



CITY OF PLACENTIA, CA



Comprehensive Annual Financial Report

For Fiscal Year Ending June 30, 2021



Prepared by the Finance Department
of the City of Placentia

City of Placentia

Placentia, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared by the
Finance Department of City of Placentia

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

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The People are the City

Mayor
RHONDA SHADER

Mayor Pro Tem
CHAD P. WANKE

Councilmembers:
CRAIG S. GREEN
WARD L. SMITH
JEREMY B. YAMAGUCHI



City Clerk:
ROBERT S. MCKINNELL

City Treasurer
KEVIN A. LARSON

City Administrator
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

May 5, 2022

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, 2021. 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 Pun Group, 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, 2021, 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, 2021, 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 CAFR.

CITY PROFILE

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

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

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

FINANCIAL POLICIES

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

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

The annual budget includes all the City's governmental and proprietary funds. The legal level of budgetary control is the fund level. The City Administrator has the discretion to transfer

appropriations between departments within a fund but transfers between funds and additional appropriations and transfers must be approved by City Council.

General Fund Reserve Policy: The City's General Fund Reserve Policy provides guidance in the creation, maintenance, and use of reserves. The policy covers the allocation of new and one-time revenues to different committed reserves such as infrastructure, vehicles, and equipment reserve; post-employment benefits sustainability reserve; employee recruitment and retention reserve; and the General Fund contingency reserve. To ensure the availability of adequate reserves for potential contingencies or emergencies, the City Council established the City's General Fund Reserve Policy with a required general fund contingency reserve of 25% of annual General Fund operating expenditures. While the unrestricted fund balance of the General Fund was approximately \$19.7 million on June 30, 2021, the unassigned fund balance was approximately \$9.9 million, a significant increase over the balance of \$3.9 million at June 30, 2020. A relatively large portion of the current unrestricted fund balance is committed for the City's contribution toward the parking structure to be constructed in conjunction with the Metrolink Station. The purpose of this public investment is to further economic growth and prosperity in the downtown area in concert with the Transit-Oriented District (TOD) and Old Town Master Plans.

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 in FY 2021-22.

FACTORS AFFECTING THE CITY'S ECONOMIC CONDITION

Local Economy: Placentia's economic outlook is promising. Taxes represent eighty-seven (87%) 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 2020-21 generally met or exceeded budget and are expected to exceed budgeted amounts for FY 2021-22 as well, with both property taxes and sales and use taxes showing continued growth.

In addition, Springhill Suites by Marriott, a 116-room hotel situated on 2.1-gross acres, began operations in 2021. It is estimated that the annual Transient Occupancy Tax (TOT) from the hotel site will generate approximately \$400,000 in new ongoing revenue to the City.

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.

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

Debt Refinancing: As previously mentioned, interest rates continue to hover around historic lows. As such, the City is evaluating all outstanding debt to determine if refinancing the debt would result in material savings.

Section 115 Trust: 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.

Transit-Oriented Development: The City has been given a unique opportunity with the development of a new state-of-the-art Metrolink train station and 246-space parking structure within the Old Town Placentia area. The proposed station will help transform the Packing House District (near Melrose Street and Crowther Avenue) into an active, vibrant destination. Transit-

Oriented Development (TOD) is a type of community development that includes a mixture of housing, office, retail, and/or other amenities integrated into a walkable neighborhood and located within a half-mile of a public transportation stop. It will also support existing retail and restaurant business while growing the City's local economy.

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

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

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

As mentioned previously, to expedite these improvements in Old Town Placentia, the City partnered with the County of Orange to establish an EIFD near the City's future Metrolink Station, including the Old Town Placentia area and TOD Packing House District. The purpose of this district is to create a funding mechanism that can facilitate the construction of public infrastructure improvements in this area. A portion of the property tax increment (the amount above the property taxes collected in base year 2019) that the City and the County of Orange receive would be specifically restricted to pay for the infrastructure projects listed in the Infrastructure Financing Plan (IFP) at an estimated cost of \$8.2 million. These infrastructure improvements include street improvements, pedestrian connectivity, and landscaping and lighting upgrades. The EIFD does not result in new taxes or fees to the property owners in the EIFD boundaries or the City's residents.

Car Dealership: On December 10, 2019, the City Planning Commission approved the development of a new Audi dealership on a vacant 4-acre area located on the north side of Yorba Linda Boulevard, east of Rose Drive at 1275 E. Yorba Linda Boulevard. This is the first Audi dealership in north Orange County. The new dealership will include a two-story 25,000 square foot building that will contain an indoor vehicle display area, sales areas, offices, and a parts department. Two smaller facilities will be located behind the main dealership building and

include service bays, detail/wash bays, and a vehicle photo booth. The architecture is a contemporary design consistent with modern Audi dealerships in California. Grading of the site began in January 2021, with construction completion and a business opening date anticipated for the first part of 2022. The new Audi dealership will generate approximately \$400,000 to \$500,000 annually in sales tax revenue, in addition to creating a significant number of new jobs and increasing discretionary spending in the City.

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

SC Placentia Development, LP partnered with Shea homes to construct the residential portion of the project. Shea homes completed the grading activities for the residential portion of the site, with the sales office and model homes completed in the first half of 2021.

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.

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.

In December 2019, the City of Placentia Planning Commission approved a façade rehabilitation project for the "Village Plaza" retail shopping center that will remodel all the aging buildings with new architecture, including various hardscape and landscape improvements. Project features will include new light fixtures for brighter lighting throughout the plaza, large concrete planters with seating along pedestrian walkways, and additional shade structures and awnings to make the public spaces more inviting and provide comfortable access to retail spaces. The shopping center remodel is anticipated to be completed in the first quarter of 2022.

Awards and Acknowledgments

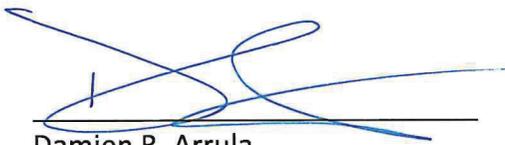
Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to government units that publish an easily readable and efficiently organized comprehensive annual financial report. A Certificate of Achievement is valid for a period of one year only. The City received this award for its June 30, 2020 CAFR. We believe this year's comprehensive annual financial report meets the required criteria, and we will be submitting it for award consideration this year.

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 Pun Group, LLP. We also wish to recognize the commitment of the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully submitted,



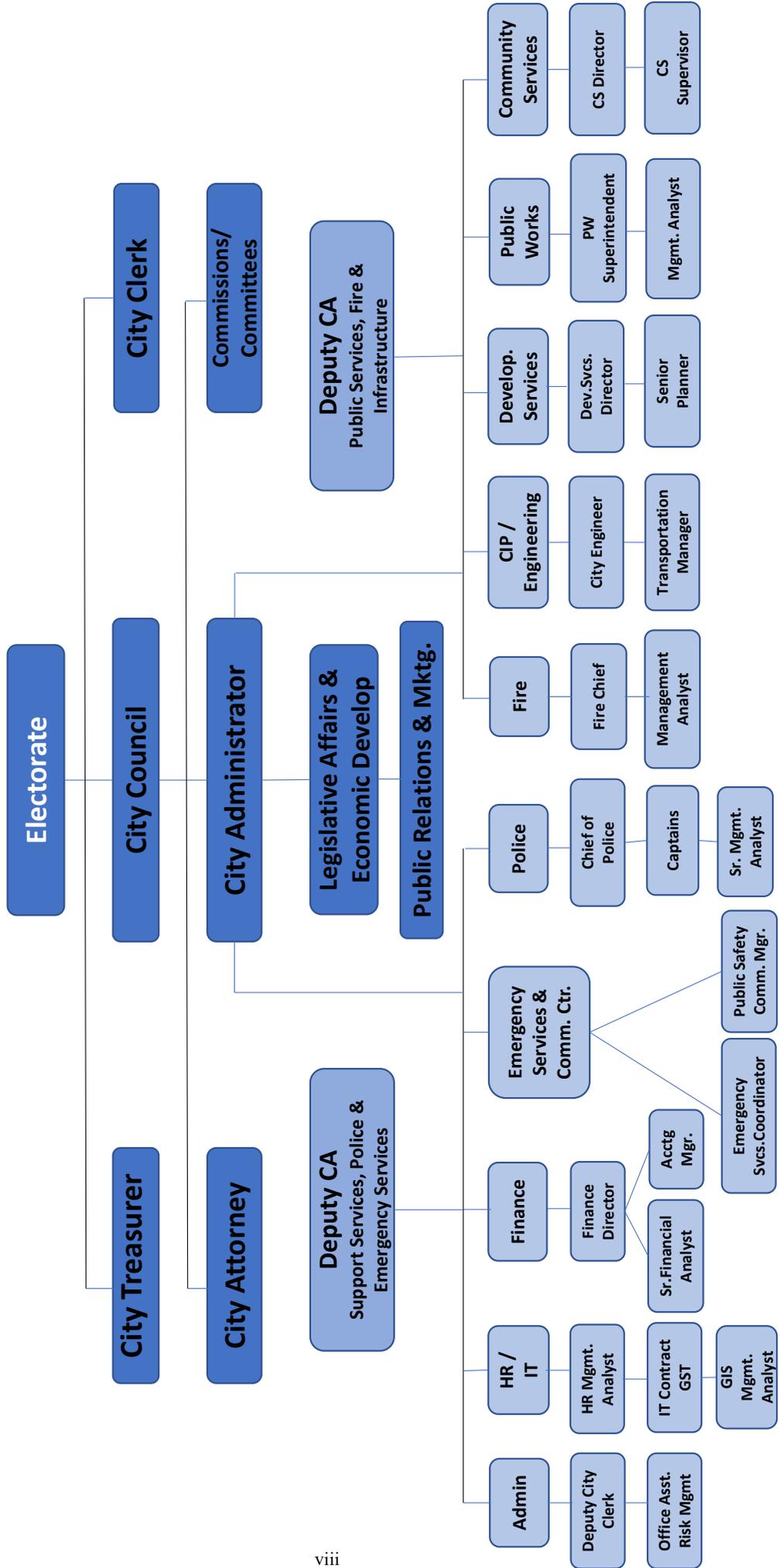
Jennifer Lampman
Director of Finance



Damien R. Arrula
City Administrator

Succession Planning and Reorganization Chart

Phase I



**CITY OF PLACENTIA
PRINCIPAL OFFICIALS
June 30, 2021**

CITY COUNCIL

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

CITY OFFICIALS

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Placentia
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Placentia, California (the "City"), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule-General Fund, Budgetary Comparison Schedule-American Rescue Plan Special Revenue Fund, Budgetary Comparison Schedule-Citywide Development Impact Fee Special Revenue Fund, Schedules of City's Proportionate Share of the Net Pension Liabilities and Related Ratios, Schedules of City's Pension Contributions, Schedules of Changes in Net OPEB Liability, and Schedules of City's OPEB Contributions on pages 5 to 16 and 93 to 105, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements, and the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, and Statistical Sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual on pages 110 through 143 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

To the Honorable Mayor and Members of the City Council
of the City of Placentia
Placentia, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
May 5, 2022

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City of Placentia
Management’s Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

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, 2021. 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 \$47.8 million at June 30, 2021. 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, 2021, was \$39.3 million, and from business-type activities, \$8.6 million.
- The City’s overall net position increased by approximately \$6.3 million during the fiscal year, compared to the net position on June 30, 2020. The net position from governmental activities increased by \$3.8 million while the net position from business-type activities increased by \$2.5 million.

The governmental activities increased as the result of the receipt of COVID-19 Relief Funds, reserves related to debt issuance, the increase in development, and higher inflow of taxes.

Business-type activities net position increased by \$2.5 million, primarily due to approximately \$1.3 million decrease in Pension related liabilities and Pension related expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

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

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

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

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

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 the government-wide financial statements. Most of the City's basic services are included in the governmental funds. The basis of accounting is different between the governmental fund statements and the government-wide financial statements.

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

- **Proprietary Funds**

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

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

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

- **Fiduciary Funds**

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

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

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

	Statement of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Cash and Investments	\$ 41,168,842	\$ 16,049,065	\$ 1,210,737	\$ 1,089,775	\$ 42,379,579	\$ 17,138,840
Other Assets	10,759,683	14,280,415	111,721	166,178	10,871,404	14,446,593
Capital Assets	93,264,061	91,479,863	8,220,855	8,748,171	101,484,916	100,228,034
Total Assets	<u>145,192,586</u>	<u>121,809,343</u>	<u>9,543,313</u>	<u>10,004,124</u>	<u>154,735,899</u>	<u>131,813,467</u>
DEFERRED OUTFLOW OF RESOURCES						
	<u>57,149,618</u>	<u>9,432,269</u>	<u>2,076,895</u>	<u>573,205</u>	<u>\$ 59,226,513</u>	<u>\$ 10,005,474</u>
LIABILITIES						
Current Liabilities	11,436,049	6,856,980	332,450	295,331	11,768,499	7,152,311
Long-Term Liabilities	145,322,448	81,603,439	2,519,713	3,809,723	147,842,161	85,413,162
Total Liabilities	<u>156,758,497</u>	<u>88,460,419</u>	<u>2,852,163</u>	<u>4,105,054</u>	<u>159,610,660</u>	<u>92,565,473</u>
DEFERRED INFLOW OF RESOURCES						
	<u>6,329,504</u>	<u>7,295,166</u>	<u>186,687</u>	<u>406,032</u>	<u>\$ 6,516,191.00</u>	<u>\$ 7,701,198.00</u>
NET POSITION						
Net Investment						
in Capital Assets	86,061,117	81,105,806	8,220,855	8,748,171	94,281,972	89,853,977
Restricted	21,455,621	7,731,960	-	-	21,455,621	7,731,960
Unrestricted	<u>(68,262,535)</u>	<u>(53,351,739)</u>	<u>360,503</u>	<u>(2,681,928)</u>	<u>(67,902,032)</u>	<u>(56,033,667)</u>
Total Net Position	<u>\$ 39,254,203</u>	<u>\$ 35,486,027</u>	<u>\$ 8,581,358</u>	<u>\$ 6,066,243</u>	<u>\$ 47,835,561</u>	<u>\$ 41,552,270</u>

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

The City's net position can serve as a useful indicator of the City's financial position. As of June 30, 2021, the City's combined net position (governmental and business-type activities) totaled \$47.8 million, an increase of \$6.3 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 \$94.3 million on June 30, 2021, is the City's investment in capital assets (land, buildings, machinery, equipment, and infrastructure). Because capital assets are used to provide service to citizens, they are not available to fund the City's day-to-day activities. Restricted net position totaled \$21.5 million on June 30, 2021, reflecting an increase of \$13.7 million dollars primarily due to an increase in development impact fees and debt service proceeds. These resources are subject to external restrictions on how they can be used. The remaining unrestricted net position was a negative \$68 million.

Change in Net Position

The following is a summary of activities for the years ending June 30, 2021, and 2020:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for Services	\$ 6,400,408	\$ 6,013,193	4,471,631	3,975,300	\$ 10,872,039	\$ 9,988,493
Operating contribution and grants	6,102,506	9,587,519	-	-	6,102,506	9,587,519
Capital contributions and grants	8,026,712	2,994,419	-	-	8,026,712	2,994,419
General Revenues:						
Taxes	37,856,465	34,888,960	-	-	37,856,465	34,888,960
Investment income	13,028	311,601	4,288	26,670	17,316	338,271
Gain on sale of property	-	214,574	-	-	-	214,574
Contributions from Successor Agency	-	19,000	-	-	-	19,000
Contributions from Custodial Fund	30,000	-	-	-	30,000	-
Miscellaneous	280,293	447,281	-	-	280,293	447,281
Total revenues	58,709,412	54,476,547	4,475,919	4,001,970	63,185,331	58,478,517
EXPENSES						
General government	12,849,875	11,654,352	-	-	12,849,875	11,654,352
Public safety	26,045,332	26,139,005	-	-	26,045,332	26,139,005
Public works	9,846,347	4,925,452	-	-	9,846,347	4,925,452
Community development	2,893,489	1,639,947	-	-	2,893,489	1,639,947
Community services	2,580,108	1,757,311	-	-	2,580,108	1,757,311
Interest	764,752	475,187	-	-	764,752	475,187
Refuse	-	-	3,286,816	3,127,288	3,286,816	3,127,288
Sewer maintenance	-	-	(1,364,679)	1,836,237	(1,364,679)	1,836,237
Total Expenses	54,979,903	46,591,254	1,922,137	4,963,525	56,902,040	51,554,779
Increase in net position before transfers & special items	3,729,509	7,885,293	2,553,782	(961,555)	6,283,291	6,923,738
Transfers from Successor Agency	-	-	-	-	-	-
Transfers	38,667	192,000	(38,667)	(192,000)	-	-
Change in net position	3,768,176	8,077,293	2,515,115	(1,153,555)	6,283,291	6,923,738
Net position, beginning of year(restated)	35,486,027	27,408,734	6,066,243	7,219,798	41,552,270	34,628,532
Net position, end of year	\$ 39,254,203	\$ 35,486,027	\$ 8,581,358	\$ 6,066,243	\$ 47,835,561	\$ 41,552,270

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

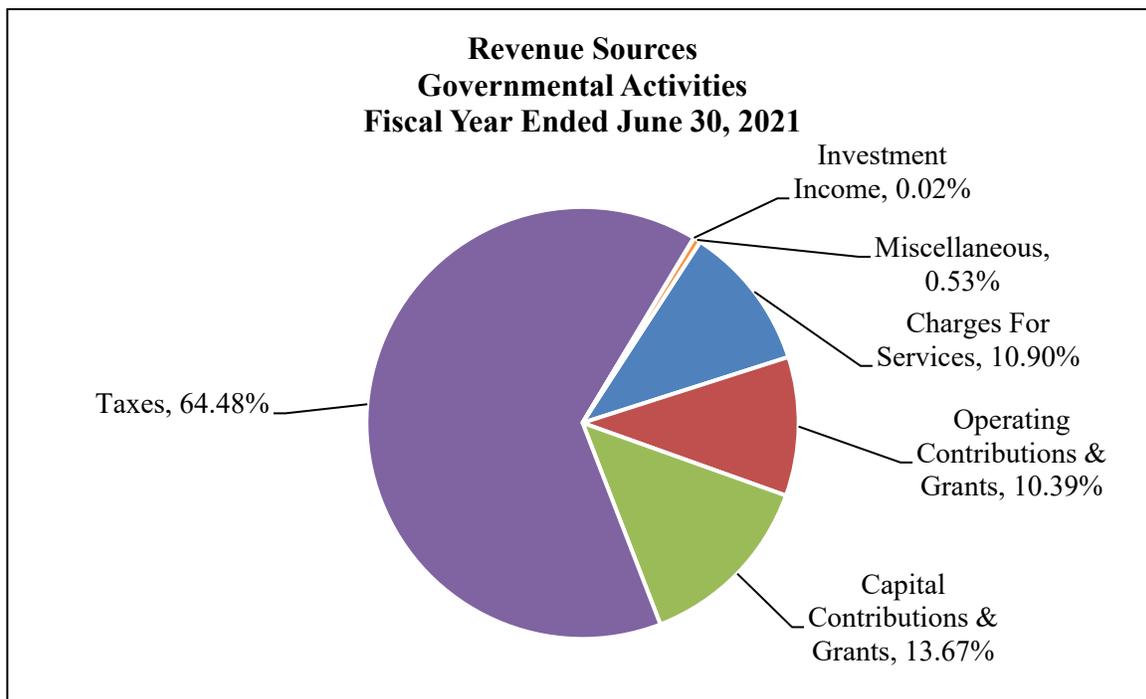
Governmental Activities:

Overall, governmental activities increased the City's net position by \$3.8 million. There were several factors that contributed to this change.

Revenues

Total revenue from governmental activities equaled \$58.7 million for the year. While there are differences in all revenue categories, the overall increase was \$4.2 million, or 7.7% compared to the prior year.

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



As shown in the chart, revenue received from taxes makes up the largest portion of the City's revenue derived from governmental activities. This fiscal year, tax revenue increased by almost \$3 million, or 8.5%. Measure U sales tax accounted for \$1.4 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. Taxes increased by approximately \$3 million or 8.5% largely due to an increase in property taxes and sales taxes. Property taxes had an increase of \$.8 million composed of current year-secured, property tax VLF, the addition of pass-through property taxes, and various miscellaneous property taxes. Sales taxes had an increase of \$1.98 million mostly due to Measure U.

Revenue from Operating Contributions and Grants decreased in the current fiscal year by \$3.5 million, or 36.4%. There was a significant decrease in public safety grants due to the HEAP grant for the Navigation Center being fully recognized in the previous year which reduced revenues by \$0.9 million and approximately \$0.92 million in COVID relief, county grants from OCTA, asset seizure funds, and POST reimbursements. There was also a decrease of approximately \$1 million in unavailable revenues and a decrease of \$0.6 million in community services due to a delay in county grants for the Navigation Center.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

The Capital Contributions and Grants reflects an increase of \$5 million primarily due to receipt of developer impact fees for new construction projects within the city including development impact fees for parks & recreation, citywide traffic, citywide public safety, citywide affordable housing, TOD Traffic, TOD sewer, and TOD streetscape. Developer impact fees are fees approved by the city to mitigate the effects of new developments on the citywide infrastructure.

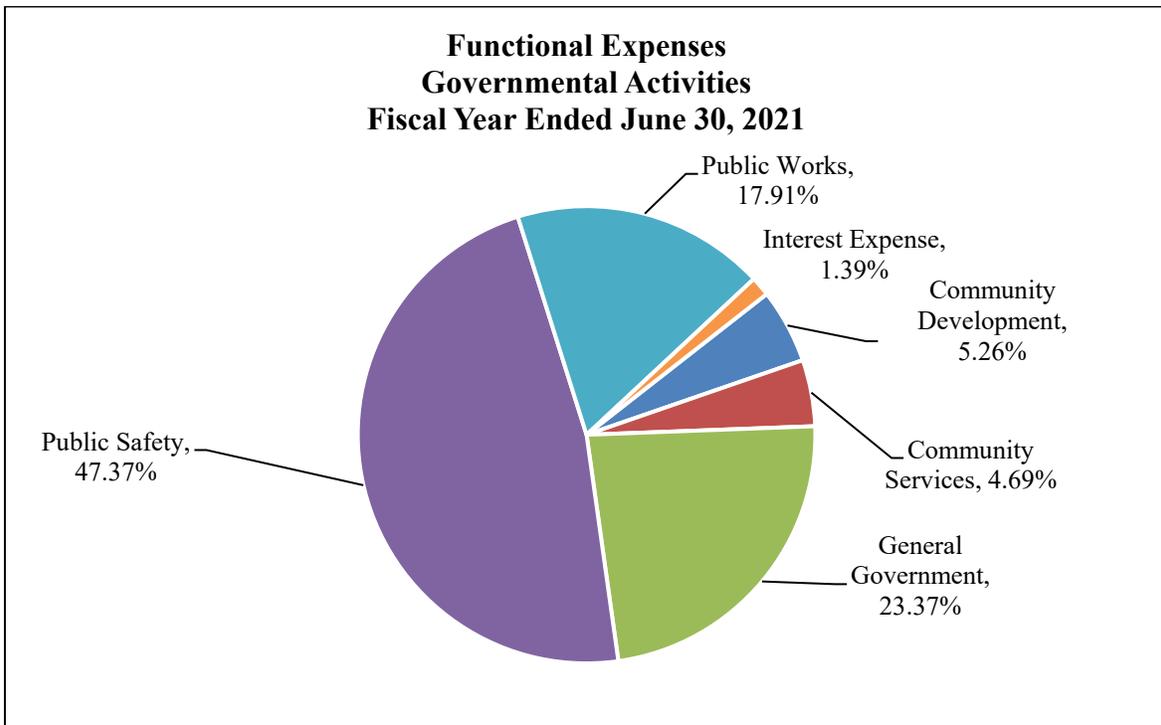
Charges for Services increased by approximately \$0.4 million largely due to the increase in the number of permits issued during the fiscal year. Encroachment permits, building permits, and HVAC increased by \$327,444 in the current fiscal year. Additionally, due to the establishment of the Placentia Fire Life & Safety Department, the City received \$42,633 in revenue from fire plan checks.

Investment income decreased by approximately \$.3 million or 95% compared to last fiscal year. The decrease in Investment Income reflects a decrease in the interest income in investments such as LAIF.

Expenses

Total expenses from governmental activities equaled approximately \$55 million, representing an increase of \$8.4 million, or 18%, over the previous year. There was an increase in expenditures due increased expenditure in the Risk Management internal service fund, increase in depreciation expenditures, and increase in pension and OPEB related expenditures.

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



City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

Business-Type Activities:

Operating Revenues	\$	4,471,631
Operating Expenses		<u>(1,922,137)</u>
Operating Income (loss)		2,549,494
Non-operating Income		<u>4,288</u>
Income(loss)before Transfers & Special Items		2,553,782
Transfers		<u>(38,667)</u>
Change in Net Position	<u>\$</u>	<u>2,515,115</u>

The business-type activities include the City's refuse and sewer system activities. Total operating revenues for the business-type activities were approximately \$4.5 million and the operating expenses were \$1.9 million, for a net operating income of approximately \$2.5 million.

Refuse

The refuse operation generated an operating income of \$401,640. Revenue from sales and service charges increased by approximately \$400,000 due the increased receipts of contractor related Secured tax collection. Additionally, the increase in salaries and contract services expense was offset by the valuation change of the Pension. This change resulted in a reduction of over \$300k of Pension expenditures.

Sewer

The sewer system operation generated a profit of \$2.1 million. This was mainly the result of the decrease in salaries allocated to sewer which resulted in a decreased UAL allocation and a decrease in pension liability which in turn reduced the pension expense.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

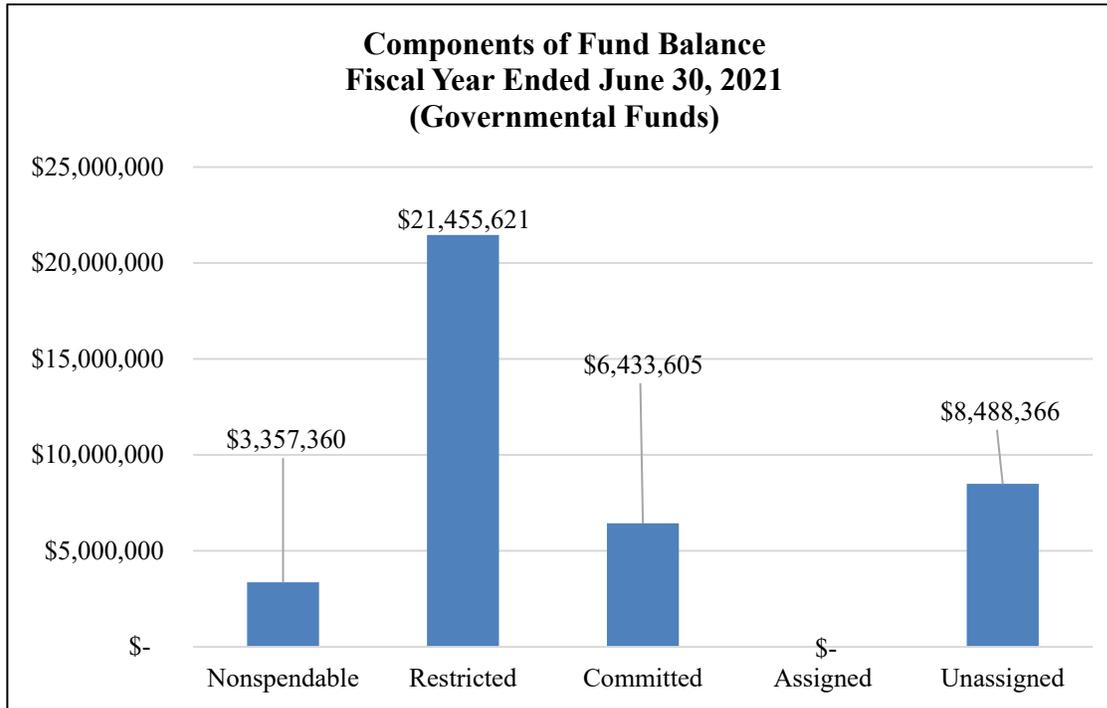
The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$39.7 million, an increase of \$20.14 million from the prior year.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021



The total fund balance constitutes of \$3.4 million nonspendable fund balance; specifically, long-term loans receivable, inventories of supplies and prepaid expenditures, which cannot be used to finance operating expenditures.

The restricted fund balance of \$21.5million 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 an increase of \$13.7 million compared to last year primarily due to an increase of special revenue funds including City developer impact fees and debt proceeds left for reserve related to the 2020A Lease Revenue Bonds. One of the larger DIF-generated developments was a residential development.

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, 2021, \$6.4 million is committed for the future Metrolink train station and parking structure, Measure U funded CIP projects and OPEB following the General Fund Reserve Policy No. 460.

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, 2021.

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 at June 30, 2021 for all governmental funds combined is \$8.5 million, consisting of \$9.9 million in unassigned fund balance in the General Fund and combined unassigned deficits of a total of \$1.4 million in capital projects fund, the Navigation Center Fund, the PEG fund, the Housing and Community Development Fund, LMD 92-1, and the Street Lighting Fund. The governmental fund deficits were the result of expenditures incurred in advance of reimbursements that were unavailable or otherwise not received by fiscal year-end.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

General Fund:

The General Fund is the main operating fund of the City. As of June 30, 2021, total fund balance of the General Fund was \$20.2 million, compared to \$14 million on June 30, 2020, representing an increase of \$6.3 million. Committed and unassigned portions of the fund balance increased from the prior year due to an increase in cash and investments.

Revenue

The General Fund had revenues of \$43.4 million, compared to \$41.6 million in the prior year, an increase of \$1.8 million, or 4%. This increase is due primarily to the tax's categories with the highest increases in general sales and use tax and property tax. This is offset by the slight decrease in parking code violation collections and a decrease in interest revenue.

Expense

General Fund expenditures for FY 2020-21 were \$37.4 million, compared to \$44.5 million last year, which represents a decrease of \$7.1 million. The major projects impacting the decrease of expenditures are related to capital expenditures and a decrease in the fire authority services start-up costs for the Placentia Fire Life & Safety Department.

Public Safety

Public safety expenditures decreased by \$6.5 million dollars primarily due to the elimination of the contracted fire services. The decrease in Fire Authority Services was approximately \$6.9 million which was offset by an increase of approximately \$1.46 million in salaries and benefits. Additionally, there was a decrease of approximately \$0.8 million in miscellaneous startup expenditures related to the development of the Placentia Fire & Life Safety Department.

Public Works

Public works expenditures had a net decrease of \$550,253 due to a change in salary allocation in the Gas Tax Fund and the Sewer Fund. Expenses that have been originally budgeted expensed and budgeted in the general funds were reclassified into their respective funds.

Community Development

Community development expenditures increased by approximately \$17,683. This is partially due to increased personnel related expenditures which was offset by a decrease in professional services for litigation.

Community Services

Community services expenditures decreased by \$99,457 primarily due to COVID-19 restrictions in activities and programs which included the cancellation of the 2020 Heritage Festival and a pause in activities for recreation and senior services. Additionally, the decrease in expenditures was offset by an increase in personnel related expenditures.

Capital Outlay

Capital Outlay decreased by \$3.5 million compared to the prior year. The city decreased the number of expenditures related to the startup of the Placentia Life & Safety department. During the fiscal year, the city continued high expenditure projects for road rehabilitation, such as the Arterial Roadway Rehab Project, the continuation of the Slurry Seal Project, replacement vehicles for the police department, and support vehicles for the fire department.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

Debt Service

The most significant increase was in the acquisition of the 2020A Lease Revenue bonds for a total of \$52,950,000 of outstanding debt. This bond was acquired to fully pay the outstanding UAL liability with CalPERS.

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 \$8.6 million. The sewer maintenance fund had a net position of \$8.6 million (of which \$8.2 million represents investment in capital assets). The refuse fund had a negative net position of \$0.5 million. Sewer's increase in net position is related to the deferred outflows of pension and other post-employment benefit. Refuse had an increase in net position by approximately \$0.4 million due to the increase of deferred outflows of pension and other post-employment benefit.

The combined internal service funds have a negative net position of \$1.8 million on June 30, 2021. This is a decrease of \$1.2 million compared to prior year due to an increase in current and long-term claims.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The adopted general fund budget for FY 2020-21 included estimated revenues including transfers from other funds was nearly \$37.3 million but was increased by budget amendments totaling \$3.4 million, for a final budget of \$40.8 million. Actual revenues were \$41.8 million, with the largest positive budget variance of \$540,245 occurring in general sales and use tax revenue. Measure U and general sales tax both performed well even during the COVID-19 Pandemic and an increase in property taxes due to improved valuations. The variance is due to the recognizing the entire Debt Service payment of \$425,000 from the RDA to the GF A 12 for the 2003 COP for the RDA portion of the bond. Only the interest should have been recorded as lease revenue since the principal would go against the receivable.

The adopted general fund expenditure budget for this fiscal year was \$36.2 million; however, Council approved amendments and increased appropriations by \$3.4 million for a final amended budget of \$39.7 million. The biggest contributors to the increases are debt repayment and Capital Outlay. The debt was incurred to pay off the UAL liability with CALPERS. (The City issued debt to take advantage of the low market interest rate for bonds and the increased credit rating for the City. The issuance of the bond allowed produced an estimated net savings of \$13,000,000 over the life of the bond). Capital outlay expenses were to improvements to the City's streets, Fire station, park improvements, and purchase machinery/equipment. During April 2021, the City Administrator issued a stop spending order because of the unknown effects of the COVID-19 Pandemic. Due to the stop spending order, the City was able to reduce expenses to essential purchases and increase fund balance in the General fund by \$4.7M in operating surplus and \$1.5M from Measure U contributions to fund balances for a net change to fund balance of approximately \$6.2M.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

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, 2021, totaled \$101.4 million, an increase of approximately \$1.3 million, or 1.25%, from the prior year. Capital assets include land, buildings, infrastructure, and equipment.

Governmental activities grew by \$1.8 million, net of accumulated depreciation. The growth is mostly due to a \$6 million construction in progress (CIP) activity and an \$11.2 million increase of depreciable assets. The \$6 million CIP activity is mostly composed of large street improvement projects.

\$3.3 million of the increase was due to street repairs for roadway rehabilitation and street resurfacing. \$1.08 million of the increase was due to equipment purchases for public safety. Most of the purchases were related to police department vehicle purchases and enhancements. The remaining \$0.7 million increase was due to renovations of city-owned buildings for ADA improvements and Fire Station interiors. These increases were offset by \$4.2 million of depreciation for this fiscal year.

Total business-type capital assets, net of accumulated depreciation, declined \$527,316 during the fiscal year due to depreciation of capital assets.

CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 25,201,872	\$ 25,201,872	\$ -	\$ -	\$ 25,201,872	\$ 25,201,872
Land - Right of Way	258,822	258,822	-	-	258,822	258,822
Construction in Progress	5,170,579	10,427,567	-	-	5,170,579	10,427,567
Structures & Improvements	11,792,712	8,800,655	8,154,020	8,669,120	19,946,732	17,469,775
Equipment	7,033,621	6,813,888	66,835	79,051	7,100,456	6,892,939
Land Improvements	54,768	60,564	-	-	54,768	60,564
Infrastructure						
Trees	3,114,540	3,114,540	-	-	3,114,540	3,114,540
Streets Network	29,074,719	24,500,671	-	-	29,074,719	24,500,671
Streets Appurtenances	9,212,273	9,774,588	-	-	9,212,273	9,774,588
Storm Drains	2,350,155	2,526,696	-	-	2,350,155	2,526,696
	<u>\$ 93,264,061</u>	<u>\$ 91,479,863</u>	<u>\$ 8,220,855</u>	<u>\$ 8,748,171</u>	<u>\$ 101,484,916</u>	<u>\$ 100,228,034</u>

For further detailed information see Note 5, Capital Assets.

Debt Administration

As of June 30, 2021, the City's long-term debt totaled \$151.4 million, representing an increase of \$64 million from the prior year. Debt increased by \$53 million due newly acquired 2020A Lease Revenue Bond used to pay the UAL liability to CALPERS. Pension Liabilities and OPEB liabilities also increased by \$8.5 million due to assumption changes. However, Next fiscal year will reflect a significant decrease to the Pension Liability as a result of proceeds used for payment. Additionally, there was a \$3.3 million increase due to the increase in the liability related to compensated absences due to the increase of staff and claims payable due to surge in COVID-19 related Workers' compensation cases.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2021

LONG-TERM LIABILITIES

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
2003 Refunding Cert. of Participation	\$ 2,845,000	\$ 3,180,000	\$ -	\$ -	\$ 2,845,000	\$ 3,180,000
2011 Gas Tax Cert. of Participation	-	3,915,000	-	-	-	3,915,000
Capital Leases	837,351	958,755	-	-	837,351	958,755
OCTA Advance	1,960,677	2,282,199	-	-	1,960,677	2,282,199
Fire Lease#1	3,116,360	2,855,359	-	-	3,116,360	2,855,359
Fire Lease#2	1,634,287	1,362,742	-	-	1,634,287	1,362,742
2021 Installment Sale Agreement	3,355,000	-	-	-	3,355,000	-
2020A Lease Revenue Bond	52,950,000	-	-	-	52,950,000	-
Claims Payable	3,870,503	2,235,244	-	-	3,870,503	2,235,244
Compensated Absences	3,596,558	1,848,503	44,357	49,155	3,640,915	1,897,658
Other Postemployment Benefit	30,480,033	25,303,090	845,793	1,186,744	31,325,826	26,489,834
Pension Liabilities	44,254,407	39,627,497	1,632,065	2,584,083	45,886,472	42,211,580
	<u>\$ 148,900,176</u>	<u>\$ 83,568,389</u>	<u>\$ 2,522,215</u>	<u>\$ 3,819,982</u>	<u>\$ 151,422,391</u>	<u>\$ 87,388,371</u>

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

NEXT YEAR'S BUDGET, TAX RATES AND FEE LEVELS

The Fiscal Year 2021-22 adopted General Fund budget was balanced, with a surplus of revenues and transfers from other funds over expenditures and transfers to other funds of \$1,396,000.

General Fund revenues and transfers from other funds are currently estimated at \$43.1 million for FY 2021-22, which represents a \$2.8 million or 6.9% increase from actuals FY 2020-21 revenues and transfers from other funds. This increase is primarily due to increased property valuations and the City meeting the General Fund reserve goal set by the City's Policy 460. Due to the unknown effects of the COVID-19 Pandemic the City was conservative with revenue projections with being flat or lowered due to the stay-at-home order issued by the state.

The amended FY21-22 General Fund budget includes \$41.7 million of appropriations for expenditures (including CIP expenditures) and transfers to other funds. This represents an increase of \$5.5 million or 15.2% over FY 2020 - 21 actual expenditures and transfers to other funds.

The increase is due to the issuance of debt related to the separation of the City from the Orange County Fire Authority (OCFA) the formation of the Fire and Life Safety Department, the issuance of the 2020A Lease Revenue Pension bonds and anticipated issuance of debt related to a proposed Public Safety building.

Approved staffing for FY 2021-22 is 178 full time positions, four unfunded overhires, and 33 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.

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.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Placentia
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 34,070,729	\$ 1,210,737	\$ 35,281,466
Receivables, net of allowance			
Accounts	950,632	76,629	1,027,261
Taxes	3,925,039	35,092	3,960,131
Grants	372,653	-	372,653
Interest	13,867	-	13,867
Loans	4,253,536	-	4,253,536
Prepaid items	110,121	-	110,121
Inventory	97,075	-	97,075
Total current assets	<u>43,793,652</u>	<u>1,322,458</u>	<u>45,116,110</u>
Noncurrent assets:			
Land held for resale	1,036,760	-	1,036,760
Restricted assets:			
Cash and investments with fiscal agent	7,098,113	-	7,098,113
Capital assets - nondepreciable	33,745,813	-	33,745,813
Capital assets - depreciable, net	<u>59,518,248</u>	<u>8,220,855</u>	<u>67,739,103</u>
Total noncurrent assets	<u>101,398,934</u>	<u>8,220,855</u>	<u>109,619,789</u>
Total assets	<u>145,192,586</u>	<u>9,543,313</u>	<u>154,735,899</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	355,892	-	355,892
Deferred outflows of resources related to pensions	51,498,883	1,929,968	53,428,851
Deferred outflows of resources related to OPEB	<u>5,294,843</u>	<u>146,927</u>	<u>5,441,770</u>
Total deferred outflows of resources	<u>57,149,618</u>	<u>2,076,895</u>	<u>59,226,513</u>

City of Placentia
Statement of Net Position (Continued)
June 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	2,346,964	303,747	2,650,711
Accrued payroll and benefits	900,308	26,201	926,509
Accrued interest payable	63,039	-	63,039
Unearned revenues	4,548,010	-	4,548,010
Long-term debt due within one year	2,409,669	-	2,409,669
Claims payable due within one year	967,626	-	967,626
Compensated absences due within one year	200,433	2,502	202,935
Total current liabilities	<u>11,436,049</u>	<u>332,450</u>	<u>11,768,499</u>
Noncurrent liabilities:			
Long-term debt due in more than one year	64,289,006	-	64,289,006
Claims payable due in more than one year	2,902,877	-	2,902,877
Compensated absences due in more than one year	3,396,125	41,855	3,437,980
Aggregate net OPEB liabilities	30,480,033	845,793	31,325,826
Aggregate net pension liabilities	44,254,407	1,632,065	45,886,472
Total noncurrent liabilities	<u>145,322,448</u>	<u>2,519,713</u>	<u>147,842,161</u>
Total liabilities	<u>156,758,497</u>	<u>2,852,163</u>	<u>159,610,660</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension-related items	2,587,905	82,861	2,670,766
Deferred OPEB-related items	3,741,599	103,826	3,845,425
Total deferred inflows of resources	<u>6,329,504</u>	<u>186,687</u>	<u>6,516,191</u>
NET POSITION			
Net investment in capital assets	86,061,117	8,220,855	94,281,972
Restricted for:			
Public safety	830,909	-	830,909
Public works	3,734,029	-	3,734,029
Community development	1,043,728	-	1,043,728
Community services	4,781,161	-	4,781,161
Debt service	7,176,707	-	7,176,707
Grant programs	-	-	-
Transportation	1,145,813	-	1,145,813
Park development	20,152	-	20,152
Street maintenance	660,395	-	660,395
Air quality	153,057	-	153,057
Affordable housing	1,909,670	-	1,909,670
Total restricted	<u>21,455,621</u>	<u>-</u>	<u>21,455,621</u>
Unrestricted (deficit)	<u>(68,262,535)</u>	<u>360,503</u>	<u>(67,902,032)</u>
Total net position	<u>\$ 39,254,203</u>	<u>\$ 8,581,358</u>	<u>\$ 47,835,561</u>

City of Placentia
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 12,849,875	\$ 2,754,323	\$ 260,827	\$ -
Public safety	26,045,332	566,676	2,230,099	-
Public works	9,846,347	916,708	2,254,681	8,026,712
Community development	2,893,489	2,014,334	1,327,899	-
Community services	2,580,108	148,367	29,000	-
Interest	764,752	-	-	-
Total Governmental Activities	54,979,903	6,400,408	6,102,506	8,026,712
Business-Type Activities:				
Refuse	3,286,816	3,688,456	-	-
Sewer maintenance	(1,364,679)	783,175	-	-
Total Business-Type Activities	1,922,137	4,471,631	-	-
Total Primary Government	\$ 56,902,040	\$ 10,872,039	\$ 6,102,506	\$ 8,026,712

City of Placentia
Statement of Activities (Continued)
For the Year Ended June 30, 2021

	Net (Expense) Revenue and Changes in Net Positions		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs			
Governmental Activities:			
General government	\$ (9,834,725)	\$ -	\$ (9,834,725)
Public safety	(23,248,557)	-	(23,248,557)
Public works	1,351,754	-	1,351,754
Community development	448,744	-	448,744
Community services	(2,402,741)	-	(2,402,741)
Interest	(764,752)	-	(764,752)
Total Governmental Activities	(34,450,277)	-	(34,450,277)
Business-Type Activities:			
Refuse	-	401,640	401,640
Sewer maintenance	-	2,147,854	2,147,854
Total Business-Type Activities	-	2,549,494	2,549,494
Total Primary Government	(34,450,277)	2,549,494	(31,900,783)
General Revenues:			
Taxes:			
Property taxes	16,752,112	-	16,752,112
Sales taxes	15,112,657	-	15,112,657
Utility users tax	2,502,705	-	2,502,705
Franchise taxes	2,466,185	-	2,466,185
Transient occupancy taxes	674,854	-	674,854
Real property transfer taxes	312,328	-	312,328
Other taxes	35,624	-	35,624
Investment earnings	13,028	4,288	17,316
Contributions from custodial funds	30,000	-	30,000
Miscellaneous	280,293	-	280,293
Total General Revenues	38,179,786	4,288	38,184,074
Transfers:			
Transfers	38,667	(38,667)	-
Total Transfers	38,667	(38,667)	38,494,367
Changes in Net Position Before Special Items	3,768,176	2,515,115	44,777,658
Changes in Net Position	3,768,176	2,515,115	6,283,291
Net Position - Beginning of Year	35,486,027	6,066,243	41,552,270
Net Position - End of Year	\$ 39,254,203	\$ 8,581,358	\$ 47,835,561

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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, 2021**

	Major Funds					Total
	General Fund	Citywide			Other Governmental Funds	
		American Rescue Plan Special Revenue Fund	Development Impact Fee Special Revenue Fund	Debt Service Fund		
ASSETS						
Cash and investments	\$ 14,701,605	\$ 4,544,465	\$ 4,896,172	\$ 78,594	\$ 7,689,315	\$ 31,910,151
Receivables:						
Accounts	253,961	-	-	-	696,618	950,579
Taxes	3,646,695	-	-	-	278,344	3,925,039
Grants	-	-	-	-	372,653	372,653
Accrued interest	13,867	-	-	-	-	13,867
Loans and notes	3,462,484	-	-	-	791,052	4,253,536
Prepaid items	93,658	-	10,463	-	6,000	110,121
Due from other funds	1,371,540	-	-	-	-	1,371,540
Inventories	97,075	-	-	-	-	97,075
Land held for resale	-	-	-	-	1,036,760	1,036,760
Restricted assets:						
Cash and investments with fiscal agents	556,084	-	-	6,542,029	-	7,098,113
Total assets	\$ 24,196,969	\$ 4,544,465	\$ 4,906,635	\$ 6,620,623	\$ 10,870,742	\$ 51,139,434
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,012,903	\$ -	\$ 115,011	\$ -	\$ 152,937	\$ 2,280,851
Accrued liabilities	885,312	-	-	-	14,801	900,113
Due to other governments	190	-	-	-	-	190
Due to other funds	-	-	-	-	1,371,540	1,371,540
Unearned revenue	6,483	4,541,527	-	-	-	4,548,010
Total liabilities	2,904,888	4,541,527	115,011	-	1,539,278	9,100,704
Deferred inflows of resources:						
Unavailable revenues	1,061,610	-	-	-	1,242,168	2,303,778
Total deferred inflows of resources	1,061,610	-	-	-	1,242,168	2,303,778
Fund balances:						
Nonspendable	3,346,897	-	10,463	-	-	3,357,360
Restricted	556,084	2,938	4,781,161	6,620,623	9,494,815	21,455,621
Committed	6,433,605	-	-	-	-	6,433,605
Unassigned (deficit)	9,893,885	-	-	-	(1,405,519)	8,488,366
Total fund balances	20,230,471	2,938	4,791,624	6,620,623	8,089,296	39,734,952
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,196,969	\$ 4,544,465	\$ 4,906,635	\$ 6,620,623	\$ 10,870,742	\$ 51,139,434

City of Placentia
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds	\$	39,734,952
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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	\$	33,745,813	
Depreciable		59,518,248	93,264,061

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.		355,892
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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.		2,303,778
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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.		(63,039)
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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:

Long-term debt	\$	(59,150,000)	
Capital leases		(5,587,998)	
OCTA advance		(1,960,677)	
Compensated absences		(3,596,558)	(70,295,233)

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		51,498,883
Aggregate net pension liability		(44,254,407)
Pension related deferred inflows of resources		(2,587,905)

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		5,294,843
Aggregate net OPEB liability		(30,480,033)
OPEB related deferred inflows of resources		(3,741,599)

Internal Service Funds were used by management to charge the costs of certain activities, such as insurance and equipment replacement to individual funds. The assets and liabilities of the Internal Service Funds were included in the governmental activities in the Government-Wide Statement of Net Position.		(1,775,990)
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Net Position of Governmental Activities	\$	39,254,203
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City of Placentia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds					Total
	General Fund	American Rescue Plan Special Revenue Fund	Citywide Development Impact Fee Special Revenue Fund	Debt Service Fund	Other Governmental Funds	
Revenues:						
Taxes	\$ 37,858,390	\$ -	\$ -	\$ -	\$ -	\$ 37,858,390
Intergovernmental	9,743	635,803	-	-	6,054,112	6,699,658
Licenses and permits	2,827,761	-	-	-	-	2,827,761
Fines & forfeitures	290,534	-	-	-	23,730	314,264
Investment earnings (losses)	(28,258)	2,938	13,095	222	25,031	13,028
Charges for services	879,298	-	4,170,643	-	4,284,137	9,334,078
Leases and rents	1,079,979	-	-	-	10,100	1,090,079
Contributions	30,000	-	-	-	768,751	798,751
Miscellaneous	460,006	-	-	-	187,458	647,464
Total revenues	43,407,453	638,741	4,183,738	222	11,353,319	59,583,473
Expenditures:						
Current:						
General government	10,911,110	-	-	-	83,500	10,994,610
Public safety	14,899,543	-	833	-	2,037,417	16,937,793
Public works	3,430,456	-	-	-	1,618,263	5,048,719
Community development	1,215,937	-	-	-	1,029,314	2,245,251
Community services	1,437,912	-	-	-	109,535	1,547,447
Capital outlay	3,811,664	-	494,788	-	1,871,294	6,177,746
Debt service:						
Principal retirement	1,270,240	-	-	-	633,926	1,904,166
Interest and fiscal charges	391,808	-	-	-	372,944	764,752
Total expenditures	37,368,670	-	495,621	-	7,756,193	45,620,484
Revenues over (under) expenditures	6,038,783	638,741	3,688,117	222	3,597,126	13,962,989
Other financing sources (uses):						
Issuance of debt	-	-	-	52,950,000	3,656,000	56,606,000
Issuance of capital lease	976,899	-	-	-	-	976,899
Payment to escrow for refunding debt	-	-	-	-	(3,915,000)	(3,915,000)
Contributions to pension trust	-	-	-	(47,526,199)	-	(47,526,199)
Transfers in	725,096	-	-	1,196,600	927,544	2,849,240
Transfers out	(1,476,758)	(635,803)	-	-	(698,012)	(2,810,573)
Total other financing sources (uses)	225,237	(635,803)	-	6,620,401	(29,468)	6,180,367
Net change in fund balances	6,264,020	2,938	3,688,117	6,620,623	3,567,658	20,143,356
Fund balances:						
Beginning of year	13,966,451	-	1,103,507	-	4,521,638	19,591,596
End of year	\$ 20,230,471	\$ 2,938	\$ 4,791,624	\$ 6,620,623	\$ 8,089,296	\$ 39,734,952

City of Placentia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds		\$ 20,143,356
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	\$ 5,946,342	
Depreciation	(4,162,144)	
Net effect on disposal of capital assets	-	1,784,198
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.		
		(874,062)
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.		
		(57,582,899)
Principal repayment on long-term debt is not an expense in the Statement of Activities, but is considered an expenditure in governmental funds.		
Long-term debt	\$ 4,551,000	
Capital leases	565,757	
OCTA advance	321,522	5,438,279
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.		
		47,894
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.		
		(1,748,055)
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.		
		(411,229)
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.		
		(8,185,454)
Contributions to pension trust were other financing uses in the governmental funds, but were included as pension-related deferred outflows of resources on the Government-Wide Statement of Net Position		
		47,526,199
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment replacement, to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities.		
		(2,319,693)
Change in Net Position of Governmental Activities		\$ 3,768,176

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Placentia
Statement of Net Position
Proprietary Funds
June 30, 2021

	Major Enterprise Funds		Business-Type Activities	Governmental Activities
	Refuse	Sewer Maintenance	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 485,738	\$ 724,999	\$ 1,210,737	\$ 2,160,578
Receivable:				
Accounts	-	76,629	76,629	53
Taxes	35,092	-	35,092	-
Total current assets	520,830	801,628	1,322,458	2,160,631
Noncurrent assets:				
Capital assets, net of accumulated depreciation	-	8,220,855	8,220,855	-
Total noncurrent assets	-	8,220,855	8,220,855	-
Total assets	520,830	9,022,483	9,543,313	2,160,631
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	398,032	1,531,936	1,929,968	-
Deferred outflows of resources related to OPEB	54,673	92,254	146,927	-
Total deferred outflows of resources	452,705	1,624,190	2,076,895	-

City of Placentia
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2021

	Major Enterprise Funds		Business-Type Activities	Governmental Activities
	Refuse	Sewer Maintenance	Total	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	293,450	10,297	303,747	66,113
Accrued liabilities	8,593	17,608	26,201	5
Compensated absences - due within one year	632	1,870	2,502	-
Claims and judgments - due within one year	-	-	-	967,626
Total current liabilities	302,675	29,775	332,450	1,033,744
Noncurrent liabilities:				
Compensated absences - due in more than one year	10,566	31,289	41,855	-
Claims and judgments - due in more than one year	-	-	-	2,902,877
Net OPEB liability	314,729	531,064	845,793	-
Aggregate net pension liability	336,593	1,295,472	1,632,065	-
Total noncurrent liabilities	661,888	1,857,825	2,519,713	2,902,877
Total liabilities	964,563	1,887,600	2,852,163	3,936,621
DEFERRED INFLOW OF RESOURCES				
Deferred inflows of resources related to pensions	17,089	65,772	82,861	-
Deferred inflows of resources related to OPEB	38,635	65,191	103,826	-
Total deferred inflows of resources	55,724	130,963	186,687	-
NET POSITION				
Investment in capital assets	-	8,220,855	8,220,855	-
Unrestricted (deficit)	(46,752)	407,255	360,503	(1,775,990)
Total net position	\$ (46,752)	\$ 8,628,110	\$ 8,581,358	\$ (1,775,990)

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City of Placentia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities			Governmental Activities
	Refuse	Sewer Maintenance	Total	Internal Service
OPERATING REVENUES:				
Reimbursements	\$ -	\$ -	\$ -	\$ 97,552
Sales and service charges	3,688,456	783,175	4,471,631	2,183,935
Total operating revenues	<u>3,688,456</u>	<u>783,175</u>	<u>4,471,631</u>	<u>2,281,487</u>
OPERATING EXPENSES:				
Administration	(29,422)	(18,334)	(47,756)	400,519
Reinsurance premiums	-	-	-	169,696
Claims	-	-	-	2,223,984
Medical and dental premiums	-	-	-	987,691
Liability insurance premiums	-	-	-	819,290
Maintenance	-	(1,873,661)	(1,873,661)	-
Landfill and contractor charges	3,316,238	-	3,316,238	-
Depreciation expense	-	527,316	527,316	-
Total operating expenses	<u>3,286,816</u>	<u>(1,364,679)</u>	<u>1,922,137</u>	<u>4,601,180</u>
OPERATING INCOME (LOSS)	<u>401,640</u>	<u>2,147,854</u>	<u>2,549,494</u>	<u>(2,319,693)</u>
NONOPERATING INCOME (LOSS):				
Investment income	1,302	2,986	4,288	-
Gain on disposal of capital assets	-	-	-	-
Total Nonoperating Income	<u>1,302</u>	<u>2,986</u>	<u>4,288</u>	<u>-</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>402,942</u>	<u>2,150,840</u>	<u>2,553,782</u>	<u>(2,319,693)</u>
TRANSFERS:				
Transfers out	-	(38,667)	(38,667)	-
Total Transfers	<u>-</u>	<u>(38,667)</u>	<u>(38,667)</u>	<u>-</u>
CHANGES IN NET POSITION	<u>402,942</u>	<u>2,112,173</u>	<u>2,515,115</u>	<u>(2,319,693)</u>
NET POSITION:				
Beginning of the year	(449,694)	6,515,937	6,066,243	543,703
End of the year	<u>\$ (46,752)</u>	<u>\$ 8,628,110</u>	<u>\$ 8,581,358</u>	<u>\$ (1,775,990)</u>

City of Placentia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities			Governmental Activities
	Refuse	Sewer Maintenance	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 3,699,126	\$ 826,962	\$ 4,526,088	\$ 2,281,434
Cash paid to suppliers for goods and services	(3,270,497)	(224,622)	(3,495,119)	(781,647)
Cash paid to employees for services	(379,521)	(496,107)	(875,628)	-
Cash paid for insurance claims	-	-	-	(2,223,984)
Net cash provided by (used in) operating activities	<u>49,108</u>	<u>106,233</u>	<u>155,341</u>	<u>(724,197)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash transfers in (out)	-	(38,667)	(38,667)	-
Net cash used in noncapital financing activities	<u>-</u>	<u>(38,667)</u>	<u>(38,667)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	-	-	-	-
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	1,302	2,986	4,288	-
Net cash provided by investing activities	<u>1,302</u>	<u>2,986</u>	<u>4,288</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	50,410	70,552	120,962	(724,197)
CASH AND CASH EQUIVALENTS:				
Beginning of year	435,328	654,447	1,089,775	2,884,775
End of year	<u>\$ 485,738</u>	<u>\$ 724,999</u>	<u>\$ 1,210,737</u>	<u>\$ 2,160,578</u>
Reconciliation of operating income (loss) to to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 401,640	\$ 2,147,854	\$ 2,549,494	\$ (2,319,693)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	527,316	527,316	-
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	19,148	43,787	62,935	(53)
(Increase)/decrease in taxes receivables	(8,478)	-	(8,478)	-
(Increase)/decrease in deferred outflows of resources related to pension	(322,207)	(1,098,563)	(1,420,770)	-
(Increase)/decrease in deferred outflows of resources related to OPEB	(38,814)	(44,106)	(82,920)	-
Increase/(decrease) in accounts payable	45,741	1,182	46,923	(39,715)
Increase/(decrease) in accrued liabilities	2,347	(4,394)	(2,047)	5
Increase/(decrease) in compensated absences	3,206	(8,004)	(4,798)	-
Increase/(decrease) in claims payable	-	-	-	1,635,259
Increase/(decrease) in net pension liabilities	(48,206)	(903,812)	(952,018)	-
Increase/(decrease) in net OPEB liabilities	20,692	(361,643)	(340,951)	-
Increase/(decrease) in deferred inflows of resources related to pension	(11,406)	(97,090)	(108,496)	-
Increase/(decrease) in deferred inflows of resources related to OPEB	(14,555)	(96,294)	(110,849)	-
Net cash provided by (used in) operating activities	<u>\$ 49,108</u>	<u>\$ 106,233</u>	<u>\$ 155,341</u>	<u>\$ (724,197)</u>

FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Placentia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	RDA Successor Agency	Custodial Funds
ASSETS		
Pooled cash and investments	\$ 617,137	\$ 78,539
Receivables:		
Miscellaneous	-	1,392
Restricted assets:		
Cash and investments with fiscal agents	829,501	-
Total assets	1,446,638	79,931
LIABILITIES		
Accounts payable	29	-
Accrued liability	7,132	14
Accrued interest	162,073	-
Deposits payables	-	35,041
Unearned revenues	640,432	-
Long-term liabilities:		
Due in one year	941,320	-
Due in more than one year	13,150,074	-
Total liabilities	14,901,060	35,055
NET POSITION (DEFICIT)		
Restricted for individuals, organizations, and other governments	(13,454,422)	44,876
Total net position (deficit)	\$ (13,454,422)	\$ 44,876

City of Placentia
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	RDA Successor Agency	Custodial Funds
ADDITIONS:		
Property taxes	\$ 1,954,111	\$ -
Investment income	23	-
Total additions	1,954,134	-
DEDUCTIONS:		
Program costs	130,668	-
Administrative expenses	159,053	-
Interest expense	387,915	-
Contributions to City	-	30,000
Total deductions	677,636	30,000
Change in net position	1,276,498	(30,000)
NET POSITION:		
Beginning of year, as restated (Note 14)	(14,730,920)	74,876
End of year	\$ (13,454,422)	\$ 44,876

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Placentia
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For the Year Ended June 30, 2021

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

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.

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.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

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

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

Government-Wide Financial Statements

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

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

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards 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.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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.

American Rescue Plan Act Special Revenue Fund – This fund is used to account for the receipts and expenditures related to the American Rescue Plan Act which was provided to fund additional relief for individuals and businesses affected by the coronavirus pandemic.

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

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

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

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

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

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

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 sewer system.

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

The City reports the following fiduciary funds:

Private-purpose Trust Fund – This fund is used to account for the balances and transactions of the Successor Agency to the former Placentia Redevelopment Agency.

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

C. 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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

D. 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.

E. 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.

F. Prepaid Items

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

G. 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.

H. 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).

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets

In the government-wide financial statements, capital assets, which include land, buildings, improvements, equipment, furniture, and infrastructure assets (e.g., roads, sidewalks, and similar items), 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 over their estimated useful lives using the straight-line method. The estimated useful lives used for depreciation purposes are as follows:

Structures and improvements	5-50	years
Civic Center structures and improvements	50	years
Automotive equipment	2-10	years
Computer equipment	3	years
Other equipment	5	years
Infrastructure:		
Roadways	35	years
Street appurtenances	10-50	years
Wastewater	50-60	years
Storm drains	50	years

J. Unearned and Unavailable Revenue

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

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

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

K. *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.

L. *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.

M. *Pensions*

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

The following timeframes are used for pension reporting:

CalPERS	
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

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

N. *Other Postemployment Benefits ("OPEB")*

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

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Other Postemployment Benefits (“OPEB”) (Continued)

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

The following timeframes are used for OPEB reporting:

OPEB	
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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

O. 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.

P. Net Position

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

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

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

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

Q. Fund Balances

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

Nonspendable – Nonspendable fund balances include amounts that 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.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Fund Balances (Continued)

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

Committed – Committed fund balances are 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 – Assigned fund balances are 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 – Unassigned fund balances 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.

R. 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

S. Use of Estimates

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

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Accounting Changes

GASB Statements No. 84. Fiduciary Activities. This statement establishes standards relating to accounting and financial reporting for identifying and reporting fiduciary activities. Those provisions are effective for reporting periods beginning after December 15, 2019, as amended by GASB Statement No. 95. Application of this statement was effective starting in fiscal year ending June 30, 2021. See Note 14.

GASB Statement No. 90. Majority Equity Interests. This statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. Those provisions are effective for reporting periods beginning after December 15, 2019. Application of this statement did not have a material effect on the City’s financial statements for the fiscal year ending June 30, 2021.

GASB Statement No. 93. Replacement of Interbank Offered Rates. This statement addresses those and other accounting and financial reporting implications that result from the replacement of London Interbank Offered Rate (LIBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Application of this statement did not have a material effect on the City’s financial statements for the fiscal year ending June 30, 2021.

GASB Statement No. 98. The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Those provision are effective for fiscal years ending after December 15, 2021. The City has elected early implementation of this statement. Application of this statement did not have a material effect on the City’s financial statements for the fiscal year ending June 30, 2021.

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, 2021:

	Government-Wide Statement of Net Position		Statement of Fiduciary Net Position	Total
	Governmental Activities	Business-type Activities		
Cash and investments	\$ 34,070,729	\$ 1,210,737	\$ 695,676	\$ 35,977,142
Cash and investment with fiscal agent	7,098,113	-	829,501	7,927,614
Total cash and investments	<u>\$ 41,168,842</u>	<u>\$ 1,210,737</u>	<u>\$ 1,525,177</u>	<u>\$ 43,904,756</u>

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

The City’s cash and investments at June 30, 2021 in more detail:

Cash and cash equivalents:	
Demand deposits	\$ 8,353,241
Petty cash	17,565
Total cash and cash equivalents	8,370,806
Investments:	
Local Agency Investment Fund	26,106,517
Negotiable certificates of deposit	496,945
Federal agency securities	1,002,874
Investments with Fiscal Agent:	
Money Market Mutual Fund	7,927,614
Total investments	35,533,950
Total cash and investments	\$ 43,904,756

A. Demand Deposits

The carrying amounts of the City’s demand deposits were \$8,353,241 at June 30, 2021. Bank balances at that date were \$8,474,630, 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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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

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

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.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

D. Fair Value Measurement

At June 30, 2021, 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, 2021:

Investment Type	Measurement Input		Total
	Significant other Observable Input (Level 2)	Uncategorized ⁽³⁾	
Local Agency Investment Fund	\$ -	\$ 26,106,517	\$ 26,106,517
Negotiable Certificates of Deposit ⁽¹⁾	496,945	-	496,945
Federal Agency Securities ⁽¹⁾	1,002,874	-	1,002,874
Held by Fiscal Agent:			
Money Market Mutual Funds	-	7,927,614	7,927,614
Total	\$ 1,499,819	\$ 34,034,131	\$ 35,533,950

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

⁽²⁾ Evaluations based on various market factors.

⁽³⁾ Cash and cash equivalents

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	\$ 26,106,517	\$ 26,106,517	\$ -	\$ -	\$ -	\$ -
Negotiable Certificates of Deposit	496,945	-	-	-	-	496,945
Federal Agency Securities	1,002,874	7,239	-	-	497,115	498,520
Held by Fiscal Agent:						
Money Market Mutual Funds	7,927,614	7,927,614	-	-	-	-
Total	\$ 35,533,950	\$ 34,041,370	\$ -	\$ -	\$ 497,115	\$ 995,465

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

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	AAA	Not Rated
Local Agency Investment Fund	\$ 26,106,517	N/A	\$ -	\$ 26,106,517
Negotiable Certificates of Deposit	496,945	N/A	-	496,945
Federal Agency Securities	1,002,874	N/A	1,002,874	-
Held by Fiscal Agent:				
Money Market Mutual Funds	7,927,614	AAA	7,927,614	-
Total	\$ 35,533,950		\$ 8,930,488	\$ 26,603,462

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, 2021, the investments held by bond trustee were held in money market mutual funds, which are considered to be cash equivalents.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

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, 2021 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.

As of June 30, 2021, the City had \$26,106,517 invested in LAIF, which had invested 1.10% of the pool investment funds in structured notes and asset-backed securities. The fair value of the City’s portion in the pool is the same as the value of the pool shares and reported at amortized cost.

Note 3 – Interfund Transactions

A. Due From/To Other Funds

At June 30, 2021, the City had the following due from/to other funds:

Due To Other Funds	Due From Other Funds	
	General Fund	Total
Nonmajor Special Revenue Funds:		
Miscellaneous Grants Fund	\$ 40,622	\$ 40,622
Landscape Maintenance District 92-1	31,873	31,873
Housing and Community Development	86,784	86,784
PEG	40,948	40,948
Placentia Regional Navigation Center	821,745	821,745
Nonmajor Capital Projects Funds:		
City Projects	349,568	349,568
Total	\$ 1,371,540	\$ 1,371,540

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.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 3 – Interfund Transactions (Continued)

B. Transfers

During the year ended June 30, 2021, the City had the following transfers:

	Transfers Out				Total
	General Fund	American Rescue Plan Special Revenue Fund	Nonmajor Governmental Funds	Sewer Maintenance Enterprise Fund	
Transfers In					
General Fund	\$ -	\$ 635,803	\$ 89,293	\$ -	\$ 725,096
Debt Service Fund	1,118,006	-	78,594	-	1,196,600
Nonmajor Governmental Funds	358,752	-	530,125	38,667	927,544
Total	\$ 1,476,758	\$ 635,803	\$ 698,012	\$ 38,667	\$ 2,849,240

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 non-major governmental funds to the General Fund of \$89,293 and \$45,625 to other non-major governmental funds were to fund police, street maintenance, and other operating costs.

The American Rescue Plan Special Revenue Fund transferred \$635,803 of the ARPA funds to the General Fund to reimburse eligible ARP expenditures.

The General Fund transferred \$338,852 to the Street Lighting Special Revenue Fund to subsidize street lighting districts, \$19,900 to nonmajor funds as operating subsidies and \$1,118,006 to the Debt Service Fund to fund debt service on the 2020A PFA Lease Revenue Bonds.

The Gas Tax Special Revenue Fund transferred \$484,500 to the Gas Tax Debt Service Fund to fund the 2011 Gas Tax Certificate of Participation debt service. The Gas Tax Debt Service Fund transferred \$78,594 to the Debt Service fund to consolidate the Citywide debt service and close out the Gas Tax Debt Service Fund.

Note 4 – Loans Receivables

At June 30, 2021, the City had following loans receivable:

	General Fund	Housing Successor Special Revenue Fund	Total
2003 Certificates of Participation Reimbursement	\$ 2,489,944	\$ -	\$ 2,489,944
Owner's Participation Agreement	-	47,916	47,916
Real Property Loan Obligation Receivable	972,540	243,136	1,215,676
Placentia Veterans Village Loan	-	500,000	500,000
Total	\$ 3,462,484	\$ 791,052	\$ 4,253,536

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 4 – Loans Receivables (Continued)

A. 2003 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 portion reimbursed (87.52 percent) 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 development project area. The \$2,489,944 notes receivable balance as of June 30, 2021 represents 78.3 percent of the \$3,180,000 outstanding principal balance of the 2003 COP at June 30, 2021.

B. Owner's Participation Agreement

The Placentia Redevelopment Agency entered into an owner participation agreement dated January 5, 2001. Pursuant to that agreement, the Agency loaned \$150,000 to a small-business in Placentia. The term of the loan is 30 years and does not bear interest, except upon default. The loan was recorded in the Low and Moderate Housing fund of the former Redevelopment Agency of Placentia. Upon dissolution of the Redevelopment Agency at February 1, 2012, the outstanding loan receivable balance was transferred to the Housing Successor Fund. During the 2021 fiscal year, the City received \$5,000 in principal payments. The ending loan receivable balance at June 30, 2021 is \$47,916.

C. 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, 2021 is \$972,540 to the City's General Fund and \$243,136 to the Housing Successor Agency Fund for a total of \$1,215,676.

D. 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, 2021 is \$500,000.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 5 – Capital Assets

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Reclassifications	Balance June 30, 2021
<i>Capital assets not being depreciated:</i>					
Land	\$ 25,201,872	\$ -	\$ -	\$ -	\$ 25,201,872
Land-Right of Way	258,822	-	-	-	258,822
Infrastructure - Trees	3,114,540	-	-	-	3,114,540
Construction in progress	10,427,567	5,946,342	-	(11,203,330)	5,170,579
Total capital assets not being depreciated	<u>39,002,801</u>	<u>5,946,342</u>	<u>-</u>	<u>(11,203,330)</u>	<u>33,745,813</u>
<i>Capital assets being depreciated:</i>					
Structures and improvements	15,145,356	-	-	3,600,473	18,745,829
Equipment	12,883,562	-	-	1,603,275	14,486,837
Land improvements	172,528	-	-	-	172,528
Infrastructure:					
Streets network	47,995,833	-	-	5,999,582	53,995,415
Street appurtenances	24,120,429	-	-	-	24,120,429
Storm drain	9,027,054	-	-	-	9,027,054
Total capital assets being depreciated	<u>109,344,762</u>	<u>-</u>	<u>-</u>	<u>11,203,330</u>	<u>120,548,092</u>
Less accumulated depreciation for:					
Structures and improvements	(6,344,701)	(608,416)	-	-	(6,953,117)
Equipment	(6,069,674)	(1,383,542)	-	-	(7,453,216)
Land improvements	(111,964)	(5,796)	-	-	(117,760)
Infrastructure:					
Streets network	(23,495,162)	(1,425,534)	-	-	(24,920,696)
Street appurtenances	(14,345,841)	(562,315)	-	-	(14,908,156)
Storm drain	(6,500,358)	(176,541)	-	-	(6,676,899)
Total accumulated depreciation	<u>(56,867,700)</u>	<u>(4,162,144)</u>	<u>-</u>	<u>-</u>	<u>(61,029,844)</u>
Total capital assets being depreciated, net	<u>52,477,062</u>	<u>(4,162,144)</u>	<u>-</u>	<u>11,203,330</u>	<u>59,518,248</u>
Total governmental activities	<u>\$ 91,479,863</u>	<u>\$ 1,784,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,264,061</u>

Depreciation expense was charged to functions/programs of governmental activities for the year ended June 30, 2021 as follows:

General government	\$ 379,012
Public safety	1,202,515
Public works	2,343,181
Community services	237,436
Total depreciation expense	<u>\$ 4,162,144</u>

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 5 – Capital Assets (Continued)

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
<i>Capital assets being depreciated:</i>				
Structures and improvements	\$ 28,155,969	\$ -	\$ -	\$ 28,155,969
Equipment	122,158	-	-	122,158
Total capital assets being depreciated	<u>28,278,127</u>	<u>-</u>	<u>-</u>	<u>28,278,127</u>
Less accumulated depreciation for:				
Structures and improvements	(19,486,849)	(515,100)	-	(20,001,949)
Equipment	(43,107)	(12,216)	-	(55,323)
Total accumulated depreciation	<u>(19,529,956)</u>	<u>(527,316)</u>	<u>-</u>	<u>(20,057,272)</u>
Total capital assets being depreciated, net	<u>8,748,171</u>	<u>(527,316)</u>	<u>-</u>	<u>8,220,855</u>
Total business-type activities	<u>\$ 8,748,171</u>	<u>\$ (527,316)</u>	<u>\$ -</u>	<u>\$ 8,220,855</u>

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

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, 2021 is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due within One Year	Due in more than One Year
Long-Term Debt:						
Certificates of Participation:						
2003 Refunding and Improvement						
Project Certificates of Participation	\$ 3,180,000	\$ -	\$ (335,000)	\$ 2,845,000	\$ 350,000	\$ 2,495,000
2011 Gas Tax Certificates of Participation	3,915,000	-	(3,915,000)	-	-	-
Direct Borrowings and Placements:						
Capital Lease - electric vehicles	11,435	-	(11,435)	-	-	-
Capital Lease - radio	947,320	-	(109,969)	837,351	143,861	693,490
OCTA Advance	2,282,199	-	(321,522)	1,960,677	-	1,960,677
Fire Lease #1	2,855,359	544,641	(283,640)	3,116,360	330,971	2,785,389
Fire Lease #2	1,362,742	432,258	(160,713)	1,634,287	173,837	1,460,450
2021 Installment Sale Agreement						
(2011 Gas Tax Refunding)	-	3,656,000	(301,000)	3,355,000	351,000	3,004,000
2020A Lease Revenue Bonds	-	52,950,000	-	52,950,000	1,060,000	51,890,000
Total long-term debt	<u>14,554,055</u>	<u>57,582,899</u>	<u>(5,438,279)</u>	<u>66,698,675</u>	<u>2,409,669</u>	<u>64,289,006</u>
Claims payable	2,235,244	2,388,001	(752,742)	3,870,503	967,626	2,902,877
Compensated absences	1,848,503	1,981,104	(233,049)	3,596,558	200,433	3,396,125
Total long-term liabilities	<u>\$ 18,637,802</u>	<u>\$ 61,952,004</u>	<u>\$ (6,424,070)</u>	<u>\$ 74,165,736</u>	<u>\$ 3,577,728</u>	<u>\$ 70,588,008</u>

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2003 Refunding and Improvements Project Certificates of Participation

On November 13, 2003, the City issued certificates of participation in the amount of \$11,145,000 to (a) refinance certain obligations relating to the Placentia Redevelopment Agency's 2003 Taxable Convertible Certificates of Participation (2003 Financing Project), (b) refinance certain obligations relating to the City's 2001 Certificates of Participation (Traffic Circulation Project) and (c) finance and refinance certain capital improvements in the City. The certificates are in denominations of \$5,000 each and bear interest ranging from 2 to 4.4 percent.

Certificates maturing on or after January 1, 2014, are subject to call for prepayment at the option of the City at a price equal to principal plus accrued interest without premium. Certificates maturing on January 1, 2028, are subject to mandatory prepayment on January 1, each year commencing January 2, 2021, from lease payments made by the City at a price equal to the principal payment.

Principal is payable annually on January 1. Interest is payable semiannually on January 1 and July 1 commencing July 1, 2004. The required reserve for the certificates was fully funded as of June 30, 2015.

Each certificate represents a direct, undivided fractional interest of the owner thereof in lease payments to be made by the City to the former Placentia Redevelopment Agency for the right to use and occupancy of an existing corporate yard and an existing public park (the Project), the property to which the City has rights of use and occupancy is subleased by the City from the former Placentia Redevelopment Agency as lessee and sublessor of the leased property. In accordance with the Lease Agreement, the City is required to pay lease payments to the bond trustee, which is designed to be sufficient in both time and amount, to pay, when due, the principal and interest with respect to the Certificates, due on January 1 and July 1 of each year. The City has covenanted that it will provide the necessary appropriations in each annual budget.

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 apportion of the lease payment paid by the city to the Bond trustee, with respect to the 2003 Certificates of Participation. The portion reimbursed (87.52 percent) 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 2003 Certificates of Participation 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 percent 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 87.52 percent of the total obligation is reported on the Statement of Fiduciary Net Position within the RDA Successor Agency Private-Purpose Trust Fund (See Note 17 for additional details). A note receivable is reported in the General Fund, relating to the 87.52 percent of the total obligation that the city is expected to have reimbursement by the former Placentia Redevelopment Agency (See Note 3 for additional details). The outstanding balance of the 2003 Certificates of Participation as of June 30, 2021 is \$2,845,000.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 350,000	\$ 135,138	\$ 485,138
2023	370,000	118,512	488,512
2024	385,000	100,938	485,938
2025	405,000	82,650	487,650
2026	425,000	63,413	488,413
2027-2028	910,000	65,312	975,312
Total	<u>\$ 2,845,000</u>	<u>\$ 565,963</u>	<u>\$ 3,410,963</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 semiannually on June 1 and December 1 of each year, commencing June 1, 2021.

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

The bonds are being issued to fund 100% of the City’s unfunded liability for the miscellaneous plan and safety plan. Upon the issuance of the bonds, the city paid \$43,777,218 to CalPERS for deposit to the CalPERS payment fund. This amount represents the June 30, 2019 unfunded liability for the miscellaneous and safety plans shown in the 2019 CalPERS reports, rolled forward to November 12, 2020 and taking into account payments made during the Fiscal Years 2020 and 2021. The City also paid the \$1,932,562 remaining monthly unfunded liability payments due for the miscellaneous plan and safety plan for the balance of fiscal year 2021.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2020 Lease Revenue Bonds (Continued)

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, 2021 is \$52,950,000. The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 1,060,000	\$ 2,022,522	\$ 3,082,522
2023	1,500,000	2,004,248	3,504,248
2024	1,860,000	1,975,342	3,835,342
2025	2,190,000	1,933,772	4,123,772
2026	2,405,000	1,878,036	4,283,036
2027-2031	13,255,000	8,161,044	21,416,044
2032-2036	15,980,000	5,445,970	21,425,970
2037-2041	11,115,000	2,161,774	13,276,774
2042-2045	3,585,000	342,430	3,927,430
Total	<u>\$ 52,950,000</u>	<u>\$25,925,138</u>	<u>\$ 78,875,138</u>

2021 Installment Sale Agreement

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

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2021 Installment Sale Agreement (Continued)

The City’s obligation to pay the installment payments is a special obligation of the City limited solely to the Gas Tax revenues and all amounts on deposit in the Gas Tax Fund. Under no circumstances is the City required to advance moneys derived from any source of income other than the Gas Tax revenues and other sources specifically identified in the agreement. The City has the option to prepay the principal components of the installment payments in whole, on any date, commencing on December 1, 2025. The bonds are reported in full in the government-wide Statement of Net Position, within the governmental activities. The outstanding balance of the 2021 Installment Sale Agreement as of June 30, 2021 is \$3,355,000. The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 351,000	\$ 53,906	\$ 404,906
2023	353,000	48,106	401,106
2024	358,000	42,265	400,265
2025	368,000	36,316	404,316
2026	373,000	30,220	403,220
2027-2031	1,552,000	58,129	1,610,129
Total	<u>\$ 3,355,000</u>	<u>\$ 268,942</u>	<u>\$ 3,623,942</u>

Capital Leases

Electric Vehicles

On October 22, 2015, the City entered into a Purchase Agreement for financing the acquisition of ten electric vehicles. The assets acquired through the capital lease were included in the machinery and equipment for governmental activities in the amount of \$275,200. The lease is for a period of five years with interest rate of 3.99% for one of the ten vehicles for a total of \$2,501. Rental payments are payable monthly in arrears of the period to which they relate. The title to the purchased equipment is in the name of the City.

The City made the final lease payment during fiscal year 2021.

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 capital lease were included in the machinery and equipment for governmental activities in the amount of \$1,319,360. The lease is for a period of 10 years with an interest rate of 3.13% for a total of \$187,871. Lease payments are payable quarterly in arrears of the period to which they relate to.

Year ending June 30,	Principal	Interest	Total
2022	\$ 143,861	\$ 23,609	\$ 167,470
2023	148,417	19,053	167,470
2024	153,118	14,352	167,470
2025	157,967	9,503	167,470
2026	233,988	4,826	238,814
Total	<u>\$ 837,351</u>	<u>\$ 71,343</u>	<u>\$ 908,694</u>

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Capital Leases (Continued)

Fire Lease #1

On August 27, 2019, the City entered into a lease agreement for financing the acquisition of fire trucks and equipment for the Placentia Fire and Life Safety Department. The assets acquired through the capital lease were included in the machinery and equipment for governmental activities in the amount of \$3,400,000. The lease is for a period of ten years with an interest rate of 2.69%. Rental 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 lease funds are provided on a reimbursement basis after equipment has been purchased. Through June 30, 2021, the City had drawn down \$3,400,000, all of the available lease funds. Therefore, future debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 330,971	\$ 81,619	\$ 412,590
2023	339,935	72,656	412,591
2024	349,140	63,450	412,590
2025	358,596	53,995	412,591
2026	368,307	44,284	412,591
2027-2030	1,369,411	74,659	1,444,070
Total	<u>\$ 3,116,360</u>	<u>\$ 390,663</u>	<u>\$ 3,507,023</u>

Fire Lease #2

On November 25, 2019, the City entered into a lease agreement for financing the acquisition of fire trucks and equipment for the Placentia Fire and Life Safety Department. The assets acquired through the capital lease were included in the machinery and equipment for governmental activities in the amount of \$1,795,000. The lease is for a period of ten years with an interest rate of 2.65%. Rental payments are payable on February 1 and August 1 commencing August 1, 2020. The title to the purchased equipment is in the name of the City. Through June 30, 2021, the City had drawn down \$1,795,000, all of the available lease funds. Therefore, future debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 173,837	\$ 42,165	\$ 216,002
2023	178,474	37,527	216,001
2024	183,235	32,766	216,001
2025	188,123	27,879	216,002
2026	193,141	22,860	216,001
2027-2030	717,477	38,527	756,004
Total	<u>\$ 1,634,287</u>	<u>\$ 201,724</u>	<u>\$ 1,836,011</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.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

OCTA Advance (Continued)

In addition, OCTA advanced the City \$4.1 million of future Measure M funds to the City. Principal and accrued but unpaid interest payments are deducted from future Measure M funds over approximately 19 years. Interest is equal to the yield on OCTA's short-term investment portfolio, and resets annually on June 30. The outstanding principal as of June 30, 2021 is \$2,282,199.

Claims Payable

Estimated claims payable from general liability and workers' compensation claims as determined by outside claims administrator. Outstanding balance as of June 30, 2021 is as follows:

General liability claims	\$ 435,330
Workers' compensation claims	<u>3,435,173</u>
Total claims payable	<u>\$ 3,870,503</u>

B. Business-Type Activities

A summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2021 is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due within One Year	Due in more than One Year
Compensated absences	\$ 49,155	\$ -	\$ (4,798)	\$ 44,357	\$ 2,502	\$ 41,855
	<u>\$ 49,155</u>	<u>\$ -</u>	<u>\$ (4,798)</u>	<u>\$ 44,357</u>	<u>\$ 2,502</u>	<u>\$ 41,855</u>

C. Fiduciary Activities

A summary of changes in long-term liabilities for fiduciary activities for the year ended June 30, 2021 is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due within One Year	Due in More Than One Year
Bonds Payable:						
2013 Tax Allocation Refunding Bonds	\$ 9,955,000	\$ -	\$ (600,000)	\$ 9,355,000	\$ 635,000	\$ 8,720,000
Bond Premium:						
2013 Tax Allocation Refunding Bonds	43,021	-	(3,561)	39,460	-	39,460
Other Liabilities:						
2003 Refunding and Improvement						
Project Certificates of Participation	2,783,136	-	(293,192)	2,489,944	306,320	2,183,624
SERAF Obligation	991,314	-	-	991,314	-	991,314
Real Property Loan Obligation	1,458,632	-	(242,956)	1,215,676	-	1,215,676
	<u>\$ 15,231,103</u>	<u>\$ -</u>	<u>\$ (1,139,709)</u>	<u>\$ 14,091,394</u>	<u>\$ 941,320</u>	<u>\$ 13,150,074</u>

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

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.

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, 2021, the outstanding principal on this bond is \$9,355,000.

The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 635,000	\$ 379,450	\$ 1,014,450
2023	650,000	360,175	1,010,175
2024	670,000	339,538	1,009,538
2025	695,000	315,619	1,010,619
2026	720,000	288,188	1,008,188
2027-2031	4,080,000	943,437	5,023,437
2032-2033	1,905,000	91,556	1,996,556
Total	\$ 9,355,000	\$ 2,717,963	\$ 12,072,963

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.

2003 Certificates of Participation City Reimbursement

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

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2003 Certificates of Participation City Reimbursement (Continued)

The portion reimbursed (87.52 percent) 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, 2021 of \$2,489,944 represents 87.52 percent of the outstanding principal balance of the 2003 COP at June 30, 2021 of \$2,845,000, less 87.52 percent of the 2021 principal payment on the 2003 Certificate of Participation, which was paid to the City in June 2021.

The annual debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 306,320	\$ 379,450	\$ 685,770
2023	323,824	360,175	683,999
2024	336,952	339,538	676,490
2025	354,456	315,619	670,075
2026	371,960	288,188	660,148
2027-2028	796,432	91,556	887,988
Total	<u>\$ 2,489,944</u>	<u>\$ 1,774,526</u>	<u>\$ 4,264,470</u>

Supplemental Education Revenue Augmentation Fund (SERAF) Obligation

The Successor Agency has accrued a liability in the amount of \$991,314 in regards 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. Non-payment 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, 2021 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 2 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 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, 2021 is \$1,215,676.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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.

Section 401(a) Qualified Defined Contribution Pension Plan

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

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

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

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

The City’s payroll for employees covered by the Plan for the year ended June 30, 2021, was \$2,180,704. Total employee contributions paid by the City amounted to \$190,644 or 8.74% of covered payroll and of total payroll.

The Plan's assets are invested with ICMA Retirement Corporation Governmental Money Purchase Plan & Trust, a mutual fund company that offers participants multiple mutual fund category selections from which they can choose. As of June 30, 2021, the Plan had 26 participants and the market value of the Plan amounted to \$16,035,262.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 15,907,877	\$ 1,755,766	\$ 17,663,643
CalPERS Safety	30,597,527	-	30,597,527
Total pension contribution made after measurement date	46,505,404	1,755,766	48,261,170
Difference between projected and actual investment earnings:			
CalPERS Miscellaneous	439,274	48,483	487,757
CalPERS Safety	640,449	-	640,449
Total difference between projected and actual investment earnings:	1,079,723	48,483	1,128,206
Adjustment due to difference in proportions			
CalPERS Miscellaneous	377,032	41,613	418,645
CalPERS Safety	436,233	-	436,233
Total adjustment due to difference in proportions	813,265	41,613	854,878
Difference between expected and actual experience			
CalPERS Miscellaneous	762,024	84,106	846,130
CalPERS Safety	2,285,040	-	2,285,040
Total difference between expected and actual experience	3,047,064	84,106	3,131,170
Employer contributions in excess of proportionate share of contribution			
CalPERS Safety	53,427	-	53,427
Total employer contributions in excess of proportionate share of contribution	53,427	-	53,427
Total deferred outflows of resources			
CalPERS Miscellaneous	17,486,207	1,929,968	19,416,175
CalPERS Safety	34,012,676	-	34,012,676
Total deferred outflows of resources	<u>\$ 51,498,883</u>	<u>\$ 1,929,968</u>	<u>\$ 53,428,851</u>

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Pension Plans (Continued)

A. Summary (Continued)

	Governmental Activities	Business-Type Activities	Total
Net pension liabilities:			
CalPERS Miscellaneous	\$ 14,787,104	\$ 1,632,065	\$ 16,419,169
CalPERS Safety	29,467,303	-	29,467,303
Total net pension liabilities	<u>\$ 44,254,407</u>	<u>\$ 1,632,065</u>	<u>\$ 45,886,472</u>
Deferred inflows of resources:			
Change in assumptions			
CalPERS Miscellaneous	\$ 105,467	\$ 11,641	\$ 117,108
CalPERS Safety	98,156	-	98,156
Total change in assumptions	<u>203,623</u>	<u>11,641</u>	<u>215,264</u>
Adjustment due to difference in proportions			
CalPERS Safety	504,068	-	504,068
Total adjustment due to difference in proportions	<u>504,068</u>	<u>-</u>	<u>504,068</u>
Employer contributions in excess of proportionate share of contribution			
CalPERS Miscellaneous	645,283	71,220	716,503
CalPERS Safety	1,234,931	-	1,234,931
Total employer contributions in excess of proportionate share of contribution	<u>1,880,214</u>	<u>71,220</u>	<u>1,951,434</u>
Total deferred inflows of resources			
CalPERS Miscellaneous	750,750	82,861	833,611
CalPERS Safety	1,837,155	-	1,837,155
Total deferred inflows of resources	<u>\$ 2,587,905</u>	<u>\$ 82,861</u>	<u>\$ 2,670,766</u>
Pension expenses:			
CalPERS Miscellaneous	\$ 1,946,704	\$ 214,859	\$ 2,161,563
CalPERS Safety	4,277,579	-	4,277,579
Total net pension expenses	<u>\$ 6,224,283</u>	<u>\$ 214,859</u>	<u>\$ 6,439,142</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.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Pension Plans (Continued)

B. General Information about the Pension Plans (Continued)

Employees Covered by Benefit Terms

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

	<u>Miscellaneous</u>	<u>Miscellaneous Tier 2</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
Active employees	23	7	64	24	20
Transferred employees	54	12	26	20	9
Separated employees	34	2	28	11	7
Retired employees and beneficiaries	179	-	2	115	-
Total	<u>290</u>	<u>21</u>	<u>120</u>	<u>170</u>	<u>36</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 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 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.

Following are the benefit provisions for each plan:

	<u>Miscellaneous</u>	<u>Miscellaneous Tier 2</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	62	50	50-57
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	3.0%	2.7%
Required employee contribution rate	7.000%	7.000%	6.750%	9.000%	13.000%
Required employer contribution rate	11.031%	9.281%	7.732%	23.674%	13.044%

Contributions

For the year ended June 30, 2021, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Contributions - employer	<u>\$ 17,663,643</u>	<u>\$ 30,597,527</u>	<u>\$ 48,261,170</u>

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 Expense

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

	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Miscellaneous			
Balance at: 6/30/19 (Valuation date)	\$ 56,351,656	\$ 41,142,220	\$ 15,209,436
Balance at: 6/30/20 (Measurement date)	57,082,960	40,663,791	16,419,169
Net changes during 2020-2021	<u>731,304</u>	<u>(478,429)</u>	<u>1,209,733</u>
Safety			
Balance at: 6/30/19 (Valuation date)	\$ 96,387,562	\$ 69,385,418	\$ 27,002,144
Balance at: 6/30/20 (Measurement date)	98,921,800	69,454,497	29,467,303
Net changes during 2020-2021	<u>2,534,238</u>	<u>69,079</u>	<u>2,465,159</u>

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

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion - June 30, 2020	0.37981%	0.43255%	0.41194%
Proportion - June 30, 2021	<u>0.38926%</u>	<u>0.44230%</u>	<u>0.42173%</u>
Change - Increase/(Decrease)	<u>0.00945%</u>	<u>0.00975%</u>	<u>0.00979%</u>

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Pension Plans (Continued)

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

For the year ended June 30, 2021, the City recognized pension expense of \$2,161,563 and \$4,277,579, for the Miscellaneous and Safety plans, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 17,663,643	\$ -
Difference between expected and actual experience	846,130	-
Changes of assumptions	-	117,108
Net difference between projected and actual earnings on pension plan investments	487,757	-
Employer contributions in excess/(under) proportionate share of contributions	-	716,503
Adjustments due to difference in proportions	418,645	-
Total	<u>\$ 19,416,175</u>	<u>\$ 833,611</u>

Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 30,597,527	\$ -
Difference between expected and actual experience	2,285,040	-
Changes of assumptions	-	98,156
Net difference between projected and actual earnings on pension plan investments	640,449	-
Employer contributions in excess/(under) proportionate share of contributions	53,427	1,234,931
Adjustments due to difference in proportions	436,233	504,068
Total	<u>\$ 34,012,676</u>	<u>\$ 1,837,155</u>

Aggregate Total		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 48,261,170	\$ -
Difference between expected and actual experience	3,131,170	-
Changes of assumptions	-	215,264
Net difference between projected and actual earnings on pension plan investments	1,128,206	-
Employer contributions in excess/(under) proportionate share of contributions	53,427	1,951,434
Adjustments due to difference in proportions	854,878	504,068
Total	<u>\$ 53,428,851</u>	<u>\$ 2,670,766</u>

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Pension Plans (Continued)

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

For the Miscellaneous Plan and Safety Plan, \$17,663,643 and \$30,597,527, 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, 2022. 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 Ended June 30	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2022	\$ (19,549)	\$ 21,411	\$ 1,862
2023	368,585	592,615	961,200
2024	335,941	643,067	979,008
2025	233,944	320,901	554,845
2026	-	-	-
Thereafter	-	-	-
Total	\$ 918,921	\$ 1,577,994	\$ 2,496,915

Actuarial Assumptions

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

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

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

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Pension Plans (Continued)

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

Discount Rate

In determining the long-term expected rate of return, CalPERS took into account, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10¹	Real Return Years 11 +²
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

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

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

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

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

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Pension Plans (Continued)

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

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 Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	\$ 24,015,519	\$ 16,419,169	\$ 10,142,545
Safety	\$ 42,901,251	\$ 29,467,303	\$ 18,443,478
Total	\$ 66,916,770	\$ 45,886,472	\$ 28,586,023

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, 2021, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2021.

Note 9 – Other Postemployment Benefit Plan

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Employer contributions made subsequent to the measurement date	\$ 1,115,214	\$ 30,946	\$ 1,146,160
Changes in assumptions	4,179,629	115,981	4,295,610
Total deferred outflows of resources	\$ 5,294,843	\$ 146,927	\$ 5,441,770
Total OPEB liability	\$ 30,480,033	\$ 845,793	\$ 31,325,826
Total OPEB liability	\$ 30,480,033	\$ 845,793	\$ 31,325,826
Deferred inflows of resources:			
Change in assumptions	\$ 1,910,134	\$ 53,005	\$ 1,963,139
Difference between expected and actual experience	1,831,465	50,821	1,882,286
Total deferred inflows of resources	\$ 3,741,599	\$ 103,826	\$ 3,845,425
OPEB Expense	\$ 995,058	\$ 27,612	\$ 1,022,670

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Other Postemployment Benefit Plan (Continued)

B. General Information About OPEB

Plan Description

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

Eligibility

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

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

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

Active plan members	132
Retirees	106
Total	238

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, 2021, the City's average contribution rate was 8.16% of covered payroll. Employees are not required to contribute to the plan.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability at June 30, 2021 was \$31,325,826.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Other Postemployment Benefit Plan (Continued)

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

Actuarial Assumptions

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

Actuarial Assumptions:

Discount Rate	2.21% (Bond Buyer 20-Bond Index)
Inflation	2.75% annually
Aggregate payroll increases	3.00%
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 1997-2015 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2019
Healthcare Trend Rate - Non-Medicare	An annual healthcare cost trend rate of 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Healthcare Trend Rate - Medicare	An annual healthcare cost trend rate of 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076

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

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21% percent. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 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.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019 (Measurement Date)	\$ 26,489,834
Changes Recognized for the Measurement Period:	
Service Cost	359,454
Interest on the total OPEB liability	919,732
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	4,699,120
Contributions from the employer	-
Net investment income	-
Administrative expenses	-
Benefit payments	(1,142,314)
Net Changes during July 1, 2019 to June 30, 2020	4,835,992
Balance at June 30, 2020 (Measurement Date)	\$ 31,325,826

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Other Postemployment Benefit Plan (Continued)

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

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

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

Plan's Total OPEB Liability		
Discount Rate - 1% (1.21%)	Current Discount Rate (2.21%)	Discount Rate + 1% (3.21%)
\$ 36,542,459	\$ 31,325,826	\$ 27,203,607

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

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

Plan's Total OPEB Liability		
Healthcare Cost Trend Rates		
-1%		1%
\$ 26,910,362	\$ 31,325,826	\$ 36,914,001

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$1,022,670. At June 30, 2021, 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	\$ -	\$ 1,882,286
Changes in assumptions	4,295,610	1,963,139
Employer contributions made subsequent to the measurement date	1,146,160	-
Total	\$ 5,441,770	\$ 3,845,425

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

\$1,146,160 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, 2022.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Other Postemployment Benefit Plan (Continued)

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Fiscal Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2022	\$ (256,519)
2023	(256,519)
2024	(256,519)
2025	133,481
2026	312,587
Thereafter	773,674
	\$ 450,185

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. Worker’s 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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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
<i>Workers' Compensation</i>						
2018-2019	\$ 1,927,153	\$ 944,772	\$ (663,980)	\$ 2,207,945	\$ 551,986	\$ 1,655,959
2019-2020	2,207,945	153,342	(385,700)	1,975,587	493,897	1,481,690
2020-2021	1,975,587	2,157,487	(697,901)	3,435,173	858,793	2,576,380
<i>General Liability</i>						
2018-2019	\$ 69,015	\$ 19,428	\$ (64,542)	\$ 23,901	\$ 5,975	\$ 17,926
2019-2020	23,901	264,501	(28,745)	259,657	64,914	194,743
2020-2021	259,657	230,514	(54,841)	435,330	108,833	326,497

Note 11 – Classification of Fund Balances

At June 30, 2021, fund balances are classified in the governmental funds as follows:

	General Fund	American Rescue Plan Special Revenue Fund	Citywide Development Impact Fee Special Revenue Fund	2020A PFA Lease Revenue Bonds Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable						
Inventory	\$ 97,075	\$ -	\$ -	\$ -	\$ -	\$ 97,075
Prepaid items	93,658	-	10,463	-	-	104,121
Loans receivable	3,156,164	-	-	-	-	3,156,164
Total nonspendable	3,346,897	-	10,463	-	-	3,357,360
Restricted						
Public safety	-	-	-	-	830,909	830,909
Public works	-	-	-	-	3,734,029	3,734,029
Community development	-	-	-	-	1,043,728	1,043,728
Community services	-	-	4,781,161	-	-	4,781,161
Debt service	556,084	-	-	6,620,623	-	7,176,707
Transportation	-	-	-	-	1,145,813	1,145,813
Park development	-	-	-	-	20,152	20,152
Street maintenance	-	-	-	-	660,395	660,395
Air quality	-	-	-	-	153,057	153,057
Housing	-	2,938	-	-	1,906,732	1,909,670
Total restricted	556,084	2,938	4,781,161	6,620,623	9,494,815	21,455,621
Committed						
Measure U - infrastructure	2,263,010	-	-	-	-	2,263,010
Measure U - OPEB	770,595	-	-	-	-	770,595
Metrolink station	3,400,000	-	-	-	-	3,400,000
Total committed	6,433,605	-	-	-	-	6,433,605
Unassigned						
	9,893,885	-	-	-	(1,405,519)	8,488,366
Total fund balances	\$ 20,230,471	\$ 2,938	\$ 4,791,624	\$ 6,620,623	\$ 8,089,296	\$ 39,734,952

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 12 – Commitments and Contingencies

A. Commitments

The City had several outstanding or planned construction and other projects as of June 30, 2021. These projects are evidenced by contractual commitments with contractors or other agencies and include:

Project	Commitment
Roadway Rehabilitation Project	\$ 2,047,516
Parque del Arroyo Verde Renovation Project	1,627,240
HSIP Traffic Safety Improvement Project	1,163,178
Metrolink Station	705,011
La Placita Parkette Improvements	630,400
Total	\$ 6,173,345

The City has various outstanding purchase commitments. Total commitments at June 30, 2021 are as follows:

	Outstanding Purchase Commitments
Governmental funds:	
General fund	\$ 197,584
Other governmental funds	284,287
Enterprise funds:	
Sewer maintenance fund	78,871
	\$ 481,871

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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021 as follows:

	<u>Expenditures</u>	<u>Appropriation</u>	<u>Expenditure in Excess of Appropriations</u>
Special Revenue Funds:			
Street Lighting	\$ 462,507	\$ 410,600	\$ (51,907)
Landscape Maintenance District 92-1	511,429	443,900	(67,529)
Gasoline Tax	648,320	234,793	(413,527)
Community Based Transitional Housing Grant	273,596	269,000	(4,596)
Debt Service Funds:			
2011 Gas Tax COP	646,311	484,500	(161,811)

B. Deficit Net Position and Fund Balances

Funds with deficit net position/fund balance at June 30, 2021 are as follows:

	<u>Deficit Fund Balance</u>	<u>Deficit Net Position</u>
Capital Projects Fund:		
City Capital Projects	<u>\$ (350,441)</u>	
Proprietary Fund:		
Refuse		<u>\$ (46,752)</u>
Internal Service Fund:		
Risk Management		<u>\$ (1,833,884)</u>
Special Revenue Funds:		
Miscellaneous Grants	\$ (55,501)	
Street Lighting	(1)	
Landscape Maintenance District 92-1	(93,156)	
Housing and Community Development	(86,784)	
Public, Educational, and Government (PEG)	(29,731)	
Placentia Regional Navigation Center	(789,905)	
OCATT	-	
	<u>\$ (116,515)</u>	
Fiduciary Funds:		
Public Safety CFD 2014-01		<u>\$ (3,802)</u>

At June 30, 2021, the City had an unrestricted net position deficit of \$(65,260,587) on the Statement of Activities. This deficit was created from the implementation of GASB Statement 68 (Net Pension Liability) in fiscal year 2015 and the implementation of GASB Statement 75 (Total OPEB Liability) in 2018. The City expects to eliminate the deficit via increased pension and OPEB contributions consistent with the amortization schedules provided by the City's pension and OPEB administrators.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 14 – Prior Period Adjustments

The City made the following prior period adjustments to the Fiduciary Funds in order to implement GASB Statement No. 84, *Fiduciary Activities*:

	Custodial Funds			Fiduciary Funds
	Community Facilities District	Public Safety CFD 2014-01	Total	Custodial Funds
Net position at June 30, 2020, as previously reported	\$ -	\$ -	\$ -	\$ -
Restatement due to implementation of GASB 84	48,678	26,198	74,876	74,876
Net position at June 30, 2020, as restated	<u>\$ 48,678</u>	<u>\$ 26,198</u>	<u>\$ 74,876</u>	<u>\$ 74,876</u>

Note 15 – Subsequent Events

A. ARPA Funding

As part of its budget process, the U.S. Department of the Treasury allocated \$9,083,054 of American Rescue Plan Act (ARPA) funds to the City. Allocations to the City started in July 2021 when the City received \$4,541,527 in the first tranche. The Department of Treasury is expected to allocate the second tranche of \$4,541,527 in ARPA funding to the City in July of 2022.

B. Debt Issuance

On April 12, 2022, City Council approved issuance of a private placement lease financing not to exceed \$2,500,000 to assist the City in refinancing the Certificates of Participation (2003 Refunding and Improvement Project). The City plans to lease certain real property to the counterparty and the counterparty will sublease the leased property back to the City pursuant to a lease agreement. The lease will carry an interest rate of 2.35%, assuming no default.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Placentia
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 33,211,800	\$ 35,581,447	\$ 37,858,390	\$ 2,276,943
Intergovernmental	20,000	20,000	9,743	(10,257)
Licenses and permits	1,915,000	2,230,000	2,827,761	597,761
Fines and forfeitures	444,000	444,000	290,534	(153,466)
Investment income	50,000	50,000	(28,258)	(78,258)
Charges for services	891,500	916,500	879,298	(37,202)
Leases and rents	1,428,500	1,428,500	1,079,979	(348,521)
Contributions	-	-	30,000	30,000
Miscellaneous	416,000	416,000	460,006	44,006
Total Revenues	38,376,800	41,086,447	43,407,453	2,321,006
Expenditures:				
Current:				
General government	11,007,300	11,588,377	10,911,110	677,267
Public safety	16,590,200	17,045,181	14,899,543	2,145,638
Public works	4,392,900	4,587,998	3,430,456	1,157,542
Community development	1,241,100	1,283,047	1,215,937	67,110
Community services	1,693,500	1,873,598	1,437,912	435,686
Capital outlay	2,173,600	4,346,264	3,811,664	534,600
Debt service:				
Principal retirement	1,127,900	1,127,900	1,270,240	(142,340)
Interest and fiscal charges	369,000	369,000	391,808	(22,808)
Total Expenditures	38,595,500	42,221,365	37,368,670	4,852,695
REVENUE OVER (UNDER) EXPENDITURES	(218,700)	(1,134,918)	6,038,783	7,173,701
Other Financing Sources (Uses):				
Transfers in	1,260,488	2,561,091	725,096	(1,835,995)
Transfers out	(548,000)	(2,330,805)	(1,476,758)	854,047
Proceeds from capital lease	-	962,399	976,899	14,500
Total other financing sources (uses)	712,488	230,286	225,237	(967,448)
NET CHANGE IN FUND BALANCE	\$ 493,788	\$ (904,632)	6,264,020	\$ 7,168,652
FUND BALANCE:				
Beginning of Year			13,966,451	
End of Year			<u>\$ 20,230,471</u>	

City of Placentia
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – American Rescue Plan Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 635,803	\$ 635,803	\$ -
Investment earnings	-	-	2,938	2,938
Total Revenues	-	635,803	638,741	-
Other Financing (Uses):				
Transfers out	-	(635,803)	(635,803)	-
Total Other Financing (Uses)	-	(635,803)	(635,803)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	2,938	\$ -
FUND BALANCE:				
Beginning of Year			-	
End of Year			\$ 2,938	

City of Placentia
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Citywide Development Impact Fee Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 5,986,200	\$ 6,346,200	\$ 4,170,643	\$ (2,175,557)
Investment earnings	-	-	13,095	13,095
Total Revenues	<u>5,986,200</u>	<u>6,346,200</u>	<u>4,183,738</u>	<u>(2,162,462)</u>
Expenditures:				
Current:				
Public safety	-	-	833	(833)
Capital outlay	548,000	600,000	494,788	105,212
Total Expenditures	<u>548,000</u>	<u>600,000</u>	<u>495,621</u>	<u>104,379</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,438,200</u>	<u>\$ 5,746,200</u>	3,688,117	<u>\$ (2,058,083)</u>
FUND BALANCE:				
Beginning of Year			<u>1,103,507</u>	
End of Year			<u>\$ 4,791,624</u>	

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City of Placentia
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2021

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 2021, the City did not create a budget for the following governmental special revenue funds: Park Development, Storm Drain Construction, Affordable Housing, Traffic Offender, Sewer Construction, and TOD Impact Fee. The City also did not create a budget for the major Debt Service Fund.

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
Last Ten Fiscal Years
For the Year Ended June 30, 2021

Miscellaneous Plan

	6/30/2020
Measurement period, year ended ¹	0.38926%
Plan's proportion of the net pension liability	\$ 16,419,169
Plan's proportionate share of the net pension liability	\$ 4,453,916
Plan's covered payroll	368.65%
Plan's proportionate share of the net pension liability as a percentage of covered payroll	\$ 42,161,022
Plan's fiduciary net position	71.97%
Plan's fiduciary net position as a percentage of the total pension liability	\$ 1,383,994
Plan's proportionate share of aggregate employer contributions	

Notes to Schedule:

Changes in assumptions None in 2019. In 2018 demographic assumption and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

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

Miscellaneous Plan

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Measurement period, year ended ¹	0.14843%	0.14479%	0.14212%	0.14024%	0.13337%	0.13850%
Plan's proportion of the net pension liability	\$ 15,209,436	\$ 13,952,246	\$ 14,094,828	\$ 12,135,165	\$ 9,154,245	\$ 8,617,803
Plan's proportionate share of the net pension liability	\$ 4,324,190	\$ 4,198,243	\$ 4,075,964	\$ 4,140,888	\$ 3,220,454	\$ 3,712,315
Plan's covered payroll	351.73%	332.34%	345.80%	293.06%	284.25%	232.14%
Plan's proportionate share of the net pension liability as a percentage of covered payroll	\$ 41,142,220	\$ 40,682,189	\$ 39,816,871	\$ 38,103,697	\$ 40,735,920	\$ 42,161,022
Plan's fiduciary net position	73.01%	74.46%	73.86%	75.85%	81.65%	83.03%
Plan's fiduciary net position as a percentage of the total pension liability	\$ 1,139,534	\$ 932,993	\$ 785,438	\$ 667,441	\$ 383,155	\$ 412,406
Plan's proportionate share of aggregate employer contributions						

Notes to Schedule:

Changes in assumptions None in 2019. In 2018 demographic assumption and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

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

City of Placentia
Schedule of the City's Proportionate Share of the Net Pension Liabilities and Related Ratios
Last Ten Fiscal Years (Continued)
For the Year Ended June 30, 2021

Safety Plan

Measurement period, year ended ¹	6/30/2020
Plan's proportion of the net pension liability	0.44230%
Plan's proportionate share of the net pension liability	\$ 29,467,303
Plan's covered payroll	\$ 4,254,013
Plan's proportionate share of the net pension liability as a percentage of covered payroll	692.69%
Plan's fiduciary net position	\$ 69,454,497
Plan's fiduciary net position as a percentage of the total pension liability	70.21%
Plan's proportionate share of aggregate employer contributions	\$ 30,597,527

Notes to Schedule:

Changes in assumptions None in 2019. In 2018 demographic assumption and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

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

Safety Plan

Measurement period, year ended ¹	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	0.26351%	0.27222%	0.27242%	0.28572%	0.30267%	0.30596%
Plan's proportionate share of the net pension liability	\$ 27,002,144	\$ 26,231,540	\$ 27,017,047	\$ 24,723,412	\$ 20,774,757	\$ 19,038,500
Plan's covered payroll	\$ 4,130,110	\$ 4,009,816	\$ 3,893,025	\$ 4,142,921	\$ 4,074,947	\$ 4,323,789
Plan's proportionate share of the net pension liability as a percentage of covered payroll	653.79%	654.18%	693.99%	596.76%	509.82%	440.32%
Plan's fiduciary net position	\$ 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	71.99%	71.53%	69.81%	70.17%	74.32%	76.36%
Plan's proportionate share of aggregate employer contributions	\$ 2,108,590	\$ 3,034,432	\$ 2,753,462	\$ 2,568,441	\$ 2,175,167	\$ 2,157,763

Notes to Schedule:

Changes in assumptions None in 2019. In 2018 demographic assumption and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

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

City of Placentia
Schedule of City's Pension Contributions
Last Ten Fiscal Years
For the Year Ended June 30, 2021

Miscellaneous Plan

Fiscal year ¹	2020-21	2019-20
Contractually determined contribution (actuarially determined)	\$ 1,516,621	\$ 1,383,994
Contributions in relation to the actuarially determined contributions	(17,663,643)	(1,383,994)
Contribution deficiency (excess)	\$ (16,147,022)	\$ -
Covered payroll	\$ 4,453,916	\$ 4,453,916
Contributions as a percentage of covered payroll	396.59%	31.07%

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

Notes to Schedule

Valuation date:	6/30/2019	6/30/2018
-----------------	-----------	-----------

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were from the June 30, 2019 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Fair Value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

City of Placentia
Schedule of City's Pension Contributions
Last Ten Fiscal Years
For the Year Ended June 30, 2021

Fiscal year ¹	Miscellaneous Plan					
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Contractually determined contribution (actuarially determined)	\$ 1,139,534	\$ 932,993	\$ 785,438	\$ 667,441	\$ 383,155	\$ 412,406
Contributions in relation to the actuarially determined contributions	(1,139,534)	(932,993)	(785,438)	(667,441)	(383,155)	(412,406)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,324,190	\$ 4,198,243	\$ 4,075,964	\$ 4,140,888	\$ 3,220,454	\$ 3,712,315
Contributions as a percentage of covered payroll	26.35%	22.22%	19.27%	16.12%	11.90%	11.11%

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

Notes to Schedule

Valuation date: 6/30/2017 6/30/2016 6/30/2015 6/30/2014 6/30/2013 6/30/2012

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were from the June 30, 2019 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Fair Value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

City of Placentia
Schedule of City's Pension Contributions (Continued)
Last Ten Fiscal Years
For the Year Ended June 30, 2021

Safety Plan

Fiscal year	2020-21	2019-20
Contractually determined contribution (actuarially determined)	\$ 2,561,365	\$ 2,519,683
Contributions in relation to the actuarially determined contributions	(30,597,527)	(2,519,683)
Contribution deficiency (excess)	\$ (28,036,162)	\$ -
Covered payroll	\$ 4,381,634	\$ 4,254,014
Contributions as a percentage of covered payroll	698.31%	59.23%

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

Notes to Schedule

Valuation date: 6/30/2019 6/30/2018

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were from the June 30, 2019 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Fair Value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25%, net of pension plan investment and administrative expenses, including inflation

Retirement age The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2015.

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

City of Placentia
Schedule of City's Pension Contributions (Continued)
Last Ten Fiscal Years
For the Year Ended June 30, 2021

Safety Plan						
Fiscal year	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14¹</u>
Contractually determined contribution (actuarially determined)	\$ 2,108,590	\$ 3,034,432	\$ 2,753,462	\$ 2,568,441	\$ 2,175,167	\$ 2,157,763
Contributions in relation to the actuarially determined contributions	(2,108,590)	(3,034,432)	(2,753,462)	(2,568,441)	(2,175,167)	(2,157,763)
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 4,130,110	\$ 4,009,816	\$ 3,893,025	\$ 4,142,921	\$ 4,074,947	\$ 4,323,789
Contributions as a percentage of covered payroll	51.05%	75.68%	70.73%	62.00%	53.38%	49.90%

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

Notes to Schedule

Valuation date: 6/30/2017 6/30/2016 6/30/2015 6/30/2014 6/30/2013 6/30/2012

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were from the June 30, 2019 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Fair Value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25%, net of pension plan investment and administrative expenses, including inflation

Retirement age The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2015.

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

City of Placentia
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years
For the Year Ended June 30, 2021

Measurement period, year ending: ¹	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability				
Service cost	\$ 359,454	\$ 542,976	\$ 569,606	\$ 675,000
Interest	919,735	1,092,405	1,032,870	899,000
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(2,606,242)	-	-
Changes of assumptions	4,699,117	332,593	(1,089,486)	(3,058,000)
Benefit payments, including refunds of member contributions	(1,142,314)	(1,112,888)	(1,107,000)	(1,116,000)
Net change in total OPEB liability	<u>4,835,992</u>	<u>(1,751,156)</u>	<u>(594,010)</u>	<u>(2,600,000)</u>
Total OPEB liability - beginning	<u>26,489,834</u>	<u>28,240,990</u>	<u>28,835,000</u>	<u>31,435,000</u>
Total OPEB liability - ending (a)	<u><u>\$ 31,325,826</u></u>	<u><u>\$ 26,489,834</u></u>	<u><u>\$ 28,240,990</u></u>	<u><u>\$ 28,835,000</u></u>
OPEB fiduciary net position				
Contributions - employer	\$ 1,146,160	\$ 1,142,314	\$ 1,112,888	\$ 1,116,000
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(1,146,160)	(1,142,314)	(1,112,888)	(1,116,000)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan net OPEB liability - ending (a) - (b)	<u><u>\$ 31,325,826</u></u>	<u><u>\$ 26,489,834</u></u>	<u><u>\$ 28,240,990</u></u>	<u><u>\$ 28,835,000</u></u>
Plan fiduciary net position as a percentage of the total OPEB lial	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 13,993,405	\$ 12,286,189	\$ 11,810,189	\$ 9,367,000
Plan net OPEB liability as a percentage of covered payroll	224%	216%	239%	308%

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

Notes to Schedule:

For the June 30, 2020 measurement date, the discount rate was updated based on the municipal bond rate as of the measurement date.

City of Placentia
Schedule of City's OPEB Contributions
Last Ten Fiscal Years
For the Year Ended June 30, 2021

Fiscal year ¹	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Actuarially determined contribution	\$ 1,146,160	\$ 1,142,314	\$ 1,112,888	\$ 1,107,000
Contributions in relation to the actuarially determined contribution	(1,146,160)	(1,142,314)	(1,112,888)	(1,107,000)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,993,405	\$ 12,286,189	\$ 11,810,189	\$ 11,466,203
Contributions as a percentage of covered payroll	8.19%	9.30%	9.42%	9.65%

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

Notes to Schedule

Valuation date:	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	2.75% annually
Salary increases	Aggregate 3% annually, Merit - CalPERS 1997-2015 Experience Study
Payroll growth	3.00%
Discount rate	2.21% (Bond Buyer 20-Bond Index)
Mortality, retirement, disability, termination	CalPERS Experience Study 1997-2015
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2019

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SUPPLEMENTARY INFORMATION

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 percent 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.

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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SBI 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.

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

Housing Successor Fund - to account for 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.

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, 2021

Special Revenue Funds

	Miscellaneous Grants	Park Development	Street Lighting	Measure M
ASSETS				
Cash and investments	\$ -	\$ 20,152	\$ 39,170	\$ 571,339
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	1,381	94,726
Grants	-	-	-	-
Loans and notes	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ -	\$ 20,152	\$ 40,551	\$ 666,065
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 12,950	\$ -	\$ 40,552	\$ 6,123
Accrued liabilities	1,929	-	-	-
Due to other funds	40,622	-	-	-
Total liabilities	55,501	-	40,552	6,123
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	-	20,152	-	659,942
Unassigned (deficit)	(55,501)	-	(1)	-
Total fund balances	(55,501)	20,152	(1)	659,942
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 20,152	\$ 40,551	\$ 666,065

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Storm Drain Construction	Thoroughfare Construction	Asset Seizure	Traffic Offender
ASSETS				
Cash and investments	\$ 24,519	\$ 5,568	\$ 365,608	\$ 4,559
Receivables:				
Accounts	-	-	-	1,124
Taxes	-	-	-	-
Grants	-	-	-	-
Loans and notes	-	-	-	-
Prepaid items	-	-	6,000	-
Land held for resale	-	-	-	-
Total assets	\$ 24,519	\$ 5,568	\$ 371,608	\$ 5,683
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 8,392	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	8,392	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	24,519	5,568	363,216	5,683
Unassigned (deficit)	-	-	-	-
Total fund balances	24,519	5,568	363,216	5,683
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,519	\$ 5,568	\$ 371,608	\$ 5,683

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Supplemental Law Enforcement	Air Quality	Landscape Maintenance District 92-1	Housing and Community Development
ASSETS				
Cash and investments	\$ 152,452	\$ 135,960	\$ -	\$ 168
Receivables:				
Accounts	-	17,097	-	-
Taxes	-	-	8,277	-
Grants	-	-	-	-
Loans and notes	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 152,452	\$ 153,057	\$ 8,277	\$ 168
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 64,945	\$ 168
Accrued liabilities	-	-	4,615	-
Due to other funds	-	-	31,873	86,784
Total liabilities	-	-	101,433	86,952
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	152,452	153,057	-	-
Unassigned (deficit)	-	-	(93,156)	(86,784)
Total fund balances	152,452	153,057	(93,156)	(86,784)
Total liabilities, deferred inflows of resources, and fund balances	\$ 152,452	\$ 153,057	\$ 8,277	\$ 168

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Gasoline Tax	Sewer Construction	PEG	Affordable Housing In-Lieu
ASSETS				
Cash and investments	\$ 9,596	\$ 21,977	\$ -	\$ 55,192
Receivables:				
Accounts	-	-	20,168	-
Taxes	-	-	-	-
Grants	-	-	-	-
Loans and notes	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 9,596	\$ 21,977	\$ 20,168	\$ 55,192
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 9,143	\$ -	\$ 8,951	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	40,948	-
Total liabilities	9,143	-	49,899	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	453	21,977	-	55,192
Unassigned (deficit)	-	-	(29,731)	-
Total fund balances	453	21,977	(29,731)	55,192
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,596	\$ 21,977	\$ 20,168	\$ 55,192

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	SB1 Gas Tax	NOC Public Safety Grant	Community Based Transitional Housing Grant	TOD Impact Fee
ASSETS				
Cash and investments	\$ 971,853	\$ 318,655	\$ -	\$ 3,681,965
Receivables:				
Accounts	-	-	-	-
Taxes	173,960	-	-	-
Grants	-	-	-	-
Loans and notes	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 1,145,813	\$ 318,655	\$ -	\$ 3,681,965
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 840	\$ -	\$ -
Accrued liabilities	-	8,257	-	-
Due to other funds	-	-	-	-
Total liabilities	-	9,097	-	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	1,145,813	309,558	-	3,681,965
Unassigned (deficit)	-	-	-	-
Total fund balances	1,145,813	309,558	-	3,681,965
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,145,813	\$ 318,655	\$ -	\$ 3,681,965

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Placentia Regional Navigation Center	General Plan Update Fee	Technology Impact Fee	OCATT
ASSETS				
Cash and investments	\$ -	\$ 709,122	\$ 334,596	\$ -
Receivables:				
Accounts	658,219	-	10	-
Taxes	-	-	-	-
Grants	-	-	-	-
Loans and notes	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>\$ 658,219</u>	<u>\$ 709,122</u>	<u>\$ 334,606</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	821,745	-	-	-
Total liabilities	<u>821,745</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	626,379	-	-	-
Total deferred inflows of resources	<u>626,379</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	709,122	334,606	-
Unassigned (deficit)	(789,905)	-	-	-
Total fund balances	<u>(789,905)</u>	<u>709,122</u>	<u>334,606</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,840</u>	<u>\$ 709,122</u>	<u>\$ 334,606</u>	<u>\$ -</u>

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Other Governmental Funds
	Housing Successor	City Capital Projects	Gas Tax	
ASSETS				
Cash and investments	\$ 266,864	\$ -	\$ -	\$ 7,689,315
Receivables:				
Accounts	-	-	-	696,618
Taxes	-	-	-	278,344
Grants	-	372,653	-	372,653
Loans and notes	791,052	-	-	791,052
Prepaid items	-	-	-	6,000
Land held for resale	1,036,760	-	-	1,036,760
Total assets	\$ 2,094,676	\$ 372,653	\$ -	\$ 10,870,742
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 873	\$ -	\$ 152,937
Accrued liabilities	-	-	-	14,801
Due to other funds	-	349,568	-	1,371,540
Total liabilities	-	350,441	-	1,539,278
Deferred inflows of resources:				
Unavailable revenues	243,136	372,653	-	1,242,168
Total deferred inflows of resources	243,136	372,653	-	1,242,168
Fund balances:				
Restricted	1,851,540	-	-	9,494,815
Unassigned (deficit)	-	(350,441)	-	(1,405,519)
Total fund balances	1,851,540	(350,441)	-	8,089,296
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,094,676	\$ 372,653	\$ -	\$ 10,870,742

(Concluded)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			
	Miscellaneous Grants	Park Development	Street Lighting	Measure M
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 862,250
Fines and forfeitures	-	-	-	-
Investment earnings	175	79	-	2,716
Charges for services	-	-	133,960	-
Lease revenue	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	29,000	-	-	-
Total revenues	<u>29,175</u>	<u>79</u>	<u>133,960</u>	<u>864,966</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	23,504	-	-	-
Public works	-	-	462,507	-
Community development	-	-	-	-
Community services	4,161	-	-	-
Capital outlay	144,778	-	-	559,714
Debt service:				
Principal retirement	-	-	-	321,522
Interest and fiscal charges	-	-	-	8,593
Total expenditures	<u>172,443</u>	<u>-</u>	<u>462,507</u>	<u>889,829</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(143,268)</u>	<u>79</u>	<u>(328,547)</u>	<u>(24,863)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Payment to escrow for refunding debt	-	-	-	-
Transfers in	-	-	338,852	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>338,852</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(143,268)</u>	<u>79</u>	<u>10,305</u>	<u>(24,863)</u>
FUND BALANCES:				
Beginning of year	87,767	20,073	(10,306)	684,805
End of year	<u>\$ (55,501)</u>	<u>\$ 20,152</u>	<u>\$ (1)</u>	<u>\$ 659,942</u>

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			
	Storm Drain Construction	Thoroughfare Construction	Asset Seizure	Traffic Offender
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	23,730	-
Investment earnings	96	71	1,779	16
Charges for services	-	-	-	-
Lease revenue	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>96</u>	<u>71</u>	<u>25,509</u>	<u>16</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	78,156	-
Public works	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	20,100	99,140	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>20,100</u>	<u>177,296</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>96</u>	<u>(20,029)</u>	<u>(151,787)</u>	<u>16</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Payment to escrow for refunding debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>96</u>	<u>(20,029)</u>	<u>(151,787)</u>	<u>16</u>
FUND BALANCES:				
Beginning of year	24,423	25,597	515,003	5,667
End of year	<u>\$ 24,519</u>	<u>\$ 5,568</u>	<u>\$ 363,216</u>	<u>\$ 5,683</u>

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			
	Supplemental Law Enforcement	Air Quality	Landscape Maintenance District 92-1	Housing and Community Development
REVENUES:				
Intergovernmental	\$ 156,731	\$ 83,560	\$ -	\$ 1,153,466
Fines and forfeitures	-	-	-	-
Investment earnings	691	492	-	-
Charges for services	-	-	451,345	-
Lease revenue	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>157,422</u>	<u>84,052</u>	<u>451,345</u>	<u>1,153,466</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	100,000	-	-	-
Public works	-	-	511,429	-
Community development	-	-	-	767,374
Community services	-	-	-	97,700
Capital outlay	-	40,610	-	165,650
Debt service:				
Principal retirement	-	11,404	-	-
Interest and fiscal charges	-	40	-	-
Total expenditures	<u>100,000</u>	<u>52,054</u>	<u>511,429</u>	<u>1,030,724</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>57,422</u>	<u>31,998</u>	<u>(60,084)</u>	<u>122,742</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Payment to escrow for refunding debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(17,747)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(17,747)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	57,422	31,998	(77,831)	122,742
FUND BALANCES:				
Beginning of year	95,030	121,059	(15,325)	(209,526)
End of year	<u>\$ 152,452</u>	<u>\$ 153,057</u>	<u>\$ (93,156)</u>	<u>\$ (86,784)</u>

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

Special Revenue Funds

	Gasoline Tax	Sewer Construction	PEG	Affordable Housing In-Lieu
REVENUES:				
Intergovernmental	\$ 1,132,820	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Investment earnings	453	87	-	532
Charges for services	-	-	82,031	-
Lease revenue	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,133,273</u>	<u>87</u>	<u>82,031</u>	<u>532</u>
EXPENDITURES:				
Current:				
General government	-	-	83,500	-
Public safety	-	-	-	-
Public works	644,327	-	-	-
Community development	-	-	-	540
Community services	-	-	-	-
Capital outlay	3,993	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>648,320</u>	<u>-</u>	<u>83,500</u>	<u>540</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>484,953</u>	<u>87</u>	<u>(1,469)</u>	<u>(8)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Payment to escrow for refunding debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(484,500)	-	-	-
Total other financing sources (uses)	<u>(484,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	453	87	(1,469)	(8)
FUND BALANCES:				
Beginning of year	-	21,890	(28,262)	55,200
End of year	<u>\$ 453</u>	<u>\$ 21,977</u>	<u>\$ (29,731)</u>	<u>\$ 55,192</u>

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

Special Revenue Funds

	SB1 Gas Tax	NOC Public Safety Grant	Community Based Transitional Housing Grant	TOD Impact Fee
REVENUES:				
Intergovernmental	\$ 954,625	\$ 483,998	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Investment earnings	2,930	1,144	-	6,901
Charges for services	-	-	-	2,938,876
Lease revenue	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>957,555</u>	<u>485,142</u>	<u>-</u>	<u>2,945,777</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	225,088	5,146	-
Public works	-	-	-	-
Community development	-	-	261,400	-
Community services	-	542	7,050	-
Capital outlay	556,062	4,948	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>556,062</u>	<u>230,578</u>	<u>273,596</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>401,493</u>	<u>254,564</u>	<u>(273,596)</u>	<u>2,945,777</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Payment to escrow for refunding debt	-	-	-	-
Transfers in	-	-	104,192	-
Transfers out	-	(21,432)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(21,432)</u>	<u>104,192</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	401,493	233,132	(169,404)	2,945,777
FUND BALANCES:				
Beginning of year	744,320	76,426	169,404	736,188
End of year	<u>\$ 1,145,813</u>	<u>\$ 309,558</u>	<u>\$ -</u>	<u>\$ 3,681,965</u>

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			
	Placentia Regional Navigation Center	General Plan Update Fee	Technology Impact Fee	OCATT
REVENUES:				
Intergovernmental	\$ 1,068,947	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Investment earnings	-	1,787	993	-
Charges for services	-	433,324	244,601	-
Lease revenue	-	-	-	-
Contributions	768,751	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,837,698</u>	<u>435,111</u>	<u>245,594</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	1,605,523	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Community services	82	-	-	-
Capital outlay	214,448	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	19,000	-	-	-
Total expenditures	<u>1,839,053</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,355)</u>	<u>435,111</u>	<u>245,594</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Payment to escrow for refunding debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(10,739)	-	(85,000)	-
Total other financing sources (uses)	<u>(10,739)</u>	<u>-</u>	<u>(85,000)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(12,094)</u>	<u>435,111</u>	<u>160,594</u>	<u>-</u>
FUND BALANCES:				
Beginning of year	(777,811)	274,011	174,012	-
End of year	<u>\$ (789,905)</u>	<u>\$ 709,122</u>	<u>\$ 334,606</u>	<u>\$ -</u>

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Other Governmental Funds
	Housing Successor	City Capital Projects	Gas Tax	
REVENUES:				
Intergovernmental	\$ -	\$ 157,715	\$ -	\$ 6,054,112
Fines and forfeitures	-	-	-	23,730
Investment earnings	-	-	4,089	25,031
Charges for services	-	-	-	4,284,137
Lease revenue	10,100	-	-	10,100
Contributions	-	-	-	768,751
Miscellaneous	94,436	64,022	-	187,458
Total revenues	104,536	221,737	4,089	11,353,319
EXPENDITURES:				
Current:				
General government	-	-	-	83,500
Public safety	-	-	-	2,037,417
Public works	-	-	-	1,618,263
Community development	-	-	-	1,029,314
Community services	-	-	-	109,535
Capital outlay	-	61,851	-	1,871,294
Debt service:				
Principal retirement	-	-	301,000	633,926
Interest and fiscal charges	-	-	345,311	372,944
Total expenditures	-	61,851	646,311	7,756,193
REVENUES OVER (UNDER) EXPENDITURES	104,536	159,886	(642,222)	3,597,126
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	3,656,000	3,656,000
Payment to escrow for refunding debt	-	-	(3,915,000)	(3,915,000)
Transfers in	-	-	484,500	927,544
Transfers out	-	-	(78,594)	(698,012)
Total other financing sources (uses)	-	-	146,906	(29,468)
NET CHANGES IN FUND BALANCES	104,536	159,886	(495,316)	3,567,658
FUND BALANCES:				
Beginning of year	1,747,004	(510,327)	495,316	4,521,638
End of year	<u>\$ 1,851,540</u>	<u>\$ (350,441)</u>	<u>\$ -</u>	<u>\$ 8,089,296</u>

(Concluded)

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Miscellaneous Grants Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 812,300	\$ 1,196,137	\$ -	\$ (1,196,137)
Investment earnings	-	-	175	175
Miscellaneous	48,000	65,000	29,000	(36,000)
Total Revenues	<u>860,300</u>	<u>1,261,137</u>	<u>29,175</u>	<u>(1,231,962)</u>
Expenditures:				
Current:				
Public safety	42,100	42,100	23,504	18,596
Community services	60,500	55,500	4,161	51,339
Capital outlay	855,200	913,700	144,778	768,922
Total Expenditures	<u>957,800</u>	<u>1,011,300</u>	<u>172,443</u>	<u>838,857</u>
NET CHANGE IN FUND BALANCE	<u>\$ (97,500)</u>	<u>\$ 249,837</u>	<u>(143,268)</u>	<u>\$ (2,070,819)</u>
FUND BALANCE:				
Beginning of Year			<u>87,767</u>	
End of Year			<u>\$ (55,501)</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Lighting Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 135,000	\$ 135,000	\$ 133,960	\$ (1,040)
Total Revenues	<u>135,000</u>	<u>135,000</u>	<u>133,960</u>	<u>(1,040)</u>
Expenditures:				
Current:				
Public works	410,600	410,600	462,507	(51,907)
Total Expenditures	<u>410,600</u>	<u>410,600</u>	<u>462,507</u>	<u>(51,907)</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(275,600)</u>	<u>(275,600)</u>	<u>(328,547)</u>	<u>(52,947)</u>
Other Financing Sources:				
Transfers in	276,000	276,000	338,852	62,852
Total Other Financing Sources	<u>276,000</u>	<u>276,000</u>	<u>338,852</u>	<u>62,852</u>
NET CHANGE IN FUND BALANCE	<u>\$ 400</u>	<u>\$ 400</u>	<u>10,305</u>	<u>\$ 9,905</u>
FUND BALANCE:				
Beginning of Year			<u>(10,306)</u>	
End of Year			<u>\$ (1)</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure M Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 736,200	\$ 896,200	\$ 862,250	\$ (33,950)
Investment income	-	-	2,716	2,716
Total Revenues	<u>736,200</u>	<u>896,200</u>	<u>864,966</u>	<u>(31,234)</u>
Expenditures:				
Capital outlay	676,000	711,823	559,714	152,109
Debt service:				
Principal retirement	246,000	246,000	321,522	(75,522)
Interest and fiscal charges	32,600	32,600	8,593	24,007
Total Expenditures	<u>954,600</u>	<u>990,423</u>	<u>889,829</u>	<u>100,594</u>
NET CHANGE IN FUND BALANCE	<u>\$ (218,400)</u>	<u>\$ (94,223)</u>	<u>(24,863)</u>	<u>\$ 69,360</u>
FUND BALANCE:				
Beginning of Year			<u>684,805</u>	
End of Year			<u>\$ 659,942</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Thoroughfare Construction Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 71	\$ 71
Total Revenues	<u>-</u>	<u>-</u>	<u>71</u>	<u>71</u>
Expenditures:				
Capital outlay	\$ 16,900	\$ 25,100	\$ 20,100	\$ 5,000
Total expenditures	<u>16,900</u>	<u>25,100</u>	<u>20,100</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (16,900)</u>	<u>\$ (25,100)</u>	(20,029)	<u>\$ 5,071</u>
FUND BALANCE:				
Beginning of Year			<u>25,597</u>	
End of Year			<u>\$ 5,568</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Asset Seizure Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 23,730	\$ 23,730
Investment earnings	-	-	1,779	1,779
Total Revenues	-	-	25,509	25,509
Expenditures:				
Current:				
Public safety	105,000	132,201	78,156	54,045
Capital outlay	95,500	115,200	99,140	16,060
Total Expenditures	200,500	247,401	177,296	70,105
NET CHANGE IN FUND BALANCE	\$ (200,500)	\$ (247,401)	(151,787)	\$ 95,614
FUND BALANCE:				
Beginning of Year			515,003	
End of Year			\$ 363,216	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Supplemental Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 156,731	\$ 56,731
Investment earnings	-	-	691	691
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>157,422</u>	<u>57,422</u>
Other Financing (Uses):				
Transfers out	(100,000)	(100,000)	-	100,000
Total Other Financing (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	157,422	<u>\$ 157,422</u>
FUND BALANCE:				
Beginning of Year			95,030	
End of Year			<u>\$ 252,452</u>	
			100,000	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Air Quality Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 66,000	\$ 66,000	\$ 83,560	\$ 17,560
Investment earnings	-	-	492	492
Total Revenues	<u>66,000</u>	<u>66,000</u>	<u>84,052</u>	<u>18,052</u>
Expenditures:				
Capital outlay	-	86,248	40,610	45,638
Debt service:				
Principal retirement	11,500	11,500	11,404	96
Interest and fiscal charges	-	-	40	(40)
Total Expenditures	<u>11,500</u>	<u>97,748</u>	<u>52,054</u>	<u>45,694</u>
NET CHANGE IN FUND BALANCE	<u>\$ 54,500</u>	<u>\$ (31,748)</u>	31,998	<u>\$ 63,746</u>
FUND BALANCE:				
Beginning of Year			<u>121,059</u>	
End of Year			<u>\$ 153,057</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Landscape Maintenance District 92-1 Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 447,500	\$ 447,500	\$ 451,345	\$ 3,845
Total Revenues	<u>447,500</u>	<u>447,500</u>	<u>451,345</u>	<u>3,845</u>
Expenditures:				
Current:				
Public works	443,900	443,900	511,429	(67,529)
Total Expenditures	<u>443,900</u>	<u>443,900</u>	<u>511,429</u>	<u>(67,529)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,600</u>	<u>\$ 3,600</u>	(77,831)	<u>\$ (81,431)</u>
FUND BALANCE:				
Beginning of Year			<u>(15,325)</u>	
End of Year			<u>\$ (93,156)</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing and Community Development Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 352,000	\$ 1,971,555	\$ 1,153,466	\$ (818,089)
Total Revenues	<u>352,000</u>	<u>1,971,555</u>	<u>1,153,466</u>	<u>(818,089)</u>
Expenditures:				
Current:				
Community development	62,500	1,252,129	767,374	484,755
Capital outlay	-	220,400	165,650	54,750
Total Expenditures	<u>62,500</u>	<u>1,472,529</u>	<u>933,024</u>	<u>539,505</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>289,500</u>	<u>499,026</u>	<u>220,442</u>	<u>(278,584)</u>
Other Financing (Uses):				
Transfers out	(97,700)	(97,700)	-	97,700
Total Other Financing (Uses)	<u>(97,700)</u>	<u>(97,700)</u>	<u>-</u>	<u>97,700</u>
NET CHANGE IN FUND BALANCE	<u>\$ 191,800</u>	<u>\$ 401,326</u>	<u>220,442</u>	<u>\$ (180,884)</u>
FUND BALANCE:				
Beginning of Year			<u>(209,526)</u>	
End of Year			<u>\$ 10,916</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gasoline Tax Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,169,608	\$ 1,169,608	\$ 1,132,820	\$ (36,788)
Investment earnings	-	-	453	453
Total Revenues	<u>1,169,608</u>	<u>1,169,608</u>	<u>1,133,273</u>	<u>(36,335)</u>
Expenditures:				
Current:				
Public works	230,800	230,800	644,327	(413,527)
Capital outlay	-	3,993	3,993	-
Total expenditures	<u>230,800</u>	<u>234,793</u>	<u>648,320</u>	<u>(413,527)</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>938,808</u>	<u>934,815</u>	<u>484,953</u>	<u>(449,862)</u>
Other Financing (Uses):				
Transfers out	(1,084,500)	(1,084,500)	(484,500)	600,000
Total Other Financing (Uses)	<u>(1,084,500)</u>	<u>(1,084,500)</u>	<u>(484,500)</u>	<u>600,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (145,692)</u>	<u>\$ (149,685)</u>	453	<u>\$ 150,138</u>
FUND BALANCE:				
Beginning of Year			-	
End of Year			<u>\$ 453</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
PEG Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 80,000	\$ 80,000	\$ 82,031	\$ 2,031
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>82,031</u>	<u>2,031</u>
Expenditures:				
Current:				
General government	94,400	98,285	83,500	14,785
Total Expenditures	<u>94,400</u>	<u>98,285</u>	<u>83,500</u>	<u>14,785</u>
NET CHANGE IN FUND BALANCE	<u>\$ (14,400)</u>	<u>\$ (18,285)</u>	(1,469)	<u>\$ 16,816</u>
FUND BALANCE:				
Beginning of Year			<u>(28,262)</u>	
End of Year			<u>\$ (29,731)</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB1 RMRA Gas Tax Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 871,649	\$ 871,649	\$ 954,625	\$ 82,976
Investment earnings	-	-	2,930	2,930
Total Revenues	<u>871,649</u>	<u>871,649</u>	<u>957,555</u>	<u>85,906</u>
Expenditures:				
Capital outlay	407,800	733,276	556,062	177,214
Total Expenditures	<u>407,800</u>	<u>733,276</u>	<u>556,062</u>	<u>177,214</u>
NET CHANGE IN FUND BALANCE	<u>\$ 463,849</u>	<u>\$ 138,373</u>	401,493	<u>\$ 263,120</u>
FUND BALANCE:				
Beginning of Year			<u>744,320</u>	
End of Year			<u>\$ 1,145,813</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
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 404,000	\$ 404,000	\$ 483,998	\$ 79,998
Investment earnings	-	-	1,144	1,144
Total Revenues	<u>404,000</u>	<u>404,000</u>	<u>485,142</u>	<u>81,142</u>
Expenditures:				
Current:				
Public safety	336,200	336,200	225,088	111,112
Community services	14,700	14,700	542	14,158
Capital outlay	27,000	27,000	4,948	22,052
Total Expenditures	<u>377,900</u>	<u>377,900</u>	<u>230,578</u>	<u>147,322</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>26,100</u>	<u>26,100</u>	<u>254,564</u>	<u>228,464</u>
Other Financing (Uses):				
Transfers out	-	-	(21,432)	(21,432)
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>(21,432)</u>	<u>(21,432)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 26,100</u>	<u>\$ 26,100</u>	<u>233,132</u>	<u>\$ 207,032</u>
FUND BALANCE:				
Beginning of Year			<u>76,426</u>	
End of Year			<u>\$ 309,558</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Based Transitional Housing Grant Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public safety	\$ 7,600	\$ 7,600	\$ 5,146	\$ 2,454
Community development	261,400	261,400	261,400	-
Community services	-	-	7,050	(7,050)
Total Expenditures	<u>269,000</u>	<u>269,000</u>	<u>273,596</u>	<u>(4,596)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (269,000)</u>	<u>\$ (269,000)</u>	(169,404)	<u>\$ 99,596</u>
FUND BALANCE:				
Beginning of Year			<u>169,404</u>	
End of Year			<u>\$ -</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Placentia Regional Navigation Center Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 286,863	\$ 1,068,947	\$ 782,084
Contributions	1,140,925	1,790,439	768,751	(1,021,688)
Total Revenues	<u>1,140,925</u>	<u>2,077,302</u>	<u>1,837,698</u>	<u>(239,604)</u>
Expenditures:				
Current:				
Public safety	1,781,655	1,631,655	1,605,523	26,132
Community services	-	11,000	82	10,918
Capital outlay	100,000	540,898	214,448	326,450
Debt service:				
Interest and fiscal charges	-	19,010	19,000	10
Total Expenditures	<u>1,881,655</u>	<u>2,202,563</u>	<u>1,839,053</u>	<u>363,510</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(740,730)</u>	<u>(125,261)</u>	<u>(1,355)</u>	<u>123,906</u>
Other Financing (Uses):				
Transfers out	-	(10,739)	(10,739)	-
Total Other Financing (Uses)	<u>-</u>	<u>(10,739)</u>	<u>(10,739)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (740,730)</u>	<u>\$ (136,000)</u>	<u>(12,094)</u>	<u>\$ 123,906</u>
FUND BALANCE:				
Beginning of Year			<u>(777,811)</u>	
End of Year			<u>\$ (789,905)</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Plan Update Fee Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 1,787	\$ 1,787
Charges for services	100,000	100,000	433,324	333,324
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>435,111</u>	<u>335,111</u>
NET CHANGE IN FUND BALANCE	<u>\$ 100,000</u>	<u>\$ 100,000</u>	435,111	<u>\$ 335,111</u>
FUND BALANCE:				
Beginning of Year			<u>274,011</u>	
End of Year			<u>\$ 709,122</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Technology Impact Fee Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 993	\$ 993
Charges for services	50,000	50,000	244,601	194,601
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>245,594</u>	<u>195,594</u>
Other Financing (Uses):				
Transfers out	(85,000)	(85,000)	(85,000)	-
Total Other Financing (Uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	160,594	<u>\$ 195,594</u>
FUND BALANCE:				
Beginning of Year			<u>174,012</u>	
End of Year			<u>\$ 334,606</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Successor Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Lease revenue	\$ 9,600	\$ 9,600	\$ 10,100	\$ 500
Miscellaneous	48,600	48,600	94,436	45,836
Total Revenues	<u>58,200</u>	<u>58,200</u>	<u>104,536</u>	<u>46,336</u>
NET CHANGE IN FUND BALANCE	<u>\$ 58,200</u>	<u>\$ 58,200</u>	<u>104,536</u>	<u>\$ 46,336</u>
FUND BALANCE:				
Beginning of Year			<u>1,747,004</u>	
End of Year			<u>\$ 1,851,540</u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Capital Projects Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 1,314,295	\$ 157,715	\$ (1,156,580)
Miscellaneous	-	-	64,022	64,022
Total Revenues	-	1,314,295	221,737	(1,092,558)
Expenditures:				
Capital outlay	-	1,330,467	61,851	1,268,616
Total Expenditures	-	1,330,467	61,851	1,268,616
NET CHANGE IN FUND BALANCE	\$ -	\$ (16,172)	159,886	\$ 176,058
FUND BALANCE:				
Beginning of Year			(510,327)	
End of Year			<u><u>\$ (350,441)</u></u>	

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Debt Service Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 4,089	\$ 4,089
Total Revenues	<u>-</u>	<u>-</u>	<u>4,089</u>	<u>4,089</u>
Expenditures:				
Debt service:				
Principal retirement	275,000	275,000	301,000	(26,000)
Interest and fiscal charges	209,500	209,500	345,311	(135,811)
Total Expenditures	<u>484,500</u>	<u>484,500</u>	<u>646,311</u>	<u>(161,811)</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(484,500)</u>	<u>(484,500)</u>	<u>(642,222)</u>	<u>(157,722)</u>
Other Financing Sources (Uses):				
Proceeds from issuance of debt	-	-	3,656,000	3,656,000
Payment to escrow for refunding debt	-	(1,818,004)	(3,915,000)	(2,096,996)
Transfers in	484,500	484,500	484,500	-
Transfers out	-	-	(78,594)	(78,594)
Total Other Financing Sources (Uses)	<u>484,500</u>	<u>(1,333,504)</u>	<u>146,906</u>	<u>1,480,410</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (1,818,004)</u>	<u>(495,316)</u>	<u>\$ 1,322,688</u>
FUND BALANCE:				
Beginning of Year			<u>495,316</u>	
End of Year			<u>\$ -</u>	

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INTERNAL SERVICE FUND FINANCIAL STATEMENTS

City of Placentia
Combining Statement of Net Position
All Internal Service Funds
June 30, 2021

	Risk Management	Health and Welfare	Equipment Replacement	Total
ASSETS				
Current assets:				
Cash and investments	\$ 2,089,375	\$ 32,326	\$ 38,877	\$ 2,160,578
Receivable:				
Accounts	-	53	-	53
Total current assets	<u>2,089,375</u>	<u>32,379</u>	<u>38,877</u>	<u>2,160,631</u>
Total assets	<u>2,089,375</u>	<u>32,379</u>	<u>38,877</u>	<u>2,160,631</u>
LIABILITIES				
Current liabilities:				
Accounts payable	52,751	13,362	-	66,113
Accrued liabilities	5	-	-	5
Accrued claims and judgments - due within one year	967,626	-	-	967,626
Total current liabilities	<u>1,020,382</u>	<u>13,362</u>	<u>-</u>	<u>1,033,744</u>
Noncurrent liabilities:				
Accrued claims and judgments - due in more than one year	2,902,877	-	-	2,902,877
Total noncurrent liabilities	<u>2,902,877</u>	<u>-</u>	<u>-</u>	<u>2,902,877</u>
Total liabilities	<u>3,923,259</u>	<u>13,362</u>	<u>-</u>	<u>3,936,621</u>
NET POSITION				
Unrestricted	(1,833,884)	19,017	38,877	(1,775,990)
Total net position	<u>\$ (1,833,884)</u>	<u>\$ 19,017</u>	<u>\$ 38,877</u>	<u>\$ (1,775,990)</u>

City of Placentia
Combining Statement for All Internal Service Funds of
Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2021

	Governmental Activities			
	Risk Management	Health and Welfare	Equipment Replacement	Total
OPERATING REVENUES:				
Reimbursements	\$ -	\$ 97,329	\$ 223	\$ 97,552
Sales and service charges	1,327,131	856,804	-	2,183,935
Total operating revenues	1,327,131	954,133	223	2,281,487
OPERATING EXPENSES:				
Administration	351,177	-	49,342	400,519
Reinsurance premiums	-	169,696	-	169,696
Claims	2,223,984	-	-	2,223,984
Medical and dental premiums	-	987,691	-	987,691
Liability insurance premiums	814,173	5,117	-	819,290
Total operating expenses	3,389,334	1,162,504	49,342	4,601,180
OPERATING INCOME (LOSS)	(2,062,203)	(208,371)	(49,119)	(2,319,693)
Net Income (Loss)	(2,062,203)	(208,371)	(49,119)	(2,319,693)
CHANGES IN NET POSITION	(2,062,203)	(208,371)	(49,119)	(2,319,693)
NET POSITION:				
Beginning of the year	228,319	227,388	87,996	543,703
End of the year	<u>\$ (1,833,884)</u>	<u>\$ 19,017</u>	<u>\$ 38,877</u>	<u>\$ (1,775,990)</u>

City of Placentia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

	Risk Management	Health and Welfare	Equipment Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 1,327,131	\$ 954,080	\$ 223	\$ 2,281,434
Cash paid to suppliers for goods and services	434,568	(1,166,873)	(49,342)	(781,647)
Cash paid for insurance claims	(2,223,984)	-	-	(2,223,984)
Net cash (used in) operating activities	<u>(462,285)</u>	<u>(212,793)</u>	<u>(49,119)</u>	<u>(724,197)</u>
Net decrease in cash and cash equivalents	(462,285)	(212,793)	(49,119)	(724,197)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Beginning of year	<u>2,551,660</u>	<u>245,119</u>	<u>87,996</u>	<u>2,884,775</u>
End of year	<u>\$ 2,089,375</u>	<u>\$ 32,326</u>	<u>\$ 38,877</u>	<u>\$ 2,160,578</u>
Reconciliation of operating income to to net cash provided by operating activities:				
Operating income	\$ (2,062,203)	\$ (208,371)	\$ (49,119)	\$ (2,319,693)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivables	-	(53)	-	(53)
Increase/(decrease) in accounts payable	(35,346)	(4,369)	-	(39,715)
Increase/(decrease) in accrued liabilities	5	-	-	5
Increase/(decrease) in claims payable	1,635,259	-	-	1,635,259
Net cash (used in) operating activities	<u>\$ (462,285)</u>	<u>\$ (212,793)</u>	<u>\$ (49,119)</u>	<u>\$ (724,197)</u>

FIDUCIARY FUNDS FINANCIAL STATEMENTS

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FIDUCIARY FUNDS

Custodial Funds

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

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

City of Placentia
Combining Statement of Assets and Liabilities
Fiduciary Funds
June 30, 2021

	Custodial Funds		
	Community Facilities District	Public Safety CFD 2014-01	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and investments	\$ 48,869	\$ 29,670	\$ 78,539
Miscellaneous receivables	-	1,392	1,392
Total Assets	<u>\$ 48,869</u>	<u>\$ 31,062</u>	<u>\$ 79,931</u>
Liabilities:			
Accrued liabilities	-	14	14
Deposits payable	191	34,850	35,041
Total Liabilities	<u>\$ 191</u>	<u>\$ 34,864</u>	<u>\$ 35,055</u>
NET POSITION (DEFICIT)			
Restricted for individuals, organizations and other governments	48,678	(3,802)	44,876
Total net position (deficit)	<u>\$ 48,678</u>	<u>\$ (3,802)</u>	<u>\$ 44,876</u>

City of Placentia
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds		Total
	Community Facilities District	Public Safety CFD 2014-01	
DEDUCTIONS:			
Contributions to City	\$ -	\$ 30,000	\$ 30,000
Total deductions	-	30,000	30,000
Change in net position	-	(30,000)	(30,000)
NET POSITION:			
Beginning of year, as restated (Note 14)	48,678	26,198	74,876
End of year	\$ 48,678	\$ (3,802)	\$ 44,876

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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:	Pages
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	158 - 167
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	168 - 173
Debt Capacity - 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.	174 - 176
Demographic and Economic Information - These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.	177 - 180
Operating Information - 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.	181 - 185

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 70,726	\$ 78,273	\$ 74,238	\$ 66,333	\$ 66,799
Restricted	2,981	3,630	2,901	7,027	7,681
Unrestricted	(7,936)	(14,229)	(9,273)	(34,145)	(30,490)
Total governmental activities net position	<u>\$ 65,771</u>	<u>\$ 67,674</u>	<u>\$ 67,866</u>	<u>\$ 39,215</u>	<u>\$ 43,990</u>
Business-type activities					
Net investment in capital assets	\$ 12,686	\$ 12,275	\$ 11,760	\$ 11,280	\$ 10,765
Unrestricted	(874)	(1,115)	(680)	1,289	845
Total business-type activities net position	<u>\$ 11,812</u>	<u>\$ 11,160</u>	<u>\$ 11,080</u>	<u>\$ 12,569</u>	<u>\$ 11,610</u>
Primary government					
Net investment in capital assets	\$ 83,412	\$ 90,548	\$ 85,998	\$ 77,613	\$ 77,564
Restricted	2,981	3,630	2,901	7,027	7,681
Unrestricted	(8,810)	(15,344)	(9,953)	(32,856)	(29,645)
Total primary government net position	<u>\$ 77,583</u>	<u>\$ 78,834</u>	<u>\$ 78,946</u>	<u>\$ 51,784</u>	<u>\$ 55,600</u>

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

	Fiscal Year				
	2017	2018	2019	2020	2021
Governmental activities					
Net investment in capital assets	\$ 67,960	\$ 67,915	\$ 72,176	\$ 81,106	\$ 86,061
Restricted	6,199	5,819	6,090	7,732	21,456
Unrestricted	(32,780)	(52,089)	(50,858)	(53,352)	(68,263)
Total governmental activities net position	<u>\$ 41,379</u>	<u>\$ 21,645</u>	<u>\$ 27,408</u>	<u>\$ 35,486</u>	<u>\$ 39,254</u>
Business-type activities					
Net investment in capital assets	\$ 10,303	\$ 9,778	\$ 9,275	\$ 8,748	\$ 8,221
Unrestricted	1,066	(1,514)	(2,055)	(2,682)	361
Total business-type activities net position	<u>\$ 11,369</u>	<u>\$ 8,264</u>	<u>\$ 7,220</u>	<u>\$ 6,066</u>	<u>\$ 8,582</u>
Primary government					
Net investment in capital assets	\$ 78,263	\$ 77,693	\$ 81,451	\$ 89,854	\$ 94,282
Restricted	6,199	5,819	6,090	7,732	21,456
Unrestricted	(31,714)	(53,603)	(52,913)	(56,034)	(67,902)
Total primary government net position	<u>\$ 52,748</u>	<u>\$ 29,909</u>	<u>\$ 34,628</u>	<u>\$ 41,552</u>	<u>\$ 47,836</u>

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 10,833	\$ 10,516	\$ 9,673	\$ 9,248	\$ 5,343
Public safety	16,104	16,965	16,915	15,689	18,556
Public works	6,525	6,506	5,720	6,644	7,445
Community development	1,034	1,011	1,142	1,845	1,373
Community services	-	-	-	-	1,263
Redevelopment	658	-	-	-	-
Interest on long-term debt	1,414	603	667	861	837
Total governmental activities	<u>36,568</u>	<u>35,601</u>	<u>34,117</u>	<u>34,287</u>	<u>34,817</u>
Business-type activities:					
Refuse	2,880	2,933	2,950	2,795	2,555
Compressed natural gas	100	137	-	-	-
Sewer maintenance	1,114	1,143	1,071	1,069	1,418
Total business-type activities	<u>4,094</u>	<u>4,213</u>	<u>4,021</u>	<u>3,864</u>	<u>3,973</u>
Total primary government expenses	<u>\$ 40,662</u>	<u>\$ 39,814</u>	<u>\$ 38,138</u>	<u>\$ 38,151</u>	<u>\$ 38,790</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 2,091	\$ 2,268	\$ 2,408	\$ 2,053	\$ 1,956
Public safety	1,556	1,570	1,282	1,469	1,340
Public works	1,548	1,539	3,238	854	679
Community development	776	317	590	277	1,211
Community services	-	-	-	-	221
Operating grants	2,137	1,656	700	1,407	4,744
Capital grants and contributions	1,605	1,256	1,634	3,216	145
Total governmental activities program revenues	<u>9,713</u>	<u>8,606</u>	<u>9,852</u>	<u>9,276</u>	<u>10,296</u>
Business-type activities:					
Charges for services					
Refuse	2,730	2,749	2,865	2,874	2,890
Compressed natural gas	76	335	119	25	-
Sewer maintenance	858	876	884	819	688
Total business-type activities program revenues	<u>3,664</u>	<u>3,960</u>	<u>3,868</u>	<u>3,718</u>	<u>3,578</u>
Total primary government program revenues	<u>\$ 13,377</u>	<u>\$ 12,566</u>	<u>\$ 13,720</u>	<u>\$ 12,994</u>	<u>\$ 13,874</u>
Net (expense)/revenue					
Governmental activities	\$ (26,855)	\$ (26,995)	\$ (24,265)	\$ (25,011)	\$ (24,521)
Business-type activities	(430)	(253)	(153)	(146)	(395)
Total primary government net expenses	<u>\$ (27,285)</u>	<u>\$ (27,248)</u>	<u>\$ (24,418)</u>	<u>\$ (25,157)</u>	<u>\$ (24,916)</u>

City of Placentia
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2017	2018	2019	2020	2021
Expenses					
Governmental activities:					
General government	\$ 10,579	\$ 10,046	\$ 9,346	\$ 11,654	\$ 12,850
Public safety	19,188	18,114	20,547	26,139	26,045
Public works	7,246	4,328	2,465	4,926	9,846
Community development	1,904	1,068	1,502	1,640	2,893
Community services	1,318	1,690	4,401	1,757	2,580
Redevelopment	-	-	-	-	-
Interest on long-term debt	783	717	588	475	765
Total governmental activities	<u>41,018</u>	<u>35,963</u>	<u>38,850</u>	<u>46,591</u>	<u>54,979</u>
Business-type activities:					
Refuse	2,571	3,034	3,164	3,127	3,287
Compressed natural gas	-	-	-	-	-
Sewer maintenance	954	1,943	1,593	1,836	(1,365)
Total business-type activities	<u>3,525</u>	<u>4,977</u>	<u>4,757</u>	<u>4,963</u>	<u>1,922</u>
Total primary government expenses	<u>\$ 44,543</u>	<u>\$ 40,940</u>	<u>\$ 43,607</u>	<u>\$ 51,554</u>	<u>\$ 56,901</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 2,136	\$ 2,206	\$ 2,356	\$ 2,651	\$ 2,754
Public safety	1,092	1,078	742	771	567
Public works	597	670	1,100	776	917
Community development	1,074	1,251	1,011	1,670	2,014
Community services	194	314	213	145	148
Operating grants	4,637	4,575	7,709	9,588	6,103
Capital grants and contributions	465	4,528	1,117	2,994	8,027
Total governmental activities program revenues	<u>10,195</u>	<u>14,622</u>	<u>14,251</u>	<u>18,595</u>	<u>20,530</u>
Business-type activities:					
Charges for services					
Refuse	2,958	3,039	3,148	3,252	3,688
Compressed natural gas	-	-	-	-	-
Sewer maintenance	722	760	722	723	783
Total business-type activities program revenues	<u>3,680</u>	<u>3,799</u>	<u>3,870</u>	<u>3,975</u>	<u>4,471</u>
Total primary government program revenues	<u>\$ 13,875</u>	<u>\$ 18,421</u>	<u>\$ 18,121</u>	<u>\$ 22,570</u>	<u>\$ 25,001</u>
Net (expense)/revenue					
Governmental activities	\$ (30,823)	\$ (21,341)	\$ (24,598)	\$ (27,996)	\$ (34,449)
Business-type activities	155	(1,178)	(887)	(988)	2,549
Total primary government net expenses	<u>\$ (30,668)</u>	<u>\$ (22,519)</u>	<u>\$ (25,485)</u>	<u>\$ (28,984)</u>	<u>\$ (31,900)</u>

City of Placentia
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property	\$ 12,452	\$ 11,389	\$ 11,804	\$ 12,449	\$ 13,259
Sales and use	4,225	4,160	4,512	6,284	6,848
Utility users	2,851	2,863	2,800	2,874	2,750
Franchise	2,056	2,186	2,228	2,338	2,332
Other	805	998	1,029	1,177	1,258
Miscellaneous	1,386	1,359	1,336	1,451	35
Investment income	199	197	24	576	34
Other	1,047	2,918	708	-	-
Special item	-	-	-	(2,764)	-
Contribution from Successor Agency	-	-	-	-	-
Contribution from Custodial Fund	-	-	-	-	-
Extraordinary item	10,880	-	-	-	(1,035)
Transfers	76	248	4	165	646
Total governmental activities	<u>35,977</u>	<u>26,318</u>	<u>24,445</u>	<u>24,550</u>	<u>26,127</u>
Business-type activities					
Investment income	8	5	2	5	7
Special item	-	-	-	2,764	-
Other	75	75	75	75	75
Transfers	(76)	(478)	(4)	(165)	(646)
Total business-type activities	<u>7</u>	<u>(398)</u>	<u>73</u>	<u>2,679</u>	<u>(564)</u>
Total primary government	<u>\$ 35,984</u>	<u>\$ 25,920</u>	<u>\$ 24,518</u>	<u>\$ 27,229</u>	<u>\$ 25,563</u>
Change in Net Position					
Governmental activities	\$ 8,982	\$ 2,053	\$ (566)	\$ 29	\$ (4,696)
Business-type activities	(246)	(551)	(73)	2,284	(409)
Total primary government	<u>\$ 8,736</u>	<u>\$ 1,502</u>	<u>\$ (639)</u>	<u>\$ 2,313</u>	<u>\$ (5,105)</u>

City of Placentia
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2017	2018	2019	2020	2021
General Revenues and					
Other Changes in Net Position					
Governmental activities:					
Taxes					
Property	\$ 13,972	\$ 14,560	\$ 15,478	\$ 15,981	\$ 16,752
Sales and use	7,020	6,948	8,184	13,141	15,113
Utility users	2,637	2,545	2,461	2,362	2,503
Franchise	2,244	2,270	2,340	2,358	2,466
Other	1,365	1,316	1,267	1,047	1,022
Miscellaneous	41	125	136	447	280
Investment income	31	72	227	312	13
Other	-	-	-	215	-
Special item	-	-	-	-	-
Contribution from Successor Agency	-	-	-	19	-
Contribution from Custodial Fund	-	-	-	-	30
Extraordinary item	-	-	-	-	-
Transfers	402	251	268	192	39
Total governmental activities	<u>27,712</u>	<u>28,087</u>	<u>30,361</u>	<u>36,074</u>	<u>38,218</u>
Business-type activities					
Investment income	7	24	34	27	4
Special item	-	-	-	-	-
Other	-	-	-	-	-
Transfers	(402)	(251)	(192)	(192)	(39)
Total business-type activities	<u>(395)</u>	<u>(227)</u>	<u>(158)</u>	<u>(165)</u>	<u>(35)</u>
Total primary government	<u>\$ 27,317</u>	<u>\$ 27,860</u>	<u>\$ 30,203</u>	<u>\$ 35,909</u>	<u>\$ 38,183</u>
Change in Net Position					
Governmental activities	\$ 6,371	\$ 6,746	\$ 30,361	\$ 8,078	\$ 3,769
Business-type activities	(1,573)	(1,405)	(158)	(1,153)	2,514
Total primary government	<u>\$ 4,798</u>	<u>\$ 5,341</u>	<u>\$ 30,203</u>	<u>\$ 6,925</u>	<u>\$ 6,283</u>

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

	Fiscal Year								
	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund									
Nonspendable	\$ 4,368	\$ 3,450	\$ 4,104	\$ 3,881	\$ 3,354	\$ 4,955	\$ 4,706	\$ 3,734	\$ 3,347
Restricted	-	439	1,030	1,030	1,024	1,019	571	555	556
Committed	-	-	119	3,600	3,600	3,400	4,528	5,811	6,434
Assigned	-	-	185	286	40	-	-	-	-
Unassigned	1,385	1,001	2,510	72	56	(1,346)	543	3,866	9,894
Total General Fund	\$ 5,753	\$ 4,890	\$ 7,948	\$ 8,869	\$ 8,074	\$ 8,028	\$ 10,349	\$ 13,966	\$ 20,231
All Other Governmental Funds									
Nonspendable	\$ 88	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10
Restricted	3,630	2,930	5,999	6,651	5,175	4,800	5,518	7,177	20,900
Assigned	-	-	485	-	-	-	-	-	-
Unassigned	(2,196)	(761)	-	-	(368)	(531)	(1,045)	(1,552)	(1,406)
Total All Other Governmental Funds	1,522	2,253	6,484	6,651	4,807	4,269	4,473	5,625	19,504
Governmental Funds	\$ 7,275	\$ 7,143	\$ 14,432	\$ 15,520	\$ 12,881	\$ 12,297	\$ 14,823	\$ 19,591	\$ 39,735

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues					
Property Tax	12,451	\$ 11,389	\$ 11,804	\$ 12,449	\$ 13,259
Sales Tax	5,611	5,519	5,848	6,284	7,257
Other Tax	5,712	6,047	6,138	6,316	6,318
Intergovernmental	3,742	3,143	3,531	4,033	2,998
Licenses and permits	1,730	1,211	1,618	1,690	1,733
Fines and forfeitures	753	842	575	733	1,154
Investment income	423	161	210	177	34
Charges for services	2,370	1,800	1,912	2,228	2,216
Other	1,786	4,598	2,087	2,424	2,108
Total Revenues	<u>34,578</u>	<u>34,710</u>	<u>33,723</u>	<u>36,334</u>	<u>37,077</u>
Expenditures					
Current:					
General Government	4,690	4,275	4,409	6,432	6,571
Public Safety	15,978	16,845	16,853	16,500	17,880
Public Works	6,617	10,826	5,760	4,246	4,824
Community development	1,033	1,011	1,142	1,824	952
Community services	-	-	-	-	1,191
Redevelopment	659	-	-	-	-
Capital Outlay	441	347	79	2,042	1,262
Debt Service					
Principal	1,186	355	723	1,070	1,333
Interest	1,617	594	577	813	837
Total Expenditures	<u>32,221</u>	<u>34,253</u>	<u>29,543</u>	<u>32,927</u>	<u>34,850</u>
Excess of Revenues Over/(Under) Expenditures	<u>2,357</u>	<u>457</u>	<u>4,180</u>	<u>3,407</u>	<u>2,227</u>
Other Financing Sources/(Uses)					
Transfers In	10,869	12,072	6,998	4,939	7,000
Transfers Out	(17,020)	(17,827)	(11,310)	(4,552)	(6,354)
Issuance of debt	399	-	-	-	251
Other	193	-	-	(2,764)	-
Total Other Financing Sources	<u>(5,559)</u>	<u>(5,755)</u>	<u>(4,312)</u>	<u>(2,377)</u>	<u>897</u>
Extraordinary Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,035)</u>
Net Change in Fund Balances	<u>\$ (3,202)</u>	<u>\$ (5,298)</u>	<u>\$ (132)</u>	<u>\$ 1,030</u>	<u>\$ 1,089</u>
Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures	9.67%	2.88%	4.62%	6.49%	6.91%

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

	Fiscal Year				
	2017	2018	2019	2020	2021
Revenues					
Property Tax	\$ 13,972	\$ 14,551	\$ 15,478	\$ 15,981	\$ 16,752
Sales Tax	7,020	6,948	10,646	13,141	15,113
Other Tax	6,222	6,043	3,548	5,708	5,993
Intergovernmental	3,572	6,487	7,530	8,459	6,700
Licenses and permits	1,572	1,702	1,922	2,454	2,828
Fines and forfeitures	1,297	592	613	819	314
Investment income	32	69	228	307	13
Charges for services	1,743	2,197	2,003	4,056	9,334
Other	1,892	2,151	2,289	2,327	2,536
Total Revenues	<u>37,322</u>	<u>40,740</u>	<u>44,258</u>	<u>53,252</u>	<u>59,583</u>
Expenditures					
Current:					
General Government	10,450	8,109	7,889	8,389	10,995
Public Safety	18,436	19,156	18,718	23,442	16,938
Public Works	5,050	5,951	6,078	5,938	5,049
Community development	1,858	1,291	1,171	1,693	2,245
Community services	1,292	1,526	4,405	1,793	1,547
Redevelopment	-	-	-	-	-
Capital Outlay	2,340	2,971	1,047	11,534	6,178
Debt Service					
Principal	1,654	1,855	2,105	1,177	1,904
Interest	783	717	587	475	765
Total Expenditures	<u>41,863</u>	<u>41,576</u>	<u>42,000</u>	<u>54,441</u>	<u>45,621</u>
Excess of Revenues Over/(Under) Expenditures	<u>(4,541)</u>	<u>(836)</u>	<u>2,258</u>	<u>(1,189)</u>	<u>13,962</u>
Other Financing Sources/(Uses)					
Transfers In	8,010	4,778	1,515	1,882	2,849
Transfers Out	(7,607)	(4,527)	(1,247)	(1,690)	(2,811)
Issuance of debt	-	-	-	5,766	57,583
Other	-	-	-	-	(51,441)
Total Other Financing Sources	<u>403</u>	<u>251</u>	<u>268</u>	<u>5,958</u>	<u>6,180</u>
Extraordinary Items	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (2,638)</u>	<u>\$ (585)</u>	<u>\$ 2,526</u>	<u>\$ 4,769</u>	<u>\$ 20,142</u>
Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures	6.57%	7.14%	7.04%	4.00%	7.26%

City of Placentia
Revenues by Source - General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Sales and Use Taxes	Other Taxes	Licenses and Permits	Fines Forfeitures & Penalties	Use of Money and Property
2011-12	\$ 11,160,051	\$ 5,611,105	\$ 2,860,703	\$ 1,730,070	\$ 595,239	\$ 391,869
2012-13	11,388,950	5,518,907	3,183,996	1,210,722	468,229	160,212
2013-14	11,804,238	5,847,742	3,338,556	1,618,068	459,123	206,104
2014-15	12,448,958	6,207,771	3,394,915	1,690,191	484,676	170,892
2015-16	13,259,241	7,257,004	3,550,183	1,733,049	542,253	-
2016-17	13,971,691	7,019,906	3,578,424	1,571,584	587,005	-
2017-18	14,551,076	6,948,279	6,042,998	1,701,878	562,390	-
2018-19	15,477,587	10,646,101	3,547,567	1,922,689	438,581	-
2019-20	15,980,879	13,140,914	5,708,333	2,453,827	418,752	-
2020-21	16,752,112	15,112,657	5,993,621	2,827,761	290,534	-

* 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
Revenues by Source - General Fund (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Investment Earnings*	Leases and Rents*	Inter- governmental Revenue	Charges for Current Services	Other Revenues	Totals
2011-12	\$ -	\$ -	\$ 54,850	\$ 1,350,666	\$ 1,239,397	\$ 24,993,950
2012-13	-	-	127,867	1,256,723	4,597,034	27,912,640
2013-14	-	-	58,058	1,189,249	1,571,109	26,092,247
2014-15	-	-	224,246	1,383,803	1,778,619	27,784,071
2015-16	24,157	670,631	466,271	1,091,250	1,053,220	29,647,259
2016-17	3,645	1,199,161	297,831	863,387	629,737	29,722,371
2017-18	31,161	1,255,240	252,963	1,284,507	708,662	33,339,154
2018-19	164,724	1,230,532	353,354	1,070,821	944,874	35,796,830
2019-20	170,567	1,211,622	701,864	885,206	885,076	41,557,040
2020-21	(28,258)	1,079,979	9,743	879,298	490,006	43,407,453

* 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 expressed in thousands)

Fiscal Year Ended June 30	City			Taxable Assessed Value	Direct Rate
	Secured	Public Utility	Unsecured		
2012	\$ 4,849,370	390	\$ 157,793	\$ 5,007,553	0.1644
2013	4,934,183	292	145,927	5,080,402	0.1644
2014	5,065,170	292	141,308	5,206,770	0.1644
2015	5,359,402	292	155,890	5,515,584	0.1644
2016	5,706,871	292	169,843	5,877,006	0.1644
2017	5,948,117	292	186,698	6,135,107	0.1644
2018	6,259,165	292	183,716	6,443,173	0.1644
2019	6,564,402	544	210,294	6,775,240	0.1644
2020	6,862,623	544	189,948	7,053,115	0.1644
2021	7,160,394	544	191,112	7,352,050	0.1644

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.

City of Placentia
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Placentia City	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340
Placentia City Street Lighting Reorg.	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304	0.0304
Direct City Rate	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644
Overlapping Rates:										
OC Water District - Water Reserve	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
OC Vector Control	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011
OC Transportation Authority	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026
Orange County Water District	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080
OC Harbor Beaches & Parks	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144	0.0144
OC Department of Education	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171	0.0171
Orange County Flood Control	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186
OC Sanitation District #2 Operating	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309	0.0309
Placentia Library District	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376	0.0376
Orange County General Fund	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579	0.0579
North OC Comm. College General Fund	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655	0.0655
Education Revenue Augmentation Fund	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876	0.1876
Placentia Yorba Linda Unified Gen. Fund	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943	0.3943
Total Direct City and Overlapping Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Metropolitan Water District	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Placentia Yorba Linda Unified	0.0585	0.0620	0.0653	0.0582	0.0567	0.0548	0.0553	0.0526	0.0485	0.0603
N. Orange County Community College	0.0174	0.0190	0.0170	0.0170	0.0304	0.0289	0.0293	0.0283	0.0241	0.0320
Total Rate	1.0796	1.0845	1.0858	1.0787	1.0906	1.0871	1.0881	1.0844	1.0761	1.0958

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.

City of Placentia
Principal Property Tax Payers
Current and Nine Years Ago
(amounts expressed in thousands)

<u>Taxpayer</u>	<u>2021</u>			<u>Taxpayer</u>	<u>2012</u>		
	<u>Taxable Assessed Value</u>	<u>Estimated Total Tax</u>	<u>Percent of Total City Taxable Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Estimated Total Tax</u>	<u>Percent of Total City Taxable Assessed Value</u>
Fairfield Placentia Place LLC	\$ 111,664	\$ 1,117	1.52%	OC of SD Holdings	\$ 64,294	\$ 643	1.28%
Placentia 422	59,991	600	0.82%	Placentia 422	51,210	512	1.02%
Villa Angelina Apartment Fund LTD	57,374	574	0.78%	Villa Tierra Apartments LLC	33,680	337	0.67%
MG Union Place Apartments LLC	46,958	470	0.64%	Placentia-Linda Hospital Inc.	30,776	308	0.61%
Placentia-Linda Hospital Inc.	41,821	418	0.57%	Donahue Schriber Realty Group	24,643	246	0.49%
Sedona-Placentia Owner LLC	39,243	392	0.53%	Reef Imperial Rose Inc.	23,397	234	0.47%
NMC Placentia LLC	37,168	372	0.51%	Inland Western Placentia LLC	22,240	222	0.44%
Arlon Graphics LLC	32,034	320	0.44%	Hartwell Corporation	18,582	186	0.37%
Reef Imperial Rose Inc.	31,315	313	0.43%	Western Oak Tree Court Partners LP	14,710	147	0.29%
Donahue Schriber Realty Group	29,127	291	0.40%	Bradford Terrace Placentia Apartments	14,386	144	0.29%
	<u>\$ 486,695</u>	<u>\$ 4,867</u>	<u>6.62%</u>		<u>\$ 297,918</u>	<u>\$ 2,979</u>	<u>5.95%</u>

City of Placentia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	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
2012	\$ 14,121,383	\$ 13,695,151	96.98%	N/A	N/A	N/A
2013	12,064,669	11,889,799	98.55%	N/A	N/A	N/A
2014	12,294,236	12,266,287	99.77%	N/A	N/A	N/A
2015	13,012,736	12,973,298	99.70%	N/A	N/A	N/A
2016	12,742,715	13,529,800	106.18%	N/A	N/A	N/A
2017	12,831,914	12,865,221	100.26%	N/A	N/A	N/A
2018	13,471,679	13,421,607	99.63%	N/A	N/A	N/A
2019	14,144,498	14,244,954	100.71%	N/A	N/A	N/A
2020	14,623,234	14,675,128	100.35%	N/A	N/A	N/A
2021	15,211,067	15,384,500	101.14%	N/A	N/A	N/A

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.

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

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percent of Assessed Valuation	Per Capita	Percent of Personal Income
	Tax Allocation Bonds and Notes	Capital Leases	Certificates of Participation	Capital Leases					
2012	\$ 4,202	\$ 299	\$ 11,341	\$ -		\$ 15,842	0.316%	\$ 310	1.04%
2013	4,062	189	10,471	-		14,722	0.290%	284	0.97%
2014	3,870	75	9,572	-		13,517	0.260%	259	0.89%
2015	3,579	41	9,147	-		12,767	0.231%	245	0.83%
2016	3,063	218	8,697	-		11,978	0.204%	229	0.76%
2017	2,242	162	8,237	-		10,641	0.173%	204	0.66%
2018	1,226	1,325	7,737	-		10,288	0.160%	195	0.60%
2019	-	1,144	7,680	-		8,824	0.130%	169	0.49%
2020	-	6,154	7,095	-		13,249	0.188%	257	0.70%
2021	58,266	5,587	2,845	-		66,698	0.907%	1,303	3.40%

City of Placentia
Direct and Overlapping Governmental Activity Debt
As of June 30, 2021

2020-21 Assessed Valuation:	\$ 7,352,050
Successor Agency Incremental Valuation:	<u>387,853</u>
Adjusted Assessed Valuation:	\$ 6,964,197

DIRECT DEBT:	Total Debt 06/30/21	% Applicable (1)	City's Share of Debt 6/30/21
Placentia 2003 Ref and Improv Cops	\$ 2,845,000	100.00%	\$ 2,845,000
Placentia Capital Lease (Radio)	837,351	100.00%	837,351
Placentia Fire Lease #1	3,116,360	100.00%	3,116,360
Placentia Fire Lease #2	1,634,287	100.00%	1,634,287
Placentia Fire UAL Loan Payoff	1,431,676	100.00%	1,431,676
Placentia OCTA Advance	1,960,677	100.00%	1,960,677
Placentia 2021 Installment Sale Agreement	3,355,000	100.00%	3,355,000
Placentia PFA 2020A Lease Revenue Bonds	52,950,000	100.00%	<u>52,950,000</u>
			\$ 68,130,351
 <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Placentia - Yorba Linda Unified 2002 and 2008 Bond	\$ 240,266,037	22.027%	\$ 52,923,400
Metropolitan Water District	5,384,821	1.120%	60,310
N. OC Community College 2002, 2005, 2014 Bond	239,810,978	5.165%	<u>12,386,237</u>
TOTAL OVERLAPPING DEBT			\$ 65,369,947
 TOTAL DIRECT AND OVERLAPPING DEBT			 \$ 133,500,298

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

Ratios of Direct vs. Overlapping Debt

Direct Debt	51.03%
Overlapping Debt	48.97%
Total Debt	100.00%

Ratios of Debt to Assessed Valuation

Direct Debt	0.98%
Overlapping Debt	0.94%
Total Debt	1.92%

City of Placentia
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for the Current Year

Assessed value	\$ 7,554,145,292
Debt limit (3.75% of assessed value)	283,280,448
Debt applicable to limit	-
Legal debt margin - current year	\$ 283,280,448

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2012	\$ 187,783,433	\$ -	\$ 187,783,433	0%
2013	181,800,203	-	181,800,203	0%
2014	186,635,310	-	186,635,310	0%
2015	213,385,760	-	213,385,760	0%
2016	220,387,742	-	220,387,742	0%
2017	230,066,512	-	230,066,512	0%
2018	248,734,552	-	248,734,552	0%
2019	261,192,507	-	261,192,507	0%
2020	271,595,021	-	271,595,021	0%
2021	283,280,448	-	283,280,448	0%

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.

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
2011	51,084	\$ 1,526,645	\$ 29,885	7.7%
2012	51,776	1,525,217	29,458	5.0%
2013	52,094	1,511,507	29,015	4.4%
2014	52,084	1,540,384	29,575	6.2%
2015	52,263	1,567,115	29,985	5.1%
2016	52,268	1,614,628	30,891	4.5%
2017	52,755	1,716,075	32,529	3.5%
2018	52,333	1,805,719	34,504	3.0%
2019	51,494	1,899,759	36,892	2.9%
2020	51,173	1,959,175	38,285	8.7%

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

City of Placentia
Taxable Sales by Category
Last Ten Calendar Years
(amounts expressed in thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
General merchandise	\$ 6,339	\$ 6,227	\$ 6,482	\$ 6,459	\$ 6,635
Food stores	16,462	17,718	17,541	17,898	18,529
Eating and drinking places	61,511	61,816	62,479	66,582	79,730
Building materials	36,868	39,460	37,884	48,092	38,156
Auto dealers and supplies	66,736	69,200	78,924	85,659	105,341
Service stations	68,726	83,112	80,210	78,562	70,961
Other retail stores	56,075	55,311	63,164	64,434	60,419
All other outlets	182,705	192,626	197,944	213,510	255,719
Total	\$ 495,422	\$ 525,470	\$ 544,628	\$ 581,196	\$ 635,490

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.

City of Placentia
Taxable Sales by Category (Continued)
Last Ten Calendar Years
(amounts expressed in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
General merchandise	\$ 6,759	\$ 7,178	\$ 7,440	\$ 7,649	\$ 8,208
Food stores	17,919	17,102	17,530	18,363	20,539
Eating and drinking places	84,676	85,373	83,083	87,912	77,897
Building materials	55,996	60,664	68,803	74,767	69,616
Auto dealers and supplies	107,146	104,963	82,789	72,781	71,301
Service stations	62,495	68,101	74,924	73,200	49,981
Other retail stores	70,775	74,578	75,597	76,411	65,702
All other outlets	240,166	234,501	245,115	268,067	269,831
Total	\$ 645,932	\$ 652,460	\$ 655,281	\$ 679,150	\$ 633,075

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.

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City of Placentia
Budgeted Full-Time Employees by Department
Last Ten Fiscal Years

Department	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Clerk	2.00	2.00	1.00	2.00	2.00	2.00	2.00	-	2.00	2.00
Administration	7.00	7.00	6.00	8.00	7.00	7.00	11.50	9.50	10.50	25.45
Finance	7.00	7.00	7.00	6.00	7.00	7.00	8.00	8.00	8.00	9.00
Development Services	3.00	3.00	-	-	4.00	4.75	6.50	8.50	8.50	8.55
Police	67.00	68.00	62.00	67.00	69.50	74.50	80.00	76.00	84.00	71.00
Fire & Life Safety	-	-	-	-	-	-	-	-	-	25.00
Public Works	22.00	22.00	19.00	18.00	19.00	20.25	20.75	20.00	22.00	22.00
Community Services	4.00	4.00	4.00	4.00	6.00	6.50	7.25	7.00	7.00	7.00
Total	112.00	113.00	99.00	105.00	114.50	122.00	136.00	129.00	142.00	170.00

City of Placentia
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2012	2013	2014	2015	2016
Police					
Physical arrests	2,067	1,289	1,600	1,732	1,373
Parking citations	8,211	6,970	7,147	11,141	12,729
Traffic citations	4,819	3,366	3,330	2,498	2,060
Community Development					
Building permits	657	776	808	1,411	1,472
Building and zoning inspections	133	145	97	178	133
Public Works					
Feet of sewer main cleaned	401,280	401,280	401,280	401,280	401,280
Streetsweeping miles	21,684	21,684	21,684	21,684	21,684
Traffic signals maintained	57	57	57	57	57
Culture and Recreation					
Recreation classes	659	704	710	787	747

City of Placentia
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2017	2018	2019	2020	2021
Police					
Physical arrests	1,250	1,381	1,282	1,053	1,257
Parking citations	13,161	2,359	7,398	4,646	3,742
Traffic citations	1,824	2,659	7,707	1,601	1,162
Community Development					
Building permits	1,268	1,347	1,263	1,407	1,346
Building and zoning inspections	128	87	92	126	181
Public Works					
Feet of sewer main cleaned	249,134	385,510	318,118	396,000	372,246
Streetsweeping miles	21,684	7,955	7,955	8,772	8,772
Traffic signals maintained	57	61	61	63	63
Culture and Recreation					
Recreation classes	727	645	610	577	387

City of Placentia
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2012	2013	2014	2015	2016
Public Safety					
Police stations	1	1	1	1	1
Sworn officers	46	47	46	46	46
Patrol vehicles	26	26	26	26	26
Fire stations	2	2	2	2	2
Highways and Streets					
Miles of streets	107	107	107	107	107
Street trees	9,214	9,214	9,214	9,214	9,214
Traffic signals	229	229	229	229	229
Street lights	3,656	3,656	3,656	3,656	3,656
Sewer					
Miles of sanitary sewers	76	76	76	76	76
Storm drains	506	506	506	506	506
Culture and Recreation					
Parks	16	16	16	16	16
Area of parks (acres)	72.9	72.9	72.9	72.9	72.9
Community buildings	7	7	7	7	7
Community centers	3	3	3	3	3
Senior centers	1	1	1	1	1
Baseball diamonds	7	7	7	7	7
Basketball courts	7.5	7.5	7.5	7.5	7.5
Soccer fields	1	1	1	1	1
Pools	2	2	2	2	2
Gymnasiums	1	1	1	1	1

City of Placentia
Capital Asset Statistics by Function/Program (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2017	2018	2019	2020	2021
Public Safety					
Police stations	1	1	1	1	1
Sworn officers	46	51	51	46	51
Patrol vehicles	26	32	32	33	16
Fire stations	2	2	2	2	2
Highways and Streets					
Miles of streets	107	107	132	132	132
Street trees	9,214	9,139	7,175	7,077	6,929
Traffic signals	229	230	230	230	230
Street lights	3,656	3,660	3,660	3,656	3,656
Sewer					
Miles of sanitary sewers	76	76	76	84	84
Storm drains	506	506	506	506	506
Culture and Recreation					
Parks	16	16	16	15	15
Area of parks (acres)	72.9	72.9	100.9	60.9	60.9
Community buildings	7	7	7	7	7
Community centers	3	3	3	3	3
Senior centers	1	1	1	1	1
Baseball diamonds	7	7	7	7	7
Basketball courts	7.5	7.5	7.5	7	7
Soccer fields	1	1	1	1	1
Pools	2	2	2	2	2
Gymnasiums	1	1	1	1	1

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