736,123
Fire UAL Payoff Loan	1,076,463	-	(362,202)	714,261	369,329	344,932
Loan Payable-Ref 2003 COP 2021 Installment Sale Agreement (2011 Gas Tax Refunding)	2,189,027	-	(436,330)	1,752,697	421,431	1,331,266
2020A Lease Revenue Bonds	3,004,000	-	(353,000)	2,651,000	358,000	2,293,000
Total Direct Borrowings and Placements	51,890,000	-	(1,500,000)	50,390,000	1,860,000	48,530,000
Leases Payable	64,626,965	503,125	(3,825,785)	61,304,305	4,192,248	57,112,057
Subscription Liability	650,728	651,168	(314,333)	987,563	369,418	618,145
Total Long-Term Debt	1,980,416	488,754	(619,499)	1,849,671	273,622	1,576,049
Claims Payable	67,258,109	1,643,047	(4,759,617)	64,141,539	4,835,288	59,306,251
Compensated Absences	5,015,211	101,199	(1,065,066)	4,051,344	999,086	3,052,258
Total Long-Term Liabilities	2,195,349	476,176	(159,906)	2,511,619	139,066	2,372,553
	<u>\$ 74,468,669</u>	<u>\$ 2,220,422</u>	<u>\$ (5,984,589)</u>	<u>\$ 70,704,502</u>	<u>\$ 5,973,440</u>	<u>\$ 64,731,062</u>

(1) The beginning balance was restated to add subscription liabilities due to the implementation of GASB Statement No.96, Subscription-Based Information Technology Arrangements. See Note 1C.

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

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**A. Governmental Activities (Continued)**

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

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, 2023, is \$1,752,697.

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	\$ 421,431	\$ 41,188	\$ 462,619
2024	433,047	31,285	464,332
2025	443,986	21,108	465,094
2026	454,233	10,674	464,907
Total	<u>\$ 1,752,697</u>	<u>\$ 104,255</u>	<u>\$ 1,856,952</u>

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.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**A. Governmental Activities (Continued)**

2020 Lease Revenue Bonds (Continued)

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.

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, 2023, is \$50,390,000. The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,555,000	1,727,596	4,282,596
2029-2033	14,240,000	7,178,631	21,418,631
2034-2038	15,665,000	4,075,285	19,740,285
2039-2043	7,770,000	1,247,406	9,017,406
2044-2046	1,230,000	75,357	1,305,357
Total	<u>\$ 50,390,000</u>	<u>\$ 21,898,369</u>	<u>\$ 72,288,369</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**A. Governmental Activities (Continued)**

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.

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, 2023, is \$2,651,000.

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	387,000	17,795	404,795
2029-2032	788,000	16,285	804,285
Total	<u>\$ 2,651,000</u>	<u>\$ 166,930</u>	<u>\$ 2,817,930</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**A. Governmental Activities (Continued)**

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. The annual debt service requirements are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 153,118	\$ 14,352	\$ 167,470
2024	157,967	9,503	167,470
2025	204,512	4,826	209,338
Total	<u>\$ 515,597</u>	<u>\$ 28,681</u>	<u>\$ 544,278</u>

**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 annual debt service requirements are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	388,525	24,066	412,591
2029-2031	602,605	16,282	618,887
Total	<u>\$ 2,445,454</u>	<u>\$ 236,387</u>	<u>\$ 2,681,841</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**A. Governmental Activities (Continued)**

Loans Payable (Continued)

**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. The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	203,583	12,419	216,002
2029-2031	315,601	8,400	324,001
Total	<u>\$ 1,281,976</u>	<u>\$ 122,032</u>	<u>\$ 1,404,008</u>

**Land Easement Loan**

On July 18, 2018, the City entered into an agreement for financing a portion of the acquisition of a land easement. The asset acquired through the financing arrangement is included in the land right-of-way in the amount of \$750,000. The loan is for a period of 10 years with an interest rate of 6.00%. Annual loan payments of \$78,803 are payable on August 1, through August 1, 2027. The outstanding principal as of June 30, 2023, is \$284,411. The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 61,739	\$ 17,064	\$ 78,803
2025	65,406	13,397	78,803
2026	69,367	9,436	78,803
2027	73,530	5,273	78,803
2028	14,369	862	15,231
Total	<u>\$ 284,411</u>	<u>\$ 46,032</u>	<u>\$ 330,443</u>

**Vehicles Loan**

On July 19, 2018, the City entered into an agreement for financing the acquisition of electric vehicles. The assets acquired through the financing agreement were included in the machinery and equipment for governmental activities in the amount of \$160,470. The loan is for a period of 5 years with an interest rate of 6.93%. Annual loan payments of \$36,734 are payable on March 1, through March 1, 2027. The outstanding principal as of June 30, 2023, is \$124,631.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**A. Governmental Activities (Continued)**

Loans Payable (Continued)

**Vehicles Loan (Continued)**

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 28,101	\$ 8,633	\$ 36,734
2025	30,048	6,686	36,734
2026	32,129	4,605	36,734
2028	34,353	2,380	36,733
Total	<u>\$ 124,631</u>	<u>\$ 22,304</u>	<u>\$ 146,935</u>

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 at OCTA's discretion 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, 2023, is \$1,144,278.

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. The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 369,329	\$ 10,639	\$ 379,968
2025	344,932	3,983	348,915
Total	<u>\$ 714,261</u>	<u>\$ 14,622</u>	<u>\$ 728,883</u>

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 0.218 to 2.656%. Rent payments ranging from \$417 to \$1,252, are paid monthly or ranging from \$1,483 to \$35,490, paid quarterly. The leases provide for increases in future minimum monthly rental payments subject to stated increases.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**A. Governmental Activities (Continued)**

Leases Payable (Continued)

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>
2024	\$ 369,418	\$ 11,601	\$ 381,019
2025	328,685	7,945	336,630
2026	162,905	4,744	167,649
2027	59,828	2,775	62,603
2028	61,522	1,081	62,603
2029	5,205	12	5,217
Total	<u>\$ 987,563</u>	<u>\$ 28,158</u>	<u>\$ 1,015,721</u>

SBITA Liabilities

The City has entered into subscription based-information technology arrangements (SBITAs) for finance, cloud, and operating information technology systems. The SBITA arrangements expire at various dates through 2034 and provide for renewal options.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$2,542,906 and \$(361,058), respectively. See Note 5 for Capital Assets.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 273,622	\$ 32,478	\$ 306,100
2025	263,195	31,718	294,913
2026	249,089	23,208	272,297
2027	209,721	18,295	228,016
2028	150,229	14,331	164,560
2029-2033	694,876	31,706	726,582
2034	8,939	181	9,120
Total	<u>\$ 1,849,671</u>	<u>\$ 151,917</u>	<u>\$ 2,001,588</u>

There are no variable payments, no payments made related to termination penalties, and no impairment losses on SBITA assets. For the SBITA agreements added in the current year, total capitalizable software configuration costs totaled \$488,754.

Claims Payable

Estimated claims payable from general liability and workers' compensation claims as determined by outside claims administrator. Outstanding balance as of June 30, 2023, is as follows:

General Liability Claims	\$ 1,167,761
Workers' Compensation Claims	2,883,583
Total Claims Payable	<u>\$ 4,051,344</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023 is as follows:

	Balance			Balance June 30, 2023	Classification	
	June 30, 2022	Additions	Deletions		Due Within One Year	Due in More than One Year
Compensated Absences	\$ 42,491	\$ 5,985	\$ (2,901)	\$ 45,575	\$ 2,522	\$ 43,053
Total	<u>\$ 42,491</u>	<u>\$ 5,985</u>	<u>\$ (2,901)</u>	<u>\$ 45,575</u>	<u>\$ 2,522</u>	<u>\$ 43,053</u>

**C. Fiduciary Activities**

A summary of changes in long-term liabilities for fiduciary activities for the year ended June 30, 2023, is as follows:

	Balance			Balance June 30, 2023	Classification	
	June 30, 2022	Additions	Deletions		Due Within One Year	Due in More Than One Year
Bonds Payable:						
2013 Tax Allocation Refunding Bonds	\$ 8,720,000	\$ -	\$ (650,000)	\$ 8,070,000	\$ 670,000	\$ 7,400,000
Bond Premium:						
2013 Tax Allocation Refunding Bonds	35,900	-	(3,561)	32,339	-	32,339
Other Liabilities:						
Reimbursement Due to City	2,183,624	-	(649,663)	1,533,961	368,837	1,165,124
SERAF Obligation	991,314	-	-	991,314	-	991,314
Real Property Loan Obligation	563,886	-	(512,055)	51,831	51,831	-
Total	<u>\$ 12,494,724</u>	<u>\$ -</u>	<u>\$ (1,815,279)</u>	<u>\$ 10,679,445</u>	<u>\$ 1,090,668</u>	<u>\$ 9,588,777</u>

**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, 2023**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**C. Fiduciary Activities (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, 2023, the outstanding principal on this bond is \$8,070,000.

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	780,000	227,700	1,007,700
2029-2033	4,455,000	548,506	5,003,506
Total	<u>\$ 8,070,000</u>	<u>\$ 1,978,339</u>	<u>\$ 10,048,339</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 Refunded and Improvement Project Certificates of Participation.

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, 2023, of \$1,533,961 represents the portion of the principal balance for which the Successor Agency will reimburse the City.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**C. Fiduciary Activities (Continued)**

Certificates of Participation City Reimbursement (Continued)

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 368,837	\$ 36,048	\$ 404,885
2025	379,003	27,380	406,383
2026	388,577	18,474	407,051
2027	397,544	9,342	406,886
Total	<u>\$ 1,533,961</u>	<u>\$ 91,244</u>	<u>\$ 1,625,205</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, 2023, 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, 2023**

**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, 2023, is \$51,831.

**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 long the property of the City, and therefore, are no long 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, 2023**

**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' base 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, 2023, was \$1,965,040. Total employee contributions paid by the City amounted to \$196,504.

The Plan's assets are invested with Mission Square Retirement, a mutual fund company that offers participants multiple mutual fund category selections from which they can choose. As of June 30, 2023, the Plan had 25 participants and the market value of the Plan amounted to \$594,016.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 PENSION PLANS**

**A. Summary**

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Pension Contribution Made After Measurement Date:			
CalPERS Miscellaneous	\$ 652,940	\$ 57,818	\$ 710,758
CalPERS Safety	1,095,286	-	1,095,286
Total Pension Contribution Made After Measurement Date	1,748,226	57,818	1,806,044
Change in Assumptions			
CalPERS Miscellaneous	146,216	12,919	159,135
CalPERS Safety	293,449	-	293,449
Total Change in Assumptions	439,665	12,919	452,584
Difference Between Projected and Actual Investment Earnings:			
CalPERS Miscellaneous	261,370	23,093	284,463
CalPERS Safety	459,582	-	459,582
Total Difference Between Projected and Actual Investment Earnings	720,952	23,093	744,045
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous	28,655	2,532	31,187
CalPERS Safety	120,448	-	120,448
Total Difference Between Expected and Actual Experience	149,103	2,532	151,635
Changes in Proportion and differences between employer contributions and proportionate share of contributions:			
CalPERS Miscellaneous	4,780,960	422,407	5,203,367
CalPERS Safety	4,489,333	-	4,489,333
Total Employer Contributions in Excess of Proportionate Share of Contribution	9,270,293	422,407	9,692,700
Total Deferred Outflows of Resources:			
CalPERS Miscellaneous	5,870,141	518,769	6,388,910
CalPERS Safety	6,458,098	-	6,458,098
Total Deferred Outflows of Resources	<u>\$ 12,328,239</u>	<u>\$ 518,769</u>	<u>\$ 12,847,008</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Summary (Continued)**

	Governmental Activities	Business-Type Activities	Total
Net Pension Liabilities:			
CalPERS Miscellaneous	\$ 1,426,874	\$ 126,102	\$ 1,552,976
CalPERS Safety	2,910,326	-	2,910,326
Total Net Pension Liabilities	<u>\$ 4,337,200</u>	<u>\$ 126,102</u>	<u>\$ 4,463,302</u>
Deferred Inflows of Resources:			
Change in Assumptions			
CalPERS Miscellaneous	\$ -	\$ -	\$ -
CalPERS Safety	-	-	-
Total Change in Assumptions	-	-	-
Changes in Proportion and differences between employer contributions and proportionate share of contributions:			
CalPERS Miscellaneous	15,143	1,338	16,481
CalPERS Safety	101,750	-	101,750
Total Adjustment Due to Difference in Proportions	116,893	1,338	118,231
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous	19,192	1,696	20,888
CalPERS Safety	31,604	-	31,604
Total Difference Between Expected and Actual Experience	50,796	1,696	52,492
Employer Contributions In Excess of Proportionate Share of Contribution:			
CalPERS Miscellaneous	-	-	-
CalPERS Safety	-	-	-
Total Employer Contributions in Excess of Proportionate Share of Contribution	-	-	-
Difference Between Expected and Actual Experience:			
CalPERS Miscellaneous	-	-	-
CalPERS Safety	-	-	-
Total Difference Between Expected and Actual Experience	-	-	-
Total Deferred Inflows of Resources:			
CalPERS Miscellaneous	34,335	3,034	37,369
CalPERS Safety	133,354	-	133,354
Total Deferred Inflows of Resources	<u>\$ 167,689</u>	<u>\$ 3,034</u>	<u>\$ 170,723</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 PENSION PLANS (CONTINUED)**

**A. Summary (Continued)**

	Governmental Activities	Business-Type Activities	Total
Pension Expenses:			
CalPERS Miscellaneous	\$ 12,071,837	\$ 1,066,862	\$ 13,138,699
CalPERS Safety	21,443,649	-	21,443,649
Total Net Pension Income	<u>\$ 33,515,486</u>	<u>\$ 1,066,862</u>	<u>\$ 34,582,348</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, 2022, measurement date the following employees were covered by the benefit terms:

	Miscellaneous	Miscellaneous Tier 2	Miscellaneous PEPRA	Safety	Safety PEPRA
Active Employees	22	9	67	19	28
Transferred Employees	50	14	47	18	10
Separated Employees	30	3	44	11	9
Retired Employees and Beneficiaries	181	-	4	120	-
Total	<u>283</u>	<u>26</u>	<u>162</u>	<u>168</u>	<u>47</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, 2023**

**NOTE 8 PENSION PLANS (CONTINUED)**

**B. General Information about the Pension Plans (Continued)**

Benefit Provided (Continued)

Following are the benefit provisions for each plan:

	Miscellaneous	Miscellaneous Tier 2	Miscellaneous PEPRA	Safety	Safety PEPRA
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%	7.750%	9.000%	13.750%
Required Employer Contribution Rate	10.870%	9.120%	7.470%	23.750%	12.780%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. For the year ended June 30, 2023, the City made contributions to each Plan were as follows:

	Miscellaneous	Safety	Total
Contributions - Employer	<u>\$ 5,203,367</u>	<u>\$ 4,489,333</u>	<u>\$ 9,692,700</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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

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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2022, measurement date (June 30, 2023, reporting date) and 2021 measurement date (June 30, 2022, reporting date) was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2021	(0.45585)%	(0.41630)%
Proportion - June 30, 2022	0.03319	0.04235
Change - Increase (Decrease)	<u>0.48904 %</u>	<u>0.45865 %</u>

For the year ended June 30, 2023, the City recognized pension income of \$13,138,699 and \$21,443,649, for the Miscellaneous and Safety plans, respectively. At June 30, 2023, 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	\$ 710,758	\$ -
Difference Between Expected and Actual Experience	31,187	20,888
Changes of Assumptions	159,135	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	284,463	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,203,367	16,481
Total	<u>\$ 6,388,910</u>	<u>\$ 37,369</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 PENSION PLANS (CONTINUED)**

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

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

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution Made After the Measurement Date	\$ 1,095,286	\$ -
Difference Between Expected and Actual Experience	120,448	31,604
Changes of Assumptions	293,449	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	459,582	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,489,333	101,750
Total	<u>\$ 6,458,098</u>	<u>\$ 133,354</u>

	Aggregate Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution Made After the Measurement Date	\$ 1,806,044	\$ -
Difference Between Expected and Actual Experience	151,635	52,492
Changes of Assumptions	452,584	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	744,045	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Adjustments Due to Difference in Proportions	9,692,700	118,231
Total	<u>\$ 12,847,008</u>	<u>\$ 170,723</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 PENSION PLANS (CONTINUED)**

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

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

For the Miscellaneous Plan and Safety Plan, \$710,758 and \$1,095,286, 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, 2024. 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 Ending June 30,	Deferred (Inflows) Outflows of Resources		
	Miscellaneous Plan	Safety Plan	Total
2023	\$2,232,875	\$2,137,836	\$ 4,370,711
2024	2,069,623	2,234,528	4,304,151
2025	1,164,298	576,742	1,741,040
2026	173,987	280,352	454,339
2027	-	-	-
Thereafter	-	-	-
Total	<u>\$ 5,640,783</u>	<u>\$ 5,229,458</u>	<u>\$ 10,870,241</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2021, actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 PENSION PLANS (CONTINUED)**

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

Actuarial Assumptions (Continued)

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS experience study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short- term and long-term market return expectations. Using historical returns all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return (a) (b)
Global Equity - Cap-Weighted	30.00 %	4.45 %
Global Equity - Non-Cap-Weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-Backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	100.00 %	

(a) An expected inflation of 2.30% used for this period

(b) Figures are based on the 2021 Asset Liability Management study.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 PENSION PLANS (CONTINUED)**

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

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

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Miscellaneous	\$ 9,948,388	\$ 1,552,976	\$ (5,354,364)
Safety	17,679,981	2,910,326	(9,160,531)
Total	\$ 27,628,369	\$ 4,463,302	\$ (14,514,895)

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 PENSION PLANS (CONTINUED)**

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

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, 2023, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2023.

**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	\$ 2,722,012	\$ 78,132	\$ 2,800,144
Changes in Assumptions	2,834,435	81,358	2,915,793
Total Deferred Outflows of Resources	\$ 5,556,447	\$ 159,490	\$ 5,715,937
Total OPEB Liability	\$ 17,803,729	\$ 511,032	\$ 18,314,761
Total OPEB liability	\$ 17,803,729	\$ 511,032	\$ 18,314,761
Deferred Inflows of Resources:			
Changes in Assumptions	\$ 5,636,064	\$ 161,776	\$ 5,797,840
Difference Between Expected and Actual Experience	6,519,865	187,144	6,707,009
Total Deferred Inflows of Resources	\$ 12,155,929	\$ 348,920	\$ 12,504,849
OPEB Expense	\$ 153,246	\$ 4,904	\$ 158,150

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**B. General Information About OPEB**

Plan Description

The City provides post-employment defined benefits to retired employees in the form of a contribution towards their health insurance premiums under the CalPERS health plan, an agent multiple employer plan, that 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, 2022, the date of the latest actuarial valuation:

Active Plan Members	172
Retirees	147
Total	319

**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, 2023, the City made contributions to the plan totaling \$2,800,144 (\$875,652 actual benefit payments, \$217,667 implicit subsidy credit, and a \$1,706,825 pre-funding contribution to a trust). Employees are not required to contribute to the plan.

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total OPEB liability at June 30, 2023, was \$18,314,761.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	3.54% (Bond Buyer 20-Bond Index)
Inflation	2.30% Annually
Aggregate Payroll Increases	2.80%
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 3.73% in 2075
Healthcare Trend Rate - Medicare	An annual healthcare cost trend rate of 5.40% for 2023, decreasing to an ultimate rate of 3.73% in 2075

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of the November 2021 CalPERS experience study covering 2000 to 2019.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54% 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, 2023**

**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, 2021 (Measurement Date)	\$ 24,910,487
Changes Recognized for the Measurement Period:	
Service Cost	491,712
Interest on the Total OPEB Liability	536,526
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(2,064,492)
Changes of Assumptions	(4,427,399)
Contributions from the Employer	-
Net Investment Income	-
Administrative Expenses	-
Benefit Payments	(1,132,073)
Net Changes	(6,595,726)
Balance - June 30, 2022 (Measurement Date)	\$ 18,314,761

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 (2.54%) or 1-percentage point higher (4.54%) than the current discount rate:

	Plan's Total OPEB Liability		
	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
	OPEB Pension Plan	\$ 20,620,220	\$ 18,314,761

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		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	OPEB Pension Plan	\$ 16,370,005	\$ 18,314,761

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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 (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB income of \$849,079. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 6,707,009
Changes in Assumptions	2,915,793	5,797,840
Employer Contributions Made Subsequent to the Measurement Date	2,800,144	-
Total	<u>\$ 5,715,937</u>	<u>\$ 12,504,849</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 8 years, which was determined as of July 1, 2021, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

\$2,800,144 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, 2024.

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>	Deferred Outflows (Inflows) of Resources
2023	\$ (1,879,985)
2024	(1,489,985)
2025	(1,310,879)
2026	(1,042,905)
2027	(1,430,354)
Thereafter	(2,434,948)
Total	<u>\$ (9,589,056)</u>

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023**

**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:						
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
2022-2023	3,706,343	(267,259)	(555,501)	2,883,583	720,896	2,162,687
General Liability:						
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
2022-2023	1,308,868	(139,773)	(1,334)	1,167,761	278,190	889,571

**NOTE 11 CLASSIFICATION OF FUND BALANCES**

At June 30, 2023, 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	\$ 47,288	\$ -	\$ -	\$ -	\$ 47,288
Prepaid Items	200,016	4,856	-	-	204,872
Loans Receivable	1,206,588	-	-	-	1,206,588
Total Nonspendable	1,453,892	4,856	-	-	1,458,748
Restricted:					
Public Safety	-	-	-	1,693,882	1,693,882
Public Works	-	-	-	1,940,847	1,940,847
Community Development	-	-	-	1,750,391	1,750,391
Community Services	-	4,470,050	-	13,435	4,483,485
Debt Service	-	-	4,153,709	83,541	4,237,250
Grant Programs	-	-	-	-	-
Transportation	-	-	-	484,321	484,321
Park Development	-	-	-	20,461	20,461
Street Maintenance	-	-	-	582,564	582,564
Air Quality	-	-	-	288,865	288,865
Housing	-	-	-	2,073,202	2,073,202
Pension Stability	805,521	-	-	-	805,521
Total Restricted	805,521	4,470,050	4,153,709	8,931,509	18,360,789
Committed:					
Measure U - Infrastructure	3,764,113	-	-	-	3,764,113
Measure U - Employee Retention	-	-	-	-	-
Measure U - OPEB	770,595	-	-	-	770,595
Total Committed	4,534,708	-	-	-	4,534,708
Unassigned	19,918,635	-	-	(2,576,572)	17,342,063
Total Fund Balances	\$ 26,712,756	\$ 4,474,906	\$ 4,153,709	\$ 6,354,937	\$ 41,696,308

**CITY OF PLACENTIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**A. Commitments**

The City had several outstanding or planned construction and other projects as of June 30, 2023. These projects are evidenced by contractual commitments with contractors or other agencies and include:

Project	Commitment
TOD/Crowther Sewer Project	\$ 141,702
City Hall HVAC Replacement and Solar	221,608
Main Street Parking Lot Improv	14,475
Senior/Community Center	445,135
Public Safety Building	2,445,616
Additional Fire Radios	24,052
EFID Design	302,336
Caltrans Public Art Program	285,000
Infrastructure Projects	2,764,740
Miscellaneous	846,604
Total	\$ 7,491,268

The City has various outstanding purchase commitments. Total commitments at June 30, 2023, are as follows:

	Outstanding Purchase Commitments
Governmental Funds:	
General Fund	\$ 6,756,563
Other Governmental Funds	1,499,437
Total	\$ 8,256,000

**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, 2023**

**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, 2023, as follows:

	Expenditures	Appropriation	Expenditure in Excess of Appropriations
Special Revenue Funds:			
Street Lighting	\$ 552,355	\$ 171,500	\$ (380,855)
Measure M	1,570,977	1,533,690	(37,287)
Gasoline Tax	861,128	270,715	(590,413)
NOC Public Safety	216,704	203,100	(13,604)
TOD Impact Fee	1,496,986	-	(1,496,986)

**B. Deficit Net Position and Fund Balances**

Funds with deficit net position/fund balance at June 30, 2023, are as follows:

	Deficit Fund Balance	Deficit Net Position
Special Revenue Funds:		
Miscellaneous Grants	\$ (70,461)	
Landscape Maintenance District 92-1	(10,212)	
Housing and Community Development	(537,399)	
Sewer Construction	(100,228)	
Placentia Regional Navigation Center	(1,635,925)	
Total	\$ (2,354,225)	
Capital Projects Fund:		
City Capital Projects	\$ (222,347)	
Internal Service Fund:		
Risk Management		\$ (1,546,810)

At June 30, 2023, the City's governmental activities had an unrestricted net position deficit of \$(43,217,235) on the statement of net position. 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, 2023**

**NOTE 14 SUBSEQUENT EVENT**

On August 2, 2023, the Placentia Public Financing Authority issued the 2023A Lease Revenue Bonds in the amount of \$9,190,000, to finance the construction and equipping of an approximately 18,805 square foot public safety center and to pay the costs incurred in connection with the bond issuance. The term bonds with maturities ranging from October 1, 2033, through October 1, 2053, bear interest ranging from 4.25% to 5.0%. The bonds are subject to mandatory redemption on October 1 in each year in accordance with a set schedule. Interest on the bonds will be paid semi-annually on April 1 and October 1, of each year, commencing April 1, 2024.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

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**CITY OF PLACENTIA  
BUDGETARY COMPARISON SCHEDULE –  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 42,321,024	\$ 43,367,223	\$ 44,429,339	\$ 1,062,116
Intergovernmental	2,640,000	11,521,255	8,640,895	(2,880,360)
Licenses and Permits	2,505,000	2,833,098	2,643,941	(189,157)
Fines and Forfeitures	355,000	377,000	457,065	80,065
Investment Income	130,000	225,001	67,366	(157,635)
Charges for Services	1,152,400	1,193,830	1,364,054	170,224
Leases and Rents	989,000	997,000	1,572,445	575,445
Miscellaneous	805,200	745,565	1,385,763	640,198
Total Revenues	50,897,624	61,259,972	60,560,868	(699,104)
<b>EXPENDITURES</b>				
Current:				
General Government	13,527,767	14,505,896	15,748,766	(1,242,870)
Public Safety	17,314,847	17,574,640	16,357,168	1,217,472
Public Works	5,565,694	5,393,372	4,100,553	1,292,819
Community Development	1,835,200	1,955,201	1,718,087	237,114
Community Services	2,646,380	2,722,180	2,617,825	104,355
Capital Outlay	6,336,620	21,577,068	14,475,128	7,101,940
Debt Service:				
Principal Retirement	1,402,200	1,402,200	2,438,273	(1,036,073)
Interest and Fiscal Charges	268,800	268,800	252,565	16,235
Total Expenditures	48,897,508	65,399,357	57,708,365	7,690,992
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	2,000,116	(4,139,385)	2,852,503	6,991,888
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	-	1,588,047	1,588,047
Payment to Escrow for Refunding Debt	-	-	-	-
Transfers In	649,698	99,698	2,610,514	2,510,816
Transfers Out	(4,162,550)	(3,649,050)	(3,922,788)	(273,738)
Total Other Financing Sources (Uses)	(3,512,852)	(3,549,352)	275,773	3,825,125
<b>NET CHANGE IN FUND BALANCE</b>	\$ (1,512,736)	\$ (7,688,737)	3,128,276	\$ 10,817,013
Fund Balance - Beginning of Year			23,584,480	
<b>FUND BALANCE - END OF YEAR</b>			\$ 26,712,756	

See accompanying Notes to Budgetary Comparison Schedules.

**CITY OF PLACENTIA  
BUDGETARY COMPARISON SCHEDULE –  
CITYWIDE DEVELOPMENT IMPACT FEE SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 61,501	\$ 61,501
Contributions	2,573,700	2,573,700	1,530,026	(1,043,674)
Total Revenues	<u>2,573,700</u>	<u>2,573,700</u>	<u>1,591,527</u>	<u>(982,173)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	54,000	80,308	62,969	17,339
Capital Outlay	871,000	3,593,942	1,465,404	2,128,538
Total Expenditures	<u>925,000</u>	<u>3,674,250</u>	<u>1,528,373</u>	<u>2,145,877</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>1,648,700</u>	<u>(1,100,550)</u>	<u>63,154</u>	<u>1,163,704</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,648,700</u>	<u>\$ (1,100,550)</u>	<u>63,154</u>	<u>\$ 1,163,704</u>
Fund Balance - Beginning of Year			<u>4,411,752</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 4,474,906</u>	

See accompanying Notes to Budgetary Comparison Schedules.

**CITY OF PLACENTIA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2023**

**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 2023, the City did not create a budget for the following governmental special revenue funds: Park Development, Storm Drain, Traffic Offender, Air Quality Sewer Construction, PEG, Community Based Transitional Housing Grant, Orangethorpe Corridor, EIFD Fire Impact Fee, Animal Shelter Impact Fee, and Opioid Settlement.

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, 2023**

Measurement Period, Year Ended <sup>1</sup>	6/30/2022	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	0.03319%	-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	\$ (1,552,976)	\$ 16,419,169	\$ 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	\$ 7,062,718	\$ 6,733,121	\$ 5,725,763	\$ 5,027,138	\$ 4,966,210	\$ 4,171,235	\$ 4,140,888	\$ 3,220,454	\$ 3,712,315
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	-21.99%	243.86%	286.76%	302.55%	332.34%	345.80%	293.06%	284.25%	232.14%
Plan's Fiduciary Net Position	\$ 60,033,972	\$ 40,663,791	\$ 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	102.66%	71.24%	71.24%	73.01%	74.46%	73.86%	75.85%	81.65%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 3,114,009	\$ 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.

From fiscal year June 30, 2022 to June 30, 2023: In fiscal year 2022-2023, the financial reporting discount rate was reduced from 7.150% to 6.900%.

<sup>1</sup> 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, 2023**

Measurement Period, Year Ended <sup>1</sup>	6/30/2022	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	0.04235%	-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	\$ (2,910,326)	\$ 29,467,303	\$ 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	\$ 5,428,571	\$ 5,414,606	\$ 4,822,533	\$ 4,385,233	\$ 4,383,655	\$ 4,193,517	\$ 4,142,921	\$ 4,074,947	\$ 4,323,789
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	-53.61%	544.22%	611.03%	653.79%	654.18%	644.26%	596.76%	509.82%	440.32%
Plan's Fiduciary Net Position	\$ 104,039,873	\$ 69,454,497	\$ 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	102.88%	70.21%	70.21%	71.99%	71.53%	69.81%	70.17%	74.32%	76.36%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 6,941,085	\$ 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 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.

From fiscal year June 30, 2022 to June 30, 2023: In fiscal year 2022-2023, the financial reporting discount rate was reduced from 7.150% to 6.900%.

<sup>1</sup>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, 2023**

Fiscal Year <sup>1</sup>	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually Determined Contribution (Actuarially Determined)	\$ 710,758	\$ 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	(710,758)	(589,881)	(17,663,643)	(1,383,994)	(1,139,534)	(932,993)	(785,438)	(667,441)	(383,155)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (16,147,022)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 8,115,390	\$ 7,062,718	\$ 6,733,121	\$ 5,725,763	\$ 5,027,138	\$ 4,966,210	\$ 4,171,235	\$ 4,140,888	\$ 3,220,454
Contributions as a Percentage of Covered Payroll	8.76%	8.35%	262.34%	31.07%	26.35%	22.22%	19.27%	16.12%	11.90%

Notes to Schedule:

Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions Used to Determine									
Contribution Rates:									
Actuarial Cost Method	Entry age								
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	15 Year Smoothed Market Method							
Inflation	2.30%	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)	(2)
Investment Rate of Return	6.9% (3)	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)	(4)
Mortality	(5)	(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.

<sup>1</sup> 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, 2023**

Fiscal Year	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15 <sup>1</sup>
Contractually Determined Contribution (Actuarially Determined)	\$ 1,095,286	\$ 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	(1,095,286)	(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	\$ 5,760,486	\$ 5,428,571	\$ 5,414,606	\$ 4,822,533	\$ 4,385,233	\$ 4,383,655	\$ 4,193,517	\$ 4,142,921	\$ 4,074,947
Contributions as a Percentage of Covered Payroll	19.01%	18.71%	565.09%	52.25%	48.08%	69.22%	65.66%	62.00%	53.38%

Notes to Schedule:

Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions Used to Determine									
Contribution Rates:									
Actuarial Cost Method	Entry age								
Amortization Method	(1.00)	(1.00)	(1.00)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	15 Year Smoothed Market Method							
Inflation	2.30%	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)	(2)
Investment Rate of Return	6.9% (3)	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)	(4)
Mortality	(5)	(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.

<sup>1</sup> 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, 2023**

Measurement Period, Year Ending: <sup>1</sup>	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Total OPEB Liability:</b>						
Service Cost	\$ 491,712	\$ 532,568	\$ 359,454	\$ 542,976	\$ 569,606	\$ 675,000
Interest	536,526	691,435	919,735	1,092,405	1,032,870	899,000
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(2,064,492)	(4,989,665)	-	(2,606,242)	-	-
Changes of Assumptions	(4,427,399)	(1,506,167)	4,699,117	332,593	(1,089,486)	(3,058,000)
Benefit Payments, Including Refunds of Member Contributions	(1,132,073)	(1,143,510)	(1,142,314)	(1,112,888)	(1,107,000)	(1,116,000)
<b>Net change in Total OPEB Liability</b>	<b>(6,595,726)</b>	<b>(6,415,339)</b>	<b>4,835,992</b>	<b>(1,751,156)</b>	<b>(594,010)</b>	<b>(2,600,000)</b>
<b>Total OPEB Liability - Beginning</b>	<b>24,910,487</b>	<b>31,325,826</b>	<b>26,489,834</b>	<b>28,240,990</b>	<b>28,835,000</b>	<b>31,435,000</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 18,314,761</b>	<b>\$ 24,910,487</b>	<b>\$ 31,325,826</b>	<b>\$ 26,489,834</b>	<b>\$ 28,240,990</b>	<b>\$ 28,835,000</b>
<b>OPEB Fiduciary Net Position:</b>						
Contributions - Employer	\$ 1,132,073	\$ 1,146,160	\$ 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)	(1,146,160)	(1,142,314)	(1,112,888)	(1,116,000)
Administrative Expense	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Net OPEB Liability - Ending (a) - (b)</b>	<b>\$ 18,314,761</b>	<b>\$ 24,910,487</b>	<b>\$ 31,325,826</b>	<b>\$ 26,489,834</b>	<b>\$ 28,240,990</b>	<b>\$ 28,835,000</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 17,448,843</b>	<b>\$ 13,993,405</b>	<b>\$ 12,286,189</b>	<b>\$ 11,810,189</b>	<b>\$ 11,466,203</b>	<b>\$ 9,367,000</b>
<b>Plan Net OPEB Liability as a Percentage of Covered Payroll</b>	<b>0%</b>	<b>178%</b>	<b>255%</b>	<b>224%</b>	<b>239%</b>	<b>308%</b>

Notes to Schedule:

For the June 30, 2022, measurement date, the discount rate was updated based on the municipal bond rate as of the measurement date.

There are no assets accumulated in a trust that meet the criteria to pay related benefits for the OPEB plan.

<sup>1</sup> 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, 2023**

Fiscal Year <sup>1</sup>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Actuarially Determined Contribution	\$ 1,093,319	\$ 1,132,073	\$ 1,146,160	\$ 1,142,314	\$ 1,112,888	\$ 1,107,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(2,800,144)</u>	<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>\$ (1,706,825)</u>	<u>\$ -</u>				
Covered Payroll	\$ 18,881,076	\$ 17,448,843	\$ 13,993,405	\$ 12,286,189	\$ 11,810,189	\$ 11,466,203
Contributions as a Percentage of Covered Payroll	14.83%	6.49%	8.19%	9.30%	9.42%	9.65%

Notes to Schedule:

Valuation Date	6/30/2022	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	2.30% Annually
Salary Increases	Aggregate 2.80% Annually, Merit - CalPERS 2000-2019 Experience Study
Payroll Growth	2.80%
Discount Rate	3.54% (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

<sup>1</sup> 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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 149,405	\$ 149,405
Total Revenues	-	-	149,405	149,405
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,500,000	1,500,000	1,502,500	(2,500)
Interest and Fiscal Charges	2,008,250	2,008,250	2,005,497	2,753
Total Expenditures	3,508,250	3,508,250	3,507,997	253
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(3,508,250)	(3,508,250)	(3,358,592)	149,658
<b>OTHER FINANCING SOURCES</b>				
Transfers In	37,500	37,500	3,505,634	3,468,134
Transfers Out	-	-	(2,456,825)	(2,456,825)
Total Other Financing Sources	37,500	37,500	1,048,809	1,011,309
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (3,470,750)</u>	<u>\$ (3,470,750)</u>	(2,309,783)	<u>\$ 1,160,967</u>
Fund Balance - Beginning of Year			6,463,492	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 4,153,709</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.

*SB1 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)

*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.

*Enhanced Infrastructure Financing District (EIFD)* – to account for revenue and expenditures for the EIFD established with the County of Orange. The purpose of the EIFD is to finance public capital facilities or other specified projects of community-wide significance that provide benefits to the district or the surrounding community.

*Fire Impact Fee Fund* – to account for revenues and expenditures associated with new development within Placentia for fire protection-related services. The purpose of the fire impact fee is to fund the cost of fire protection and emergency response facilities, apparatus, and equipment attributable to new residential and nonresidential development in the City. The fire impact fee will ensure that new development will not burden existing development with the cost of expanded facilities, apparatus, and equipment required to accommodate growth as it occurs within the City.

*Animal Shelter Impact Fee Fund* – to account for the revenues and expenditures associated with the cost of animal shelter facilities for new residential development in the City. The animal shelter impact fee will ensure that new development will not burden existing development with the cost of expanded animal shelter facilities required to accommodate growth as it occurs within the City.

*Opioid Settlement Fund* – to account for the distribution of monies received from the California Opioid Settlement Funds. Expenditures are restricted for opioid remediation activities focused on prevention, intervention, harm reduction, treatment, and recovery services.

*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, 2023**

		Special Revenue Funds						
		Miscellaneous Grants	Park Development	Street Lighting	Measure M	Storm Drain Construction	Thoroughfare Construction	Asset Seizure
<b>ASSETS</b>								
Cash and Investments	\$	336,928	\$ 20,461	\$ 57,102	\$ 413,129	\$ 530	\$ 4,805	\$ 1,384,732
Receivables:								
Accounts		96,390	-	910	117,640	-	-	-
Grants		334,003	-	-	-	-	-	-
Accrued Interest		-	-	-	-	-	-	-
Loans and Notes		-	-	-	-	-	-	-
Leases		-	-	-	-	-	-	-
Prepaid Items		-	-	-	-	-	-	250
Land Held for Resale		-	-	-	-	-	-	-
Total Assets	\$	<u>767,321</u>	<u>\$ 20,461</u>	<u>\$ 58,012</u>	<u>\$ 530,769</u>	<u>\$ 530</u>	<u>\$ 4,805</u>	<u>\$ 1,384,982</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$	3,779	\$ -	\$ 58,012	\$ 3,504	\$ -	\$ -	\$ 3,538
Accrued Liabilities		-	-	-	-	-	-	-
Retentions Payable		-	-	-	-	-	-	-
Due to Other Funds		-	-	-	-	-	-	-
Unearned Revenue		500,000	-	-	-	-	-	-
Total Liabilities		<u>503,779</u>	<u>-</u>	<u>58,012</u>	<u>3,504</u>	<u>-</u>	<u>-</u>	<u>3,538</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Leases		-	-	-	-	-	-	-
Unavailable Revenues		334,003	-	-	-	-	-	-
Total Deferred Inflows of Resources		<u>334,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>								
Restricted		-	20,461	-	527,265	530	4,805	1,381,444
Unassigned (Deficit)		(70,461)	-	-	-	-	-	-
Total Fund Balances		<u>(70,461)</u>	<u>20,461</u>	<u>-</u>	<u>527,265</u>	<u>530</u>	<u>4,805</u>	<u>1,381,444</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	<u>767,321</u>	<u>\$ 20,461</u>	<u>\$ 58,012</u>	<u>\$ 530,769</u>	<u>\$ 530</u>	<u>\$ 4,805</u>	<u>\$ 1,384,982</u>

**CITY OF PLACENTIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds						
	Traffic Offender	Supplemental Law Enforcement	Air Quality	Landscape Maintenance District 92-1	Housing and Community Development	Gasoline Tax	Sewer Construction
<b>ASSETS</b>							
Cash and Investments	\$ 4,625	\$ 229,435	\$ 272,664	\$ 28,464	\$ 4,898	\$ -	\$ -
Receivables:							
Accounts	1,126	-	17,077	3,807	384,767	115,311	-
Grants	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-
Loans and Notes	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	<u>\$ 5,751</u>	<u>\$ 229,435</u>	<u>\$ 289,741</u>	<u>\$ 32,271</u>	<u>\$ 389,665</u>	<u>\$ 115,311</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ -	\$ -	\$ 876	\$ 39,594	\$ -	\$ 38,006	\$ 3,447
Accrued Liabilities	-	-	-	2,152	-	-	1,938
Retentions Payable	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	737	633,111	22,006	94,843
Unearned Revenue	-	-	-	-	-	-	-
Total Liabilities	-	-	876	42,483	633,111	60,012	100,228
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Leases	-	-	-	-	-	-	-
Unavailable Revenues	-	-	-	-	293,953	-	-
Total Deferred Inflows of Resources	-	-	-	-	293,953	-	-
<b>FUND BALANCES</b>							
Restricted	5,751	229,435	288,865	-	-	55,299	-
Unassigned (Deficit)	-	-	-	(10,212)	(537,399)	-	(100,228)
Total Fund Balances	<u>5,751</u>	<u>229,435</u>	<u>288,865</u>	<u>(10,212)</u>	<u>(537,399)</u>	<u>55,299</u>	<u>(100,228)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,751</u>	<u>\$ 229,435</u>	<u>\$ 289,741</u>	<u>\$ 32,271</u>	<u>\$ 389,665</u>	<u>\$ 115,311</u>	<u>\$ -</u>

**CITY OF PLACENTIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds						
	PEG	Affordable Housing In-Lieu	SB1 Gas Tax	NOC Public Safety Grant	Community Based Transitional Housing Grant	TOD Impact Fee	Placentia Regional Navigation Center
<b>ASSETS</b>							
Cash and Investments	\$ 41,289	\$ 404	\$ 281,700	\$ 167,691	\$ 75	\$ 2,300,976	\$ -
Receivables:							
Accounts	2,944	-	202,621	-	-	-	1,449,063
Grants	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-
Loans and Notes	-	-	-	-	-	38,050	-
Leases	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-	-
Total Assets	<u>\$ 44,233</u>	<u>\$ 404</u>	<u>\$ 484,321</u>	<u>\$ 167,691</u>	<u>\$ 75</u>	<u>\$ 2,339,026</u>	<u>\$ 1,449,063</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 8	\$ -	\$ -	\$ 5,447	\$ -	\$ 298,602	\$ 769
Accrued Liabilities	-	-	-	1,992	75	-	2,313
Retentions Payable	-	-	-	-	-	62,348	-
Due to Other Funds	-	-	-	-	-	-	1,955,308
Unearned Revenue	-	-	-	83,000	-	-	-
Total Liabilities	<u>8</u>	<u>-</u>	<u>-</u>	<u>90,439</u>	<u>75</u>	<u>360,950</u>	<u>1,958,390</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Leases	-	-	-	-	-	-	-
Unavailable Revenues	-	-	-	-	-	38,050	1,126,598
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,050</u>	<u>1,126,598</u>
<b>FUND BALANCES</b>							
Restricted	44,225	404	484,321	77,252	-	1,940,026	-
Unassigned (Deficit)	-	-	-	-	-	-	(1,635,925)
Total Fund Balances	<u>44,225</u>	<u>404</u>	<u>484,321</u>	<u>77,252</u>	<u>-</u>	<u>1,940,026</u>	<u>(1,635,925)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 44,233</u>	<u>\$ 404</u>	<u>\$ 484,321</u>	<u>\$ 167,691</u>	<u>\$ 75</u>	<u>\$ 2,300,976</u>	<u>\$ 1,449,063</u>

**CITY OF PLACENTIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds						
<b>ASSETS</b>	General Plan Update Fee	Technology Impact Fee	Housing Successor	Orangethorpe Corridor	Cal Recycle Grant	EIFD	Fire Impact Fee
Cash and Investments	\$ 1,121,748	\$ 525,370	\$ 497,975	\$ 168	\$ 23,759	\$ 70,456	\$ -
Receivables:							
Accounts	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Accrued Interest	-	-	25	-	-	-	-
Loans and Notes	-	-	548,283	-	-	-	16,433
Leases	-	-	13,777	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Land Held for Resale	-	-	1,036,760	-	-	-	-
Total Assets	<u>\$ 1,121,748</u>	<u>\$ 525,370</u>	<u>\$ 2,096,820</u>	<u>\$ 168</u>	<u>\$ 23,759</u>	<u>\$ 70,456</u>	<u>\$ 16,433</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 16,743	\$ -	\$ -	\$ 168	\$ 8,910	\$ -	\$ -
Accrued Liabilities	-	-	-	-	780	-	-
Retentions Payable	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	13,248	-	-
Total Liabilities	<u>16,743</u>	<u>-</u>	<u>-</u>	<u>168</u>	<u>22,938</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Leases	-	-	13,655	-	-	-	-
Unavailable Revenues	-	-	10,367	-	-	-	16,433
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>24,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,433</u>
<b>FUND BALANCES</b>							
Restricted	1,105,005	525,370	2,072,798	-	821	70,456	-
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances	<u>1,105,005</u>	<u>525,370</u>	<u>2,072,798</u>	<u>-</u>	<u>821</u>	<u>70,456</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,121,748</u>	<u>\$ 525,370</u>	<u>\$ 2,096,820</u>	<u>\$ 168</u>	<u>\$ 23,759</u>	<u>\$ 70,456</u>	<u>\$ 16,433</u>

**CITY OF PLACENTIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds		Capital	Debt	Total Other Governmental Funds
	Animal	Opioid	Projects Fund	Service Fund	
	Shelter Impact Fee	Settlement	City Capital Projects	Gas Tax	
<b>ASSETS</b>					
Cash and Investments	\$ -	\$ 13,435	\$ -	\$ 83,541	\$ 7,886,360
Receivables:					
Accounts	-	426,872	-	-	2,818,528
Grants	-	-	1,043,306	-	1,377,309
Accrued Interest	-	-	-	-	25
Loans and Notes	16,433	-	-	-	619,199
Leases	-	-	-	-	13,777
Prepaid Items	-	-	-	-	250
Land Held for Resale	-	-	-	-	1,036,760
<b>Total Assets</b>	<b>\$ 16,433</b>	<b>\$ 440,307</b>	<b>\$ 1,043,306</b>	<b>\$ 83,541</b>	<b>\$ 13,752,208</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 195,494	\$ -	\$ 676,897
Accrued Liabilities	-	-	-	-	9,250
Retentions Payable	-	-	260,399	-	322,747
Due to Other Funds	-	-	566,011	-	3,272,016
Unearned Revenue	-	-	-	-	596,248
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,021,904</b>	<b>-</b>	<b>4,877,158</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases	-	-	-	-	13,655
Unavailable Revenues	16,433	426,872	243,749	-	2,506,458
<b>Total Deferred Inflows of Resources</b>	<b>16,433</b>	<b>426,872</b>	<b>243,749</b>	<b>-</b>	<b>2,520,113</b>
<b>FUND BALANCES</b>					
Restricted	-	13,435	-	83,541	8,931,509
Unassigned (Deficit)	-	-	(222,347)	-	(2,576,572)
<b>Total Fund Balances</b>	<b>-</b>	<b>13,435</b>	<b>(222,347)</b>	<b>83,541</b>	<b>6,354,937</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 16,433</b>	<b>\$ 440,307</b>	<b>\$ 1,043,306</b>	<b>\$ 83,541</b>	<b>\$ 13,752,208</b>

**CITY OF PLACENTIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds						
	Miscellaneous Grants	Park Development	Street Lighting	Measure M	Storm Drain Construction	Thoroughfare Construction	Asset Seizure
<b>REVENUES</b>							
Intergovernmental	\$ 1,097,219	\$ -	\$ -	\$ 1,310,768	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-	-	-	-	1,319,603
Investment Earnings	-	268	-	7,661	-	53	5,625
Charges for Services	-	-	135,201	-	-	-	-
Lease Revenue	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>1,097,219</u>	<u>268</u>	<u>135,201</u>	<u>1,318,429</u>	<u>-</u>	<u>53</u>	<u>1,325,228</u>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	312,214	-	-	-	-	-	81,996
Public Works	-	-	552,355	-	-	-	-
Community Development	-	-	-	3,983	-	-	-
Community Services	4,847	-	-	-	-	-	-
Capital Outlay	631,481	-	-	1,106,062	-	-	71,920
Debt Service:							
Principal Retirement	-	-	-	413,344	-	-	-
Interest and Fiscal Charges	-	-	-	47,588	-	-	-
Total Expenditures	<u>948,542</u>	<u>-</u>	<u>552,355</u>	<u>1,570,977</u>	<u>-</u>	<u>-</u>	<u>153,916</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>148,677</u>	<u>268</u>	<u>(417,154)</u>	<u>(252,548)</u>	<u>-</u>	<u>53</u>	<u>1,171,312</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of Debt	-	-	-	-	-	-	-
Transfers In	-	-	417,154	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>417,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>148,677</u>	<u>268</u>	<u>-</u>	<u>(252,548)</u>	<u>-</u>	<u>53</u>	<u>1,171,312</u>
Fund Balances - Beginning 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>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (70,461)</u>	<u>\$ 20,461</u>	<u>\$ -</u>	<u>\$ 527,265</u>	<u>\$ 530</u>	<u>\$ 4,805</u>	<u>\$ 1,381,444</u>

**CITY OF PLACENTIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds						
	Traffic Offender	Supplemental Law Enforcement	Air Quality	Landscape Maintenance District 92-1	Housing and Community Development	Gasoline Tax	Sewer Construction
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ 165,271	\$ 84,423	\$ -	\$ 518,363	\$ 1,316,519	\$ -
Fines and Forfeitures	-	-	-	-	-	-	-
Investment Earnings	54	3,697	3,054	-	-	3,857	-
Charges for Services	-	-	-	450,873	-	-	-
Lease Revenue	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>54</u>	<u>168,968</u>	<u>87,477</u>	<u>450,873</u>	<u>518,363</u>	<u>1,320,376</u>	<u>-</u>
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	390,469	-	861,128	101,164
Community Development	-	-	997	-	404,249	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	1,650	-	21,083
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>997</u>	<u>390,469</u>	<u>405,899</u>	<u>861,128</u>	<u>122,247</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	54	168,968	86,480	60,404	112,464	459,248	(122,247)
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of Debt	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	(153,689)	-	-	-	(404,450)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(153,689)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(404,450)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	54	15,279	86,480	60,404	112,464	54,798	(122,247)
Fund Balances - Beginning of Year	5,697	214,156	202,385	(70,616)	(649,863)	501	22,019
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,751</u>	<u>\$ 229,435</u>	<u>\$ 288,865</u>	<u>\$ (10,212)</u>	<u>\$ (537,399)</u>	<u>\$ 55,299</u>	<u>\$ (100,228)</u>

**CITY OF PLACENTIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	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	
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ 1,156,315	\$ -	\$ -	\$ -	\$ 1,663,929
Fines and Forfeitures	-	-	-	-	-	-	-
Investment Earnings	161	268	8,840	3,536	-	41,005	-
Charges for Services	64,371	-	-	-	-	-	-
Lease Revenue	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>64,532</b>	<b>268</b>	<b>1,165,155</b>	<b>3,536</b>	<b>-</b>	<b>41,005</b>	<b>1,663,929</b>
<b>EXPENDITURES</b>							
Current:							
General Government	17,793	-	-	-	-	-	-
Public Safety	-	-	-	216,704	-	-	2,091,109
Public Works	-	-	-	-	-	-	-
Community Development	-	36,691	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	5,424	-	1,506,984	-	-	1,496,986	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>23,217</b>	<b>36,691</b>	<b>1,506,984</b>	<b>216,704</b>	<b>-</b>	<b>1,496,986</b>	<b>2,091,109</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>41,315</b>	<b>(36,423)</b>	<b>(341,829)</b>	<b>(213,168)</b>	<b>-</b>	<b>(1,455,981)</b>	<b>(427,180)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of Debt	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>41,315</b>	<b>(36,423)</b>	<b>(341,829)</b>	<b>(213,168)</b>	<b>-</b>	<b>(1,455,981)</b>	<b>(427,180)</b>
Fund Balances - Beginning of Year	2,910	36,827	826,150	290,420	-	3,396,007	(1,208,745)
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 44,225</b>	<b>\$ 404</b>	<b>\$ 484,321</b>	<b>\$ 77,252</b>	<b>\$ -</b>	<b>\$ 1,940,026</b>	<b>\$ (1,635,925)</b>

**CITY OF PLACENTIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds						Fire Impact Fee
	General Plan Update Fee	Technology Impact Fee	Housing Successor	Orangethorpe Corridor	Cal Recycle Grant	EIFD	
<b>REVENUES</b>							
Intergovernmental	\$ 33,350	\$ -	\$ -	\$ -	\$ 72,869	\$ 70,348	\$ -
Fines and Forfeitures	-	-	-	-	-	-	-
Investment Earnings	12,644	6,001	-	-	803	108	-
Charges for Services	243,156	129,533	-	-	-	-	-
Lease Revenue	-	-	147	-	-	-	-
Miscellaneous	-	-	102,411	-	-	-	-
<b>Total Revenues</b>	<b>289,150</b>	<b>135,534</b>	<b>102,558</b>	<b>-</b>	<b>73,672</b>	<b>70,456</b>	<b>-</b>
<b>EXPENDITURES</b>							
Current:							
General Government	4,091	-	-	-	-	-	-
Public Safety	-	-	-	-	16,869	-	-
Public Works	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-
Capital Outlay	16,743	-	19,258	-	56,000	-	-
Debt Service:							
Principal Retirement	-	-	-	-	55,000	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>20,834</b>	<b>-</b>	<b>19,258</b>	<b>-</b>	<b>127,869</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>268,316</b>	<b>135,534</b>	<b>83,300</b>	<b>-</b>	<b>(54,197)</b>	<b>70,456</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of Debt	-	-	-	-	55,000	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>268,316</b>	<b>135,534</b>	<b>83,300</b>	<b>-</b>	<b>803</b>	<b>70,456</b>	<b>-</b>
Fund Balances - Beginning of Year	836,689	389,836	1,989,498	-	18	-	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 1,105,005</b>	<b>\$ 525,370</b>	<b>\$ 2,072,798</b>	<b>\$ -</b>	<b>\$ 821</b>	<b>\$ 70,456</b>	<b>\$ -</b>

**CITY OF PLACENTIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds		Capital Projects Fund	Debt Service Fund	Total Other Governmental Funds
	Animal Shelter Impact Fee	Opioid Settlement	City Capital Projects	Gas Tax	
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 13,435	\$ 425,730	\$ -	\$ 7,928,539
Fines and Forfeitures	-	-	-	-	1,319,603
Investment Earnings	-	-	-	1,500	99,135
Charges for Services	-	-	-	-	1,023,134
Lease Revenue	-	-	-	-	147
Miscellaneous	-	-	1,191,573	-	1,293,984
Total Revenues	-	13,435	1,617,303	1,500	11,664,542
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	21,884
Public Safety	-	-	-	-	2,718,892
Public Works	-	-	-	-	1,905,116
Community Development	-	-	1,403	-	447,323
Community Services	-	-	-	-	4,847
Capital Outlay	-	-	1,230,011	-	6,163,602
Debt Service:					
Principal Retirement	-	-	-	377,783	846,127
Interest and Fiscal Charges	-	-	-	23,322	70,910
Total Expenditures	-	-	1,231,414	401,105	12,178,701
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	13,435	385,889	(399,605)	(514,159)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Debt	-	-	-	-	55,000
Transfers In	-	-	-	404,450	821,604
Transfers Out	-	-	-	-	(558,139)
Total Other Financing Sources (Uses)	-	-	-	404,450	318,465
<b>NET CHANGES IN FUND BALANCES</b>	-	13,435	385,889	4,845	(195,694)
Fund Balances - Beginning of Year	-	-	(608,236)	78,696	6,550,631
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 13,435	\$ (222,347)	\$ 83,541	\$ 6,354,937

**CITY OF PLACENTIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**MISCELLANEOUS GRANTS SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 200,000	\$ 3,204,304	\$ 1,097,219	\$ (2,107,085)
Total Revenues	200,000	3,204,304	1,097,219	(2,107,085)
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	881,970	312,214	569,756
Community Services	-	-	4,847	(4,847)
Capital Outlay	200,000	2,126,899	631,481	1,495,418
Total Expenditures	200,000	3,008,869	948,542	2,060,327
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 195,435</b>	148,677	<b>\$ (4,167,412)</b>
Fund Balance - Beginning of Year			(219,138)	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ (70,461)</b>	

**CITY OF PLACENTIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**STREET LIGHTING SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 135,286	\$ 135,286	\$ 135,201	\$ (85)
Total Revenues	135,286	135,286	135,201	(85)
<b>EXPENDITURES</b>				
Current:				
Public Works	171,500	171,500	552,355	(380,855)
Total Expenditures	171,500	171,500	552,355	(380,855)
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(36,214)	(36,214)	(417,154)	(380,940)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	37,500	37,500	417,154	379,654
Total Other Financing Sources	37,500	37,500	417,154	379,654
<b>NET CHANGE IN FUND BALANCE</b>	\$ 1,286	\$ 1,286	-	\$ (1,286)
Fund Balance - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			\$ -	

**CITY OF PLACENTIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**MEASURE M SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,046,562	\$ 1,079,202	\$ 1,310,768	\$ 231,566
Investment Income	3,000	3,000	7,661	4,661
Total Revenues	1,049,562	1,082,202	1,318,429	236,227
<b>EXPENDITURES</b>				
Current:				
Community Development	-	32,640	3,983	28,657
Capital Outlay	500,000	1,146,450	1,106,062	40,388
Debt Service:				
Principal Retirement	322,000	322,000	413,344	(91,344)
Interest and Fiscal Charges	32,600	32,600	47,588	(14,988)
Total Expenditures	854,600	1,533,690	1,570,977	(37,287)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 194,962</b>	<b>\$ (451,488)</b>	<b>(252,548)</b>	<b>\$ 198,940</b>
Fund Balance - Beginning of Year			779,813	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 527,265</b>	

**CITY OF PLACENTIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**THROUGHFARE CONSTRUCTION SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 53	\$ 53
Total Revenues	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>
<b>EXPENDITURES</b>				
Capital Outlay	-	4,172	-	4,172
Total Expenditures	<u>-</u>	<u>4,172</u>	<u>-</u>	<u>4,172</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (4,172)</u>	53	<u>\$ 4,225</u>
Fund Balance - Beginning of Year			<u>4,752</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 4,805</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 5,625	\$ 5,625
Total Revenues	<u>-</u>	<u>-</u>	<u>1,325,228</u>	<u>1,325,228</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	240,578	81,996	158,582
Capital Outlay	78,600	162,022	71,920	90,102
Total Expenditures	<u>78,600</u>	<u>402,600</u>	<u>153,916</u>	<u>248,684</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (78,600)</u>	<u>\$ (402,600)</u>	1,171,312	<u>\$ 1,573,912</u>
Fund Balance - Beginning of Year			<u>210,132</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,381,444</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 165,271	\$ 165,271
Investment Earnings	-	-	3,697	3,697
Total Revenues	-	-	168,968	168,968
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(160,000)	(160,000)	(153,689)	6,311
Total Other Financing Sources (Uses)	(160,000)	(160,000)	(153,689)	6,311
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (160,000)</u>	<u>\$ (160,000)</u>	15,279	<u>\$ 175,279</u>
Fund Balance - Beginning of Year			214,156	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 229,435</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 450,858	\$ 450,858	\$ 450,873	\$ 15
Total Revenues	450,858	450,858	450,873	15
<b>EXPENDITURES</b>				
Current:				
Public Works	418,400	418,400	390,469	27,931
Total Expenditures	418,400	418,400	390,469	27,931
<b>NET CHANGE IN FUND BALANCE</b>	\$ 32,458	\$ 32,458	60,404	\$ 27,946
Fund Balance - Beginning of Year			(70,616)	
<b>FUND BALANCE - END OF YEAR</b>			\$ (10,212)	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 339,514	\$ 710,150	\$ 518,363	\$ (191,787)
Total Revenues	339,514	710,150	518,363	(191,787)
<b>EXPENDITURES</b>				
Current:				
Community Development	102,500	444,200	404,249	39,951
Capital Outlay	140,291	159,594	1,650	157,944
Total Expenditures	242,791	603,794	405,899	197,895
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	96,723	106,356	112,464	6,108
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(37,723)	(37,723)	-	37,723
Total Other Financing Sources (Uses)	(37,723)	(37,723)	-	37,723
<b>NET CHANGE IN FUND BALANCE</b>	\$ 59,000	\$ 68,633	112,464	\$ 43,831
Fund Balance - Beginning of Year			(649,863)	
<b>FUND BALANCE - END OF YEAR</b>			\$ (537,399)	

**CITY OF PLACENTIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**GASOLINE TAX SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,497,118	\$ 1,497,118	\$ 1,316,519	\$ (180,599)
Investment Earnings	200	200	3,857	3,657
Total Revenues	<u>1,497,318</u>	<u>1,497,318</u>	<u>1,320,376</u>	<u>(176,942)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	270,715	270,715	861,128	(590,413)
Total expenditures	<u>270,715</u>	<u>270,715</u>	<u>861,128</u>	<u>(590,413)</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	1,226,603	1,226,603	459,248	(767,355)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(404,450)	(404,450)	(404,450)	-
Total Other Financing (Uses)	<u>(404,450)</u>	<u>(404,450)</u>	<u>(404,450)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 822,153</u>	<u>\$ 822,153</u>	54,798	<u>\$ (767,355)</u>
Fund Balance - Beginning of Year			<u>501</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 55,299</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 268	\$ 268
Total Revenues	<u>-</u>	<u>-</u>	<u>268</u>	<u>268</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	-	36,691	36,691	-
Total Expenditures	<u>-</u>	<u>36,691</u>	<u>36,691</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (36,691)</u>	<u>(36,423)</u>	<u>\$ 268</u>
Fund Balance - Beginning of Year			<u>36,827</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 404</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,167,471	\$ 1,167,471	\$ 1,156,315	\$ (11,156)
Investment Earnings	-	-	8,840	8,840
Total Revenues	<u>1,167,471</u>	<u>1,167,471</u>	<u>1,165,155</u>	<u>(2,316)</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>1,130,000</u>	<u>1,866,943</u>	<u>1,506,984</u>	<u>359,959</u>
Total Expenditures	<u>1,130,000</u>	<u>1,866,943</u>	<u>1,506,984</u>	<u>359,959</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 37,471</u></u>	<u><u>\$ (699,472)</u></u>	<u>(341,829)</u>	<u><u>\$ 357,643</u></u>
Fund Balance - Beginning of Year			<u>826,150</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 484,321</u></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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 118,000	\$ 138,000	\$ -	\$ (138,000)
Investment Earnings	-	-	3,536	3,536
Total Revenues	118,000	138,000	3,536	(134,464)
<b>EXPENDITURES</b>				
Current:				
Public Safety	183,100	183,100	216,704	(33,604)
Community Services	-	20,000	-	20,000
Total Expenditures	183,100	203,100	216,704	(13,604)
<b>NET CHANGE IN FUND BALANCE</b>	\$ (65,100)	\$ (65,100)	(213,168)	\$ (148,068)
Fund Balance - Beginning of Year			290,420	
<b>FUND BALANCE - END OF YEAR</b>			\$ 77,252	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 41,005	\$ 41,005
Charges for Services	29,900	29,900	-	(29,900)
Total Revenues	<u>29,900</u>	<u>29,900</u>	41,005	11,105
<b>EXPENDITURES</b>				
Capital Outlay	-	-	1,496,986	(1,496,986)
Total Expenditures	<u>-</u>	<u>-</u>	1,496,986	(1,496,986)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 29,900</u>	<u>\$ 29,900</u>	(1,455,981)	<u>\$ (1,485,881)</u>
Fund Balance - Beginning of Year			<u>3,396,007</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,940,026</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,326,100	\$ 2,581,100	\$ 1,663,929	\$ (917,171)
Contributions	-	-	-	-
Total Revenues	2,326,100	2,581,100	1,663,929	(917,171)
<b>EXPENDITURES</b>				
Current:				
Public Safety	2,301,100	2,406,100	2,091,109	314,991
Capital Outlay	-	150,000	-	150,000
Total Expenditures	2,301,100	2,556,100	2,091,109	464,991
<b>NET CHANGE IN FUND BALANCE</b>	\$ 25,000	\$ 25,000	(427,180)	\$ (452,180)
Fund Balance - Beginning of Year			(1,208,745)	
<b>FUND BALANCE - END OF YEAR</b>			\$ (1,635,925)	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 33,350	\$ 33,350
Investment Earnings	-	-	12,644	12,644
Charges for Services	120,000	120,000	243,156	123,156
Total Revenues	120,000	120,000	289,150	169,150
<b>EXPENDITURES</b>				
Capital Outlay	-	90,000	16,743	73,257
Total Expenditures	-	90,000	20,834	69,166
<b>NET CHANGE IN FUND BALANCE</b>	\$ 120,000	\$ 30,000	268,316	\$ 238,316
Fund Balance - Beginning of Year			836,689	
<b>FUND BALANCE - END OF YEAR</b>			\$ 1,105,005	

**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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 6,001	\$ 6,001
Charges for Services	60,000	60,000	129,533	69,533
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>135,534</u>	<u>75,534</u>
<b>EXPENDITURES</b>				
Capital Outlay	-	71,385	-	71,385
Total Expenditures	<u>-</u>	<u>71,385</u>	<u>-</u>	<u>71,385</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 60,000</u>	<u>\$ (11,385)</u>	135,534	<u>\$ 146,919</u>
Fund Balance - Beginning of Year			<u>389,836</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 525,370</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Lease Revenue	\$ 6,000	\$ 6,000	\$ 147	\$ (5,853)
Miscellaneous	102,411	102,411	102,411	-
Total Revenues	<u>108,411</u>	<u>108,411</u>	<u>102,558</u>	<u>(5,853)</u>
<b>EXPENDITURES</b>				
Capital Outlay	-	-	19,258	(19,258)
Total Expenditures	<u>-</u>	<u>-</u>	<u>19,258</u>	<u>(19,258)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 108,411</u>	<u>\$ 108,411</u>	83,300	<u>\$ (25,111)</u>
Fund Balance - Beginning of Year			<u>1,989,498</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 2,072,798</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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 72,869	\$ 72,869
Investment Earnings	-	-	803	803
Total Revenues	-	-	73,672	73,672
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	86,117	16,869	69,248
Total Expenditures	-	86,117	72,869	13,248
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (86,117)</u>	803	<u>\$ 86,920</u>
Fund Balance - Beginning of Year			18	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 821</u>	

**CITY OF PLACENTIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**CITY CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 4,220,000	\$ 425,730	\$ (3,794,270)
Miscellaneous	-	-	1,191,573	1,191,573
Total Revenues	-	4,220,000	1,617,303	(2,602,697)
<b>Expenditures:</b>				
Current:				
Community Development	-	-	1,403	(1,403)
Capital Outlay	-	4,220,919	1,230,011	2,990,908
Total Expenditures	-	4,220,919	1,231,414	2,989,505
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (919)</b>	385,889	<b>\$ 386,808</b>
Fund Balance - Beginning of Year			(608,236)	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ (222,347)</b>	

**CITY OF PLACENTIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**GAS TAX DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ -	\$ -	\$ 1,500	\$ 1,500
Total Revenues	-	-	1,500	1,500
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	404,450	404,450	377,783	26,667
Interest and Fiscal Charges	51,450	51,450	23,322	28,128
Total Expenditures	455,900	455,900	401,105	54,795
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(455,900)	(455,900)	(399,605)	56,295
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds From Issuance of Debt	-	-	-	-
Payment to Escrow for Refunding Debt	-	-	-	-
Transfers In	404,450	404,450	404,450	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	404,450	404,450	404,450	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (51,450)</u>	<u>\$ (51,450)</u>	4,845	<u>\$ 56,295</u>
Fund Balance - Beginning of Year			78,696	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 83,541</u>	

**CITY OF PLACENTIA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2023**

	Risk Management	Health and Welfare	Equipment Replacement	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 2,538,764	\$ -	\$ 158,713	\$ 2,697,477
Receivable:				
Accounts	-	109	-	109
Prepays	-	58,507	-	58,507
Total Current Assets	<u>2,538,764</u>	<u>58,616</u>	<u>158,713</u>	<u>2,756,093</u>
Total Assets	2,538,764	58,616	158,713	2,756,093
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	34,225	1,278	63,965	99,468
Accrued Liabilities	5	-	-	5
Due to Other Funds	-	38,322	-	38,322
Accrued Claims and Judgments - Due Within One Year	999,086	-	-	999,086
Total Current Liabilities	<u>1,033,316</u>	<u>39,600</u>	<u>63,965</u>	<u>1,136,881</u>
Noncurrent Liabilities:				
Accrued Claims and Judgments - Due in More Than One Year	3,052,258	-	-	3,052,258
Total Noncurrent Liabilities	<u>3,052,258</u>	<u>-</u>	<u>-</u>	<u>3,052,258</u>
Total Liabilities	4,085,574	39,600	63,965	4,189,139
<b>NET POSITION</b>				
Unrestricted	<u>(1,546,810)</u>	<u>19,016</u>	<u>94,748</u>	<u>(1,433,046)</u>
Total Net Position	<u>\$ (1,546,810)</u>	<u>\$ 19,016</u>	<u>\$ 94,748</u>	<u>\$ (1,433,046)</u>

**CITY OF PLACENTIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**ALL INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Governmental Activities			Total
	Risk Management	Health and Welfare	Equipment Replacement	
<b>OPERATING REVENUES</b>				
Reimbursements	\$ 607,730	\$ 122,890	\$ -	\$ 730,620
Sales and Service Charges	2,261,000	1,014,025	-	3,275,025
Other Revenues	-	-	24,000	24,000
Total Operating Revenues	<u>2,868,730</u>	<u>1,136,915</u>	<u>24,000</u>	<u>4,029,645</u>
<b>OPERATING EXPENSES</b>				
Administration	89,769	14,282	63,966	168,017
Reinsurance Premiums	-	225,378	-	225,378
Claims	(1,610)	-	-	(1,610)
Medical and Dental Premiums	-	893,189	-	893,189
Liability Insurance Premiums	1,348,789	4,066	-	1,352,855
Total Operating Expenses	<u>1,436,948</u>	<u>1,136,915</u>	<u>63,966</u>	<u>2,637,829</u>
<b>OPERATING INCOME (LOSS)</b>	1,431,782	-	(39,966)	1,391,816
<b>NONOPERATING INCOME (LOSS)</b>				
Gain on Disposal of Capital Assets	-	-	83,654	83,654
<b>NET INCOME (LOSS)</b>	<u>1,431,782</u>	<u>-</u>	<u>43,688</u>	<u>1,475,470</u>
<b>TRANSFERS</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN NET POSITION</b>	1,431,782	-	43,688	1,475,470
Net Position - Beginning of Year	<u>(2,978,592)</u>	<u>19,016</u>	<u>51,060</u>	<u>(2,908,516)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (1,546,810)</u>	<u>\$ 19,016</u>	<u>\$ 94,748</u>	<u>\$ (1,433,046)</u>

**CITY OF PLACENTIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2023**

	Risk Management	Health and Welfare	Equipment Replacement	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers and Users	\$ 2,872,767	\$ 1,136,806	\$ 24,000	\$ 4,033,573
Cash Paid to Suppliers for Goods and Services	(2,435,919)	(1,194,471)	(12,419)	(3,642,809)
Cash Paid for Insurance Claims	1,610	-	-	1,610
Net Cash Provided (Used) by Operating Activities	<u>438,458</u>	<u>(57,665)</u>	<u>11,581</u>	<u>392,374</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	438,458	(19,343)	95,235	514,350
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION</b>				
Beginning of Year	<u>2,100,306</u>	<u>19,343</u>	<u>63,478</u>	<u>2,183,127</u>
End of Year	<u>\$ 2,538,764</u>	<u>\$ -</u>	<u>\$ 158,713</u>	<u>\$ 2,697,477</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 1,431,782	\$ -	\$ (39,966)	\$ 1,391,816
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	(109)	-	3,928
(Increase) Decrease in Prepays	-	(58,507)	-	(58,507)
Increase (Decrease) in Accounts Payable	(33,494)	951	51,547	19,004
Increase (Decrease) in Accrued Liabilities	-	-	-	-
Increase (Decrease) in Claims Payable	<u>(963,867)</u>	<u>-</u>	<u>-</u>	<u>(963,867)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 438,458</u>	<u>\$ (57,665)</u>	<u>\$ 11,581</u>	<u>\$ 392,374</u>

## **FIDUCIARY FUNDS**

### **CUSTODIAL FUNDS**

*Community Facilities District Fund* – to account for the Community Facilities District No. 89-1 (East Placentia). This fund 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.

*TOD District CFD Fund* – to account for the Community Facilities District 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.

**CITY OF PLACENTIA  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 JUNE 30, 2023**

	Custodial Funds			Total
	Community Facilities District	Public Safety CFD 2014-01	TOD District CFD	
<b>ASSETS</b>				
Cash and Investments	\$ 49,606	\$ 149,128	\$ -	\$ 198,734
Miscellaneous Receivables	-	688	-	688
Total Assets	<u>49,606</u>	<u>149,816</u>	<u>-</u>	<u>199,422</u>
<b>LIABILITIES</b>				
Accounts Payable	-	-	756	756
Accrued Liabilities	-	14	-	14
Deposits Payable	191	-	-	191
Total Liabilities	<u>191</u>	<u>14</u>	<u>756</u>	<u>961</u>
<b>NET POSITION (DEFICIT)</b>				
Restricted for Individuals, Organizations, and Other Governments	<u>49,415</u>	<u>149,802</u>	<u>(756)</u>	<u>198,461</u>
Total Net Position (Deficit)	<u>\$ 49,415</u>	<u>\$ 149,802</u>	<u>\$ (756)</u>	<u>\$ 198,461</u>

**CITY OF PLACENTIA**  
**STATEMENT OF CHANGE IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Custodial Funds			Total
	Community Facilities District	Public Safety CFD 2014-01	TOD District CFD	
<b>ADDITIONS</b>				
Charges for Services	\$ -	\$ 120,186	\$ -	\$ 120,186
Investment Income	643	1,286	-	1,929
<b>Total Additions</b>	<b>643</b>	<b>121,472</b>	<b>-</b>	<b>122,115</b>
<b>DEDUCTIONS</b>				
Administrative Expenses	-	-	756	756
<b>Total Deductions</b>	<b>-</b>	<b>-</b>	<b>756</b>	<b>756</b>
<b>CHANGE IN NET POSITION</b>	<b>643</b>	<b>121,472</b>	<b>(756)</b>	<b>121,359</b>
Net Position - Beginning of Year	48,772	28,330	-	77,102
<b>NET POSITION - END OF YEAR</b>	<b>\$ 49,415</b>	<b>\$ 149,802</b>	<b>\$ (756)</b>	<b>\$ 198,461</b>

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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.	140
<i>Revenue Capacity</i> – These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	146
<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.	150
<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.	153
<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.	156

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 74,238	\$ 66,333	\$ 66,799	\$ 67,960	\$ 67,915	\$ 72,176	\$ 81,106	\$ 86,061	\$86,045	\$ 103,757
Restricted	2,901	7,027	7,681	6,199	5,819	6,090	7,732	21,456	20,175	18,361
Unrestricted	(9,273)	(34,145)	(30,490)	(32,780)	(52,089)	(50,858)	(53,352)	(68,263)	(23,396)	(43,543)
Total Governmental Activities Net Position	<u>\$ 67,866</u>	<u>\$ 39,215</u>	<u>\$ 43,990</u>	<u>\$ 41,379</u>	<u>\$ 21,645</u>	<u>\$ 27,408</u>	<u>\$ 35,486</u>	<u>\$ 39,254</u>	<u>\$ 82,824</u>	<u>\$ 78,575</u>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 11,760	\$ 11,280	\$ 10,765	\$ 10,303	\$ 9,778	\$ 9,275	\$ 8,748	\$ 8,221	\$ 7,694	\$ 7,166
Unrestricted	(680)	1,289	845	1,066	(1,514)	(2,055)	(2,682)	361	1,842	1,245
Total Business-Type Activities Net Position	<u>\$ 11,080</u>	<u>\$ 12,569</u>	<u>\$ 11,610</u>	<u>\$ 11,369</u>	<u>\$ 8,264</u>	<u>\$ 7,220</u>	<u>\$ 6,066</u>	<u>\$ 8,582</u>	<u>\$ 9,536</u>	<u>\$ 8,411</u>
<b>Primary Government:</b>										
Net Investment in Capital Assets	\$ 85,998	\$ 77,613	\$ 77,564	\$ 78,263	\$ 77,693	\$ 81,451	\$ 89,854	\$ 94,282	\$ 93,739	\$ 110,923
Restricted	2,901	7,027	7,681	6,199	5,819	6,090	7,732	21,456	20,175	18,361
Unrestricted	(9,953)	(32,856)	(29,645)	(31,714)	(53,603)	(52,913)	(56,034)	(67,902)	(21,554)	(42,298)
Total Primary Government Net Position	<u>\$ 78,946</u>	<u>\$ 51,784</u>	<u>\$ 55,600</u>	<u>\$ 52,748</u>	<u>\$ 29,909</u>	<u>\$ 34,628</u>	<u>\$ 41,552</u>	<u>\$ 47,836</u>	<u>\$ 92,360</u>	<u>\$ 86,986</u>

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>PROGRAM REVENUE</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,408	\$ 2,053	\$ 1,956	\$ 2,136	\$ 2,206	\$ 2,356	\$ 2,651	\$ 2,754	\$ 2,812	\$ 3,215
Public Safety	1,282	1,469	1,340	1,092	1,078	742	771	567	928	877
Public Works	3,238	854	679	597	670	1,100	776	917	877	811
Community Development	590	277	1,211	1,074	1,251	1,011	1,670	2,014	1,598	1,700
Community Services	-	-	221	194	314	213	145	148	253	337
Operating Grants	700	1,407	4,744	4,637	4,575	7,709	9,588	6,103	6,499	15,643
Capital Grants and Contributions	1,634	3,216	145	465	4,528	1,117	2,994	8,027	1,850	5,025
Total Governmental Activities Program Revenues	9,852	9,276	10,296	10,195	14,622	14,248	18,595	20,530	14,817	27,608
Business-Type Activities:										
Charges for Services:										
Refuse	2,865	2,874	2,890	2,958	3,039	3,148	3,252	3,688	3,732	4,283
Compressed Natural Gas	119	25	-	-	-	-	-	-	-	-
Sewer Maintenance	884	819	688	722	760	722	723	783	791	1,448
Total Business-Type Activities Program Revenues	3,868	3,718	3,578	3,680	3,799	3,870	3,975	4,471	4,523	5,731
Total Primary Government Program Revenues	13,720	12,994	13,874	13,875	18,421	18,118	22,570	25,001	19,340	33,339
<b>EXPENSES</b>										
Governmental Activities:										
General Government	9,673	9,248	5,343	10,579	10,046	9,346	11,654	12,850	9,242	19,220
Public Safety	16,915	15,689	18,556	19,188	18,114	20,547	26,139	26,045	(5,341)	39,863
Public Works	5,720	6,644	7,445	7,246	4,328	2,465	4,926	9,846	3,159	11,632
Community Development	1,142	1,845	1,373	1,904	1,068	1,502	1,640	2,893	1,554	2,425
Community Services	-	-	1,263	1,318	1,690	4,401	1,757	2,580	1,685	3,755
Redevelopment	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	667	861	837	783	717	588	475	765	2,591	2,372
Total Governmental Activities	34,117	34,287	34,817	41,018	35,963	38,849	46,591	54,979	12,890	79,267
Business-Type Activities:										
Refuse	2,950	2,795	2,555	2,571	3,034	3,164	3,127	3,287	3,421	4,341
Compressed Natural Gas	-	-	-	-	-	-	-	-	-	-
Sewer Maintenance	1,071	1,069	1,418	954	1,943	1,593	1,836	(1,365)	150	2,533
Total Business-Type Activities	4,021	3,864	3,973	3,525	4,977	4,757	4,963	1,922	3,571	6,874
Total Primary Government Expenses	38,138	38,151	38,790	44,543	40,940	43,606	51,554	56,901	16,461	86,141
<b>NET REVENUE (EXPENSE)</b>										
Governmental Activities	(24,265)	(25,011)	(24,521)	(30,823)	(21,341)	(24,601)	(27,996)	(34,449)	1,927	(51,659)
Business-Type Activities	(153)	(146)	(395)	155	(1,178)	(887)	(988)	2,549	952	(1,143)
Total Primary Government Net Expense	(24,418)	(25,157)	(24,916)	(30,668)	(22,519)	(25,488)	(28,984)	(31,900)	2,879	(52,802)

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>GENERAL REVENUE AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities:										
Taxes:										
Property	\$ 11,804	\$ 12,449	\$ 13,259	\$ 13,972	\$ 14,560	\$ 15,478	\$ 15,981	\$ 16,752	\$ 17,191	\$ 18,809
Sales and Use	4,512	6,284	6,848	7,020	6,948	8,184	13,141	15,113	17,248	17,530
Utility Users	2,800	2,874	2,750	2,637	2,545	2,461	2,362	2,503	2,689	3,200
Franchise	2,228	2,338	2,332	2,244	2,270	2,340	2,358	2,466	2,651	2,870
Other	1,029	1,177	1,258	1,365	1,316	1,267	1,047	1,022	1,842	2,091
Miscellaneous	1,336	1,451	35	41	125	136	447	280	256	2,544
Investment Income	24	576	34	31	72	227	312	13	(297)	378
Other	708	-	-	-	-	-	215	-	-	-
Special Item	-	(2,764)	-	-	-	-	-	-	-	-
Contribution from successor Agency	-	-	-	-	-	-	19	-	-	-
Contribution from Custodial Fund	-	-	-	-	-	-	-	30	-	-
Extraordinary Item	-	-	(1,035)	-	-	-	-	-	-	-
Transfers	4	165	646	402	251	268	192	39	-	-
Total Government Activities	<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>	<u>47,422</u>
Business-Type Activities:										
Investment Income	2	5	7	7	24	34	27	4	2	19
Special Item	-	2,764	-	-	-	-	-	-	-	-
Other	75	75	75	-	-	-	-	-	-	-
Transfers	(4)	(165)	(646)	(402)	(251)	(192)	(192)	(39)	-	-
Total Business-Type Activities	<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>	<u>19</u>
Total Primary Government	<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>	<u>47,441</u>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	180	(461)	1,606	(3,111)	6,746	5,760	8,078	3,769	43,507	(4,237)
Business-Type Activities	(80)	2,533	(959)	(240)	(1,405)	(1,045)	(1,153)	2,514	954	(1,124)
Total Primary Government	<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>	<u>\$ (5,361)</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ 3,450	\$ 4,104	\$ 3,881	\$ 3,354	\$ 4,955	\$ 4,706	\$ 3,734	\$ 3,347	\$ 2,522	\$ 1,454
Restricted	439	1,030	1,030	1,024	1,019	571	555	556	2	805
Committed	-	119	3,600	3,600	3,400	4,528	5,811	6,434	13,856	4,535
Assigned	-	185	286	40	-	-	-	-	-	-
Unassigned	1,001	2,510	72	56	(1,346)	543	3,866	9,894	7,205	19,919
Total General Fund	<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>	<u>\$ 26,713</u>
All Other Governmental Funds:										
Nonspendable	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 6	\$ 5
Restricted	2,930	5,999	6,651	5,175	4,800	5,518	7,177	20,900	20,173	17,555
Assigned	-	485	-	-	-	-	-	-	-	-
Unrestricted	(761)	-	-	(368)	(531)	(1,045)	(1,552)	(1,406)	(2,754)	(2,577)
Total All Other Governmental Funds	<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>	<u>\$ 14,983</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REVENUES</b>										
Property Tax	\$ 11,804	\$ 12,449	\$ 13,259	\$ 13,972	\$ 14,551	\$ 15,478	\$ 15,981	\$ 16,752	\$ 17,191	\$ 18,809
Sales Tax	5,848	6,284	7,257	7,020	6,948	10,646	13,141	15,113	17,248	17,530
Other Tax	6,138	6,316	6,318	6,222	6,043	3,548	5,708	5,993	7,182	8,090
Intergovernmental	3,531	4,033	2,998	3,572	6,487	7,530	8,459	6,700	6,498	16,569
Licenses and Permits	1,618	1,690	1,733	1,572	1,702	1,922	2,454	2,828	2,440	2,644
Fines and Forfeitures	575	733	1,154	1,297	592	613	819	314	503	1,777
Investment Income	210	177	34	32	69	228	307	13	(297)	377
Charges for Services	1,912	2,228	2,216	1,743	2,197	2,003	4,056	9,334	2,267	2,387
Other	2,087	2,424	2,108	1,892	2,151	2,289	2,327	2,536	3,581	5,783
<b>Total Revenues</b>	<b>33,723</b>	<b>36,334</b>	<b>37,077</b>	<b>37,322</b>	<b>40,740</b>	<b>44,257</b>	<b>53,252</b>	<b>59,583</b>	<b>56,613</b>	<b>73,966</b>
<b>EXPENDITURES</b>										
Current:										
General Government	4,409	6,432	6,571	10,450	8,109	7,889	8,389	10,995	12,105	15,771
Public Safety	16,853	16,500	17,880	18,436	19,156	18,718	23,442	16,938	17,476	19,139
Public Works	5,760	4,246	4,824	5,050	5,951	6,078	5,938	5,049	5,262	6,005
Community Development	1,142	1,824	952	1,858	1,291	1,171	1,693	2,245	2,007	2,165
Community Services	-	-	1,191	1,292	1,526	4,405	1,793	1,547	2,305	2,623
Capital Outlay	79	2,042	1,262	2,340	2,971	1,047	11,534	6,178	-	22,104
Debt Service:										
Principal	723	1,070	1,333	1,654	1,855	2,105	1,177	1,904	3,135	4,760
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-	-	-	2,440	-
Interest	577	813	837	783	717	587	475	765	489	2,356
Debt Issuance Costs	-	-	-	-	-	-	-	-	182	-
<b>Total Expenditures</b>	<b>29,543</b>	<b>32,927</b>	<b>34,850</b>	<b>41,863</b>	<b>41,576</b>	<b>42,000</b>	<b>54,441</b>	<b>45,621</b>	<b>45,401</b>	<b>74,923</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>4,180</b>	<b>3,407</b>	<b>2,227</b>	<b>(4,541)</b>	<b>(836)</b>	<b>2,257</b>	<b>(1,189)</b>	<b>13,962</b>	<b>11,212</b>	<b>(957)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	6,998	4,939	7,000	8,010	4,778	1,515	1,882	2,849	4,034	6,938
Transfers Out	(11,310)	(4,552)	(6,354)	(7,607)	(4,527)	(1,247)	(1,690)	(2,811)	(4,034)	(6,938)
Issuance of Debt	-	-	251	-	-	-	5,766	57,583	2,189	1,643
Other	-	(2,764)	-	-	-	-	-	(51,441)	(2,069)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,312)</b>	<b>(2,377)</b>	<b>897</b>	<b>403</b>	<b>251</b>	<b>268</b>	<b>5,958</b>	<b>6,180</b>	<b>120</b>	<b>1,643</b>
<b>EXTRAORDINARY ITEMS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (132)</b>	<b>\$ 1,030</b>	<b>\$ 3,124</b>	<b>\$ (2,638)</b>	<b>\$ (585)</b>	<b>\$ 2,525</b>	<b>\$ 4,769</b>	<b>\$ 20,142</b>	<b>\$ 11,332</b>	<b>\$ 686</b>
Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures	4.62%	6.49%	6.91%	6.57%	7.14%	7.04%	4.00%	7.26%	10.11%	13.48%

Source: City of Placentia, Finance Department

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales and Use Taxes</u>	<u>Other Taxes</u>	<u>Licenses and Permits</u>	<u>Fines, Forfeitures, and Penalties</u>	<u>Use of Money and Property</u>	<u>Investment Earnings*</u>	<u>Leases and Rents*</u>	<u>Inter-Governmental Revenue</u>	<u>Charges for Current Services</u>	<u>Other Revenues</u>	<u>Totals</u>
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
2023	18,738,855	17,530,357	8,160,127	2,643,941	457,065	-	67,366	1,572,445	8,640,895	1,364,054	1,385,763	60,560,868

\* 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		
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
2023	7,915,501	738	213,554	8,129,793	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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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
<b>Overlapping Rates:</b>										
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	0.8357	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	0.0653	0.0582	0.0567	0.0548	0.0553	0.0526	0.0485	0.0603	0.0485	0.0464
N. Orange County Community College	0.0170	0.0170	0.0304	0.0289	0.0293	0.0283	0.0241	0.0320	0.0288	0.0278
Total Rate	1.0858	1.0787	1.0906	1.0871	1.0881	1.0844	1.0761	1.0958	1.0809	1.0777

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	2023			Taxpayer	2014		
	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
310 S Jefferson Street Ground Owner LP	\$ 114,054	\$1,141	1.40 %	OC of SD Holdings	\$66,884	\$ 669	1.28 %
Placentia 422	61,824	618	.76	Placentia 422	53,278	533	1.02
Villa Angelina Apartment Fund LTD	58,912	589	.72	Villa Tierra Apartments LLC	35,004	350	.67
MG Union Place Apartments LLC	48,394	484	.60	Placentia-Linda Hospital Inc.	30,713	307	.59
Placentia-Linda Hospital Inc.	44,409	444	.55	Ora Bradford Court 127 LLC	26,762	268	.51
HP Bradford Terrace LLC	44,000	440	.54	Donahue Schriber Realty Group	25,638	256	.49
Sedona-Placentia Owner LLC	41,847	418	.51	Reef Imperial Rose Inc.	24,380	244	.47
NMC Placentia LLC	38,584	386	.47	Inland Western Placentia LLC	23,166	232	.44
MG Herald Apartments LLC	34,516	345	.42	Hartwell Corporation	20,620	206	.40
Reef Imperial Rose Inc.	32,272	323	.40	IIT Orange County DC LP	16,763	168	.32
<b>Total</b>	<b>\$ 518,812</b>	<b>\$ 5,188</b>	<b>6.38 %</b>	<b>Total</b>	<b>\$ 323,208</b>	<b>\$ 3,232</b>	<b>6.21 %</b>

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
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
2023	17,044,617	16,794,264	98.53	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 & Subscriptions Payable	Loans Payable				
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	8,657	-	651	-	65,278	.863	1,275	3.22
2023	53,755	7,549	-	2,838	-	64,142	.789	1,222	3.04

Source: City of Placentia, Finance Department

**CITY OF PLACENTIA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT  
JUNE 30, 2023**

2020-22 Assessed Valuation	\$ 8,595,752
Successor Agency Incremental Valuation	464,567
Adjusted Assessed Valuation	<u>\$ 8,131,185</u>

	Total Debt June 30, 2023	% Applicable (1)	City's Share of Debt June 30, 2023
Direct Debt:			
Placentia 2022 Ref and Improv Cops	\$ 1,752,697	100.00 %	\$ 1,752,697
Placentia Electric Vehicles Loan Payable	124,631	100.00	124,631
Placentia Public Safety Radio Loan Payable	515,597	100.00	515,597
Placentia Fire Loan Payable #1	2,445,454	100.00	2,445,454
Placentia Fire Loan Payable #2	1,281,976	100.00	1,281,976
Placentia Melrose Easement	284,411	100.00	284,411
Placentia Fire UAL Loan Payoff	714,261	100.00	714,261
Placentia OCTA Advance	1,144,278	100.00	1,144,278
Placentia 2021 Installment Sale Agreement	2,651,000	100.00	2,651,000
Placentia PFA 2020A Lease Revenue Bonds	50,390,000	100.00	50,390,000
Total Direct Debt			<u>61,304,305</u>
Overlapping Tax and Assessment Debt:			
Orange County General Fund Obligations	\$451,165,000	1.122 %	\$ 5,062,071
Orange County Board of Education COP	10,860,000	1.122	121,849
North Orange County Regional Occupation Program COP	7,790,000	5.211	405,937
Placentia-Yorba Linda Unified School District COP	84,135,000	22.402	18,847,923
Placentia -Yorba Linda Unified 2002, 2008, 2012 Bond	204,786,502	22.402	45,876,272
Metropolitan Water District	19,215,000	.223	42,849
N. OC Community College 2002, 2014 Bond	324,914,503	5.066	16,460,169
Total Overlapping Debt			<u>86,817,070</u>
Total Direct and Overlapping Debt			<u>\$ 148,121,375</u>

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

Ratios of Direct vs. Overlapping Debt:

Direct Debt	41.39 %
Overlapping Debt	58.61
Total Debt	<u>100.00 %</u>

Ratios of Debt to Assessed Valuation:

Direct Debt	.75 %
Overlapping Debt	1.07
Total Debt	<u>1.82 %</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	\$ 8,334,355,475
Debt Limit (3.75% of Assessed Value)	312,538,330
Debt Applicable to Limit	-
Legal Debt Margin - Current Year	\$ 312,538,330

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
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	-
2023	312,538,330	-	312,538,330	-

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
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
2022	52,507	2,109,099	40,167	3.2

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										
	2013	2014	2015	2012	2016	2017	2018	2019	2020	2021	2022
Apparel Stores	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$21,114	\$21,854
General Merchandise	6,482	6,459	6,635	6,227	6,759	7,178	7,440	7,649	8,208	7,907	7,535
Food Stores	17,541	17,898	18,529	17,718	17,919	17,102	17,530	18,363	20,539	19,152	20,029
Eating and Drinking Places	62,479	66,582	79,730	61,816	84,676	85,373	83,083	87,912	77,897	101,361	105,185
Building Materials	37,884	48,092	38,156	39,460	55,996	60,664	68,803	74,767	69,616	89,608	98,051
Auto Dealers and Supplies	78,924	85,659	105,341	69,200	107,146	104,963	82,789	72,781	71,301	99,240	118,317
Service Stations	80,210	78,562	70,961	83,112	62,495	68,101	74,924	73,200	49,981	72,505	95,585
Other Retail Stores	63,164	64,434	60,419	55,311	70,775	74,578	75,597	76,411	65,702	62,668	64,773
All Other Outlets	197,944	213,510	255,719	192,626	240,166	234,501	245,115	268,067	269,831	278,458	292,479
<b>Total</b>	<b>\$544,628</b>	<b>\$581,196</b>	<b>\$635,490</b>	<b>\$525,470</b>	<b>\$645,932</b>	<b>\$652,460</b>	<b>\$655,281</b>	<b>\$679,150</b>	<b>\$633,075</b>	<b>\$752,013</b>	<b>\$823,808</b>

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Clerk	1.00	2.00	2.00	2.00	2.00	-	2.00	2.00	2.00	2.00
Administration	6.00	8.00	7.00	7.00	11.50	9.50	10.50	25.45	26.45	29.65
Finance	7.00	6.00	7.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00
Development Services	-	-	4.00	4.75	6.50	8.50	8.50	8.55	9.55	11.35
Police	62.00	67.00	69.50	74.50	80.00	76.00	84.00	71.00	72.00	75.00
Fire and Life Safety	-	-	-	-	-	-	-	25.00	27.00	28.00
Public Works	19.00	18.00	19.00	20.25	20.75	20.00	22.00	22.00	26.00	28.00
Community Services	4.00	4.00	6.00	6.50	7.25	7.00	7.00	7.00	8.00	9.00
<b>Total</b>	<b>99.00</b>	<b>105.00</b>	<b>114.50</b>	<b>122.00</b>	<b>136.00</b>	<b>129.00</b>	<b>142.00</b>	<b>170.00</b>	<b>180.00</b>	<b>192.00</b>

Source: City of Placentia, Finance Department

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police:</b>										
Physical Arrests	1,600	1,732	1,373	1,250	1,381	1,282	1,053	1,257	1,400	1,380
Parking Citations	7,147	11,141	12,729	13,161	2,359	7,398	4,646	3,742	2,974	7,585
Traffic Citations	3,330	2,498	2,060	1,824	2,659	7,707	1,601	1,162	509	818
<b>Community Development:</b>										
Building Permits	808	1,411	1,472	1,268	1,347	1,263	1,407	1,346	1,425	1,461
Building and Zoning Inspections	97	178	133	128	87	92	126	181	128	435
<b>Public Works:</b>										
Feet of Sewer Main Cleaned	401,280	401,280	401,280	249,134	385,510	318,118	396,000	372,246	372,246	372,246
Streetsweeping Miles	21,684	21,684	21,684	21,684	7,955	7,955	8,772	8,772	8,772	8,772
Traffic Signals Maintained	57	57	57	57	61	61	63	63	63	63
<b>Culture and Recreation:</b>										
Recreation Classes	710	787	747	727	645	610	577	387	421	477

Source: City of Placentia, Finance Department

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

Function/Program	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Public Safety:</b>											
Police Stations	1	1	1	1	1	1	1	1	1	1	1
Sworn Officers	46	46	46	46	51	51	46	51	46	48	
Patrol Vehicles	26	26	26	26	32	32	33	16	16	17	
Fire Stations	2	2	2	2	2	2	2	2	2	2	
<b>Highways and Streets:</b>											
Miles of Streets	107	107	107	107	107	132	132	132	133	133	
Street Trees	9,214	9,214	9,214	9,214	9,139	7,175	7,077	6,929	6,688	6,915	
Traffic Signals	229	229	229	229	230	230	230	230	230	230	
Street Lights	3,656	3,656	3,656	3,656	3,660	3,660	3,656	3,656	3,656	3,915	
<b>Sewer:</b>											
Miles of Sanitary Sewers	76	76	76	76	76	76	84	84	84	84	
Storm Drains	506	506	506	506	506	506	506	506	531	531	
<b>Culture and Recreation:</b>											
Parks	16	16	16	16	16	16	15	15	15	15	
Area of Parks (Acres)	72.9	72.9	72.9	72.9	72.9	100.9	60.9	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	7	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	
Tennis Courts	-	-	-	-	-	-	-	-	-	1	
Pickleball Courts	-	-	-	-	-	-	-	-	-	4	

**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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