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SANTA CLARITA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2018

CITY OF SANTA CLARITA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PREPARED BY THE DEPARTMENT OF ADMINISTRATIVE SERVICES
CITY OF SANTA CLARITA, CALIFORNIA

**CITY OF SANTA CLARITA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2018**

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City of
SANTA CLARITA

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December 28, 2018

Honorable Mayor, Mayor Pro Tem, and City Councilmembers:

The Comprehensive Annual Financial Report (CAFR) of the City of Santa Clarita for fiscal year ended June 30, 2018, is hereby submitted in accordance with Chapter 2.12 of the City of Santa Clarita Municipal Code. This report provides the City Council and the public with an understanding of the financial condition of the City.

This report consists of management's representations concerning the finances of the City of Santa Clarita. As such, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive framework of internal controls that is designed to protect the City's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City of Santa Clarita.

State Law requires the City to prepare an annual financial report. This report fulfills that obligation. Vavrinek, Trine, Day & Co., LLP, an independent firm of certified public accountants, has issued an unmodified ("clean") opinion on the financial statements of the City of Santa Clarita for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report. The CAFR has been prepared in conformity with Generally Accepted Accounting Principles (GAAP) and the financial reporting requirements prescribed by the Governmental Accounting Standards Board (GASB). These reporting requirements specify that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis (MD&A). The MD&A, which immediately follows the independent auditor's report, complements this letter of transmittal and should be read in conjunction with it.



Also, as a recipient of federal and state financial assistance, the City is required to have a “Single Audit” performed by our independent audit firm. The Single Audit was designed to meet the special needs of the federal grantor agencies. The standards governing the Single Audit engagements require that the independent auditor report on the fair presentation of the financial statements and the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Report.

CITY PROFILE

The City of Santa Clarita was incorporated on December 15, 1987, as a General Law City, and operates under a City Council/City Manager form of government. It is located between the Santa Susana and San Gabriel mountain ranges, approximately 35 miles northwest from the City of Los Angeles. It is encompassed by the communities of Canyon Country, Newhall, Saugus and Valencia, encompassing approximately 66 square miles. With a population of 216,589, the City is the third largest in Los Angeles County and 17th largest in the State of California. Santa Clarita offers an expansive parks and recreation network, with 34 beautiful park facilities, nearly 10,000 acres of City-owned open space and 140 miles of trails and paseos designed for commuting and recreational use, including walking, hiking, biking and skating. The City’s unique blend of upscale sophistication with small town charm and old-west heritage allows it to accommodate growth while continuing to provide an excellent quality of life for residents.

The City of Santa Clarita’s five City Councilmembers are elected at large to four-year overlapping terms, with elections held bi-annually. The position of Mayor is annually selected by the Councilmembers. The City Council is responsible, among other things, for passing ordinances, adopting the budget, setting policy, and appointing committees. The City Council appoints the City Manager, who is responsible for implementing the policies of the Council, overseeing the day-to-day operations of City government, and for appointing and managing the various Directors. The City Council also appoints the City Attorney.

The City provides, either directly or under contract, a full range of municipal services including public safety, construction, maintenance of streets and other infrastructure, public libraries, public works, parks, recreation, community development, and cultural events. The City also provides services through the Santa Clarita Public Financing Authority (PFA), which is a blended component unit of the City of Santa Clarita. The financial activities of this entity are included in this report, as its activities are under the control of the City.

The City operates on a fiscal year basis which begins July 1 and ends June 30. The City’s Municipal Code requires the City Manager to prepare a budget and present it to the City Council each year. The budget process begins by January of each year and is carried

out under the direction of the City Manager in cooperation with the various City departments. The proposed operating and capital budget is submitted by the City Manager to City Council for adoption by June 30, to take effect at the beginning of the fiscal year on July 1. Budgetary control for the City is maintained through its accounting systems. Once adopted, the budget may be amended throughout the year as necessary. Budgetary control is established at the category level within each fund.

LOCAL ECONOMY

The City of Santa Clarita is one of Southern California's most desirable places to live and do business. City officials pride themselves on the organization's ability to balance the needs of locally based companies with those of the community, resulting in an unmatched quality of life.

We continue to see positive changes in the economy, such as an increase in sales tax revenues and a recovering housing market. The City has a 100 percent track record for adopting a balanced, on-time budget, with ample reserves and contingency funds. Fiscal Year 2017-18 was successful and stable for the City due to prudent fiscal planning.

Targeted employment sectors in Santa Clarita include aerospace/defense, advanced manufacturing, medical/biomedical, digital media/entertainment and information technology. Two major developments in the City, Vista Canyon and Needham Ranch, broke ground earlier this year and expect to have the first phases of construction complete early 2019, which will bring new jobs to our community. A number of new businesses have also opened in our community this year, including Nordstrom Rack, The Canyon Santa Clarita, Black Bear Diner, EMC Seafood & Raw Bar, TJ Maxx, Bunker Hill Bar & Grill, Bitter Root Pottery, Pandora, Journeys Kidz, Telcobrewery, and a KIA auto dealership. Opening soon are Miniso, Crazy Otto's (second location) and Galpin Porsche. In the City's premier arts and entertainment district, Old Town Newhall welcomed Soapish, The Old Town Junction, Voo Doo Vinyl, Re/Max Gateway, Eighth and Main Hair Lounge, Earth Baby Boutique, Board + Brush and the newly rebranded Smokehouse on Main. Also under construction in Old Town Newhall is a new boutique hotel, the Luxen Hotel, Newhall Crossings, which includes 47 residential units and 20,000+ square feet of restaurant and retail space and a new seven-screen Laemmle Theatre.

Retail vacancy rates have decreased, currently at 3.1 percent compared to 3.6 percent in the 2nd Quarter of 2017. Industrial vacancy rates are at 4.2 percent, an increase from 2.6 percent in the 2nd Quarter of 2017. Office space in the City is currently at a 13 percent vacancy rate compared to 9 percent in the 2nd Quarter of 2017.

The City's Film Office enjoyed another strong year. In Fiscal Year 2017-18, location filming in Santa Clarita resulted in an estimated economic impact of \$33.1 million to the local economy. Santa Clarita is home to more than 20 sound stages, 10 movie ranches, and a multitude of film-related businesses. Popular television shows like "NCIS," "Santa

Clarita Diet,” “Mayan’s MC,” “Westworld,” “Ultimate Beastmaster,” “Good Trouble,” “Futureman,” “Goliath,” and “S.W.A.T.” are based in Santa Clarita and regularly film on location within the City. The feature “Happytime Murders” was also based in Santa Clarita last year.

Tourism continues to be one of the City of Santa Clarita’s largest economic generators contributing nearly \$3.5 million to the general fund from Transient Occupancy Tax (TOT) in Fiscal Year 2017-18. The eighth year of the Tourism Marketing District (TMD), a collaborative assessment program and partnership between the City and local hotels, grew upon previous success and collected over \$649,000 in support of increased marketing and promotion of Santa Clarita as a tourism destination. TMD dollars are a vital component of the area’s continued attraction of events and visitors, which translates to dollars spent in the community and at local businesses. The following events are just a few that were attracted as part of the City’s increased event attraction efforts: California Youth Chess Championships, Memorial Day Hockey Challenge, Battle Los Angeles Flag Football, Valencia Trail Race, Santa Clarita Winter Classic Futbol Invitational, California Beer Festival, Boots and Brews, Santa Clarita Oktoberfest, USA Swimming 2018 Speedo Championship, and the Bonspiel Curling Tournament. The City also attracted the return of high profile events; the Los Angeles Spartan Race and the first ever Bear Grylles Survival Challenge.

Santa Clarita recognizes the important role education plays in the success of the community. The City is home to three premier educational institutions, including California Institute of the Arts (CalArts), College of the Canyons and The Masters University. These colleges offer world-class instruction and programming to prepare students to become the next generation of business professionals and leaders.

LONG -TERM FINANCIAL PLANNING

Santa Clarita is one of California’s model cities, boasting the essential elements needed for well-balanced living and total well-being. Santa Clarita remains one of the safest cities in California among cities with populations exceeding 150,000. Santa Clarita is home to a well-educated population, with nearly 70 percent of adults over age 25 and older having attained some college or higher, as compared to Los Angeles County, which averages 57 percent.

The City of Santa Clarita has experienced steady growth since its inception in 1987, and City officials work directly with the private and public sectors to attract new businesses to the Santa Clarita Valley. The City of Santa Clarita is focused on retaining existing companies and encouraging their growth within the City while working to attract new business, thereby creating new jobs for residents. Santa Clarita has set an aggressive goal of creating two jobs for every household, whereby providing an increased opportunity for residents to work close to home.

The City provides necessary funding for essential services for City Council and community identified priorities, while taking steps to ensure the City remains in good financial health. Twice per year, the City prepares extended forecasts for the General Fund to determine the future impact of current actions. These forecasts indicate a stable General Fund over the next few years, primarily due to projected marginal increases in sales and property taxes. Because the City of Santa Clarita has practiced smart growth in successful financial times, the City is well prepared for times when revenue projections do not include growth.

The City maintains a General Fund balance sufficient to provide for various identified contingencies, as well as an established operating reserve. In addition, the General Fund contributes annually to the City's facilities fund, which provides for major maintenance and replacement of infrastructure and capital improvements. The City's Capital Improvement Program (CIP) is a component of the annual budget process that addresses the City's short- and long-term capital needs. Just as important, the CIP emphasizes a plan of action that effectively maintains the existing infrastructure to a sound physical standard, as well as providing new facilities to support current growth and complement new development.

MAJOR MILESTONES IN FISCAL YEAR 2017-18

- ❖ The Santa Clarita Film Office had another strong year, processing 560 permits in Fiscal Year 2017-18 with a recorded 1,377 film days. The estimated total economic impact from location filming was \$33.1 million. It was the fifth fiscal year in a row that 500 film permits was exceeded.
- ❖ Improving, maintaining and adding to the City's infrastructure continues to be a high priority and focus for the City. During Fiscal Year 2017-18, the City completed the Old Town Newhall Parking Structure, which now provides 372 parking spaces for the City's arts and entertainment district. Meanwhile, the Newhall Ranch Road Bridge Widening project is near completion. A new extension of the San Francisquito Creek Trail has already been built and opened underneath the western side of the bridge, improving safety for trail users by providing a safe new route for those wanting to cross Newhall Ranch Road. Once complete, the bridge will also add two additional traffic lanes (for a total of four lanes in each direction), a raised median, protected pedestrian walkway and a new bike path. The City has also been busy gearing up for construction on the new Santa Clarita Valley Sheriff's Station on Golden Valley Road, and the Canyon Country Community Center on Soledad Canyon Road and Sierra Highway.
- ❖ Santa Clarita continues to be proactive in addressing teen drug use. To raise awareness, the City continues to reach out to parents and families and provide assistance to those in need. The City's Drug Free Youth In Santa Clarita Valley (DFY in SCV) program has grown each year, with the implementation of drug prevention education in fourth, fifth and sixth grades. Meanwhile, thousands of

junior high and high school aged teens pledged to stay sober and engaged in meaningful, healthy activities. This year, the program expanded its focus on students in middle school and teamed up with “More Than Sad,” which is produced by the American Foundation for Suicide Prevention, to teach students how to recognize the signs of depression in themselves and others.

- ❖ Santa Clarita Public Library continues to provide residents with what they need for their next adventure. The three library branches saw over 700,000 patron visits, issued 12,967 new library cards, circulated more than 1.1 million books and materials and the library website had over 520,000 visits last year.
- ❖ Special events hosted by the City attracted visitors from across the country. Santa Clarita hosted the annual Marathon in November and worked with community partners to host the Thursdays@Newhall event series, which includes JAM Sessions, Revved up, SENSES, the ARTree Speaker Series and the New Heights Artist Development Series. The City also hosted its annual summer Concerts in the Park, and the 25th Annual Cowboy Festival had its fourth year in Old Town Newhall and adjacent Hart Park with high attendance.

AWARDS AND ACKNOWLEDGEMENTS

The City of Santa Clarita continues to earn accolades for its high quality of life. The City continues to earn high marks for safety – being rated as one of the Top 10 cities nationwide with the least amount of property crime per Reviews.org, using FBI data. Santa Clarita was also honored for protecting the environment with a Beacon Spotlight Award for Natural Gas Savings from the Institute for Local Government.

Once again the City of Santa Clarita won two prestigious Helen Putnam Awards of Excellence from the League of California Cities in the category of Intergovernmental Collaboration for its Community Court Diversion Program, and in the category of City-Business Relations for the Santa Clarita Business Incubator program.

Santa Clarita’s business friendly mindset also took home top honors. Results from the Los Angeles County Business Federation (BizFed) Annual Pulse Poll have the City of Santa Clarita ranking in the first spot as the most “Business Friendly” City in the County. The California Retail Survey, which compares retail sales activity for each of California’s 58 counties and 482 cities, ranked the City of Santa Clarita 22nd in retail sales in its most recent report. This is consistent with the City’s ranking from fall 2017 and is within the top 5 percent of cities in the state. Santa Clarita is one of only 42 cities with a retail market above \$2 billion and was again ranked higher in the survey than Beverly Hills, Burbank and Pasadena. That reputation was reinforced with the release of the 2017 Kosmont-Rose Institute Cost of Doing Business Survey, which again ranked Santa Clarita among the best cities for doing business in Southern California.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Santa Clarita for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This was the 29th consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy GAAP and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the requirements of the GFOA Certificate of Achievement Program, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City also received a Certificate of Excellence Award from the Association of Public Treasurers of the United States and Canada for Santa Clarita's Investment Policy. The City annually submits its Investment Policy to the Association's Investment Policy Certification Committee for award consideration and has received the prestigious Certificate of Excellence Award for the past 23 years.

In addition, the City was awarded the 22nd Annual Achievement of Excellence in Procurement (AEP) from the National Procurement Institute. This prestigious honor was awarded in recognition of the City's commitment to purchasing innovation and leadership. This is the seventh time the City has received this award in acknowledgment of Santa Clarita's purchasing policies and practices. The AEP Award is earned by public and non-profit organizations that obtain a high application score based on standardized criteria. The City of Santa Clarita's procurement ethics standards, eProcurement practices, and internal procurement automation received high honors and recognition among judges.

The City of Santa Clarita received the District Transparency Certificate of Excellence by the Special District Leadership Foundation. This certificate is awarded to agencies that are successful in maintaining transparency in their operations. There are several requirements that must be met to showcase the transparency of certain City policies, budget hearings, financial audits, ethics trainings, and community outreach. This is the second year the City of Santa Clarita has received this prestigious honor.

This report is a joint effort by many people from many different areas of responsibility. The preparation of this report could not have been accomplished without the hard work and team effort of the staff of the Finance Division, in particular, Interim Finance Manager, Brittany Houston; Sr. Financial Analysts, Blanca Gomez, Mary Ann Ruprecht, and Jan Downey; Financial Analysts, Lisett Bautista, Purevsuren Wrinkle and Cody Iglesias. I would like to express my appreciation to all members of the Division who assisted and contributed to its preparation. I would also like to thank the Mayor; Mayor Pro Tem; Councilmembers; City Manager, Ken Striplin; Assistant City Manager and Interim Director of Recreation and Community Services, Frank Oviedo; Deputy City Manager, Darren Hernández, Director of Public Works, Robert Newman, and Director of

Honorable Mayor, Mayor Pro Tem and City Councilmembers
Page 8

Community Development, Tom Cole, for their continuing efforts in administering the financial operations of the City in a conservative and responsible manner.

Sincerely,



Carmen Magaña
Director of Administrative Services/City Treasurer

CM:BG:cjp



Government Finance Officers Association

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California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

OFFICIALS OF THE CITY OF SANTA CLARITA
As of June 30, 2018

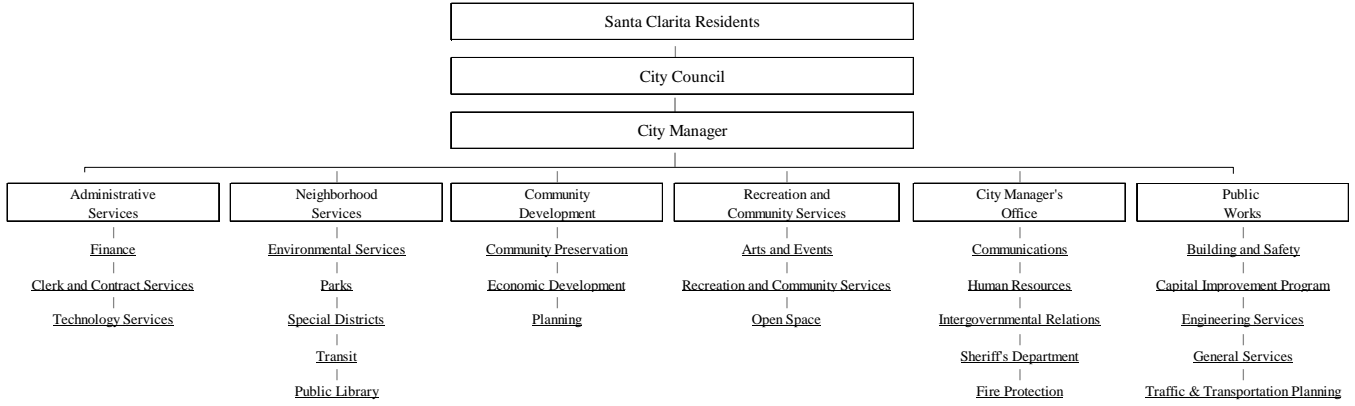
City Council

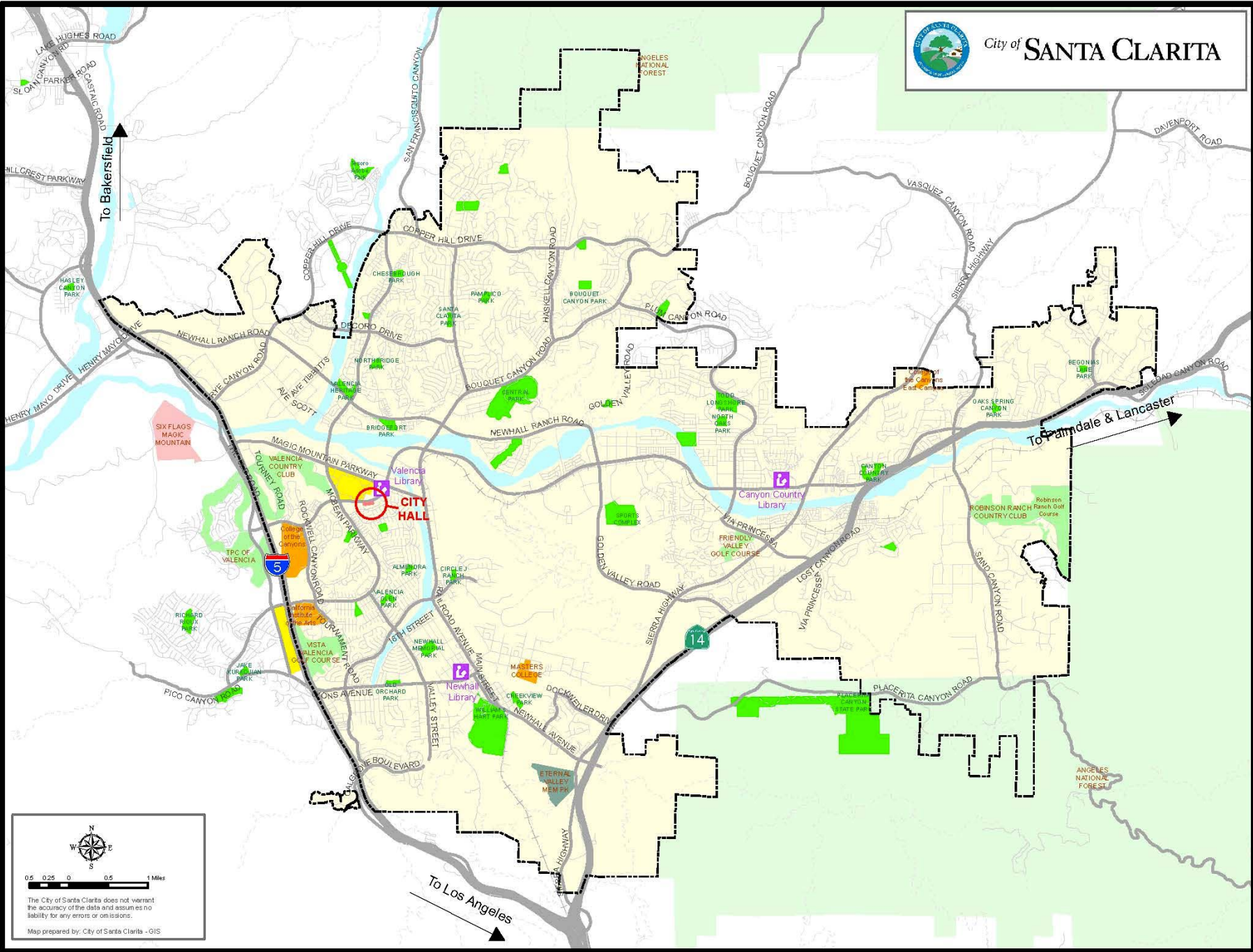
Laurene Weste	MAYOR
Marsha McLean	MAYOR PRO TEM
Cameron Smyth	COUNCILMEMBER
Bill Miranda	COUNCILMEMBER
Bob Kellar	COUNCILMEMBER


City Officials

Ken Striplin	CITY MANAGER
Frank Oviedo	ASSISTANT CITY MANAGER/ INTERIM DIRECTOR OF RECREATION AND COMMUNITY SERVICES
Darren Hernández	DEPUTY CITY MANAGER
Joseph Montes	CITY ATTORNEY
Carmen Magana	DIRECTOR OF ADMINISTRATIVE SERVICES
Tom Cole	DIRECTOR OF COMMUNITY DEVELOPMENT
Robert Newman	DIRECTOR OF PUBLIC WORKS/CITY ENGINEER

ORGANIZATION CHART
As of June 30, 2018







 0.5 0.25 0 0.5 1 Miles

 The City of Santa Clarita does not warrant the accuracy of the data and assumes no liability for any errors or omissions.

 Map prepared by: City of Santa Clarita - GIS

G:\PROJECTS\MASTER\WebMap\mxd\city.mxd



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
of the City of Santa Clarita
Santa Clarita, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Clarita, California, (City) as of and for the year ended June 30, 2018, and the related notes to the 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 the 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 auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2018, 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.

Emphasis of Matter

As described in Note 13 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statements No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and No. 85, *Omnibus 2017*, effective July 1, 2017. This resulted in a restatement of beginning net position as disclosed in Note 22 to the financial statements. Our opinion is not modified with respect to this matter.

As described in Note 22 to the financial statements, the City restated beginning net position as of July 1, 2017 for capital assets that the City identified as the City's capital assets, which were transferred from the Redevelopment Successor Agency.

Also, as described in Note 22 to the financial statements, the City restated beginning net position as of July 1, 2017 in the Transit Fund related to the recognition of Proposition C (MOSIP) revenue and the closing out of expenditures related to construction in progress in the proper period.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 13), schedules of revenues, expenditures and changes in fund balance – budget and actual for the General fund and each major special revenue fund and related notes (pages 80 through 84 and 91 through 92), schedule of changes in the net OPEB liability and related ratios (page 85), schedule of contributions – OPEB (page 86), schedule of money weighted rate of return (page 87), schedule of changes in the City's net pension liability and related ratios (page 88), and schedule of city contributions - pensions (pages 89 through 90) 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 funds financial statements and budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor funds financial statements and budgetary comparison schedules 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 funds financial statements and budgetary comparison schedules 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018, 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.

Yaurinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 27, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2018

This discussion and analysis of the City of Santa Clarita's (the City) financial performance provides an overview of the financial activities of the City for the fiscal year ended June 30, 2018. Our analysis includes information regarding the City's overall financial position and results of operations to assist users in evaluating the City's financial position, a discussion of significant changes that occurred in funds, and information regarding significant budget variances. In addition, it describes the activities during the year for capital assets and long-term debt. We end our discussion and analysis with a description of currently known facts, decisions and conditions that are expected to have a significant effect on the financial position or results of operations. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1.17 billion. Of this amount, \$84.3 million represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors (Table 1).
- The City's total net position increased by \$45.6 million. Net position of the business-type activities decreased by \$2 million, and the net position of the governmental activities increased by \$47.6 million (Table 2).
- The net capital assets of the City's governmental activities increased by \$39.7 million, or 4.4% over last fiscal year. The increase was in part due to purchases, contributions and annexations of land and infrastructure totaling \$20 million, and the increase of construction in progress of \$19.8 million. See Note 6 to the financial statements for additional information.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$256 million. This represents an increase of \$22.9 million as compared to the prior year.
- Within governmental funds, the General Fund reported a fund balance of \$148.2 million.

USING THIS ANNUAL REPORT

The financial statements presented herein include all of the activities of the City of Santa Clarita and its component unit using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34. The three components of the basic financial statements are as follows:

1) Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting in a manner similar to a private-sector business. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

USING THIS ANNUAL REPORT (CONTINUED)

2) Fund Financial Statements

The Fund Financial Statements include statements for each of the three categories of activities: governmental, proprietary and fiduciary. For governmental activities, these fund statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds and other funds.

3) Notes to the Basic Financial Statements

The notes provide additional information necessary to enable the user to fully understand the various financial statements.

In addition to the basic financial statements and notes, this report contains other supplementary information.

REPORTING THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole, and its activities, in a way to answer this question. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Position reports all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Net position is one way to measure the City's financial health or *financial position*. Over time, *increases or decreases* in the City's net position is an indication of whether its *financial health* is improving or deteriorating. Other things to consider are non-financial factors, such as changes in the economy due to external factors that would cause an increase or decrease in consumer spending.

The Statement of Activities presents information relating to how the City's net position changed during the fiscal year. All activities resulting in changes in net position are reported when earned or incurred, regardless of the receipt or disbursement of the related transaction's cash flows. Some of the revenues and expenses reported in this statement will result in future fiscal period cash flows, such as the receipt of uncollected taxes and the payment of interest expense or compensated absences.

In the Statement of Net Position and the Statement of Activities, we separate the City's activities as follows:

Governmental Activities – Most of the City's basic services are reported in this category, including general administration (City Manager, City Clerk, Finance, etc.), public safety, public works, parks, recreation, neighborhood services, community services, and community development (planning). These activities are distinguished due to the use of property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues to finance these activities.

Business-Type Activities – City functions that are intended to be primarily self-supporting through the imposition of user fees and charges are reported in the business-type activity category. Business-type activities for the City consist of transit activities related to the operation of the City's local public transportation system.

REPORTING THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Component Unit Activities – The City of Santa Clarita is the primary government unit to one legally separate entity. The financial activity and data of the Santa Clarita Public Financing Authority has been accounted for within the funds of the City, and therefore, separate component unit financial information is not presented within the financial statements.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS – FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to account for and accumulate financial information related to a specific activity or objective. Some funds are required to be established by State law and bond covenants; however, management established many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other resources. The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. The City's three types of funds are governmental, proprietary and fiduciary.

Governmental Funds – Most of the City's basic services are reported in governmental funds. Governmental fund financial statements focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called "*modified accrual*" accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by this integrated approach.

The City reports governmental fund financial information within 34 governmental funds. The General Fund, Bridge and Thoroughfare Fund, Developer Fees Fund, Public Library Fund and Landscape Maintenance District #1 Fund are presented separately as major funds in the governmental fund balance sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. Financial data for the remaining 29 governmental funds are combined into a single, aggregated presentation. Supporting financial information on each of the other governmental funds is also provided within the report.

Proprietary Funds – The City maintains two different types of proprietary funds. When the City charges customers for the services it provides, these services are generally reported in a type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, but the proprietary fund statements provide more detail and additional information, such as a statement of cash flows. The City uses the Transit Enterprise Fund to account for the activities related to transit operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses three internal service funds to account for costs related to self-insurance, computer replacement and vehicle-equipment replacement.

Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position and the Statement of Activities. The proprietary fund financial statements provide separate information for the Transit Enterprise Fund, which is considered to be a major fund of the City. All of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the supplementary information section of this report.

THE CITY AS TRUSTEE – FIDUCIARY FUND STATEMENTS

Reporting the City’s Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for certain funds held for the benefit of other parties outside of the City. The City’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These activities were excluded from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the comparison of budget and actual results for the major governmental funds, other post-employment benefits money weighted rate of return, schedule of changes in the City’s net pension and OPEB liability and related ratios, and a schedule of the City’s pension and OPEB contributions. This section is located after the Notes to Financial Statements.

The combining statements referred to earlier in connection with the other governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information described in the previous paragraph in the supplementary information section.

THE CITY AS A WHOLE

The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City’s governmental and business-type activities.

The City’s net position may be analyzed and used as an indicator of the City’s overall financial condition. The City’s combined net position increased by \$45.6 million, increasing from \$1.13 billion to \$1.17 billion.

THE CITY AS A WHOLE (CONTINUED)

**TABLE 1
CITY OF SANTA CLARITA'S NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS:						
Current and Other Assets	\$ 295,634,881	\$ 287,793,027	\$ 3,510,135	\$ 7,525,050	\$ 299,145,016	\$ 295,318,077
Capital assets, net	939,065,412	899,324,125	79,199,471	79,589,102	1,018,264,883	978,913,227
Noncurrent Assets	35,691,681	25,568,478	-	-	35,691,681	25,568,478
TOTAL ASSETS	1,270,391,974	1,212,685,630	82,709,606	87,114,152	1,353,101,580	1,299,799,782
DEFERRED OUTFLOWS OF RESOURCES:	21,318,027	12,766,476	714,266	399,450	22,032,293	13,165,926
LIABILITIES:						
Noncurrent Liabilities	148,103,367	118,556,662	1,904,484	1,415,876	150,007,851	119,972,538
Other Liabilities	46,479,473	45,694,038	3,092,645	7,644,191	49,572,118	53,338,229
TOTAL LIABILITIES	194,582,840	164,250,700	4,997,129	9,060,067	199,579,969	173,310,767
DEFERRED INFLOWS OF RESOURCES:	3,628,833	1,841,246	115,590	67,065	3,744,423	1,908,311
NET POSITION:						
Net investment in capital assets	895,056,642	867,144,998	79,199,471	79,589,102	974,256,113	946,734,100
Restricted	113,286,626	87,272,724	-	-	113,286,626	87,272,724
Unrestricted	85,155,060	104,942,438	(888,318)	(1,202,632)	84,266,742	103,739,806
TOTAL NET POSITION	1,093,498,328	1,059,360,160	78,311,153	78,386,470	1,171,809,481	1,137,746,630

The City's net position is made up of three components: Net Investment in Capital Assets, Restricted Net Position and Unrestricted Net Position.

As of June 30, 2018, assets exceeded liabilities by \$1.15 billion. The largest component of the City's net position, 83.1%, is represented by its \$974 million net investment in capital assets (e.g., infrastructure, land, buildings and improvements, equipment, and construction in progress) less accumulated depreciation and any related outstanding debt used to acquire the capital assets. These capital assets are used to provide services to the citizens, and therefore are not available to finance future operations. In addition, resources necessary to repay the related debt must be provided by sources other than the capital assets, as the assets themselves cannot be used to satisfy these liabilities.

An additional portion of the City's net position, 9.7%, represents resources subject to external restrictions on how they may be used. The remaining 7.2% of unrestricted net position, \$84.3 million, may be used to meet the City's ongoing obligations to citizens and creditors.

Consistent with the prior year, at the end of the current fiscal year, the City is able to report positive balances in both categories of governmental and business-type net position. Net position for governmental activities increased by \$47.6 million over the prior year. The unrestricted net position of the business-type activities increased by \$314,314.

THE CITY AS A WHOLE (CONTINUED)

Governmental Activities

Revenues from governmental activities decreased by \$3.1 million. The cost of all governmental activities this year was \$148 million, an increase of 7.1% over the past year. As shown in the Statement of Activities, the governmental activities expenses were ultimately financed in part by the taxpayers, as \$64.5 million in revenues were generated by service revenues received from the performance of these activities; another \$9.3 million was received from government agencies and other organizations that subsidized certain programs with operating grants and contributions; and another \$32 million in revenues was generated from capital grants and contributions. Overall, the City's governmental program and general revenues amounted to \$202 million, which funded the expenses and resulted in a \$47.6 million increase in net position.

**TABLE 2
CITY OF SANTA CLARITA'S CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program Revenues:						
Charges for services	\$ 64,527,732	\$ 52,664,081	\$ 6,987,488	\$ 7,231,136	\$ 71,515,220	\$ 59,895,217
Operating grants and contributions	9,259,079	5,977,971	10,226,946	8,459,236	19,486,025	14,437,207
Capital grants and contributions	31,807,581	55,220,052	3,102,269	9,138,643	34,909,850	64,358,695
General Revenues:						
Taxes:						
Property taxes	42,284,749	39,924,749			42,284,749	39,924,749
Other taxes	50,747,716	49,415,366			50,747,716	49,415,366
Other	3,264,028	1,801,478	18,996	24,488	3,283,024	1,825,966
Total Revenues	201,890,885	205,003,697	20,335,699	24,853,503	222,226,584	229,857,200
General government	53,928,438	44,390,099	-	-	53,928,438	44,390,099
Public safety	27,232,724	25,231,712	-	-	27,232,724	25,231,712
Recreation and community services	23,472,469	23,563,825	-	-	23,472,469	23,563,825
Public works	14,771,925	16,224,154	-	-	14,771,925	16,224,154
Community development	6,957,438	7,057,301	-	-	6,957,438	7,057,301
Neighborhood Services	1,082,836	1,815,637	-	-	1,082,836	1,815,637
Unallocated infrastructure depreciation	19,259,333	18,833,113	-	-	19,259,333	18,833,113
Interest and fiscal charges	1,638,960	1,378,888	-	-	1,638,960	1,378,888
Transit	-	-	28,309,870	29,858,499	28,309,870	29,858,499
Total Expenses	148,344,123	138,494,729	28,309,870	29,858,499	176,653,993	168,353,228
Increase/Decrease in Net Position Before Transfers	53,546,762	66,508,968	(7,974,171)	(5,004,996)	45,572,591	61,503,972
Transfers	(5,924,278)	(3,602,443)	5,924,278	3,602,443	-	-
Changes in Net Position	47,622,484	62,906,525	(2,049,893)	(1,402,553)	45,572,591	61,503,972
Net Position – Beginning of Year	1,059,360,160	996,453,635	78,386,470	79,789,023	1,137,746,630	1,076,242,658
Restatements	(13,484,316)	-	1,974,576	-	(11,509,740)	-
Net Position – Beginning of Year, as restated	1,045,875,844	996,453,635	80,361,046	79,789,023	1,126,236,890	1,076,242,658
Net Position – End of Year	\$ 1,093,498,328	\$ 1,059,360,160	\$ 78,311,153	\$ 78,386,470	\$ 1,171,809,481	\$ 1,137,746,630

Business-Type Activities

Business-type activities decreased the City's net position by \$2 million for the current year. Business-type activities revenues decreased by \$4.5 million during the year for a total of \$20.3 million in revenues, excluding the \$5.9 million of transfers in from other governmental activities. The decreased revenue was largely due to a decrease in capital grants and contributions of \$6 million. Related transit activity expenses decreased by \$1.5 million.

THE CITY'S FUNDS

The governmental funds reported a combined fund balance at the end of the current fiscal year of \$256 million, an increase of \$22.9 million over the prior year. Approximately \$113 million is restricted and already committed for specific restricted purposes.

The total governmental fund balance includes the general fund balance of \$148 million. The General Fund is the chief operating fund of the City of Santa Clarita. The unassigned fund balance of \$47 million is available for spending at the City's discretion. More detailed information about the City's classification of fund balances are presented in Note 11 to the financial statements.

Other major fund balance changes are noted below:

- The Bridge and Thoroughfare Fund has realized an increase of \$2.4 million in its fund balance from prior year.
- The Developer Fee Fund has realized a decrease of \$497,659 due to a decrease in developer contributions.
- The Public Library Fund has realized an increase of \$1.4 million in its fund balance from the prior year.
- The Landscape Maintenance District's fund balance increased by \$3.3 million from the prior year.

In addition to the major funds, the fund balances for the other governmental funds experienced an aggregate increase of \$17.2 million, of which approximately \$15 million is attributed to the issuance of 2018 Series A and B Revenue and Taxable Revenue bonds for the Streetlights acquisition and retrofit program.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The total net position for the Transit Enterprise Fund decreased over the prior year by \$2 million. The unrestricted portion of the business-type activities net position increased by \$314,314 from the prior year.

The Internal Service Funds net position increased by \$663,008 or 7.6%. The ending fund balance for Internal Service Funds is \$9.4 million, of which \$8 million is unrestricted.

General Fund Budgetary Highlights

Comparison of the fiscal year 2017-2018 original (adopted) general fund budgeted expenditures and transfers of \$104.8 million to the final budgeted expenditures of \$134.2 million results in a net increase of \$29.4 million.

Included in this net increase is \$3,183,704 committed purchase orders and contracts from the prior June 30 balance, as well as \$4,052,822 of prior fiscal year operating and capital improvement projects approved for carryover into fiscal year 2017-2018.

THE CITY'S FUNDS (CONTINUED)

Original Budget	Continued	Encumbrances	Beg. Balance +	Supplemental	Final Budget
+	Appropriations +	=		Changes =	
\$104,757,017 +	\$4,052,822 +	\$3,183,704 =	\$111,993,543 +	\$22,189,808 =	\$134,183,351

Comparing the beginning budget of \$112 million with the final budget of \$134.2 million indicates the General Fund had supplemental budgetary appropriations of \$22.2 million during the fiscal year. Included in the supplemental appropriations are the results of this year's budget review.

During the mid-year budget review, budgeted general fund revenue had an increase of \$1,813,067. Included in the increase is \$758 thousand in development revenues, \$300 thousand in property tax, \$300 thousand in sales tax, and \$1 million transfers in from Self Insurance Fund.

At year-end, the City's actual general fund revenues were \$1.5 million more than the final budgetary estimates. Actual general fund expenditures were less than the final budgetary estimates by \$9.5 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had \$1.02 billion (net of accumulated depreciation) invested in a broad range of capital assets. This investment in capital assets includes land, buildings and related improvements, vehicles and equipment, and infrastructure, such as streets, bridges, traffic signals, medians, sidewalks, trails, sewers, curbs and gutters, and drainage systems (see Table 3).

TABLE 3
CITY OF SANTA CLARITA'S CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$172,876,636	\$162,971,944	\$ 15,087,880	\$ 15,087,880	\$187,964,516	\$178,059,824
Construction in progress	52,656,787	32,869,119	2,807,217	1,736	\$55,464,004	\$32,870,855
Infrastructure, net	628,220,571	616,639,481	-	-	\$628,220,571	\$616,639,481
Depreciable site improvements, net	30,507,908	30,667,084	9,109,464	9,677,685	\$39,617,372	\$40,344,769
Depreciable building and improvements, net	50,399,568	51,851,209	28,674,720	29,558,066	\$79,074,288	\$81,409,275
Depreciable equipment, net	4,403,942	4,325,289	23,520,190	25,263,735	\$27,924,132	\$29,589,024
TOTALS	\$939,065,412	\$899,324,126	79,199,471	79,589,102	\$1,018,264,883	\$978,913,228

Major capital asset events during the year included:

- Acquisitions, contributions and annexations of land totaling \$9.9 million
- Infrastructure additions totaling \$27 million.

Additional information on the City of Santa Clarita's capital assets can be located in Note 6 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

At year-end, the City's total debt amounted to \$50.2 million in bonds, notes, capital leases, contracts, claims payable and compensated absences as shown in Table 4. A summary of debt activity for the year follows.

**TABLE 4
CITY OF SANTA CLARITA'S OUTSTANDING DEBT**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue and Taxable Revenue Bonds	15,848,271	-	-	-	15,848,271	-
Lease Revenue Bonds	24,532,560	25,262,456	-	-	24,532,560	25,262,456
Contract and Leases	32,200	60,444	-	-	32,200	60,444
Private Placement Lease	3,595,740	4,984,543	-	-	3,595,740	4,984,543
Loans	-	100,000	-	-	-	100,000
Compensated Absences	3,303,789	3,486,115	75,637	84,893	3,379,426	3,571,008
Claims Payable	2,775,229	3,190,756	-	-	2,775,229	3,190,756
TOTAL	\$ 50,087,789	\$ 37,084,314	\$ 75,637.00	\$ 84,893.00	\$ 50,163,426	\$ 37,169,207

The City's governmental activities had \$50 million in debt at year-end. Governmental activities long-term debt increased overall by \$13 million.

No new debt related to business-type activities was issued or refinanced during the current fiscal year.

During the fiscal year ended June 30, 2018, the City was able to meet its current year debt obligation in a timely manner. State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its adjusted assessed valuation. The debt limitation for the City as of June 30, 2018 was \$1,152,275,453. The calculation of the debt limitation is included in the statistical section.

Additional information on the City of Santa Clarita's debt can be located in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Our long history of conservative and strategic budget practices has allowed the City to maintain a balanced budget every year. Since the Great Recession, our organization has understood that there will continue to be economic peaks and valleys, and we need to be prepared and positioned for times when the economy is weak.

- General Fund sales tax revenue continues to be the largest revenue source to operate general governmental functions, accounting for 33% or \$37 million as projected in the 2018-2019 budget.
- Property tax revenues account for 32% of the General Fund budget or \$35.5 million in 2018-2019. The County Assessor's office makes changes to the City's property tax roll daily to reflect transfers in ownership, new construction, assessment appeals, parcel splits and other dynamic changes.

Total General Fund expenditures are projected to be \$110.4 million, resulting in a balanced budget, an operating surplus of \$396K, and a 20% operating reserve of \$16.9 million. The City's 2018-2019 operating and capital budget for all funds is \$227 million.

The City remains dedicated to service excellence, teamwork and creativity. City staff continues to do more with less, find creative ways to maintain services revered by our community, and provide award-winning programs. The 2018-2019 budget remains to be a reflection of the City's commitment to the residents of Santa Clarita. This is consistent with the City's long tradition of ensuring that programming for Santa Clarita's youth and children is a priority to help promote growth and curb teen crimes. A copy of the City's 2018-2019 budget can be obtained by visiting the web at <http://www.santa-clarita.com/city-hall/departments/city-manager-s-office/city-budget>.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City Clerk, City of Santa Clarita, 23920 Valencia Boulevard, #120, Valencia, California 91355.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF SANTA CLARITA, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 275,963,011	\$ -	\$ 275,963,011
Receivables:			
Accounts, net	939,986	16,821	956,807
Interest	1,305,949	1,437	1,307,386
Taxes	11,250,053	-	11,250,053
Prepaid costs	313,624	14,586	328,210
Due from other governments	5,573,696	3,765,853	9,339,549
Internal balances	288,562	(288,562)	-
Total Current Assets	<u>295,634,881</u>	<u>3,510,135</u>	<u>299,145,016</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments	15,799,627	-	15,799,627
Cash and investments with fiscal agents	871,961	-	871,961
Loans receivable	2,828,034	-	2,828,034
Land held for resale	-	-	-
Notes to RDA Successor Agency	16,192,059	-	16,192,059
Capital assets:			
Nondepreciable assets	225,533,423	17,895,097	243,428,520
Depreciable assets, net	713,531,989	61,304,374	774,836,363
Total Noncurrent Assets	<u>974,757,093</u>	<u>79,199,471</u>	<u>1,053,956,564</u>
Total Assets	<u>1,270,391,974</u>	<u>82,709,606</u>	<u>1,353,101,580</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	19,609,987	714,266	20,324,253
Unamortized loss on refundings	1,708,040	-	1,708,040
Total Deferred Outflows of Resources	<u>21,318,027</u>	<u>714,266</u>	<u>22,032,293</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	14,024,871	3,032,644	17,057,515
Interest payable	185,513	-	185,513
Deposits payable	17,074,061	-	17,074,061
Due to other governments	7,734,479	-	7,734,479
Unearned revenues	723,600	-	723,600
Compensated absences	2,087,579	60,001	2,147,580
Claims and judgments	1,690,947	-	1,690,947
Bonds, loans and capital leases	2,958,423	-	2,958,423
Total Current Liabilities	<u>46,479,473</u>	<u>3,092,645</u>	<u>49,572,118</u>
Noncurrent liabilities:			
Compensated absences	1,216,210	15,636	1,231,846
Claims and judgments	1,084,282	-	1,084,282
Bonds, loans and capital leases	41,050,348	-	41,050,348
Developer credits	49,626,106	-	49,626,106
Net OPEB liability	10,061,357	247,416	10,308,773
Net pension liability	45,065,064	1,641,432	46,706,496
Total Noncurrent Liabilities	<u>148,103,367</u>	<u>1,904,484</u>	<u>150,007,851</u>
Total Liabilities	<u>194,582,840</u>	<u>4,997,129</u>	<u>199,579,969</u>
Deferred Inflows of Resources:			
Deferred inflows related to OPEB	1,401,536	34,464	1,436,000
Deferred inflows related to pensions	2,227,297	81,126	2,308,423
Total Deferred Inflows of Resources	<u>3,628,833</u>	<u>115,590</u>	<u>3,744,423</u>

See accompanying notes to financial statements.

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CITY OF SANTA CLARITA, CALIFORNIA

STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
Net Position:			
Net investment in capital assets	\$ 895,056,642	\$ 79,199,471	\$ 974,256,113
Restricted:			
Landscape maintenance	35,097,112	-	35,097,112
Lighting district	21,862,525	-	21,862,525
Transportation	18,125,110	-	18,125,110
Open Space preservation	3,874,488	-	3,874,488
Public safety	2,320,266	-	2,320,266
Public library	1,624,229	-	1,624,229
Air quality improvement	906,146	-	906,146
Stormwater	5,653,478	-	5,653,478
Public education and government	563,538	-	563,538
Tourism marketing	1,215,748	-	1,215,748
Low and moderate-income housing	1,060,423	-	1,060,423
Capital improvements	20,983,563	-	20,983,563
Unrestricted	85,155,060	(888,318)	84,266,742
Total Net Position	\$ 1,093,498,328	\$ 78,311,153	\$ 1,171,809,481

See accompanying notes to financial statements.

CITY OF SANTA CLARITA, CALIFORNIA

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 53,928,438	\$ 10,007,154	\$ 242,869	-
Public safety	27,232,724	1,429,900	353,733	2,076,043
Recreation and community service	23,472,469	8,306,076	9,003	123,505
Public works	14,771,925	15,792,197	8,031,936	29,608,033
Community development	6,957,438	1,901,897	621,538	-
Neighborhood Services	1,082,836	27,090,508	-	-
Unallocated infrastructure depreciation	19,259,333	-	-	-
Interest and fiscal changes	1,638,960	-	-	-
Total governmental activities	148,344,123	64,527,732	9,259,079	31,807,581
Business-type activities:				
Transit enterprise	28,309,870	6,987,488	10,226,946	3,102,269
Total primary government	\$ 176,653,993	\$ 71,515,220	\$ 19,486,025	\$ 34,909,850

General revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Transient occupancy taxes

Property transfer tax

Property taxes in lieu of motor vehicle fee

Investment income (loss)

Miscellaneous

Gain on sale of capital assets

Total General Revenues

Transfers

Change in Net Position

Net Position, Beginning of Year, as restated

Net Position, End of Year

See accompanying notes to financial statements.

Net (Expense) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (43,678,415)	\$ -	\$ (43,678,415)
(23,373,048)	-	(23,373,048)
(15,033,885)	-	(15,033,885)
38,660,241	-	38,660,241
(4,434,003)	-	(4,434,003)
26,007,672	-	26,007,672
(19,259,333)	-	(19,259,333)
(1,638,960)	-	(1,638,960)
(42,749,731)	-	(42,749,731)
-	(7,993,167)	(7,993,167)
(42,749,731)	(7,993,167)	(50,742,898)
42,284,749	-	42,284,749
37,252,523	-	37,252,523
8,523,791	-	8,523,791
3,489,281	-	3,489,281
1,320,018	-	1,320,018
162,103	-	162,103
591,177	(1,242)	589,935
2,661,916	-	2,661,916
10,935	20,238	31,173
96,296,493	18,996	96,315,489
(5,924,278)	5,924,278	-
47,622,484	(2,049,893)	45,572,591
1,045,875,844	80,361,046	1,126,236,890
\$ 1,093,498,328	\$ 78,311,153	\$ 1,171,809,481

CITY OF SANTA CLARITA, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds		
	General Fund	Bridge and Thoroughfare	Developer Fees
Assets:			
Cash and investments	\$ 153,380,261	\$ 10,785,984	\$ 5,106,363
Receivables:			
Accounts, net	676,014	-	-
Interest	782,857	45,986	21,791
Taxes	9,958,518	-	-
Loans	-	-	-
Notes to RDA Successor Agency	9,440,601	-	6,751,458
Prepaid costs	275,867	-	-
Due from other governments	103,765	-	-
Due from other funds	3,838,034	-	-
Advances to other funds	13,828,350	-	123,707
Restricted assets:			
Cash and investments	-	-	-
Cash and investments with fiscal agents	-	-	-
Total assets	\$ 192,284,267	\$ 10,831,970	\$ 12,003,319
Liabilities, deferred inflows of resources, and fund balances (deficit):			
Liabilities:			
Accounts payable and accrued liabilities	\$ 7,351,373	181,759	86,434
Deposits payable	17,074,062	-	-
Due to other governments	7,700,000	-	-
Unearned revenues	723,600	-	-
Due to other funds	-	-	-
Advances from other funds	-	5,553,119	-
Total liabilities	32,849,035	5,734,878	86,434
Deferred inflows of resources:			
Unavailable revenues	11,253,355	-	6,875,165
Fund balances (deficit):			
Nonspendable	12,390,885	-	-
Restricted	-	5,097,092	4,989,216
Committed	-	-	15,008
Assigned	88,674,761	-	37,496
Unassigned	47,116,231	-	-
Total fund balances (deficit)	148,181,877	5,097,092	5,041,720
Total liabilities, deferred inflows of of resources and fund balances (deficit)	\$ 192,284,267	\$ 10,831,970	\$ 12,003,319

See accompanying notes to financial statements.

Special Revenue Funds				
Public Library	Landscape Maintenance District #1	Non-major Governmental Funds	Total Governmental Funds	
\$ 4,546,587	\$ 35,838,362	\$ 55,352,224	\$ 265,009,781	
136	23,833	240,003	939,986	
19,402	153,135	232,282	1,255,453	
266,209	391,006	634,320	11,250,053	
-	-	2,828,034	2,828,034	
-	-	-	16,192,059	
23,217	-	5,882	304,966	
-	-	5,469,931	5,573,696	
-	-	-	3,838,034	
-	-	-	13,952,057	
-	-	15,799,627	15,799,627	
-	-	871,961	871,961	
<u>\$ 4,855,551</u>	<u>\$ 36,406,336</u>	<u>\$ 81,434,264</u>	<u>\$ 337,815,707</u>	
717,255	1,309,224	\$ 4,316,106	\$ 13,962,151	
-	-	-	17,074,062	
-	-	34,479	7,734,479	
-	-	-	723,600	
-	-	3,549,472	3,549,472	
8,398,938	-	-	13,952,057	
<u>9,116,193</u>	<u>1,309,224</u>	<u>7,900,057</u>	<u>56,995,821</u>	
-	-	6,871,339	24,999,859	
23,217	-	5,882	12,419,984	
-	35,097,112	68,103,206	113,286,626	
-	-	-	15,008	
-	-	1,079,669	89,791,926	
(4,283,859)	-	(2,525,889)	40,306,483	
<u>(4,260,642)</u>	<u>35,097,112</u>	<u>66,662,868</u>	<u>255,820,027</u>	
<u>\$ 4,855,551</u>	<u>\$ 36,406,336</u>	<u>\$ 81,434,264</u>	<u>\$ 337,815,707</u>	

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CITY OF SANTA CLARITA, CALIFORNIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Fund balances of governmental funds	\$ 255,820,027
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those capital assets consist of:	
Nondepreciable assets	\$ 225,533,423
Depreciable assets, net of accumulated depreciation	<u>712,167,246</u>
	937,700,669
Revenues reported as deferred inflows in the governmental funds do not provide current financial resources but are recognized in the Statement of Activities	24,999,859
Amounts reported for net pension and OPEB liability are not due in the current period and therefore are not reported in the governmental funds. Related components that will affect the net pension and OPEB liability in future measurement years are reported as deferred outflows and deferred inflows of resources are therefore not reported in the governmental funds.	
Net pension liability	(44,893,524)
Deferred outflows of resources related to pensions	19,535,342
Deferred inflows of resources related to pensions	(2,218,819)
Net OPEB liability	(10,030,430)
Deferred inflows of resources related to OPEB	<u>(1,397,228)</u>
	(39,004,659)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Those long-term liabilities consist of:	
Revenue/taxable revenue bonds	(40,380,831)
Private placement lease payable	(3,595,740)
Capital leases	67,800
Loans payable	(100,000)
Deferred outflow of resources related to loss on refunding	1,708,040
Compensated absences	(3,294,947)
Bridge and Thoroughfare developer payables	<u>(49,626,105)</u>
	(95,221,783)
Accrued interest payable on long-term liabilities do not require the use of current financial resources and therefore are not reported in the governmental funds.	(185,513)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, and vehicle and computer replacement, to individual funds. These assets, deferred outflows/inflows of resources and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	<u>9,389,728</u>
Net Position of Governmental Activities	<u>\$ 1,093,498,328</u>

See accompanying notes to financial statements.

CITY OF SANTA CLARITA, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds		
	General	Bridge and Thoroughfare	Developer Fees
Revenues:			
Taxes	\$ 84,657,643	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	7,688,342	-	-
Intergovernmental	377,151	-	-
Charges for services	8,756,356	-	-
Investment income (loss)	277,852	326,969	17,505
Fines and forfeitures	794,423	-	-
Developer fees	-	3,833,842	2,126,043
Other revenue	363,978	688,724	-
Total revenues	102,915,745	4,849,535	2,143,548
Expenditures:			
Current:			
General government	23,789,790	2,380	350,000
Public safety	24,793,460	-	1,899,310
Recreation and community service	21,068,481	-	-
Public works	21,141,020	1,687,179	153,451
Community development	6,475,435	-	-
Neighborhood services	715,633	-	-
Capital outlay	6,794,657	345,741	155,359
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	436,011	-
Total expenditures	104,778,476	2,471,311	2,558,120
Excess (deficiency) of revenues over (under) expenditures	(1,862,731)	2,378,224	(414,572)
Other financing sources (uses):			
Bonds issued	-	-	-
Payment to refunding bond escrow agent			
Transfers in	4,451,281	-	-
Transfers out	(3,421,939)	-	(83,087)
Total other financing sources (uses)	1,029,342	-	(83,087)
Net change in fund balances	(833,389)	2,378,224	(497,659)
Fund balances (deficit), beginning of year	149,015,266	2,718,868	5,539,379
Fund balances (deficit), end of year	\$ 148,181,877	\$ 5,097,092	\$ 5,041,720

See accompanying notes to financial statements.

<u>Special Revenue Funds</u>			
<u>Public Library</u>	<u>Landscape Maintenance District #1</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,950,685	\$ 973,449	\$ 450,688	\$ 93,032,465
-	20,304,846	11,844,119	32,148,965
-	-	-	7,688,342
-	-	36,114,554	36,491,705
85,000	-	802,905	9,644,261
(10,995)	81	(15,762)	595,650
-	-	578,264	1,372,687
-	-	3,928,849	9,888,734
162,366	-	529,007	1,744,075
<u>7,187,056</u>	<u>21,278,376</u>	<u>54,232,624</u>	<u>192,606,884</u>
5,633,623	16,119,879	4,832,970	50,728,642
-	-	524,797	27,217,567
-	457,594	63,243	21,589,318
-	297,716	33,934,280	57,213,646
-	-	512,896	6,988,331
-	407,704	39,310	1,162,647
36,104	595,784	4,156,242	12,083,887
-	-	2,138,803	2,138,803
143,804	-	1,068,027	1,647,842
<u>5,813,531</u>	<u>17,878,677</u>	<u>47,270,568</u>	<u>180,770,683</u>
<u>1,373,525</u>	<u>3,399,699</u>	<u>6,962,056</u>	<u>11,836,201</u>
-	-	15,848,271	15,848,271
-	-	(35,099)	(35,099)
-	10,000	21,229,285	25,690,566
(10,429)	(146,201)	(26,782,469)	(30,444,125)
(10,429)	(136,201)	10,259,988	11,059,613
<u>1,363,096</u>	<u>3,263,498</u>	<u>17,222,044</u>	<u>22,895,814</u>
(5,623,738)	31,833,614	49,440,824	232,924,213
<u>\$ (4,260,642)</u>	<u>\$ 35,097,112</u>	<u>\$ 66,662,868</u>	<u>\$ 255,820,027</u>

CITY OF SANTA CLARITA, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

Net changes in fund balances - total governmental funds		\$ 22,895,814
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period. Additionally, certain capital contributions are only reflected as revenues on government-wide statement of activities.		
Capital outlay and public works expenditures	\$ 54,765,173	
Capital contributions	3,920,671	
Depreciation expense	<u>(22,872,121)</u>	
		35,813,723
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		1,067,059
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The following includes the amounts of repayment of long-term liabilities:		
Changes in compensated absences	184,799	
Bond proceeds	(15,848,271)	
Lease revenue bonds	650,000	
Private placement lease payable	1,388,803	
Loans and capital leases	28,244	
Loans payable	100,000	
Loss on refundings	(91,645)	
Amortization of premiums of long-term liabilities	<u>79,896</u>	
		(13,508,174)
Some 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. These expenses consists of the following:		
Changes in interest payable for long-term liabilities	27,486	
Changes in net OPEB liability and related deferred inflows of resources	(646,818)	
Changes in net pension liabilities and related deferred inflows and outflows of resources	<u>1,310,386</u>	
		691,054
Internal services funds are used by management to charge the costs of certain activities, such as insurance, and vehicle and computer replacement, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		<u>663,008</u>
Change in net position of governmental activities		<u>\$ 47,622,484</u>

See accompanying notes to financial statements.

CITY OF SANTA CLARITA, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities Transit Enterprise	Governmental Activities Internal Service Funds
Assets:		
Current assets:		
Cash and investments	\$ -	\$ 10,953,230
Receivables:		
Accounts	16,821	-
Interest	1,437	50,496
Prepaid costs	14,586	8,658
Due from other governments	3,765,853	-
Total current assets	<u>3,798,697</u>	<u>11,012,384</u>
Noncurrent assets:		
Capital assets:		
Land and construction in progress	17,895,097	-
Site improvements, net of accumulated depreciation	9,109,464	-
Building and improvements, net of accumulated depreciation	28,674,720	-
Equipment, net of accumulated depreciation	23,520,190	1,364,743
Total noncurrent assets	<u>79,199,471</u>	<u>1,364,743</u>
Total assets	<u>82,998,168</u>	<u>12,377,127</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	714,266	74,645
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	3,032,644	62,720
Compensated absences	60,001	8,842
Claims and judgements	-	1,690,947
Due to other funds	288,562	-
Total current liabilities	<u>3,381,207</u>	<u>1,762,509</u>
Noncurrent liabilities:		
Compensated absences payable	15,636	-
Claims and judgments	-	1,084,282
Net OPEB liability	247,416	30,927
Net pension liability	1,641,432	171,540
Total noncurrent liabilities	<u>1,904,484</u>	<u>1,286,749</u>
Total liabilities	<u>5,285,691</u>	<u>3,049,258</u>
Deferred inflows of resources:		
Deferred inflows related to OPEB	34,464	4,308
Deferred inflows related to pensions	81,126	8,478
Total Deferred Inflows of Resources	<u>115,590</u>	<u>12,786</u>
Net Position:		
Net investment in capital assets	79,199,471	1,364,743
Unrestricted	(888,318)	8,024,985
Total net position	<u>\$ 78,311,153</u>	<u>\$ 9,389,728</u>
	See accompanying notes to financial statements.	

CITY OF SANTA CLARITA, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities	Governmental Activities
	Transit Enterprise	Internal Service Funds
Operating revenues:		
Charges for services	\$ 6,429,467	\$ 3,292,076
Other revenues	558,021	1,000,000
Total operating revenues	<u>6,987,488</u>	<u>4,292,076</u>
Operating expenses:		
Administration and personnel services	2,726,696	166,052
Transportation services	19,332,460	-
Services and supplies	1,327,681	2,037,066
Depreciation expense	4,923,033	259,426
Total operating expenses	<u>28,309,870</u>	<u>2,462,544</u>
Operating income (loss)	<u>(21,322,382)</u>	<u>1,829,532</u>
Nonoperating revenues (expenses):		
Intergovernmental revenue	10,226,946	-
Investment income (loss)	(1,242)	(6,740)
Gain on disposal of capital assets	20,238	10,935
Total nonoperating revenues (expenses)	<u>10,245,942</u>	<u>4,195</u>
Income (loss) before transfers and capital contributions	<u>(11,076,440)</u>	<u>1,833,727</u>
Transfers and capital contributions:		
Transfers in	7,634,532	72,198
Transfers out	(1,710,254)	(1,242,917)
Capital contributions	3,102,269	-
Total transfers and capital contributions	<u>9,026,547</u>	<u>(1,170,719)</u>
Change in net position	<u>(2,049,893)</u>	<u>663,008</u>
Net position		
Net position, beginning of year, as restated	80,361,046	8,726,720
Net position, end of year	<u>\$ 78,311,153</u>	<u>\$ 9,389,728</u>

See accompanying notes to financial statements.

CITY OF SANTA CLARITA, CALIFORNIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities	Governmental Activities
	Transit Enterprise	Internal Service Funds
Cash flows from operating activities:		
Cash received from customers and users	\$ 6,997,104	\$ 4,294,451
Cash paid to suppliers for goods and services	(27,634,285)	(2,431,328)
Cash paid to employees for services	(1,241,858)	(166,593)
Cash received from other services	558,021	-
Net cash provided by (used in) operating activities	<u>(21,321,018)</u>	<u>1,696,530</u>
Cash flows from noncapital financing activities:		
Cash transfers out	(1,710,254)	(1,242,917)
Cash transfers in	7,634,532	72,198
Intergovernmental revenues	15,151,636	-
Net cash (used in) provided by noncapital financing activities	<u>21,075,914</u>	<u>(1,170,719)</u>
Cash flows from capital and related financing activities:		
Capital contributions	3,102,269	-
Acquisition and construction of capital assets	(2,970,575)	(380,452)
Proceeds from disposal of capital assets	113,726	10,935
Net cash provided (used) for capital and related financing activities	<u>245,420</u>	<u>(369,517)</u>
Cash flows from investing activities:		
Interest received	(2,679)	(9,270)
Net increase/(decrease) in cash and cash equivalents	<u>(2,363)</u>	<u>147,024</u>
Cash and cash equivalents at beginning of the year	<u>2,363</u>	<u>10,806,206</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 10,953,230</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (21,322,382)	\$ 1,829,532
Adjustments to reconcile operating income (loss) to net cash provide by (used in) operating activities:		
Depreciation	4,923,033	259,426
Decrease in accounts receivable	567,637	2,375
Decrease in prepaid expense	103,393	12,752
Change in deferred amounts related to OPEB	34,464	4,308
Change in net OPEB liability	(18,504)	(2,314)
Change in deferred amounts related to pensions	(300,755)	(31,431)
Change in net pension liability	252,844	26,422
Increase/(Decrease) in accounts payable	(4,553,943)	8,513
Increase in due to other funds	(997,549)	-
Increase in claims and judgments	-	(415,527)
Increase in compensated absences	(9,256)	2,474
Total adjustments	<u>1,364</u>	<u>(133,002)</u>
Net cash provided by (used in) operating activities	<u>\$ (21,321,018)</u>	<u>\$ 1,696,530</u>

See accompanying notes to financial statements.

CITY OF SANTA CLARITA, CALIFORNIA

STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2018

	Agency Funds	Other Post Employment Benefits (OPEB) Trust Fund	Private-purpose Trust Fund Redevelopment Successor Agency
Assets:			
Cash and investments	\$ 1,188,644	\$ -	\$ 90,040
Receivables:			
Interest	5,057	-	314
Taxes	1,316	-	-
Due from other governments	-	-	7,734,479
Restricted assets:			
Cash and investments	-	-	13,437
Cash and investments held with PARS	-	38,964,300	-
Cash and investments with fiscal agents	1,764,108	-	2,389,625
Capital assets:			
Land	9,937,976	-	-
Building and improvements, net of accumulated depreciation	75,252	-	-
Total assets	<u>\$ 12,972,353</u>	<u>38,964,300</u>	<u>10,227,895</u>
Deferred Outflows of Resources:			
Unamortized loss on refunding	\$ -	-	2,398,448
Liabilities:			
Accounts payable	500	-	2,102
Interest payable	-	-	337,729
Due to external parties	12,971,853	-	-
Bonds, due within one year	-	-	833,660
Bonds and notes, due in more than one year	-	-	50,152,607
Total liabilities	<u>\$ 12,972,353</u>	<u>-</u>	<u>51,326,098</u>
Net position (deficit):			
Net position restricted for OPEB		<u>\$ 38,964,300</u>	
Trust deficit			<u>\$ (38,699,755)</u>

See accompanying notes to financial statements.

CITY OF SANTA CLARITA, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Other Post Employment Benefits (OPEB) Trust Fund</u>	<u>Private-purpose Trust Fund Redevelopment Successor Agency</u>
Additions:		
Property taxes	\$ -	\$ 3,148,188
Employer contributions	1,227,000	-
Investment income	2,963,587	943
Total Additions	<u>4,190,587</u>	<u>3,149,131</u>
Deductions:		
Benefit payments to plan members	1,054,041	
Administrative expenses	146,319	2,092
Contractual services	-	97,295
Interest expense	-	1,796,068
Total Deductions	<u>1,200,360</u>	<u>1,895,455</u>
Change in Net Position	2,990,227	1,253,676
Net Position (deficit):		
Net position/(deficit), beginning of year, as restated	35,974,073	(39,953,431)
Net position/(deficit), end of year	<u>\$ 38,964,300</u>	<u>\$ (38,699,755)</u>

See accompanying notes to financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

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CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

These financial statements present the financial results of the City of Santa Clarita, California (the City) and its component unit as required by accounting principles generally accepted (GAAP) in the United States of America. Component units are legally separate entities for which the primary government is financially accountable. The City has one component unit, the Santa Clarita Public Financing Authority (the Authority). The Authority is governed by the Board of the Authority, which is comprised of City Council. Additionally, the City and Authority have a financial benefit or burden relationship. Therefore, the entity is reported as a blended component unit with the City's Comprehensive Annual Financial Report (CAFR). The City and the component unit have a June 30 year-end.

The City was incorporated on December 15, 1987, as a general law city. The City operates under a council-manager form of government and provides its citizens with a full range of municipal services, either directly or under contract with the County of Los Angeles. Such services include public safety (police and fire protection), building permit/plan approval, planning, community development, recreation, animal control, and street maintenance.

Component Unit

The Authority was established in July 1991 as a joint powers authority between the City and the former redevelopment agency for the purpose of providing financing and funding of public capital improvements and the acquisition of property. On May 10, 2016, the City Council adopted Resolution 16-15 that removed the Successor Agency from the agreement and substituted the Santa Clarita Parking Authority. The Authority's financial data and activity are reported within the debt service and capital projects fund types of the City. Separate financial statements for the Authority are not prepared.

B. Government-Wide and Fund Financial Statements

The City's government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the activities of the City. The effect of interfund activity has been removed from these statements, except for the interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary activities of the City are not included in these statements.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus

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 and liabilities, including capital assets, infrastructure assets, long-term liabilities, and deferred inflows and deferred outflows of resources 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.

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 as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* in regard to interfund activities. All internal balances in the Statement of Net Position have been eliminated, except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to and from other funds
- Advances to and from other funds
- Transfers in and out

The City has conformed to the pronouncements of the GASB, which are acknowledged as the primary authoritative statements of GAAP in the United States of America applicable to state and local governments.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property and sales tax, and 90 days for all other revenues. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, expenditures related to compensated absences, pension and other post-employment benefits, and the redemption of district credits are recorded only when payment is due.

Property taxes, taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period, as defined above. All other revenue items are considered measurable only when cash is received by the City.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City. It is used to account for all financial resources of the City that are not required to be accounted for in another fund.

The Bridge and Thoroughfare Special Revenue Fund is used to account for restricted district fees received from developers as set by the State Subdivision Law and the Los Angeles County and City of Santa Clarita, which are used for the construction of street, highway, bridge, and other thoroughfare in the Bouquet Canyon, Eastside Canyon, Via Princessa, and Valencia districts. This fund also accounts for the issuance and redemption of district credits associated with the contribution of infrastructure. The City has elected the Bridge and Thoroughfare Special Revenue Fund as a major fund for public interest purposes.

The Developer Fees Special Revenue Fund is used to account for monies received from developers restricted to fund specific projects and infrastructure maintenance throughout the City.

The Public Library Special Revenue Fund is used to account for property tax receipts and disbursements associated with the operation of the City of Santa Clarita Public Library.

The Landscape Maintenance District #1 Special Revenue Fund is used to account for property tax receipts and disbursements related to the landscape maintenance district.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) and deferred inflows and deferred outflows of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present 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.

Operating revenues and expenses result from the operating and maintenance of the local public transit services. The operating revenues consist of charges to customers for the service provided. Operating expenses include the costs of providing these services, administrative expenses and depreciation expense. All revenues and expenses not meeting these definitions and which are not capital in nature are reported as non-operating revenues and expenses.

The City reports the following major enterprise fund:

The Transit Enterprise Fund is used to account for the operation of the City’s local public transit bus system.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position (Deficit) and a Statement of Changes in Net Position (Deficit). The fiduciary funds represent an other postemployment benefits (OPEB) trust fund, a private-purpose trust fund and agency funds. Fiduciary fund types are accounted for according to the nature of the fund. Agency funds are reported on the accrual basis of accounting and are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. OPEB trust funds and private-purpose trust funds are reported using the “*economic resources*” measurement focus and the accrual basis of accounting.

The OPEB Trust Fund is used to account for transactions for retiree health care.

The Redevelopment Successor Agency Private-Purpose Trust Fund is used to account for monies received from the Los Angeles County Auditor Controller for the repayment of the enforceable obligations of the former Santa Clarita Redevelopment Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Obligation Payment Schedule (ROPS).

The City reports the following agency funds:

The Assessment District No. 92-2 Fund is used to account for assets and liabilities held by the City as an agent and related to the debt service activity on no-commitment special assessment debt.

The Assessment District No. 99-1 Fund is used to account for assets and liabilities held by the City as an agent and related to the debt service activity on no-commitment special assessment debt.

The Community Facilities District No. 2002-1 Fund is used to account for assets and liabilities held by the City as an agent and related to the debt service activity on no-commitment special assessment debt.

The Santa Clarita Watershed Recreation and Conservancy Authority is used to account for assets and liabilities held by the City as an agent and related to the park and open space lands for the Santa Clarita Watershed Recreation and Conservancy Authority (the Watershed Authority).

The Santa Clarita Public Television Authority is used to account for assets and liabilities held by the City as an agent and related to the operations of the Santa Clarita Public Television Authority (the SCPTA).

Fund Types Reported by the City

Additionally, the City reports the following fund types:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

The Debt Service Funds are used to account for the accumulation of resources for and payment of, interest and principal on long-term debt.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Fund Types Reported by the City

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

The Internal Service Funds are used to account for the financing of special activities that provide services within the City. Such activities include self-insurance, computer replacement, and vehicle replacement.

D. Cash and Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool that maintains the general characteristics of a demand deposit account.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The unexpended bond proceeds of the City's bonds are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued. The City's cash and investments held by fiscal agents are pledged to the payment or security of certain long-term debt issuances. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of the bonds, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments its trustees or fiscal agents may make.

The City also participates in the Los Angeles County Pooled Investment Fund and the Local Agency Investment Fund.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3)*, certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents and Investments (Continued)

The City applies GASB Statement No. 72, *Fair Value Measurements and Application* for determining fair value measurements, applying fair value to investments, and disclosures related to the fair value hierarchy. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Cash and Investments with PARS related to the City’s OPEB Trust are disclosed in Note 13.

E. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., current portion of interfund loans) or “advances from/to other funds” (i.e., noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

During the course of operations, numerous transactions occur between individual funds involving goods provided or services rendered. There are also transfers of revenues from funds authorized to receive the revenue to funds authorized to expend it. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as “transfers.”

F. Property Taxes/Special Assessments

Property taxes and special assessment taxes are considered enforceable liens on real property on July 1, the beginning of the fiscal year, and are due in two installments on November 1 and February 1; however, no penalties or interest are assessed until December 10 and April 10, respectively. These taxes are determined annually based on property values, subject to limits based on Proposition 13, as of January 1 of the levy year, which is prior to the end of the previous fiscal year. The County of Los Angeles bills and collects these taxes for the City and are remitted on a monthly basis. Remittance of property taxes to the City is accounted for in the City’s General Fund and Public Library Special Revenue Fund. Property taxes on certain registered motor vehicles are assessed and collected throughout the year. Special assessments are reported in the City’s Special Assessment Special Revenue Fund.

G. Allowances for Uncollectible Accounts

Allowances for uncollectible accounts are maintained on customer and other trade receivables that historically experience uncollectible amounts. Allowances are based on collection experience and management’s evaluation of the current status of existing receivables.

H. Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These are accounted for using the consumption method, and accordingly, the expenditure is recorded in the period in which the goods or services are received.

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Government-Wide Financial Statements, Proprietary Funds, and Fiduciary Funds

Capital assets, which include land, site improvements, buildings and improvements, and equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds and fiduciary funds. General infrastructure assets consist of roads, curbs and gutters, sidewalks, medians, street signs, bus shelters, bridges, trails, traffic signals, and storm drains/catch basins. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 (\$25,000 for site improvements and building improvements and \$100,000 for infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Site Improvements.....	5-25 years
Buildings and Improvements.....	5-50 years
Equipment	5-25 years
Infrastructure	20-60 years

Governmental Fund Financial Statements

The governmental fund financial statements do not present capital assets. Instead, capital assets purchases are reported as capital outlay expenditures or other functional expenditures such as public works. As such, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.

J. Long-Term Debt

Government-Wide Financial Statements, Proprietary Funds, and Fiduciary Funds

Long-term debt and other financed obligations, such as developer district credits, are reported as liabilities in the government-wide, proprietary fund, and fiduciary fund financial statements.

Bond premiums, discounts, and deferred gains and losses on refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Deferred gains and losses on refundings are reported as a deferred inflow or deferred outflow of resources.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Debt (Continued)

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt and other financed obligations. Governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuances costs are reported as debt service expenditures. Principal payments and reductions in the obligation are reported as debt service expenditures. As such, long-term debt and other financed obligations are shown as reconciling items in the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation (compensated absences). For proprietary fund types and governmental activities, this accumulation is recorded as an expense and liability of the appropriate fund in the fiscal year earned. For the governmental funds, the amount of accumulated unpaid vacation, which is payable from available resources, is recorded as a liability of the General Fund when it has matured (i.e., when due and payable).

M. Claims and Judgments

When it is probable that a claim liability has been incurred at year-end and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage, under its self-insurance program. Claims payable, which includes an estimate for incurred but not reported (IBNR) claims, is recorded in the Self-Insurance Internal Service Fund.

N. Pensions

The net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, information about the fiduciary net position of the California Public Employees' Retirement System (CalPERS), and additions to/deductions from CalPERS' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A deferred outflow of resources is a consumption of net position or fund balance by a government that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position or fund balance by the government that is applicable to a future period. Deferred outflows and inflows of resources related to pensions represent amounts that will be recognized as adjustments to pension expense in future years. As noted in Note 12, deferred outflows and inflows of resources will be recognized as pension expense in future years. Contributions subsequent to the measurement period will be recognized during the fiscal year ending June 30, 2019.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Other Post-Employment Benefits

For purposes of measuring the net OPEB obligation, deferred outflows or resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value (see Note 13).

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

Valuation Date	June 30, 2016
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

P. Net Position and Fund Balances

Government-Wide Financial Statements, Proprietary Funds, and Fiduciary Funds

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, and is classified into three categories:

Net Investment in Capital Assets – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets, and excludes unspent debt proceeds. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Restricted – This amount represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties and enabling legislation, reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This amount represents the residual of amounts not classified in the other two categories and represents the net equity available for the City.

Governmental Fund Financial Statements

In the governmental fund financial statements, fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories; advances, which are long-term interfund borrowings; and items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position and Fund Balances (Continued)

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision-making, City Council through Council Resolution, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. 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 Treasurer authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted to him through a resolution adopted by the City Council.

Unassigned – This includes the excess residual amounts in the General Fund and the residual deficit of all other governmental funds, which have not been restricted, committed, or assigned to specific purposes. 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 the 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.

The City Council has approved an operating reserve to be used for one-time unanticipated expenditure requirements and local disaster. At June 30, 2018, the balance totaled \$16,870,000, which is included in the unassigned fund balance in the General Fund.

Q. Spending Policy

Government-Wide Financial Statements and Proprietary Fund Financial Statements

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to apply restricted resources first.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain balances and the disclosure of contingent assets and liabilities at the date of the basic financial statements and the related reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

S. *Deferred Inflows of Resources, Unavailable Revenue and Unearned Revenue*

Government-Wide Financial Statements

Unearned revenue represents money received during the current or previous years that has not been earned because certain performance criteria have not been met.

Fund Financial Statements

As described above, a deferred inflow of resources represents an acquisition of fund balance by the government that is applicable to a future period. In addition to unearned revenue, governmental funds report deferred inflows of resources related to resources that have earned but have not been received within the availability period. This does not provide an available financial resource in the current period; therefore, recognition is deferred until these criteria have been met.

T. *Pronouncements Adopted in the Current Year*

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The City implemented this Statement effective July 1, 2017.

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for reporting periods beginning after June 15, 2017. The City implemented this Statement effective July 1, 2017.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017. The City implemented this Statement effective July 1, 2017.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Pronouncements Issued But Not Yet Adopted

The GASB has issued pronouncements that have an effective date subsequent to June 30, 2018, which may impact future financial presentations. Management has not determined what, if any, impact implementation of the following Statements may have on future financial statements of the City:

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government’s ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, or the 2018-19 fiscal year. The City has not determined the effect of the Statement.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, or the 2019-20 fiscal year. The City has not determined the effect of this Statement.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019, or 2020-2021 fiscal year. The City has not determined the effect of the Statement.

GASB Statement No. 88 – In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018, or the 2018-19 fiscal year. The City has not determined the effect of this Statement.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2019, or the 2020-21 fiscal year. The City has not determined the effect of this Statement.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 90 – In September 2018, the GASB issues Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2018, or the 2019-20 fiscal year. The City has not determined the effect of this Statement.

NOTE 2 – CASH AND INVESTMENTS

A. Cash and Investments

Cash and investments at June 30, 2018, are classified in the accompanying financial statements as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and investments	\$ 275,963,011	\$ 1,278,684	\$ 277,241,695
Restricted assets:			
Cash and investments	15,799,627	13,437	15,813,064
Cash and investments with fiscal agents	871,961	4,153,733	5,025,694
Totals	<u>\$ 292,634,599</u>	<u>\$ 5,445,854</u>	<u>\$ 298,080,453</u>

Cash and investments consisted of the following at June 30, 2018:

Cash on hand and deposits:		
Cash on hand		\$ 5,078
Deposits with financial institutions		5,730,096
Certificates of deposit		249,998
Total Cash on Hand and Deposits		<u>5,985,172</u>
Investments:		
U.S. Treasury Securities		31,306,073
U.S. Government-Sponsored Enterprise Securities		53,073,323
Negotiable Certificate of Deposits		33,590,272
Supranational		21,821,613
Commercial Paper		22,964,768
Medium-Term Notes		47,877,942
Money Market Funds		24,999
Asset Backed		11,634,674
State of California Local Agency Investment Fund (LAIF)		47,402,860
L.A. County Pooled Investment Fund (LACPIF)		1,559,999
Total Investments		<u>271,256,523</u>
Restricted investments:		
Money Market Funds		<u>15,813,064</u>
Restricted investments with fiscal agent:		
Money Market Funds		5,025,694
Total cash and investments		<u>\$ 298,080,453</u>

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

A. Cash and Investments (Continued)

The carrying amounts of the City’s deposits were \$5,974,909 at June 30, 2018. Bank balances before reconciling items were \$9,114,086 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name.

Cash and Investments with PARS related to the City’s OPEB Trust are disclosed in Note 13.

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

The following table identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where 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 trustees 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 or Amount of Portfolio*	Maximum Investment in One Issuer**
Local Agency Bonds	5 years	No Limit	No Limit
U.S. Treasury Obligations	5 years	No Limit	No Limit
State of California Obligations	5 years	No Limit	No Limit
California Local Agency Obligations	5 years	No Limit	50%
U.S. Governmental-Sponsored Enterprise Securities	5 years	No Limit	None
Supranationals/Unsubordinated Obligations	5 years	30%	10%
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	30%
Repurchase Agreements	1 year	No Limit	No Limit
Medium-Term Notes	5 years	30%	30%
Money Market Funds	5 years	20%	10%
Mortgage Pass-Through Securities	5 years	20%	50%
Asset Backed	5 years	20%	20%
Los Angeles County Pooled Investment Fund (LACPIF)	Not Applicable	No Limit	No Limit
State of California Local Agency Investment Fund (LAIF)	Not Applicable	\$65,000,000	No Limit

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

C. Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees 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 trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Amount of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	N/A	50%	None
U.S. Government-Sponsored Enterprise Securities	5 years	None	None
Money Market Funds	5 years	None	None
State of California Local Agency Investment Fund (LAIF)	5 years	30%	None

D. Disclosures Relating to Interest Rate Risk

As a means of limiting its exposure to fair-value losses arising from rising interest rates, the City’s investment policy limits investments to a maximum maturity of five years from the date of purchase.

Interest rate risk is the risk that changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk 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.

At June 30, 2018, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)				
		Less Than 1	1 to 2	2 to 3	3 to 4	4 to 5
Investments:						
U.S. Treasury Securities	\$ 31,306,073	\$ 2,094,582	\$ 1,269,892	\$ 6,154,405	\$ 9,401,804	\$ 12,385,390
U.S. Government-Sponsored Enterprise Securities	53,073,323	-	20,802,576	12,636,117	18,599,226	1,035,404
Supranational	21,821,613	-	5,140,399	13,156,994	3,524,220	-
Negotiable Certificates of Deposit	33,590,272	-	23,074,338	10,515,934	-	-
Commercial Paper	22,964,768	22,964,768	-	-	-	-
Medium-Term Notes	47,877,942	62,000	9,531,394	12,399,127	16,824,582	9,060,839
Money Market Funds	24,999	24,999	-	-	-	-
Asset Backed	11,634,674	40,354	2,665,142	-	6,246,650	2,682,528
Local Agency Investment Fund (LAIF)	47,402,860	47,402,860	-	-	-	-
Los Angeles County Pooled Investments Fund (LACPIF)	1,559,999	1,559,999	-	-	-	-
Total Investments	271,256,523	74,149,562	62,483,741	54,862,577	54,596,482	25,164,161
Restricted investments:						
Money Market Funds	15,813,064	15,813,064	-	-	-	-
Restricted investments with fiscal agent:						
Money Market Funds	5,025,694	5,025,694	-	-	-	-
Total Investments Subject to Interest Rate Risk	\$ 292,095,281	\$ 94,988,320	\$ 62,483,741	\$ 54,862,577	\$ 54,596,482	\$ 25,164,161

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

E. 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 actual rating, as reported by Standard & Poor’s, as of year-end for each investment type:

Investment Type	Minimum Rating	Fair Value	Rating					
			AAA	AA+	AA/A-1	A	A-	Unrated
Investments:								
U.S. Treasury Securities	None	\$ 31,306,073	\$ 31,306,073	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government-Sponsored Enterprise Securities	None	53,073,323	1,035,403	52,037,920	-	-	-	-
Supranational	AA	21,821,613	21,821,613	-	-	-	-	-
Negotiable Certificates of Deposit	None	33,590,272	-	-	29,446,703	2,029,919	-	2,113,650
Commercial Paper	A	22,964,768	-	-	19,886,500	3,078,268	-	-
Medium-Term Notes*	A	47,877,942	2,137,799	6,337,023	13,387,316	16,176,320	9,777,484	62,000
Money Market Funds	None	24,999	24,999	-	-	-	-	-
Asset Backed	AA	11,634,674	11,634,674	-	-	-	-	-
Local Agency Investment Fund (LAIF)	None	47,402,860	-	-	-	-	-	47,402,860
Los Angeles County Pooled Investments Fund (LACPIF)	None	1,559,999	-	-	-	-	-	1,559,999
Total Investments		271,256,523	67,960,561	58,374,943	62,720,519	21,284,507	9,777,484	51,138,509
Restricted investments:								
Money Market Funds	None	15,813,064	-	-	-	-	-	15,813,064
Restricted investments with fiscal agent:								
Money Market Funds	None	5,025,694	-	-	-	-	-	5,025,694
Total Investments Subject to Interest Rate Risk		\$ 292,095,281	\$ 67,960,561	\$ 58,374,943	\$ 62,720,519	\$ 21,284,507	\$ 9,777,484	\$ 71,977,267

* Included in the medium-term notes is an investment in Lehman Brothers, which is not rated as of June 30, 2018. Lehman Brothers filed for Chapter 11 bankruptcy protection on September 15, 2008, and the company’s assets are still in the process of being liquidated. The value of the investment reported is the amount the City estimates it will receive when the investment is redeemed. As of June 30, 2018, this investment is recorded at \$62,000.

F. 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. Investments in any one issuer that represent 5 percent or more of the City’s total investments are as follows:

Issuer	Investment Type	Amount	Investments
Federal National Mortgage Association	U.S. Government-Sponsored Enterprise Securities	\$ 23,002,610	10.30%
Federal Home Loan Mortgage Corporation	U.S. Government-Sponsored Enterprise Securities	\$ 20,531,956	9.20%

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

G. 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 collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk associated with investments that are uninsured, are not in the name of the City, or are held by counterparty or counterparty’s trust department or agent but not in the City’s name. In the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the counterparty is then unable to deliver securities that are in the possession of another party. As of June 30, 2018, none of the City’s deposits or investments were exposed to custodial credit risk.

H. Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 2 are valued using market approach using quoted market prices and matrix pricing.

Investments' fair value measurements are as follows as of June 30, 2018:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Investments:				
U.S. Treasury Securities	\$ 31,306,073	\$ -	\$ 31,306,073	\$ -
U.S. Government-Sponsored Enterprise Securities	53,073,323	-	53,073,323	-
Supranational	21,821,613	-	21,821,613	-
Negotiable Certificates of Deposits	33,590,272	-	33,590,272	-
Commercial Paper	22,964,768	-	22,964,768	-
Medium-Term Notes	47,877,942	-	47,877,942	-
Money Market Funds	24,999	-	24,999	-
Asset Backed	11,634,674	-	11,634,674	-
Total Leveled Investments	222,293,664	\$ -	\$ 222,293,664	\$ -
Uncategorized Investments:				
Local Agency Investment Fund (LAIF)	47,402,860			
Los Angeles County Pooled Investments Fund (LACPIF)	1,559,999			
Restricted investments:				
Money Market Funds	15,813,064			
Restricted investments with fiscal agent:				
Money Market Funds	5,025,694			
Total Investment Portfolio	\$ 292,095,281			

Deposits and withdrawals related to the investments in LAIF, LACPIF, and money market funds are made on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy these investments are uncategorized.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

I. Investment in State Investment Pool

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. Each City may invest up to \$65,000,000 without limitation in special bond proceeds accounts. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The City's investments with LAIF at June 30, 2018 included a portion of the pool funds invested in structured notes and asset-backed securities:

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, 2018, the City had \$47,491,818 invested in LAIF, which had invested 2.89 percent of the pool investment funds in structured notes and asset-backed securities. The LAIF fair value factor of 0.998126869 was used to calculate the fair value of the investments in LAIF from their amortized cost basis.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

J. Investment in County Investment Pool

The Los Angeles County Pooled Investment Fund (LACPIF) is a pooled investment fund program governed by the Los Angeles County Board of Supervisors and administered by the Los Angeles County Treasurer and Tax Collector. Investments in the LACPIF are highly liquid, as deposits and withdrawals can be made at any time without penalty. The LACPIF does not impose any maximum investment limit. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's prorated share of the fair value provided by the LACPIF for the entire LACPIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the LACPIF, which are recorded on an amortized cost basis.

As of June 30, 2018, the City had \$1,559,999 invested in the LACPIF.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2018, including allowances for uncollectible accounts, is as follows:

	General Fund	Public Library	Landscape Maintenance District #1
Gross receivables	\$ 1,394,005	\$ 136	\$ 43,553
Less: allowance for uncollectibles	(717,991)	-	(19,720)
Net Total Receivables	<u>\$ 676,014</u>	<u>\$ 136</u>	<u>\$ 23,833</u>

	Non-Major Governmental Funds	Transit	Total
Gross receivables	\$ 352,510	\$ 16,821	\$ 1,807,025
Less: allowance for uncollectibles	(112,507)	-	(850,218)
Net Total Receivables	<u>\$ 240,003</u>	<u>\$ 16,821</u>	<u>\$ 956,807</u>

NOTE 4 – LOANS RECEIVABLE

The City has provided deferred-payment rehabilitation loans to qualified homeowners in connection with CDBG and HOME rehabilitation programs. In the governmental funds, the loans receivable balance totaling \$2,828,034 at June 30, 2018, has been offset by deferred inflows of resources for unavailable revenues in the non-major governmental funds, since these loans are not available to finance current expenditures.

NOTE 5 – NOTES TO RDA SUCCESSOR AGENCY

Prior to the dissolution of the former redevelopment agency, the General Fund and Developer Fees Special Revenue Fund advanced the former redevelopment agency funding for various redevelopment activities. These advances were made in the form of promissory notes and were transferred to the RDA Successor Agency upon dissolution. In fiscal year 2014-2015, the California Department of Finance (DOF) approved final loan amounts from the General Fund and Developer Fees Special Revenue Fund to the former redevelopment agency for \$7,225,964 and \$5,407,868, respectively, using a LAIF rate of 0.26 percent, which was in effect when the Oversight Board reinstated the loans on February 25, 2015. On September 22, 2015, the Committee on Budget and Fiscal Review of the California State Senate approved SB 107. A mandate of this legislation included a recalculation of the notes to the RDA Successor Agency using a 3 percent simple interest from the origination of the note, instead of the LAIF rate. For fiscal year 2015-2016 and subsequent, the loan amounts will increase by the 3 percent interest only. As of June 30, 2018, the loan amounts reported in the General Fund and Developer Fees Special Revenue Fund was \$9,440,601 and \$6,751,458, respectively. The unpaid accrued interest of these notes is \$2,749,354 and \$1,431,572, respectively.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 – CAPITAL ASSETS

A. Governmental Activities

The following is a summary of changes in the capital assets for governmental activities during the fiscal year ended June 30, 2018:

	Governmental Activities				
	Balance	Additions	Deletions	Transfers	Balance
	June 30, 2017, As Restated				June 30, 2018
Governmental activities:					
Non-depreciable assets:					
Land	\$ 162,971,944	\$ 9,904,692	\$ -	\$ -	\$ 172,876,636
Construction in progress	32,869,119	45,884,717	-	(26,097,049)	52,656,787
Total Non-Depreciable Assets	<u>195,841,063</u>	<u>55,789,409</u>	<u>-</u>	<u>(26,097,049)</u>	<u>225,533,423</u>
Depreciable assets:					
Site improvements	47,417,469	1,381,621	-	-	48,799,090
Building and improvements	72,637,100	-	-	-	72,637,100
Equipment	13,728,819	872,390	(413,209)	-	14,188,000
Infrastructure	961,400,106	1,022,875	-	26,097,049	988,520,030
Total Depreciable Assets	<u>1,095,183,494</u>	<u>3,276,886</u>	<u>(413,209)</u>	<u>26,097,049</u>	<u>1,124,144,220</u>
Less accumulated depreciation:					
Site improvements	16,664,342	1,626,840	-	-	18,291,182
Building and improvements	20,785,894	1,451,638	-	-	22,237,532
Equipment	9,403,531	793,736	(413,209)	-	9,784,058
Infrastructure	341,040,126	19,259,333	-	-	360,299,459
Total Accumulated Depreciation	<u>387,893,893</u>	<u>23,131,547</u>	<u>(413,209)</u>	<u>-</u>	<u>410,612,231</u>
Total Depreciable Assets, Net	<u>707,289,601</u>	<u>(19,854,661)</u>	<u>-</u>	<u>26,097,049</u>	<u>713,531,989</u>
Total Capital Assets, Net	<u>\$ 903,130,664</u>	<u>\$ 35,934,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 939,065,412</u>

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2018, as follows:

Governmental Activities:	
General government	\$ 802,722
Public safety	17,538
Recreation and community service	2,395,833
Neighborhood services	52,916
Public works	321,700
Community development	22,079
Internal service funds depreciation	<u>259,426</u>
Allocated Depreciation	3,872,214
Unallocated infrastructure depreciation	<u>19,259,333</u>
Total Depreciation Expense	<u>\$ 23,131,547</u>

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 6 – CAPITAL ASSETS (CONTINUED)

B. Business-Type Activities

The following is a summary of changes in the capital assets for business-type activities during the fiscal year ended June 30, 2018:

	Business-Type Activities			
	Balance			Balance
	June 30, 2017, As Restated	Additions	Deletions	June 30, 2018
Business-type activities:				
Non-depreciable assets:				
Land	\$ 15,087,880	\$ -	\$ -	\$ 15,087,880
Construction in progress	1,658,051	1,149,166	-	2,807,217
Total Non-Depreciable Assets	<u>16,745,931</u>	<u>1,149,166</u>	<u>-</u>	<u>17,895,097</u>
Depreciable assets:				
Site improvements	12,941,276	-	-	12,941,276
Building and improvements	41,483,799	-	-	41,483,799
Equipment	55,821,901	1,821,409	(2,582,693)	55,060,617
Total Depreciable Assets	<u>110,246,976</u>	<u>1,821,409</u>	<u>(2,582,693)</u>	<u>109,485,692</u>
Less accumulated depreciation:				
Site improvements	3,263,591	568,221	-	3,831,812
Building and improvements	11,925,733	883,346	-	12,809,079
Equipment	30,558,166	3,471,466	(2,489,205)	31,540,427
Total Accumulated Depreciation	<u>45,747,490</u>	<u>4,923,033</u>	<u>(2,489,205)</u>	<u>48,181,318</u>
Total Depreciable Assets, Net	<u>64,499,486</u>	<u>(3,101,624)</u>	<u>(93,488)</u>	<u>61,304,374</u>
Total Capital Assets, Net	<u>\$ 81,245,417</u>	<u>\$ (1,952,458)</u>	<u>\$ (93,488)</u>	<u>\$ 79,199,471</u>

Depreciation expense for business-type activities for the fiscal year ended June 30, 2018 was charged as follows:

Business-type Activities:	
Transit enterprise fund	<u>\$ 4,923,033</u>

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 – LONG-TERM DEBT

A. Governmental Activities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2018:

	Balance			Balance June 30, 2018	Classification	
	June 30, 2017	Additions	Deletions		Due Within One Year	Due More Than One Year
Lease Revenue Bonds:						
Series 2016A (Golden Valley Road)	\$ 9,945,000	\$ -	\$ (375,000)	\$ 9,570,000	\$ 385,000	\$ 9,185,000
Series 2016B (OSPD)	13,725,000	-	(275,000)	13,450,000	305,000	13,145,000
Plus deferred amount for issuance premium	1,592,456	-	(79,896)	1,512,560	79,896	1,432,664
Total Lease Revenue Bonds	25,262,456	-	(729,896)	24,532,560	769,896	23,762,664
Revenue and Taxable Revenue Bonds:						
Series 2018A	-	11,295,000	-	11,295,000	-	11,295,000
Series 2018B	-	4,005,000	-	4,005,000	725,000	3,280,000
Plus deferred amount for issuance premium	-	548,271	-	548,271	15,605	532,666
Total Revenue and Taxable Revenue Bonds	-	15,848,271	-	15,848,271	740,605	15,107,666
Private Placement Lease:						
Refunding, Series 2015	4,984,543	-	(1,388,803)	3,595,740	1,418,260	2,177,480
Loans						
Loans	100,000	-	(100,000)	-	-	-
Capital Leases						
Capital Leases	60,444	-	(28,244)	32,200	29,662	2,538
Subtotal Bonds, Loans and Capital Leases	30,407,443	15,848,271	(2,246,943)	44,008,771	2,958,423	41,050,348
Compensated absences						
Compensated absences	3,486,115	1,905,253	(2,087,579)	3,303,789	2,087,579	1,216,210
Claims and judgments						
Claims and judgments	3,190,756	1,210,037	(1,625,564)	2,775,229	1,690,947	1,084,282
Total	\$ 37,084,314	\$ 18,963,561	\$ (5,960,086)	\$ 50,087,789	\$ 6,736,949	\$ 43,350,840

Lease Revenue Bonds – Series 2016A and 2016B

In June 2016, the Authority issued Lease Revenue Refunding Bonds, Series 2016A (Golden Valley Road) and Series 2016B (OSPD), in the amount of \$10,320,000 and \$14,020,000, respectively. Interest on the Refunding Lease Revenue Bonds, Series 2016A, is paid as part of a variable rate between 2 percent and 4 percent payable on June 1 and December 1 of each year commencing on December 1, 2016. Interest on the Refunding Lease Revenue Bonds, Series 2016B, is paid as part of a variable rate between 2 percent and 4 percent payable on April 1 and October 1 of each year commencing on October 1, 2016. Principal payments are due annually in various amounts commencing December 1, 2016, through December 1, 2035, for Series 2016A, and October 1, 2016, through October 1, 2037, for Series 2016B. The unpaid balance as of June 30, 2018, was \$9,570,000 for Series 2016A and \$13,450,000 for Series 2016B.

The annual debt service requirements on the remaining bonds are as follows:

Series 2016A:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 385,000	\$ 311,400	\$ 696,400
2020	400,000	295,700	695,700
2021	420,000	279,300	699,300
2022	435,000	262,200	697,200
2023	450,000	244,500	694,500
2024-2028	2,550,000	936,000	3,486,000
2029-2033	2,925,000	551,825	3,476,825
2034-2036	2,005,000	91,275	2,096,275
	\$ 9,570,000	\$ 2,972,200	\$ 12,542,200

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Series 2016B:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 305,000	\$ 418,606	\$ 723,606
2020	340,000	405,706	745,706
2021	375,000	391,406	766,406
2022	410,000	375,706	785,706
2023	445,000	358,606	803,606
2024-2028	2,840,000	1,488,081	4,328,081
2029-2033	3,800,000	1,054,834	4,854,834
2034-2038	4,935,000	404,875	5,339,875
	\$ 13,450,000	\$ 4,897,820	\$ 18,347,820

Revenue and Taxable Revenue Bonds – Series 2018A and 2018B (Streetlights Acquisition and Retrofit Program)

In June 2018, the Authority issued 2018 Revenue Bonds Series A and 2018 Taxable Revenue Bonds Series B, in the amount of \$11,295,000 and \$4,005,000, respectively.

Interest on the 2018 Revenue Bonds Series A, is paid as part of a variable rate between 3 percent and 5 percent payable on September 1 and March 1 of each year commencing on September 1, 2018. Principal payments are due annually in various amounts commencing September 1, 2018 through September 1, 2048, for the Series A bonds. The unpaid balance as of June 30, 2018, was \$11,295,000.

Interest on the 2018 Taxable Revenue Bonds Series B, is paid as part of a variable rate between 2.150 percent and 3.750 percent payable on September 1 and March 1 of each year commencing on September 1, 2018. Principal payments are due annually in various amounts commencing September 1, 2018 through September 1, 2028, for the Series B bonds. The unpaid balance as of June 30, 2018, was \$4,005,000. The bonds are payable from and secured by a pledge of and first lien on amounts on deposit in the Streetlighting fund, including assessment revenues and Ad-valorem revenues.

Year Ending June 30,	Principal	Interest	Total
2019	\$ 725,000	\$ 425,852	\$ 1,150,852
2020	295,000	567,201	862,201
2021	305,000	558,906	863,906
2022	310,000	550,063	860,063
2023	320,000	540,613	860,613
2024-2028	1,760,000	2,538,491	4,298,491
2029-2033	2,130,000	2,158,469	4,288,469
2034-2038	2,545,000	1,750,739	4,295,739
2039-2043	3,060,000	1,197,550	4,257,550
2044-2048	3,850,000	401,325	4,251,325
	\$ 15,300,000	\$ 10,689,209	\$ 25,989,209

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 – LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Private Placement Lease

In July 2015, the Authority entered into a lease assignment agreement in the amount of \$6,985,000 with Umpqua Bank. Interest on the lease is paid as part of a variable rate between 3.5 percent and 4.0 percent payable on October 1 and April 1 of each year commencing on October 1, 2015. Principal payments are due annually in various amounts commencing October 1, 2015, through October 1, 2020. The unpaid balance as of June 30, 2018, was \$3,595,740.

The annual debt service requirements on these certificates are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,418,260	\$ 66,198	\$ 1,484,458
2020	1,447,109	37,110	1,484,219
2021	730,371	7,450	737,821
	<u>\$ 3,595,740</u>	<u>\$ 110,757</u>	<u>\$ 3,706,497</u>

Loans

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>	<u>Due More</u>
	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>	<u>One Year</u>	<u>Than One Year</u>
HUD Loans:						
Boys & Girls Club	\$ 28,000	\$ -	\$ (28,000)	\$ -	\$ -	\$ -
Scherzinger Lane	72,000	-	(72,000)	-	-	-
Total Loans	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

In August 2002, the City entered into a loan agreement with the Secretary of Housing and Urban Development in the amount of \$350,000. The purpose of this loan was to assist the Boys & Girls Club in financing the construction of a new gymnasium. Payments are due semi-annually, commencing on February 1, 2003, and continuing through August 1, 2017. Future CDBG grant funding will be used to repay the loan. The interest rate on this loan is fixed at 0.56 percent. The loan was paid in full during the year ended June 30, 2018.

In August 2002, the City entered into a loan agreement with the Secretary of Housing and Urban Development in the amount of \$1,150,000. The purpose of this loan was to provide financing for the construction of improvements to Scherzinger Lane. Payments are due semi-annually, commencing on February 1, 2003, and continuing through August 1, 2017. Future CDBG grant funding will be used to repay the loan. The interest rate on this loan is fixed at 0.56 percent. The loan was paid in full during the year ended June 30, 2018.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 – LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Capital Leases

On August 1, 2014, the City Council approved a lease-purchase agreement with Canon Financial Services, Inc. to install a Canon Image Runner C5045 for the Canyon Country and Valencia Library branches in the amount of \$13,433. The lease agreement has 60 monthly payments of \$279 with an interest rate of 9.024 percent. The final payment is due August 1, 2019. The lease was assigned by Canon Financial Services, Inc.

The assets acquired through the capital lease are as follows:

Equipment	\$ 13,433
Less: accumulated depreciation	(10,522)
Total	<u>\$ 2,911</u>

Future capital lease payment requirements are as follows:

Year Ending June 30,	Total
2019	\$ 3,348
2020	<u>279</u>
Net minimum lease payments	3,627
Less: amount representing interest	(184)
Present value of net minimum lease payments	<u>\$ 3,443</u>

On August 1, 2014, the City County approved a lease-purchase agreement with Canon Financial Services, Inc. to install a Canon Image Runner C5045 for the Canyon Country and Valencia Library branches in the amount of \$121,956. The lease agreement has 60 monthly payments of \$2,270 with an interest rate of 4.42 percent. The final payment is due August 1, 2019. The lease was assigned by Canon Financial Services, Inc.

The assets acquired through the capital lease are as follows:

Equipment	\$ 121,956
Less: accumulated depreciation	(95,533)
Total	<u>\$ 26,423</u>

Future capital lease payment requirements are as follows:

Year Ending June 30,	Total
2019	\$ 27,235
2020	<u>2,270</u>
Net minimum lease payments	29,505
Less: amount representing interest	(748)
Present value of net minimum lease payments	<u>\$ 28,757</u>

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 – LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

Compensated Absences

The City’s liability for accrued and unpaid compensated absences in the governmental activities totaled \$3,303,789 at June 30, 2018. The majority of compensated absences are liquidated through the General Fund.

Claims and Judgments

The City’s liability for outstanding claims and judgments is \$2,775,229 at June 30, 2018 (see Note 16).

B. Business-Type Activities

Compensated Absences

The City’s liability for accrued and unpaid compensated absences in the business-type activities at June 30, 2018, is as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year	Due More Than One Year
Compensated absences	\$ 84,893	\$ 50,744	\$ (60,000)	\$ 75,637	\$ 60,001	\$ 15,636

NOTE 8 – DEPOSITS PAYABLE

The City collects deposits for a) improvements within the City, b) donations received for specified services, and c) deposits received in advance for recreation programs or other department services. These balances represent amounts that have been collected for which the eligibility requirements for revenue recognition have not been met. As of June 30, 2018, deposits payable were as follows:

General Fund:

Deposits from developers	\$ 2,733,170
Sheriff’s Station deposits payable	13,864,322
Other deposits payable	476,569
Total Deposits Payable	<u>\$ 17,074,061</u>

On May 31, 2016, the City entered into a memorandum of understanding with the County of Los Angeles (County) for the new Santa Clarita Valley Sheriff’s Station. The County agreed to deposit \$15,000,000 into the City’s trust account earmarked for the design, engineering, and construction of the new Station.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9 – DEVELOPER CREDITS

The City and County of Los Angeles have established the Santa Clarita Valley Bridge and Major Thoroughfare Districts to accommodate the needs of future development anticipated by the County of Los Angeles and the City of Santa Clarita General Plans. Included in the formation documents are provisions for district fees to be paid by developers, which are to be used to assist the City in constructing and maintaining the infrastructure within the areas of benefit. In lieu of paying the district fees, developers are allowed to donate infrastructure (roadways, bridges, intersections, and interchanges) necessary for the future development of the districts. In certain cases, the developer may donate infrastructure with a value that exceeds the district fees collected. If this occurs, the developer can receive a credit toward future district fees or request a cash withdrawal of the excess amount, subject to City approval if funding is determined to be available. As of June 30, 2018, the City accrued a liability of \$49,626,106 for the value of infrastructure donated in excess of the district fees that were owed. There is no maturity schedule for the developer payables, and it has been determined that current financial resources will not be used to repay the liability; therefore, the liability has been recorded as a long-term obligation in the governmental activities in the Statement of Net Position.

The following is a summary of developer credits by district for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Bridge and Thoroughfare Credits:				
Bouquet District	\$ 21,955,779	\$ -	\$ -	\$ 21,955,779
Eastside District	11,927,888	-	-	11,927,888
Via Princessa District	171,264	-	-	171,264
Valencia District	15,571,175	-	-	15,571,175
Total Bridge and Thoroughfare Credits	<u>\$ 49,626,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,626,106</u>

NOTE 10 – INTERFUND TRANSACTIONS

A. Due To/Due From

At June 30, 2018, the City had the following short-term interfund receivables and payables:

	Due From Other Funds General
Due to Other Funds:	
Non-Major Governmental Funds	\$ 3,549,472
Transit Enterprise Fund	288,562
Total	<u>\$ 3,838,034</u>

B. Advances

At June 30, 2018, the City had the following interfund advances:

	Advances To Other Funds		
	General	Developer Fees	Total
Advances From Other Funds:			
Bridge and Thoroughfare	\$ 5,429,412	\$ 123,707	\$ 5,553,119
Public Library	8,398,938	-	8,398,938
Total	<u>\$ 13,828,350</u>	<u>\$ 123,707</u>	<u>\$ 13,952,057</u>

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – INTERFUND TRANSACTIONS (CONTINUED)

B. Advances (Continued)

Bridge and Thoroughfare

In March 2006, the General Fund advanced the Bridge and Thoroughfare Special Revenue Fund \$430,000 for acquisition of land. The advance accrues interest at a rate equal to the yield of the average monthly investment portfolio and will be repaid with future available resources of the Bridge and Thoroughfare Special Revenue Fund. There is no fixed repayment schedule. At June 30, 2018, the amount of the advance outstanding is \$565,092.

In December 2007, the General Fund advanced the Bridge and Thoroughfare Special Revenue Fund \$3,000,000 to pay outstanding developer payables at the time. The advance accrues interest at a rate equal to the yield of the average monthly investment portfolio and will be repaid with future available resources of the Bridge and Thoroughfare Special Revenue Fund. There is no fixed repayment schedule. At June 30, 2018, the amount of the advance outstanding is \$990,729.

In July 2015, the General Fund advanced the Bridge and Thoroughfare Special Revenue Fund \$400,000 to acquire the right-of-way for the project that will design and widen the Newhall Ranch Road Bridge over the San Francisquito Creek. The advance accrues interest at a rate equal to the yield of the average monthly investment portfolio and will be repaid with future available resources of the Bridge and Thoroughfare Special Revenue Fund. There is no fixed repayment schedule. At June 30, 2018, the amount of the advance outstanding is \$415,236.

In June 2016, the General Fund advanced the Bridge and Thoroughfare Special Revenue Fund \$3,000,000 for the design of mass grading plans, buttress fill, survey, topography, complete roadway design and signals for the future intersections and road extension. The advance accrues interest at a rate equal to the yield of the average monthly investment portfolio and will be repaid with future available resources of the Bridge and Thoroughfare Special Revenue Fund. There is no fixed repayment schedule. At June 30, 2018, the amount of the advance outstanding is \$573,162.

In January 2017, the General Fund advanced the Bridge and Thoroughfare Special Revenue Fund \$3,500,000 for the widening of the Newhall Ranch Road Bridge over the San Francisquito Creek (Project S1039). The advance accrues interest at a rate equal to the yield of the average monthly investment portfolio and will be repaid with future available resources of the Bridge and Thoroughfare Special Revenue Fund. The payments are payable in separate annual installments over an eight-year period beginning January 2017 and ending June 2025. At June 30, 2018, the amount of the advance outstanding is \$2,885,193.

In July 2010, the Developer Fees Special Revenue Fund advanced the Bridge and Thoroughfare Special Revenue Fund \$111,242 for the design and construction costs of the Newhall Avenue Pedestrian, Facilities, and Sidewalk project. The advance accrues interest at a rate equal to the yield of the average monthly investment portfolio and will be repaid with future available resources of the Bridge and Thoroughfare Special Revenue Fund. There is no fixed repayment schedule. At June 30, 2018, the amount of the advance outstanding is \$123,707.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – INTERFUND TRANSACTIONS (CONTINUED)

B. Advances (Continued)

Public Library

The General Fund advanced the Public Library Special Revenue Fund \$8,398,938, which consists of the following individual advances:

In April 2011, the General Fund advanced the Public Library Special Revenue Fund \$388,323 for the acquisition of a radio frequency identification system and related software for the Santa Clarita Public Library. The advance accrues interest at a rate equal to the rate of return on investments and shall be repaid with future available resources of the Public Library Special Revenue Fund. At June 30, 2018, the principal amount of the advance of \$327,343 is outstanding.

In May 2011, the General Fund advanced the Public Library Special Revenue Fund \$8,071,596 for the acquisition of library facilities, real property, personal property, and collections from the County of Los Angeles. The advance accrues interest at a rate equal to the rate of return on investments and shall be repaid with future available resources of the Public Library Special Revenue Fund. At June 30, 2018, the principal amount of the advance of \$8,071,595 is outstanding.

C. Transfers

At June 30, 2018, the City had the following transfers:

	Transfers Out		
	General Fund	Developer Fees	Public Library
Transfers in:			
General Fund	\$ -	\$ 83,087	\$ 10,429
Landscape Maintenance District #1	10,000	-	-
Non-Major Governmental Funds	3,339,741	-	-
Transit Enterprise	-	-	-
Internal Service Funds	72,198	-	-
Total	<u>\$ 3,421,939</u>	<u>\$ 83,087</u>	<u>\$ 10,429</u>

	Transfers Out				
	Landscape Maintenance District #1	Non-Major Governmental Funds	Transit Enterprise Fund	Internal Service Funds	Total
Transfers in:					
General Fund	\$ 129,201	\$ 1,279,083	\$ 1,706,564	\$ 1,242,917	\$ 4,451,281
Landscape Maintenance District #1	-	-	-	-	10,000
Non-Major Governmental Funds	17,000	17,868,854	3,690	-	21,229,285
Transit Enterprise	-	7,634,532	-	-	7,634,532
Internal Service Funds	-	-	-	-	72,198
Total	<u>\$ 146,201</u>	<u>\$ 26,782,469</u>	<u>\$ 1,710,254</u>	<u>\$ 1,242,917</u>	<u>\$ 33,397,296</u>

The General Fund made transfers to Landscape Maintenance District #1 and non-major governmental funds for operating and capital improvement projects for \$1,164,664 and current year debt service payments for \$2,185,077, totaling \$3,349,741. Transfers from the General Fund to the Self-Insurance Internal Service Fund of \$72,198 were for risk management operations. Transfers to the General Fund from the Self-Insurance Internal Service Fund for \$1,242,917 represents workers' compensation reserve surplus and contributions for pension obligations.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – INTERFUND TRANSACTIONS (CONTINUED)

C. Transfers (Continued)

The Bridge and Thoroughfare, Developer Fees, Public Library, Landscape Maintenance District #1 Special Revenue Funds, non-major governmental funds, Transit Enterprise Fund, and Self-Insurance Internal Service Fund made transfers to the General Fund for current CalPERS pension obligations plus additional contribution to pay down the City’s unfunded accrued liability, totaling \$2,214,552.

The Landscape Maintenance District #1 Special Revenue Fund made transfers to the General Fund for \$40,000 and the non-major governmental fund for operating costs for \$17,000. The Developer Fees Special Revenue Fund made transfers to the General Fund for administrative costs for \$83,087.

The non-major governmental funds made transfers to the General Fund for operating costs for \$720,725.

Transfers from non-major governmental funds to non-major governmental funds of \$1,410,412 represents debt service payments for the 2016 Lease Revenue Refunding Bonds, and \$16,458,443 for bond proceeds and debt service payments for the 2018 Lease Revenue Bonds Series A and 2018 Taxable Lease Revenue Bonds Series B. Transfers from the non-major governmental funds to the Transit Enterprise Fund totaling \$7,634,532 were to transfer Proposition A and Proposition C non-operating revenues in the current year.

The Transit Enterprise Fund made transfers to the General Fund for \$150,000 to support the senior center transit operations. Transfers to non-major governmental funds for \$3,690 were for the proportional share of Metrolink station maintenance.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 – FUND BALANCES AND NET POSITION

A. Fund Balance Classification

The details of fund balance of the governmental funds as of June 30, 2018, are presented below:

	Major Governmental Funds					Non-Major Governmental Funds	Total
	General Fund	Bridge and Thoroughfare	Developer Fee	Public Library	Landscape Maintenance District #1		
Nonspendable:							
Prepaid items	\$ 275,288	\$ -	\$ -	\$ 23,217	\$ -	\$ 5,882	\$ 304,387
Advances to other funds	12,115,597 *	-	-	-	-	-	12,115,597
Total Nonspendable	12,390,885	-	-	23,217	-	5,882	12,419,984
Restricted:							
Landscape maintenance	-	-	-	-	35,097,112	-	35,097,112
Lighting District	-	-	-	-	-	21,862,525	21,862,525
Capital improvements	-	5,097,092	2,465,588	-	-	13,420,883	20,983,563
Transportation	-	-	-	-	-	18,125,110	18,125,110
Open space preservation	-	-	-	-	-	3,874,488	3,874,488
Public safety	-	-	2,070,998	-	-	249,268	2,320,266
Public library	-	-	-	-	-	1,624,229	1,624,229
Air quality improvement	-	-	100,539	-	-	805,607	906,146
Stormwater	-	-	-	-	-	5,653,478	5,653,478
Public education and government	-	-	-	-	-	563,538	563,538
Tourism marketing	-	-	-	-	-	1,215,748	1,215,748
Low- and moderate-income housing	-	-	352,091	-	-	708,332	1,060,423
Total Restricted	-	5,097,092	4,989,216	-	35,097,112	68,103,206	113,286,626
Committed:							
Capital improvements	-	-	15,008	-	-	-	15,008
Assigned:							
Capital projects	15,500,000	-	37,496	-	-	1,079,669	16,617,165
Claims and settlements	5,156,328	-	-	-	-	-	5,156,328
Public facilities replacement	68,018,433	-	-	-	-	-	68,018,433
Total Assigned	88,674,761	-	37,496	-	-	1,079,669	89,791,926
Unassigned	47,116,231	-	-	(4,283,859)	-	(2,525,889)	40,306,483
Total Fund Balances	\$ 148,181,877	\$ 5,097,092	\$ 5,041,720	\$ (4,260,642)	\$ 35,097,112	\$ 66,662,868	\$ 255,820,027

* Accrued interest on General Fund advances to other funds of \$1,712,753, do not provide current financial resources and are reported as deferred inflows of resources for unavailable revenues.

NOTE 12 – AGENT MULTIPLE-EMPLOYER PLAN

A. Plan Description

The City’s defined benefit pension plan, California Public Employees’ Retirement System (CalPERS), provides pensions for all permanent full-time general and some part-time employees of the City. CalPERS is an agent-multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System. CalPERS acts as a common investment and administrative agent for its participating member employers and are included within Public Employees’ Retirement Fund A (PERF A). Benefits provisions under the Plan are established by State statute and may be amended by City resolution. CalPERS issues a publicly available financial report, which includes a full description of the pension plan regarding benefit provisions, and assumptions and membership information that can be obtained at <https://www.calpers.ca.gov>.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 – AGENT MULTIPLE-EMPLOYER PLAN (CONTINUED)

B. Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect as of June 30, 2018 are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	Tier 3
Formula	2.7% at 55	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of annual salary	2.7%	2.0%	2.0%
Required employee contribution rates*	8%	7%	5.75%
Required employer contribution rates	15.845%	15.845%	5.750%
	Tier 1	Tier 2	Tier 3
Applies to:	Employees hired before April 9, 2011**	Employees hired between April 9, 2011, and December 31, 2012, or those hired January 1, 2013, or later, who have been a Classic CalPERS member with a public agency or in a Classic reciprocal plan within the last 6 months). **	Employees hired January 1, 2013, or later **

* For unrepresented Tier 1 participants, the City pays 2% of the required employee contribution. For the SEIU Tier 1 participants, the City pays 2% of the required employee contributions. The City does not pay any portion of the employee contribution for Tier 2 or Tier 3 participants. These payments are classified as employee contributions in accordance with GASB 68.

** Those hired as part-time seasonal (PTS) who later convert to regular full-time will qualify for Tier 1, 2 or 3 depending on their conversion date.

C. Employees Covered by Benefit Terms

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	164
Employees entitled to but not yet receiving benefits	391
Active employees	397
	952

The information was obtained from the CalPers Annual Valuation Report as of June 30, 2016, and is the most recent information available.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 – AGENT MULTIPLE-EMPLOYER PLAN (CONTINUED)

D. Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Refer to Section B for required contribution rates during the year ended June 30, 2018, including amounts paid by the City related to employees' required contribution rates. The employer contributions during the year ended June 30, 2018 were \$9,662,191.

E. Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15 percent
Inflation	2.75 percent
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50 percent

Mortality rates were based on the 2014 CalPERS actuarial experience study, which assumed future mortality improvements using Society of Actuaries (SOA) Scale AA. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected 7.50 percent rate of return on pension plan investments, CalPERS took into account both short- and

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 – AGENT MULTIPLE-EMPLOYER PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

long-term market return expectations, as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees’ Retirement Fund, CalPERS indicated that a nineteen-year horizon was ideal in determining the level equivalent discount rate assumption. 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- 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- 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 target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for each Plan.

These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
	100%		

⁽¹⁾ An expected inflation of 2.50% used for this period

⁽²⁾ An expected inflation of 3.00% used for this period

F. Changes of Assumptions

For the June 30, 2017 measurement date, the discount rate was changed from 7.65% to 7.15%.

G. Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the 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 percent 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 percent was applied to all plans in the Public Employees Retirement Fund (PERF). The stress-test results are presented in a detailed report that can be obtained from the CalPERS website.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – AGENT MULTIPLE-EMPLOYER PLAN (CONTINUED)

H. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2016	\$ 159,757,441	\$ 120,245,541	\$ 39,511,900
Changes recognized for the measurement period:			
Service cost	4,921,221	-	4,921,221
Interest	12,166,752	-	12,166,752
Changes of assumptions	11,654,992	-	11,654,992
Differences between expected and actual experience	(1,505,660)	-	(1,505,660)
Contributions from the employer	-	4,484,866	(4,484,866)
Contributions from the employees	-	2,224,721	(2,224,721)
Net investment income	-	13,510,656	(13,510,656)
Benefit payments, including refunds of employee contributions	(4,406,046)	(4,406,046)	-
Administrative expense	-	(177,534)	177,534
Net changes	22,831,259	15,636,663	7,194,596
Balances at June 30, 2017	\$ 182,588,700	\$ 135,882,204	\$ 46,706,496

The City has allocated the proportion of the net pension liability and related components based on the share of contributions to the pension plan relative to the total contributions to the City. At June 30, 2018, the total net pension liability was allocated as follows:

	Governmental Activities	Transit Enterprise Fund	Total Net Pension Liability
Net pension liability	\$ 45,065,064	\$ 1,641,432	\$ 46,706,496

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability of the City, calculated using the discount rate of 7.15 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15 percent) or 1-percentage point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net pension liability	\$ 76,012,176	\$ 46,706,496	\$ 22,860,102

J. Pension Plan Fiduciary Net Position

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

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – AGENT MULTIPLE-EMPLOYER PLAN (CONTINUED)

K. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the City recognized pension expense of \$8,299,610. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,710,878	\$ -
Changes in assumptions	8,812,311	1,003,270
Differences between expected and actual experience	138,873	1,305,153
City contributions subsequent to the measurement date	9,662,191	
Total	<u>\$ 20,324,253</u>	<u>\$ 2,308,423</u>

At June 30, 2018, the total deferred outflow of resources, and deferred inflow of resources, and pension expense related to the net pension liability was allocated as follows:

	Governmental Activities	Transit Enterprise Fund	Total
Deferred outflows of resources	\$ 19,609,987	\$ 714,266	\$ 20,324,253
Deferred inflows of resources	2,227,297	81,126	2,308,423
Pension expense	8,007,932	291,678	8,299,610

Amounts reported as deferred outflows of resources and deferred inflows of resources are amortized in pension expense for the year the gain or loss occurs, except for contributions subsequent to the measurement period of \$9,662,191, which will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2019. The amortization period differs depending on the source of the gain or loss. Differences between projected and actual investment earnings are amortized on a 5-year straight-line basis and all other amounts are amortized over the average expected remaining service lives of all members that are provided with benefits. As of the June 30, 2017 measurement date, the expected average remaining service lifetime is 4.1 years. Deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Deferred Outflows/(Inflows) of Resources
2019	\$ 1,894,941
2020	4,036,840
2021	3,149,224
2022	(727,365)
Total	<u>\$ 8,353,640</u>

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 13 – POST-EMPLOYMENT HEALTH BENEFITS

A. Plan Description

The City has elected through resolution to provide healthcare benefits as an agent multiple-employer plan to retirees, spouses, and eligible dependents of the City. This plan provides post-employment medical insurance benefits through the CalPERS Health Plan (the Plan). A separate financial report is not issued.

B. Funding Policy

The City conducted an actuarial valuation to determine the City’s obligation to fund OPEB and determined that it served the City’s interests to prefund those benefits. In December 2011, the City Council approved Resolution 11-89 adopting the Public Agencies Post-Retirement Health Care Plan Document and Trust Agreement. The OPEB Trust is a tax-qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB. The Plan Trustee is U.S. Bank, and Public Agencies Retirement Services (PARS) is the Trust Administrator.

The obligation of the City to contribute to the plan is established and may be amended by the City Council. Employees are not required to contribute to the plan. The City has established a practice of contributing to the irrevocable trust administered by PARS 100 percent of the Cash Subsidy. The Cash Subsidy represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost of each year. The Cash Subsidy component of the annual required contribution for fiscal year 2017-18 was \$1,227,000.

Due to an amendment to Actuarial Standards of Practice (ASOP) No. 6 Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Costs or Contributions, valuations performed after March 31, 2015 requires the calculation of an implicit subsidy component of the annual required contribution and actuarial liability. The City has elected not to fund the implicit subsidy component of the annual required contribution. The City received credit of \$257,000 related to the fiscal year 2017-18 implied subsidy payments which has been included in the contributions amount above.

C. Eligibility

City employees who have a service retirement from the City at age 50 with five or more years of city service are eligible to receive post-employment medical benefits. Employees who have a disability retirement are also eligible. The benefit for employees hired before January 1, 2008 is up to \$1,017 per month. The maximum benefit will be adjusted when the lowest cost employee rate, plus one, exceeds \$1,017. No minimum years of service were required for the unrepresented employees hired before January 1, 2008 and retired before January 1, 2012 and represented employees hired before January 1, 2008 and retired after January 1, 2012 and before January 1, 2014. For employees hired before January 1, 2008 the following vesting applies:

<u>Years of Service</u>	<u>Vested Percentage</u>
0 to 5 years	0%
5 to 9 years	50%
10 to 14 years	75%
15 years and greater	100%

Employees hired after January 1, 2008, receive the PERS minimum and are not subject to a vesting schedule.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 13 – POST-EMPLOYMENT HEALTH BENEFITS (CONTINUED)

C. Eligibility (Continued)

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

<u>Participants</u>	<u>Total</u>
Inactives currently receiving benefits	109
Inactives entitled to but not yet receiving benefits	20
Active employees	<u>367</u>
Total	<u><u>496</u></u>

D. Contributions

The Plan and its contribution requirements are established by a Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018, the City's cash contributions were \$970,000 in payments to the trust and the estimated implied subsidy was \$257,000 resulting in total payments of \$1,227,000.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 13 – POST-EMPLOYMENT HEALTH BENEFITS (CONTINUED)

E. Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2016, based on the following assumptions:

Actuarial Assumptions:

Actuarial Valuation Date	June 30, 2016
Contribution Policy	City contributes full cash benefit ADC. Implied Subsidy benefit on pay-as-you-go basis.
Discount Rate	5.60% at June 30, 2018 5.46% at June 30, 2017 Expected City contributions projected to be insufficient to pay all benefits from trust.
Municipal Bond Index	Bond Buyer 20-bond Index 3.87% June 30, 2018 3.58% June 30, 2017
Long Term Return on Assets	6.50%
General Inflation	3% per annum
Mortality, Retirement, Disability, Termination	1997-2011 CalPERS experience study
Mortality Improvement	Fully generational Scale MP-14 with convergence in 2022
Salary Increases	Aggregate -3% Merit - 1997-2011 CalPERS experience study
Medical Trend	Non-Medicare - 6.5% for 2018, decreasing to an ultimate rate of 5.0% in 2021 and later years Medicare - 6.7% for 2018, decreasing to an ultimate rate of 5.0% in 2021 and later years
Healthcare Participation for Future Retirees	Hired < 1/1/08: 100% Hired > 1/1/08: 60%
Cap Increases	No increase on \$1,016.58 cap Medical trend for EE+1 cap

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 13 – POST-EMPLOYMENT HEALTH BENEFITS (CONTINUED)

F. Cash and Investments Held in Trust

The City elected a discretionary investment approach with a moderate investment objective. The primary objective is to maximize total Plan return, subject to the risk and quality constraints established. The Plan’s targeted rate of return is 7.0 percent. The asset allocation ranges for this objective are 0 percent to 20 percent cash source, 40 percent to 60 percent fixed income, and 40 percent to 60 percent equity.

The parameters for fixed income and equity securities based on asset allocation are as follows:

Authorized Investment Type	Maximum Percentage of Total Plan Assets	Minimum Percentage of Total Plan Assets
Fixed Income		
Long-term fixed income	25%	0%
Intermediate-term fixed income	60%	25%
High-yield portion of the Plan	10%	0%
Convertible bond exposure	10%	0%
Short-term fixed income	25%	0%
Equity		
Domestic large cap equity	45%	15%
Domestic mid-capitalization equity	10%	0%
Domestic small capitalization equity	15%	0%
International equity	15%	0%
Real estate	10%	0%

Cash and investments related to the Plan consists of the following:

Assets	Fair Value
Cash and Equivalents	\$ 535,621
U.S. Government Issues	6,484,927
Corporate Issues	6,777,065
Foreign Issues	857,172
Municipal Issues	320,001
Domestic Common Stocks	3,772,300
Foreign Stocks	148,911
Mutual Funds-Equity	19,615,600
Mutual Funds-Fixed Income	341,508
Total Assets	38,853,105
Accrued Income	111,195
Total	\$ 38,964,300

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 13 – POST-EMPLOYMENT HEALTH BENEFITS (CONTINUED)

F. Cash and Investments Held in Trust (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation PARS-Balance	Expected Real Rate of Return
Global Equity	58%	4.82%
Fixed Income	35%	1.47%
REITS	2%	3.76%
Cash	5%	0.06%

For the year ended June 30, 2018, the annual money weighted rate of return on investments was 8.26%. The money weighted rate of return expresses investment performances adjusted for the changing amounts actually invested.

G. Concentrations of Credit Risk

Investments in any one issuer that represent 5 percent or more of the Plan’s total cash and investments are as follows:

Issuer	Investment Type	Amount	Investments
Vanguard Growth and Income	Mutual Funds-Equity	\$ 3,360,362	8.65%
Federal National Mortgage Association	U.S. Government Issues	\$ 2,501,071	6.44%
Undiscovered Managers Behavioral	Mutual Funds-Equity	\$ 2,313,504	5.95%
Dodge and Cox Stock Fund	Mutual Funds-Equity	\$ 2,161,211	5.56%

H. Discount Rate

The discount rate used to measure the total OPEB liability was 5.60 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the plan’s fiduciary net position and expected City contributions were projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, a blended rate was applied beginning in year 38 using the Bond Buyer 20-bond index rate as of June 30, 2018. Before year 38, the long-term expected rate of return was used to determine the total OPEB liability. As a result of the crossover, a blended rate of 5.60 percent was used.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 13 – POST-EMPLOYMENT HEALTH BENEFITS (CONTINUED)

I. Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2017	\$ 47,054,073	\$ 35,974,073	\$ 11,080,000
Changes for the year			
Service cost	1,711,000	-	1,711,000
Interest	2,633,000	-	2,633,000
Assumption changes	(1,071,000)	-	(1,071,000)
Contributions - employer*	-	1,227,000	(1,227,000)
Net investment income	-	2,963,587	(2,963,587)
Benefit payments	(1,054,000)	(1,054,041)	41
Administrative expenses	-	(146,319)	146,319
Net Changes	<u>2,219,000</u>	<u>2,990,227</u>	<u>(771,227)</u>
Balance at June 30, 2018	<u>\$ 49,273,073</u>	<u>\$ 38,964,300</u>	<u>\$ 10,308,773</u>

*Contributions to trust of \$970,000 plus \$257,000 implied subsidy benefit payments by the City.

J. Changes of Assumptions

For the June 30, 2018 measurement date, the discount rate was changed from 5.46% to 5.60%.

K. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB obligation of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (4.60%)	Current Rate (5.60%)	1% Increase (6.60%)
Net OPEB Liability	\$ 18,774,000	\$ 10,308,773	\$ 3,548,000

L. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 1,998,000	\$ 10,308,773	\$ 21,011,000

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 13 – POST-EMPLOYMENT HEALTH BENEFITS (CONTINUED)

M. OPEB Plan Fiduciary Net Position

PARS issues a publicly available report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, CA 92660.

N. OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$1,892,000. As of fiscal year ended June 30, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Changes of assumptions	\$ 937,000
Net difference between projected and actual earnings on plan investments	499,000
Total	<u>\$ 1,436,000</u>

Amounts reported as deferred inflows of resources are amortized in OPEB expense. The amortization period differs depending on the source of the gain or loss. 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
2019	\$ (259,000)
2020	(259,000)
2021	(259,000)
2022	(258,000)
2023	(134,000)
Thereafter	(267,000)

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 – INDIVIDUAL FUND DISCLOSURES – DEFICIT FUND BALANCE

Funds that have a deficit fund balance at June 30, 2018, are as follows:

Fund	Deficit Fund Balance
Major Funds:	
Public Library Special Revenue Fund	\$ (4,260,642)
Non-Major Governmental Funds:	
Federal Grants Special Revenue Fund	(2,525,889)

The City plans to eliminate the deficit in the Public Library Special Revenue Fund with future property tax receipts. The non-major governmental fund deficits will be eliminated when the intergovernmental receivables are collected in future periods.

NOTE 15 – DEFERRED COMPENSATION PLAN/DEFINED CONTRIBUTION PLAN

The City has established deferred compensation/defined contribution plans for certain classifications of management under IRC Section 401(a). City participation in contributions to the plans is mandatory. The City is obligated to contribute amounts ranging from \$2,000 to \$18,000 per participant per year. Employee contributions to certain plans are voluntary. During the year ended June 30, 2018, there were 1139 participants in the plans. The City's contributions totaled \$199,022, and employees' contributions totaled \$2,052,660.

NOTE 16 – SELF-INSURANCE

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 joined Special Districts Risk Management Authority (SDRMA) in the fall of 2005. SDRMA is a self-insurance risk pool that serves as a not-for-profit public agency to its members. Through SDRMA, the City currently holds a \$500 general liability deductible. All general liability claims above \$500 and up to a limit of \$10,000,000 are handled by SDRMA. The City's workers' compensation coverage is also administered by SDRMA. The City is self-insured for workers' compensation up to \$250,000, but has purchased coverage through SDRMA for individual claims exceeding \$250,000 up to a maximum of \$5,000,000. Settlements have not exceeded coverages for each of the past three fiscal years.

The annual member contribution is \$1,625,564 for the property/liability program and the workers' compensation program (based on estimated wages).

At June 30, 2018, \$90,000 was accrued by the City for general liability claims, and \$2,685,229 was accrued for workers' compensation claims and judgments. These accruals represent estimates of amounts to be paid for incurred and reported claims, as well as IBNR claims based upon past experience and modified for current trends and information.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 16 – SELF-INSURANCE (CONTINUED)

Changes in the reported claims liability since June 30, 2016, resulted in the following:

Claims liability as of June 30, 2016	\$ 2,449,815
Claims and changes in estimates during the year ended June 30, 2017	1,919,471
Claims and payments during the year ended June 30, 2017	<u>(1,178,530)</u>
Claims liability as of June 30, 2017	3,190,756
Claims and changes in estimates during the year ended June 30, 2018	1,210,037
Claims and payments during the year ended June 30, 2018	<u>(1,625,564)</u>
Claims liability as of June 30, 2018	<u><u>\$ 2,775,229</u></u>

NOTE 17 – NON-COMMITMENT DEBT

A. 1915 Act Limited Obligation Improvements Bonds – Golden Valley

On July 24, 1996, \$879,432 of 1915 Act Limited Obligation Improvement Bonds (1915 Golden Valley Road Bonds) for the Golden Valley Road Improvement Assessment District (the Golden Valley Assessment District) were issued. The 1915 Golden Valley Road Bonds are not a general obligation of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. The source of the debt service is from the property assessments within the Golden Valley Assessment District. The principal amount of debt outstanding at June 30, 2018 was \$260,000.

B. 1915 Act Limited Obligation Improvements Bonds – Vermont/Everett

On January 27, 2000, \$790,000 of 1915 Act Limited Obligation Improvement Bonds (1915 Vermont Drive/Everett Drive Bonds) for the Vermont Drive/Everett Drive Improvement Assessment District (the Vermont/Everett Assessment District) were issued. The 1915 Vermont Drive/Everett Drive Bonds are not a general obligation of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. The source of the debt service is from the property assessments within the Vermont/Everett Assessment District. The principal amount of the debt outstanding at June 30, 2018 was \$400,000.

C. Community Facilities District No. 2002-1 Special Tax Bonds

On October 29, 2002, \$17,370,000 of Special Tax bonds were issued for Community Facilities District No. 2002-1 (the Community Facilities District). On October 12, 2012, these bonds were refunded with the issuance of Community Facilities District No. 2002-1 (Valencia Town Center) Special Tax Refunding bonds for \$16,485,000. The Special Tax Refunding bonds are not a general obligation of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. The source of the debt service is from the property assessments within the Community Facilities District. The principal amount of the debt outstanding at June 30, 2018 was \$14,500,000.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 18 – SANTA CLARITA WATERSHED RECREATION AND CONSERVANCY AUTHORITY

In June 1992, the City entered into a joint powers agreement with the Santa Monica Mountains Conservancy (the Conservancy) to create the Watershed Authority. The purpose of the Watershed Authority is to acquire, develop, and conserve additional park and open space lands, including water- oriented recreation and conservation projects. The governing board consists of two representatives from the Conservancy and two from the City.

The City performs administrative functions for the Watershed Authority. As a result, the Watershed Authority is reported as an agency fund in these financial statements. The Watershed Authority may request the City to make annual contributions. For the year ended June 30, 2018, the City did not make any contributions. Separate financial statements for the Santa Clarita Watershed Recreation and Conservancy Authority can be obtained from the City’s administrative offices at 23920 Valencia Boulevard, Santa Clarita, California 91355.

NOTE 19 – SANTA CLARITA PUBLIC TELEVISION AUTHORITY

In July 2009, the City entered into a joint powers agreement with the William S. Hart School District (the District) to create the Santa Clarita Public Television Authority (SCPTA). As a result, the SCPTA is reported as an Agency fund in these financial statements. The purpose of the SCPTA is to provide a forum for public, educational, and governmental television programs by the members, individuals, and organizations in the community. The following entities have joined the SCPTA: Saugus Union School District, Newhall School District, Sulfur Springs School District, Castaic Union School District, and College of the Canyons. The SCPTA has a seven-member Board of Directors consisting of one member appointed by each school district, one member from the College, and one member from the City.

The City performs administrative functions for the SCPTA, and may, at the SCPTA’s request, make annual contributions. For the year ended June 30, 2018, the City contributed \$240,000. Separate financial statements for the Santa Clarita Public Television Authority are prepared biannually and can be obtained from the City’s administrative offices at 23920 Valencia Boulevard, Santa Clarita, California 91355.

NOTE 20 – COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The City has active construction projects as of June 30, 2018. At year-end, the City’s commitments with contractors for infrastructure projects are as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Expenditures to Date as of June 30, 2018</u>	<u>Remaining Commitments</u>
Pavement	\$ 712,039	\$ 595,155	\$ 116,884
Bridges	17,921,894	10,818,629	7,103,265
Sidewalks	1,907,337	1,388,480	518,857
Medians	261,142	69,379	191,763
Trails	387,569	332,229	55,340
Traffic Signals	894,009	223,325	670,684

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 20 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Encumbrances

The City utilizes encumbrance accounting as a means of controlling expenditures. Under this method, funds are encumbered when purchase orders, contracts, and other commitments are signed or approved by authorized City officials. Such outstanding commitments at year-end do not constitute expenditures or liabilities.

Encumbrances of balances within the governmental funds are classified as either restricted or assigned and are included in the respective categories. These encumbrances are not separately classified in the financial statements and are summarized at June 30, 2018, as follows:

	<u>Amount</u>
General Fund	\$ 3,720,968
Other governmental funds	40,858,222

C. Contingencies

The City has received Federal grants for specific purposes that are subject to review and audit by the Federal government. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material.

In the opinion of management and legal counsel, there are no liabilities that would have a substantial adverse effect on the financial position of the City as of June 30, 2018.

NOTE 21 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill), which provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that had previously reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City Resolution No. 12-3.

Each year, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

A. Cash and Investments

The balance of cash and investments at June 30, 2018, classified in the accompanying financial statements as follows:

	<u>RDA Successor Agency</u>
Cash and investments pooled with City	\$ 90,040
Restricted:	
Cash and investments	13,437
Cash and investments with fiscal agent	<u>2,389,625</u>
Total	<u>\$ 2,493,102</u>

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

**NOTE 21 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

B. Due From Other Governments

Pursuant to Health and Safety Code section 34167.5, in February 2015, the State Controller’s Office (SCO) reviewed all asset transfers made by the former RDA to the City after January 1, 2011. As a result of this review, the SCO concluded that assets transferred after January 1, 2011, included unallowable transfers to the City totaling \$14,628,194. In subsequent actions, the City returned property valued at \$763,436 to the Successor Agency, leaving \$13,864,758 in unallowable transfers to be returned by the City to the Successor Agency as of February 2015. The City has transferred certain assets to the Successor Agency. As of June 30, 2018, \$7,734,479 of these unallowable transfers remains due from the City to the Successor Agency.

C. Capital Assets

The capital assets of Successor Agency were transferred to the City. As a result, the beginning balances related to the capital assets of the City and the Successor Agency were restated (see Note 22).

D. Long-Term Debt

	Balance			Balance June 30, 2018	Classification	
	June 30, 2017	Additions	Deletions		Due Within One Year	Due More Than One Year
RDA Successor Agency:						
Loans from the City of Santa Clarita	\$ 16,054,063	\$ 360,334	\$ (222,338)	\$ 16,192,059	\$ -	\$ 16,192,059
Tax Allocation Bonds:						
Refunding Series 2017	34,800,000	-	(820,000)	33,980,000	800,000	33,180,000
Less deferred amounts for unamortized discounts	847,868	-	(33,660)	814,208	33,660	780,548
Total Tax Allocation Bonds	35,647,868	-	(853,660)	34,794,208	833,660	33,960,548
Total	\$ 51,701,931	\$ 360,334	\$ (1,075,998)	\$ 50,986,267	\$ 833,660	\$ 50,152,607

Loans from the City of Santa Clarita

At June 30, 2015, the California Department of Finance (DOF) approved the advances to the former redevelopment agency consisting of the promissory notes outstanding between the City and the former redevelopment agency entered into between the periods of July 1996 and June 2010. These consist of notes outstanding from the General Fund and the Developer Fees Special Revenue Fund in the amounts of \$7,225,964 and \$5,407,868, respectively using a LAIF rate of 0.26 percent, which was in effect when the Oversight Board reinstated the loans on February 25, 2015. On September 22, 2015, the Committee on Budget and Fiscal Review of the California State Senate approved SB 107. A mandate of this legislation included a recalculation of the notes to the RDA Successor Agency using a 3 percent simple interest from the origination of the note, instead of the LAIF rate. As such, the City increased the amounts in the General Fund and Developer Fees Special Revenue Fund to reflect increased interest balances. The unpaid accrued interest of these notes is \$2,749,354 and \$1,431,572, respectively, and unpaid principal of \$6,691,248 and \$5,319,886, respectively.

Tax Allocation Bonds

The former redevelopment agency issued Tax Allocation Bonds, which are special obligations of the Successor Agency secured by pledged property tax revenues. The bonds are not a debt of the City nor payable out of any funds or properties other than those of the Successor Agency.

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2018

**NOTE 21 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
 (CONTINUED)**

D. Long-Term Debt (Continued)

Tax Allocation Bonds – Series 2008 and Housing Set-Aside

As described under Tax Allocation Refunding Bonds – Series 2017 below, in February 2017, the Successor Agency refunded the Tax Allocation Bonds Series 2008 of \$26,685,000 and Tax Allocation Bonds Housing Set-Aside of \$7,910,000. The difference between the reacquisition price and carrying value of the refunded debt is reported as a deferred outflow of resources as of June 30, 2018, totaling \$2,398,448. This amount will be amortized over the life of the refunding debt, as a component of interest expense.

Tax Allocation Refunding Bonds – Series 2017

In February 2017, the Successor Agency issued Tax Allocation Refunding Bonds, Series 2017, in the amount of \$34,800,000. Interest on the Tax Allocation Refunding Bonds, Series 2017, is paid as part of a variable rate between 2 percent and 5 percent payable on April 1 and October 1 of each year commencing on April 1, 2017. Principal payments are due annually in various amounts commencing October 1, 2017, through October 1, 2042. The unpaid balance as of June 30, 2018, was \$33,980,000.

Tax Allocation Refunding Bonds – Series 2017 (Continued)

Proceeds from the Tax Allocation Refunding Bonds, Series 2017, along with other funds, were used to redeem and defease through advance refunding all the outstanding balance of the Tax Allocation Bonds Series 2008. The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 800,000	\$ 1,366,094	\$ 2,166,094
2020	820,000	1,342,094	2,162,094
2021	850,000	1,309,294	2,159,294
2022	895,000	1,266,794	2,161,794
2023	935,000	1,222,044	2,157,044
2024-2028	5,440,000	5,358,970	10,798,970
2029-2033	6,665,000	4,151,582	10,816,582
2034-2038	7,970,000	2,834,250	10,804,250
2039-2043	9,605,000	1,182,600	10,787,600
Total	<u>\$ 33,980,000</u>	<u>\$ 20,033,722</u>	<u>\$ 54,013,722</u>

E. Deficit Net Position

As of June 30, 2018, the RDA Successor Agency Private-Purpose Trust Fund had a deficit net position of \$38,699,755. This will be reduced with future receipt of distributions from the Redevelopment Property Tax Trust Fund from the County and potential asset sales.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 22 – RESTATEMENT

The City has restated certain balances within the Governmental Activities, Business-Type Activities, and Fiduciary Funds as stated below.

The City adopted Governmental Accounting Standards Board (GASB) Statements No 74, *Financial Reporting for Postemployment Benefit Plans Other Than . 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and No. 85, *Omnibus 2017*, effective July 1, 2017. Refer to Note 13 for further disclosures related to the Plan and related balances. As a result of the implementation, the City restated beginning net position as noted below:

	June 30, 2017 Previously Presented	Restatement	July 1, 2017 Restated
<u>Fiduciary Funds</u>			
<i>Other Postemployment Benefits (OPEB) Trust Fund</i>			
Cash and Investments-OPEB	\$ -	\$ 35,974,073	\$ 35,974,073
	June 30, 2017 Previously Presented	Restatement	July 1, 2017 Restated
<u>Governmental Activities</u>			
Other Postemployment Benefit (OPEB) Liability	\$ -	\$ (10,780,840)	\$ (10,780,840)
Net OPEB Asset	\$ 6,476,774	\$ (6,476,775)	\$ -
<u>Internal Service Funds</u>			
<i>Self Insurance</i>			
Other Postemployment Benefit (OPEB) Liability	\$ -	\$ (33,240)	\$ (33,240)
<u>Business Type Activities</u>			
<i>Transit Fund</i>			
Other Postemployment Benefit (OPEB) Liability	\$ -	\$ (265,920)	\$ (265,920)

The City identified capital assets that belonged to the City at the time of the RDA dissolution and have subsequently reclassified as them as the City’s capital assets. As such, the beginning balances were restated related to the transfer of the assets from the Redevelopment Successor Agency to the Governmental Activities as shown below:

Capital Asset Restatement

	June 30, 2017 Previously Presented	Restatement	July 1, 2017 Restated
<u>Governmental Activities</u>			
Capital Assets - Depreciable Assets, net	\$ 703,483,062	\$ 3,806,539	\$ 707,289,601
<u>Fiduciary Funds</u>			
<i>Redevelopment Successor Agency</i>			
Site Improvements, net of accumulated depreciation	\$ 86,041	\$ (86,041)	\$ -
Infrastructure, net of accumulated depreciation	\$ 3,720,497	\$ (3,720,497)	\$ -

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 22 – RESTATEMENT (CONTINUED)

In addition, the City had restatements in the Transit Fund related to the recognition of Proposition C (MOSIP) revenue and the closing out of expenditures related to construction in progress in the proper period as shown below:

Transit Recognition of Prior Year Revenue Restatement

	June 30, 2017 Previously Presented	Restatement	July 1, 2017 Restated
Business Type Activities			
<i>Transit Fund</i>			
Proposition C (MOSIP) Revenue	\$ -	\$ 584,181	\$ 584,181

Transit CIP Addition-Close Out Prior Year Expenditures

	June 30, 2017 Previously Presented	Restatement	July 1, 2017 Restated
Business Type Activities			
<i>Transit Fund</i>			
Capital Assets - Contractual Services	\$ -	\$ 1,656,315	\$ 1,656,315

The restatements for the Governmental Activities, Business-Type Activities, Transit Funds, and Fiduciary Funds impacted beginning net position as noted below:

Effects of Restatements

	June 30, 2017 Previously Presented	Restatement	July 1, 2017 Restated
Governmental Activities			
Net Position - Beginning of year	\$ 1,059,360,160	\$ (13,484,316)	\$ 1,045,875,844
Internal Service Funds			
<i>Self Insurance</i>			
Net Position - Beginning of year	\$ 1,158,590	\$ (33,240)	\$ 1,125,350
Business Type Activities			
<i>Transit Fund</i>			
Net Position - Beginning of year	\$ 78,386,470	\$ 1,974,576	\$ 80,361,046
Fiduciary Funds			
<i>Redevelopment Successor Agency</i>			
Trust Deficit - Beginning of year	\$ (36,146,893)	\$ (3,806,538)	\$ (39,953,431)
<i>Other Postemployment Benefits (OPEB) Trust Fund</i>			
Net Position - Beginning of year	\$ -	\$ 35,974,073	\$ 35,974,073

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Taxes	\$ 83,374,312	\$ 83,789,656	\$ 84,657,643	\$ 867,987
Licenses and permits	7,523,563	8,425,038	7,688,342	(736,696)
Intergovernmental	263,576	338,564	377,151	38,587
Charges for services	6,355,418	6,745,091	8,756,356	2,011,265
Investment income	1,582,339	1,582,339	277,852	(1,304,487)
Fines and forfeitures	380,000	450,000	794,423	344,423
Other revenue	89,092	89,092	363,978	274,886
Total Revenues	99,568,300	101,419,780	102,915,745	1,495,965
Expenditures:				
Operating:				
Personnel	41,997,757	39,487,799	37,639,960	1,847,839
Operating	46,469,511	49,429,914	49,088,090	341,824
Capital outlay	70,000	3,538,379	3,485,600	52,779
Capital Improvement Projects:				
Personnel	-	-	182,673	(182,673)
Operating	1,501,340	15,170,521	8,483,191	6,687,330
Capital outlay	-	6,603,449	5,898,962	704,487
Total Expenditures	90,038,608	114,230,062	104,778,476	9,451,586
Excess (deficiency) of revenues over (under) expenditures	9,529,692	(12,810,282)	(1,862,731)	10,947,551
Other financing sources (uses):				
Transfers in	11,278,500	12,781,338	4,451,281	(8,330,057)
Transfers out	(14,718,409)	(19,953,289)	(3,421,939)	16,531,350
Total Other Financing Sources (Uses)	(3,439,909)	(7,171,951)	1,029,342	8,201,293
Net Change in Fund Balances	\$ 6,089,783	\$ (19,982,233)	(833,389)	\$ 19,148,844
Fund Balance at Beginning of Year			149,015,266	
Fund Balance at End of Year			\$ 148,181,877	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BRIDGE AND THOROUGHFARE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Investment income	\$ 272,128	\$ 272,128	\$ 326,969	\$ 54,841
Developer fees	1,045,000	1,675,459	3,833,842	2,158,383
Other revenue	368,724	688,724	688,724	-
Total Revenues	<u>1,685,852</u>	<u>2,636,311</u>	<u>4,849,535</u>	<u>2,213,224</u>
Expenditures:				
Operating:				
Personnel	939,907	88,884	37,835	51,049
Operating	891,598	4,618,125	1,915,486	2,702,639
Debt service:				
Debt services	360,402	338,432	436,010	(97,578)
Total Expenditures	<u>2,191,907</u>	<u>5,045,441</u>	<u>2,389,331</u>	<u>2,656,110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(506,055)</u>	<u>(2,409,130)</u>	<u>2,460,204</u>	<u>4,869,334</u>
Other financing sources (uses):				
Transfers out	(84,965)	(84,068)	(81,980)	2,088
Net Change in Fund Balances	<u>\$ (591,020)</u>	<u>\$ (2,493,198)</u>	<u>2,378,224</u>	<u>\$ 4,871,422</u>
Fund Balance at Beginning of Year			<u>2,718,868</u>	
Fund Balance at End of Year			<u>\$ 5,097,092</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DEVELOPER FEES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues:				
Investment income (loss)	\$ 3,125	\$ 3,125	\$ 17,505	\$ 14,380
Developer fees	-	1,717,095	2,126,043	408,948
Other revenue	-	-	-	-
Total Revenues	<u>3,125</u>	<u>1,720,220</u>	<u>2,143,548</u>	<u>423,328</u>
Expenditures:				
Operating:				
Operating	-	2,222,519	2,222,519	-
Capital Improvement Projects:				
Personnel	-	-	54,889	(54,889)
Operating	611,650	2,500,463	280,712	2,219,751
Total Expenditures	<u>611,650</u>	<u>4,722,982</u>	<u>2,558,120</u>	<u>2,164,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(608,525)</u>	<u>(3,002,762)</u>	<u>(414,572)</u>	<u>2,588,190</u>
Other financing sources (uses):				
Transfer out	(21,500)	(83,087)	(83,087)	-
Total Other Financing Sources (Uses)	<u>(21,500)</u>	<u>(83,087)</u>	<u>(83,087)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (630,025)</u>	<u>\$ (3,085,849)</u>	<u>(497,659)</u>	<u>\$ 2,588,190</u>
Fund Balance at Beginning of Year			<u>5,539,379</u>	
Fund Balance at End of Year			<u>\$ 5,041,720</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PUBLIC LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Taxes	\$ 6,754,746	\$ 6,837,263	\$ 6,950,685	\$ 113,422
Charges for services	85,000	85,000	85,000	-
Investment income	-	-	(10,995)	(10,995)
Other revenue	160,000	160,000	162,366	2,366
Total Revenues	<u>6,999,746</u>	<u>7,082,263</u>	<u>7,187,056</u>	<u>104,793</u>
Expenditures:				
Operating:				
Personnel	235,071	270,671	255,472	15,199
Operating	5,104,143	5,475,140	5,271,562	203,578
Capital outlay	39,500	68,300	64,873	3,427
Capital Improvement Projects:				
Operating	74,250	74,250	77,820	(3,570)
Debt service:				
Principal retirement	108,996	108,996	143,804	(34,808)
Total Expenditures	<u>5,561,960</u>	<u>5,997,357</u>	<u>5,813,531</u>	<u>183,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,437,786</u>	<u>1,084,906</u>	<u>1,373,525</u>	<u>288,619</u>
Other financing sources (uses):				
Transfers out	(4,901)	(15,330)	(10,429)	4,901
Net Change in Fund Balances	<u>\$ 1,432,885</u>	<u>\$ 1,069,576</u>	<u>\$ 1,363,096</u>	<u>\$ 293,520</u>
Fund Balance at Beginning of Year			<u>(5,623,738)</u>	
Fund Balance at End of Year			<u>\$ (4,260,642)</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LANDSCAPE MAINTENANCE DISTRICT #1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 973,449	\$ 973,449
Special assessments	20,742,588	21,482,202	20,323,322	(1,158,880)
Investment income	337,500	337,500	81	(337,419)
Other revenue	-	-	(18,476)	(18,476)
Total Revenues	21,080,088	21,819,702	21,278,376	(541,326)
Expenditures:				
Operating:				
Personnel	2,028,394	1,719,256	1,729,694	(10,438)
Operating	12,933,387	13,995,005	13,364,701	630,304
Capital Improvement Projects:				
Personnel	-	-	206,781	(206,781)
Operating	8,566,750	9,245,982	2,577,501	6,668,481
Total Expenditures	23,528,531	24,960,244	17,878,677	7,081,567
Excess (deficiency) of revenues over (under) expenditures	(2,448,443)	(3,140,542)	3,399,699	6,540,241
Other financing sources (uses):				
Transfers in	10,000	10,000	10,000	-
Transfers out	(98,501)	(187,702)	(146,201)	41,501
Total Other Financing Sources (Uses)	(88,501)	(177,702)	(136,201)	41,501
Net Change in Fund Balances	\$ (2,536,944)	\$ (3,318,244)	3,263,498	\$ 6,581,742
Fund Balance at Beginning of Year			31,833,614	
Fund Balance at End of Year			<u>\$ 35,097,112</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018**

The Schedule of Changes in the Net OPEB Liability and Related Ratios is as follows:

	<u>2018</u>
Changes in Total OPEB Liability	
Service Cost	\$ 1,711,000
Interest	2,633,073
Assumption changes	(1,071,000)
Benefit payments	(1,054,000)
	<u>2,219,073</u>
Net Changes	2,219,073
Total OPEB Liability (beginning of year)	47,054,000
Total OPEB Liability (end of year)	<u>\$ 49,273,073</u>
Plan Fiduciary Net Position	
Contribution - employer	\$ 1,227,000
Net investment income	2,963,587
Benefit payments	(1,054,041)
Administrative expense	(146,319)
	<u>2,990,227</u>
Net Changes	2,990,227
Plan Fiduciary Net Position (beginning of year)	35,974,073
Plan Fiduciary Net Position (end of year)	<u>\$ 38,964,300</u>
Net OPEB Liability - ending (a)-(b)	<u>\$ 10,308,773</u>
Plan fiduciary net position as a percentage of the total OPEB liability	79.08%
Covered employee payroll*	\$ 30,634,000
Net OPEB liability as a percentage of covered-employee payroll	33.65%

Notes to Schedule:

Future years' information will be displayed up to 10 years as information becomes available.

*For the 12 month period ending on June 30, 2018 (Measurement Date).

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF CONTRIBUTIONS - OPEB
LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2018**

The Schedule of OPEB Contributions is as follows:

Fiscal Year Ended June 30	2018
Actuarially Determined Contribution (ADC)	\$ 1,755,000
Contributions in relation to the actuarially determined contribution**	<u>1,227,000</u>
Contribution deficiency/(excess)	\$ 528,000
Covered-employee payroll***	\$ 30,634,000
Contribution as a percentage of covered-employee payroll	4.01%

Notes to Schedule:

* Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018 were from the June 30, 2018 actuarial valuation.

**Actual 2017/18 contribution

***For the 12 months period ending on June 30, 2018 (fiscal year end)

Methods and Assumptions for 2017/18 Actuarially Determined Contributions

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percent of pay
Amortization Period	16-year fixed period for 2017/18
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.50%
General Inflation	3.00%
Medical Trend	Non-Medicare - 6.5% for 2018, decreasing to an ultimate rate of 5.0% in 2021 and later years Medicare - 6.7% for 2018, decreasing to an ultimate rate of 5.0% in 2021 and later years
Mortality	CalPERS 1997-2011 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-14 modified to converge in 2022

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

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF MONEY WEIGHTED RATE OF RETURN
LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2018**

The Schedule of Money Weighted Rate of Return for the OPEB plan is as follows:

	Last Ten Years*	
	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return - net of investment expense	8.26%	12.81%

Notes to Schedule

*Fiscal year 2017 was the first year of GASB 74 implementation, therefore, only two years are shown.

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
LAST TEN YEARS*
AS OF THE FISCAL YEAR ENDED JUNE 30, 2018**

The Schedules of Changes in the City's Net Pension Liability and Related Ratios are as follows:

Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability				
Service cost	\$ 4,921,221	\$ 4,409,399	\$ 4,418,053	\$ 4,462,544
Interest	12,166,752	11,315,207	10,443,680	9,588,693
Difference between Expected and Actual Experience	(1,505,660)	(305,665)	416,626	-
Changes of Assumptions	11,654,992	-	(3,009,808)	-
Benefit Payments, Including Refunds of Employee Contributions	(4,406,046)	(3,347,335)	(2,971,092)	(2,561,655)
Net Change in Total Pension Liability	22,831,259	12,071,606	9,297,459	11,489,582
Total Pension Liability - Beginning	159,757,441	147,685,835	138,388,376	126,898,794
Total Pension Liability - Ending (a)	\$ 182,588,700	\$ 159,757,441	\$ 147,685,835	\$ 138,388,376
Plan Fiduciary Net Postion				
Contributions - Employer	\$ 4,484,866	\$ 3,959,503	\$ 3,740,145	\$ 3,562,246
Contributions - Employee	2,224,721	2,252,522	2,164,107	2,339,435
Net Investment Income	13,510,656	622,282	2,506,239	16,243,165
Administrative expenses	(177,534)	(71,202)	(131,529)	-
Benefit Payments, Including Refunds of Employee Contributions	(4,406,046)	(3,347,335)	(2,971,092)	(2,561,655)
Plan to Plan Resource Movement	-	-	9,685	-
Net Change in Fiduciary Net Position	15,636,663	3,415,770	5,317,555	19,583,191
Plan Fiduciary Net Postition - Beginning	120,245,541	116,829,771	111,512,216	91,929,025
Plan Fiduciary Net Postion - Ending (b)	\$ 135,882,204	\$ 120,245,541	\$ 116,829,771	\$ 111,512,216
Net pension liability - ending (a) - (b)	\$ 46,706,496	\$ 39,511,900	\$ 30,856,064	\$ 26,876,160
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.42%	75.27%	79.11%	80.58%
Covered Payroll	\$ 29,966,168	\$ 27,934,377	\$ 27,234,699	\$ 26,879,556
Plan Net Pension Liability as a Percentage of Covered Payroll	155.86%	141.45%	113.30%	99.99%

Notes:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes that occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of two years' Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was revised from 7.65% to 7.15% during the measurement period ending June 30, 2018. The discount rate was revised from 7.5% to 7.65% during the measurement period ending June 30, 2015.

* Fiscal Year 2014-15 was the first year of implementation; therefore, only four years are shown until a full 10-year trend is compiled.

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF CITY CONTRIBUTIONS - PENSIONS
LAST TEN YEARS*
AS OF THE FISCAL YEAR ENDED JUNE 30, 2018**

The Schedule of City Contributions during the fiscal year is as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially determined contribution	\$ 4,662,191	\$ 4,484,140	\$ 3,958,892	\$ 3,740,138
Contributions in relation to the actuarially determined contribution	<u>(9,662,191)</u>	<u>(4,484,140)</u>	<u>(3,958,892)</u>	<u>(3,740,138)</u>
Contribution deficiency (excess)	<u>\$ (5,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Payroll	 \$ 29,655,553	 \$ 29,966,168	 \$ 27,934,377	 \$ 27,234,699
 Contributions as a Percentage of Covered Payroll	 32.58%	 14.96%	 14.17%	 13.73%

Valuation Date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were from June 30, 2016 public agency valuations.

Actuarial Cost method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	18 years
Asset Valuation Method	Market Value of Assets
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
\$ 3,562,246	\$ 3,319,326	\$ 3,224,628	\$ 2,916,852	\$ 2,919,550	\$ 2,865,328
<u>(3,562,246)</u>	<u>(3,319,326)</u>	<u>(3,224,628)</u>	<u>(2,916,852)</u>	<u>(2,919,550)</u>	<u>(2,865,328)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 26,879,556	\$ 25,256,659	\$ 24,807,314	\$ 24,940,516	\$ 25,336,721	\$ 26,145,818
13.25%	13.14%	13.00%	11.70%	11.52%	10.96%

CITY OF SANTA CLARITA, CALIFORNIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

BUDGETARY INFORMATION

Annual budgets are legally adopted on a basis consistent with generally accepted accounting principles in the United States of America for the General Fund and each of the special revenue funds. All annual appropriations lapse at fiscal year-end.

On or before the last day in January of each year, all operational units submit requests for appropriations to the City Manager for budget preparation purposes. Before April 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings, and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function, and department at the category level. The City reports the following categories: personnel, operating and capital outlay. Additionally, the City separately prepares a capital improvement projects budget. The budgetary control for the Capital Improvement Program is at the program level.

The City's Department Heads, with approval of the City Manager, may make transfers of appropriations within certain line-items within a program, but may not exceed the total appropriated amounts for each category. City Manager may approve transfers that do not change the total appropriated amount within the fund. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the category level. The City does not require additional appropriations through the budget process for bond funds, grant funds, trust and agency funds, and capital funds. Legislative action by the City Council to issue bond funds, accept grants, and/or authorize capital projects is considered as authority to expend funds for those purposes.

Under encumbrance accounting, purchase orders, contracts, and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year-end are classified as either restricted, committed, or assigned fund balances. Unexpended appropriations lapse at year-end.

CITY OF SANTA CLARITA, CALIFORNIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

For the year ended June 30, 2018, expenditures exceeded appropriations in the following categories (legal level of budgetary control) of the respective funds:

Fund	Appropriations	Expenditures	Excess Expenditures Over Appropriations
Major Governmental Funds:			
Bridge and Thoroughfare Special Revenue Fund			
Debt Service - Debt Services	\$ 338,432	\$ 436,010	\$ (97,578)
Public Library Special Revenue Fund			
Capital Improvement Projects	74,250	77,820	(3,570)
Debt Service - Principal Retirement	108,996	143,804	(34,808)
Landscape Maintenance District #1 Special Revenue Fund			
Operating - Personnel	1,719,256	1,729,694	(10,438)
Non-Major Governmental Funds:			
Traffic Safety Special Revenue Fund			
Transfers Out	400,000	578,725	(178,725)
Stormwater Special Revenue Fund			
Operating - Personnel	1,294,599	1,334,197	(39,598)
Supplemental Law Grant Special Revenue Fund			
Operating - Operating	406,050	427,773	(21,723)
Housing Successor Agency Special Revenue Fund			
Operating - Operating	-	1,943	(1,943)
Public Financing Authority Debt Service Fund			
Payment to Refunding Bond Escrow Agent	-	35,099	(35,099)
Transfers Out	-	15,593,241	(15,593,241)

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CITY OF SANTA CLARITA, CALIFORNIA

**NON-MAJOR GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Bikeway – To account for monies received from the State of California restricted for bicycle and pedestrian facilities available under Article 3 of the Transportation Development Act (SB821).

Gas Tax – To account for monies received and expended from the state and county gas tax allocation restricted to fund various street highway improvements, including maintenance.

Proposition A – To account for the City’s share of the one-half percent (0.5%) increased sales tax in Los Angeles County as a result of “Proposition A.” This revenue is to be used for transportation-related purposes.

Special Assessment – To account for special assessments received for small assessment districts. These funds may be used for maintenance expenses with the districts.

Street Lighting District - To account for property tax and levy of assessment receipts and disbursements related to the streetlights maintenance program.

Measure M Local Return - To account for the half-cent sales tax revenue that Los Angeles County voters approved in November 2016 to meet the transportation needs of Los Angeles County.

SBI Road Repair and Activity - To account for monies received and expended from the State SB1 Road and Repair Rehabilitation to fund various maintenance, rehabilitations, and safety needs on streets and roads.

State Park – To account for grant monies received from the State of California Department of Parks and Recreation for construction or improvements of parkland within the City.

TDA (Transportation Development Act 8) – To account for monies received from the State of California under Article 8 of the TDA. These funds may be used for local streets and road expenditures when the City’s unmet transportation needs have been satisfied.

Traffic Safety – To account for monies received from vehicle code fines. This fund is used to finance law enforcement expenditures.

CDBG (Community Development Block Grant) – To account for Federal entitlements under the Housing and Community Development Act of 1974, as amended. The City Council annually allocates CDBG funds to various programs.

AQMD (Air Quality Management District) – To account for revenues and expenditures for Air Quality Management.

Stormwater – To account for monies received from assessments restricted for the use of the stormwater and run-off programs.

Surface Transportation Program – To account for receipts and disbursements associated with the Surface Transportation Program restricted for construction, reconstruction, and improvement of highways and bridges on eligible Federal Aid highway routes.

BJA Law Enforcement – To account for receipts and disbursements for the BJA law enforcement grant restricted for police department programs.

CITY OF SANTA CLARITA, CALIFORNIA

NON-MAJOR GOVERNMENTAL FUNDS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

Special Revenue Funds (Continued)

Supplemental Law Grant – To account for receipts and disbursements for the supplemental law grant restricted for police department programs.

HOME – To account for receipts and disbursements for the activity for the HOME grant program restricted to expand the supply of affordable housing for very low- and low-income families.

Library Facilities Fees – To account for monies received from the library facilities developer fees, which are restricted for use on library facilities.

Public Education and Government – To account for the one-percent (1%), PEG Capital Grant funds received from video service providers pursuant to the Digital Infrastructure and Video Competition Act of 2006.

Proposition C – To account for the City's share of the one-half percent (0.5%) increased sales tax in Los Angeles County as a result of Proposition C. This revenue is to be used for transportation-related purposes.

Federal Grants – To account for receipts and disbursements of miscellaneous federal grant monies not accounted for in other funds. These receipts are restricted for planning, design, improvements, and maintenance of streets, roads and bridges, facility construction and improvements, transit operations, and other transit-related expenditures.

Measure R – To account for the half-cent sales tax revenues that Los Angeles County voters approved in November 2008 to meet the transportation needs of Los Angeles County.

Tourism Marketing District – To account for receipts and disbursements associated with promoting local businesses and tourism in the City of Santa Clarita through the Tourism Marketing District. The Tourism Marketing District was formed to provide financing for public programs to attract tourist visits to areas where tourism is economically important and desired. The Tourism Marketing District was established and is levied pursuant to the Parking and Business Improvement Area Law of 1989, Part 6 of Division 18 of the California Streets and Highways Code (the 1989 Law) and the provisions of the California Constitution Article XIID (Proposition 218).

OPSD (Open Space Preservation District) – To account for monies received from special assessments for the costs of acquiring open space lands, parks, and parkland in accordance with the City's programs.

Miscellaneous Grants – To account for receipts and disbursements of non-federal miscellaneous grants, which are restricted for planning, design, improvements, and maintenance of streets, roads, and bridges, facility construction and improvements, transit operations, and other transit-related expenditures.

Park Dedication – This fund accounts for monies received from developers restricted to finance the acquisition and develop new parkland space. These monies are restricted under the Quimby Act by ordinance and require the dedication of land or impose a requirement of the payment of fee in lieu.

Housing Successor Agency – To account for the transactions of the Housing Successor Agency for the continuation of the low- and moderate-income programs of the former redevelopment agency.

Tourism Marketing Bureau – To account for monies received from local and regional tourism-related organizations restricted for tourism and business development within the City's boundaries.

CITY OF SANTA CLARITA, CALIFORNIA

**NON-MAJOR GOVERNMENTAL FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

General Capital Projects – To account for major capital improvement projects not accounted for in other funds.

Public Financing Authority – To account for the construction of all capital projects that utilize public financing authority funds.

The Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Public Financing Authority – To account for principal and interest payments for obligations issued by the Santa Clarita Public Financing Authority.

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CITY OF SANTA CLARITA, CALIFORNIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Bikeway	Gas Tax	Proposition A	Special Assessment
Assets:				
Cash and investments	\$ 155,067	\$ 561,658	\$ 265,146	\$ 1,497,574
Receivables:				
Accounts, net	-	11,306	-	-
Interest	662	2,256	1,131	6,304
Taxes	-	-	-	5,881
Loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	10,676	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 166,405	\$ 575,220	\$ 266,277	\$ 1,509,759
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 119,276	\$ 156,074	\$ 2,600	\$ 5,073
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	119,276	156,074	2,600	5,073
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund balances (deficit):				
Nonspendable	-	-	-	-
Restricted	47,129	419,146	263,677	1,504,686
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	47,129	419,146	263,677	1,504,686
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 166,405	\$ 575,220	\$ 266,277	\$ 1,509,759

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds			
	Street Lighting District	Measure M Local Return	SB1 Road Repair and Activity	State Park
Assets:				
Cash and investments	\$ 6,087,032	\$ 2,277,938	\$ 797,678	\$ -
Receivables:				
Accounts, net	26,560	-	-	-
Interest	30,009	9,721	3,404	-
Taxes	173,617	-	-	-
Loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	458,551	183,764
Restricted assets:				
Cash and investments	15,593,241	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 21,910,459	\$ 2,287,659	\$ 1,259,633	\$ 183,764
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 47,935	\$ -	\$ 323,167	\$ 9,586
Due to other governments	-	-	-	-
Due to other funds	-	-	-	52,494
Total Liabilities	47,935	-	323,167	62,080
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	120,521
Total Deferred Inflows of Resources	-	-	-	120,521
Fund balances (deficit):				
Nonspendable	-	-	-	-
Restricted	21,862,524	2,287,659	936,466	1,163
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	21,862,524	2,287,659	936,466	1,163
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,910,459	\$ 2,287,659	\$ 1,259,633	\$ 183,764

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds			
	TDA	Traffic Safety	CDBG	AQMD
Assets:				
Cash and investments	\$ 6,464,741	\$ -	\$ -	\$ 736,312
Receivables:				
Accounts, net	-	-	-	-
Interest	27,587	-	-	3,142
Taxes	-	90,285	-	-
Loans	-	-	400,336	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	133,506	71,228
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 6,492,328	\$ 90,285	\$ 533,842	\$ 810,682
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,206,656	\$ -	\$ 84,081	\$ 5,075
Due to other governments	-	-	-	-
Due to other funds	-	90,285	49,425	-
Total Liabilities	1,206,656	90,285	133,506	5,075
Deferred Inflows of Resources:				
Unavailable revenues	-	-	400,336	-
Total Deferred Inflows of Resources	-	-	400,336	-
Fund balances (deficit):				
Nonspendable	-	-	-	-
Restricted	5,285,672	-	-	805,607
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	5,285,672	-	-	805,607
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,492,328	\$ 90,285	\$ 533,842	\$ 810,682

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds			
	Stormwater	Surface Transportation Program	BJA Law Enforcement	Supplemental Law Grant
Assets:				
Cash and investments				
Receivables:				
Accounts, net	\$ 5,532,112	\$ 26,861	\$ -	\$ 150,691
Interest				
Taxes	195,471	-	-	-
Loans	23,592	-	-	643
Prepaid costs	128,956	-	-	-
Due from other governments	-	-	-	-
Restricted assets:	5,882	-	-	-
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	-	-	-	-
	<u>\$ 5,886,013</u>	<u>\$ 26,861</u>	<u>\$ -</u>	<u>\$ 151,334</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities				
Due to other governments	\$ 226,653	\$ -	\$ -	\$ 34,163
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
	<u>226,653</u>	<u>-</u>	<u>-</u>	<u>34,163</u>
Deferred Inflows of Resources:				
Unavailable revenues				
Total Deferred Inflows of Resources	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):				
Nonspendable	5,882	-	-	-
Restricted	5,653,478	26,861	-	117,171
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>5,659,360</u>	<u>26,861</u>	<u>-</u>	<u>117,171</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,886,013</u>	<u>\$ 26,861</u>	<u>\$ -</u>	<u>\$ 151,334</u>

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds			
	HOME	Library Facilities Fees	Public	
			Education and Government	Proposition C
Assets:				
Cash and investments	\$ 57,518	\$ 1,617,327	\$ 454,023	3,773,023
Receivables:				
Accounts, net	-	-	-	-
Interest	245	6,902	1,937	14,088
Taxes	-	-	108,099	-
Loans	2,427,698	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	1,399,743
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 2,485,461</u>	<u>\$ 1,624,229</u>	<u>\$ 564,059</u>	<u>\$ 5,186,854</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 521	\$ 114,546
Due to other governments	-	-	-	-
Due to other funds	-	-	-	1,301,809
Total Liabilities	<u>-</u>	<u>-</u>	<u>521</u>	<u>1,416,355</u>
Deferred Inflows of Resources:				
Unavailable revenues	2,427,698	-	-	1,291,461
Total Deferred Inflows of Resources	<u>2,427,698</u>	<u>-</u>	<u>-</u>	<u>1,291,461</u>
Fund balances (deficit):				
Nonspendable	-	-	-	-
Restricted	57,763	1,624,229	563,538	2,479,038
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	<u>57,763</u>	<u>1,624,229</u>	<u>563,538</u>	<u>2,479,038</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,485,461</u>	<u>\$ 1,624,229</u>	<u>\$ 564,059</u>	<u>\$ 5,186,854</u>

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds			
	Federal Grants	Measure R	Tourism Marketing District	OSPD
Assets:				
Cash and investments	\$ -	\$ 7,079,612	\$ 1,118,967	\$ 3,640,232
Receivables:				
Accounts, net	-	-	-	6,666
Interest	-	30,211	4,775	15,534
Taxes	-	-	64,095	63,387
Loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	3,130,513	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 3,130,513	\$ 7,109,823	\$ 1,187,837	\$ 3,725,819
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,046,169	\$ 730,362	\$ 20,522	\$ 49,613
Due to other governments	-	-	-	-
Due to other funds	2,055,459	-	-	-
Total Liabilities	3,101,628	730,362	20,522	49,613
Deferred Inflows of Resources:				
Unavailable revenues	2,554,774	-	-	-
Total Deferred Inflows of Resources	2,554,774	-	-	-
Fund balances (deficit):				
Nonspendable	-	-	-	-
Restricted	-	6,379,461	1,167,315	3,676,206
Assigned	-	-	-	-
Unassigned	(2,525,889)	-	-	-
Total Fund Balances (Deficit)	(2,525,889)	6,379,461	1,167,315	3,676,206
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,130,513	\$ 7,109,823	\$ 1,187,837	\$ 3,725,819

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds			
	Miscellaneous Grants	Park Dedication	Housing Successor Agency	Tourism Marketing Bureau
Assets:				
Cash and investments	\$ 165,093	\$ 11,224,662	\$ 476,628	\$ 48,227
Receivables:				
Accounts, net	-	-	-	-
Interest	-	47,899	2,034	206
Taxes	-	-	-	-
Loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	81,950	-	-	-
Restricted assets:				
Cash and investments	-	-	206,386	-
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 247,043	\$ 11,272,561	\$ 685,048	\$ 48,433
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 38,397	\$ 40,855	\$ -	\$ -
Due to other governments	-	-	34,479	-
Due to other funds	-	-	-	-
Total Liabilities	38,397	40,855	34,479	-
Deferred Inflows of Resources:				
Unavailable revenues	76,549	-	-	-
Total Deferred Inflows of Resources	76,549	-	-	-
Fund balances (deficit):				
Nonspendable	-	-	-	-
Restricted	132,097	11,231,706	650,569	48,433
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	132,097	11,231,706	650,569	48,433
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 247,043	\$ 11,272,561	\$ 685,048	\$ 48,433

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Capital Projects Funds		Debt Service	Total Non-major Governmental Funds
	General	Public	Public	
	Capital Projects	Financing Authority	Financing Authority	
Assets:				
Cash and investments	\$ 1,134,441	\$ 10	\$ 9,651	\$ 55,352,224
Receivables:				
Accounts, net	-	-	-	240,003
Interest	-	-	-	232,282
Taxes	-	-	-	634,320
Loans	-	-	-	2,828,034
Prepaid costs	-	-	-	5,882
Due from other governments	-	-	-	5,469,931
Restricted assets:				
Cash and investments	-	-	-	15,799,627
Cash and investments with fiscal agents	-	-	871,961	871,961
Total Assets	\$ 1,134,441	\$ 10	\$ 881,612	\$ 81,434,264
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 54,782	\$ -	\$ -	\$ 4,316,106
Due to other governments	-	-	-	34,479
Due to other funds	-	-	-	3,549,472
Total Liabilities	54,782	-	-	7,900,057
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	6,871,339
Total Deferred Inflows of Resources	-	-	-	6,871,339
Fund balances (deficit):				
Nonspendable	-	-	-	5,882
Restricted	-	-	881,612	68,103,206
Assigned	1,079,659	10	-	1,079,669
Unassigned	-	-	-	(2,525,889)
Total Fund Balances (Deficit)	1,079,659	10	881,612	66,662,868
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,134,441	\$ 10	\$ 881,612	\$ 81,434,264

CITY OF SANTA CLARITA, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds			
	Bikeway	Gas Tax	Proposition A	Special Assessment
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	454,688
Intergovernmental	51,733	4,264,443	4,096,462	-
Charges for services	-	-	-	-
Investment income (loss)	(1,447)	4,416	13,980	(470)
Fines and forfeitures	-	-	-	-
Developer fees	-	-	-	-
Other revenue	-	251,002	-	-
Total Revenues	<u>50,286</u>	<u>4,519,861</u>	<u>4,110,442</u>	<u>454,218</u>
Expenditures:				
Current:				
General government	-	39,836	-	164,160
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	71,655	6,140,120	-	390
Community development	-	-	-	-
Neighborhood services	-	-	-	22,036
Capital outlay	15,327	83,499	70,397	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>86,982</u>	<u>6,263,455</u>	<u>70,397</u>	<u>186,586</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,696)</u>	<u>(1,743,594)</u>	<u>4,040,045</u>	<u>267,632</u>
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	-	100,000	-	20,420
Transfers out	-	(172,177)	(5,067,401)	(2,219)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(72,177)</u>	<u>(5,067,401)</u>	<u>18,201</u>
Net Change in Fund Balances	<u>(36,696)</u>	<u>(1,815,771)</u>	<u>(1,027,356)</u>	<u>285,833</u>
Fund Balances (Deficit), Beginning of Year	83,825	2,234,917	1,291,033	1,218,853
Fund Balances, End of Year	<u>\$ 47,129</u>	<u>\$ 419,146</u>	<u>\$ 263,677</u>	<u>\$ 1,504,686</u>

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Street	Measure M	SB 1 Road	
	Lighting District	Local Return	Repair and Activity	State Park
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	5,513,690	-	-	-
Intergovernmental	-	2,306,349	1,267,715	123,505
Charges for services	10,000	-	-	-
Investment income (loss)	8,499	(18,690)	(8,082)	-
Fines and forfeitures	-	-	-	-
Developer fees	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	5,532,189	2,287,659	1,259,633	123,505
Expenditures:				
Current:				
General government	3,458,235	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	63,243
Public works	1,241,548	-	323,167	-
Community development	-	-	-	-
Neighborhood services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,699,783	-	323,167	63,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	832,406	2,287,659	936,466	60,262
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	15,593,241	-	-	-
Transfers out	(1,053,034)	-	-	-
Total Other Financing Sources (Uses)	14,540,207	-	-	-
Net Change in Fund Balances	15,372,613	2,287,659	936,466	60,262
Fund Balances (Deficit), Beginning of Year	6,489,911	-	-	(59,099)
Fund Balances, End of Year	\$ 21,862,524	\$ 2,287,659	\$ 936,466	\$ 1,163

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	TDA	Traffic Safety	CDBG	AQMD
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	7,209,974	-	613,838	277,988
Charges for services	-	-	-	-
Investment income (loss)	(36,953)	461	-	(515)
Fines and forfeitures	-	578,264	-	-
Developer fees	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	7,173,021	578,725	613,838	277,473
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	7,421,375	-	-	60,650
Community development	-	-	510,953	-
Neighborhood services	-	-	-	-
Capital outlay	67,332	-	-	423
Debt service:				
Principal retirement	-	-	100,000	-
Interest and fiscal charges	-	-	2,885	-
Total Expenditures	7,488,707	-	613,838	61,073
Excess (Deficiency) of Revenues Over (Under) Expenditures	(315,686)	578,725	-	216,400
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(578,725)	-	-
Total Other Financing Sources (Uses)	-	(578,725)	-	-
Net Change in Fund Balances	(315,686)	-	-	216,400
Fund Balances (Deficit), Beginning of Year	5,601,358	-	-	589,207
Fund Balances, End of Year	\$ 5,285,672	\$ -	\$ -	\$ 805,607

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds			
		Surface		Supplemental
	Stormwater	Transportation Program	BJA Law Enforcement	Law Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	3,319,631	-	-	-
Intergovernmental	-	76,203	1,525	331,017
Charges for services	-	-	-	-
Investment income (loss)	4,244	-	-	(164)
Fines and forfeitures	-	-	-	-
Developer fees	-	-	-	-
Other revenue	211,348	-	-	-
Total Revenues	3,535,223	76,203	1,525	330,853
Expenditures:				
Current:				
General government	32,947	-	-	-
Public safety	-	-	1,525	427,773
Recreation and community services	-	-	-	-
Public works	3,396,392	-	-	-
Community development	-	-	-	-
Neighborhood services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	3,429,339	-	1,525	427,773
Excess (Deficiency) of Revenues Over (Under) Expenditures	105,884	76,203	-	(96,920)
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	3,690	-	-	-
Transfers out	(59,911)	-	-	-
Total Other Financing Sources (Uses)	(56,221)	-	-	-
Net Change in Fund Balances	49,663	76,203	-	(96,920)
Fund Balances (Deficit), Beginning of Year	5,609,697	(49,342)	-	214,091
Fund Balances, End of Year	\$ 5,659,360	\$ 26,861	\$ -	\$ 117,171

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds			
	HOME	Library Facilities Fees	Public	
			Education and Government	Proposition C
Revenues:				
Taxes	\$ -	\$ -	\$ 450,688	\$ -
Special assessments	-	-	-	-
Intergovernmental	7,700	-	-	5,250,847
Charges for services	-	-	-	-
Investment income (loss)	15	(613)	16,794	(246)
Fines and forfeitures	-	-	-	-
Developer fees	-	381,026	-	-
Other revenue	-	-	-	-
Total Revenues	7,715	380,413	467,482	5,250,601
Expenditures:				
Current:				
General government	-	920	212,429	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	239,014
Community development	-	-	-	-
Neighborhood services	-	-	-	-
Capital outlay	-	-	1,502,801	165,715
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	920	1,715,230	404,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,715	379,493	(1,247,748)	4,845,872
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(2,567,131)
Total Other Financing Sources (Uses)	-	-	-	(2,567,131)
Net Change in Fund Balances	7,715	379,493	(1,247,748)	2,278,741
Fund Balances (Deficit), Beginning of Year	50,048	1,244,736	1,811,286	200,297
Fund Balances, End of Year	\$ 57,763	\$ 1,624,229	\$ 563,538	\$ 2,479,038

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds			
	Federal	Measure R	Tourism	OSPD
	Grants		Marketing District	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	2,556,110
Intergovernmental	7,608,727	2,544,996	-	-
Charges for services	-	-	649,168	134,587
Investment income (loss)	-	7,879	477	11,314
Fines and forfeitures	-	-	-	-
Developer fees	-	-	-	-
Other revenue	-	-	-	1,000
Total Revenues	7,608,727	2,552,875	649,645	2,703,011
Expenditures:				
Current:				
General government	-	-	460,302	459,071
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	9,955,807	2,954,138	-	-
Community development	-	-	-	-
Neighborhood services	-	-	-	-
Capital outlay	37,393	-	-	2,105,206
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	9,993,200	2,954,138	460,302	2,564,277
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,384,473)	(401,263)	189,343	138,734
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(908,424)
Total Other Financing Sources (Uses)	-	-	-	(908,424)
Net Change in Fund Balances	(2,384,473)	(401,263)	189,343	(769,690)
Fund Balances (Deficit), Beginning of Year	(141,416)	6,780,724	977,972	4,445,896
Fund Balances, End of Year	\$ (2,525,889)	\$ 6,379,461	\$ 1,167,315	\$ 3,676,206

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds			
	Miscellaneous	Park	Housing	Tourism
	Grants	Dedication	Successor Agency	Marketing Bureau
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	81,532	-	-	-
Charges for services	-	-	-	9,150
Investment income (loss)	-	(16,552)	(144)	35
Fines and forfeitures	-	-	-	-
Developer fees	-	3,547,823	-	-
Other revenue	18,689	-	44,468	2,500
Total Revenues	100,221	3,531,271	44,324	11,685
Expenditures:				
Current:				
General government	-	-	-	5,070
Public safety	95,499	-	-	-
Recreation and community services	-	-	-	-
Public works	182,757	65,755	-	-
Community development	-	-	1,943	-
Neighborhood services	-	13,267	-	-
Capital outlay	-	94,499	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	278,256	173,521	1,943	5,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(178,035)	3,357,750	42,381	6,615
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(178,035)	3,357,750	42,381	6,615
Fund Balances (Deficit), Beginning of Year	310,132	7,873,956	608,188	41,818
Fund Balances, End of Year	\$ 132,097	\$ 11,231,706	\$ 650,569	\$ 48,433

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Capital Projects Fund		Debt Service	Total Non-major Governmental Funds
	General Capital Projects	Public Financing Authority	Public Financing Authority	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 450,688
Special assessments	-	-	-	11,844,119
Intergovernmental	-	-	-	36,114,554
Charges for services	-	-	-	802,905
Investment income (loss)	-	-	-	(15,762)
Fines and forfeitures	-	-	-	578,264
Developer fees	-	-	-	3,928,849
Other revenue	-	-	-	529,007
Total Revenues	-	-	-	54,232,624
Expenditures:				
Current:				
General government	-	-	-	4,832,970
Public safety	-	-	-	524,797
Recreation and community services	-	-	-	63,243
Public works	1,881,512	-	-	33,934,280
Community development	-	-	-	512,896
Neighborhood services	4,007	-	-	39,310
Capital outlay	13,650	-	-	4,156,242
Debt service:				
Principal retirement	-	-	2,038,803	2,138,803
Interest and fiscal charges	-	-	1,065,142	1,068,027
Total Expenditures	1,899,169	-	3,103,945	47,270,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,899,169)	-	(3,103,945)	6,962,056
Other Financing Sources (Uses):				
Bonds issued	-	-	15,848,271	15,848,271
Payment to refunding bond escrow agent	-	-	(35,099)	(35,099)
Transfers in	1,051,244	705,206	3,755,484	21,229,285
Transfers out	(75,000)	(705,206)	(15,593,241)	(26,782,469)
Total Other Financing Sources (Uses)	976,244	-	3,975,415	10,259,988
Net Change in Fund Balances	(922,925)	-	871,470	17,222,044
Fund Balances (Deficit), Beginning of Year	2,002,584	10	10,142	49,440,824
Fund Balances, End of Year	\$ 1,079,659	\$ 10	\$ 881,612	\$ 66,662,868

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BIKEWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Intergovernmental	\$ 142,629	\$ 142,994	\$ 51,733	\$ (91,261)
Investment income (loss)	-	-	(1,447)	(1,447)
Total Revenues	<u>142,629</u>	<u>142,994</u>	<u>50,286</u>	<u>(92,708)</u>
Expenditures:				
Capital Improvement Projects:				
Personnel	-	-	1,907	(1,907)
Operating	141,432	237,435	85,075	152,360
Total Expenditures	<u>141,432</u>	<u>237,435</u>	<u>86,982</u>	<u>150,453</u>
Net Change in Fund Balance	<u>\$ 1,197</u>	<u>\$ (94,441)</u>	<u>(36,696)</u>	<u>\$ 57,745</u>
Fund Balance at Beginning of Year			<u>83,825</u>	
Fund Balance at End of Year			<u>\$ 47,129</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Intergovernmental	\$ 4,713,352	\$ 4,896,772	\$ 4,264,443	\$ (632,329)
Investment income	1,250	1,250	4,416	3,166
Other revenue	-	258,029	251,002	(7,027)
Total Revenues	<u>4,714,602</u>	<u>5,156,051</u>	<u>4,519,861</u>	<u>(636,190)</u>
Expenditures:				
Operating:				
Personnel	2,301,110	2,219,101	2,148,652	70,449
Operating	2,012,790	2,060,870	2,034,959	25,911
Capital outlay	119,000	209,577	82,796	126,781
Capital Improvement Projects:				
Personnel	-	-	142,970	(142,970)
Operating	297,728	2,238,765	1,854,078	384,687
Total Expenditures	<u>4,730,628</u>	<u>6,728,312</u>	<u>6,263,455</u>	<u>464,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,026)</u>	<u>(1,572,261)</u>	<u>(1,743,594)</u>	<u>(171,333)</u>
Other financing sources (uses):				
Transfers in	100,000	100,000	100,000	-
Transfer out	(110,112)	(215,289)	(172,177)	43,112
Total Other Financing Sources (Uses)	<u>(10,112)</u>	<u>(115,289)</u>	<u>(72,177)</u>	<u>43,112</u>
Net Change in Fund Balance	<u>\$ (26,138)</u>	<u>\$ (1,687,550)</u>	<u>(1,815,771)</u>	<u>(128,221)</u>
Fund Balance at Beginning of Year			<u>2,234,917</u>	
Fund Balance at End of Year			<u>\$ 419,146</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PROPOSITION A SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,074,282	\$ 4,084,468	\$ 4,096,462	\$ 11,994
Investment income	-	-	13,980	13,980
Total Revenues	<u>4,074,282</u>	<u>4,084,468</u>	<u>4,110,442</u>	<u>25,974</u>
Expenditures:				
Capital Improvement Projects:				
Operating	13,870	229,661	70,397	159,264
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,060,412</u>	<u>3,854,807</u>	<u>4,040,045</u>	<u>185,238</u>
Other financing sources (uses):				
Transfer out	(4,060,413)	(5,169,660)	(5,067,401)	102,259
Net Change in Fund Balance	<u>\$ (1)</u>	<u>\$ (1,314,853)</u>	<u>(1,027,356)</u>	<u>\$ 287,497</u>
Fund Balance at Beginning of Year			1,291,033	
Fund Balance at End of Year			<u>\$ 263,677</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL ASSESSMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Special assessments	\$ 438,129	\$ 438,129	\$ 454,688	\$ 16,559
Investment income	7,576	7,576	(470)	(8,046)
Total Revenues	<u>445,705</u>	<u>445,705</u>	<u>454,218</u>	<u>8,513</u>
Expenditures:				
Operating:				
Personnel	56,124	52,949	45,281	7,668
Operating	425,762	215,807	120,115	95,692
Capital outlay	-	20,800	20,800	-
Capital Improvement Projects:				
Operating	-	1,500	390	1,110
Total Expenditures	<u>481,887</u>	<u>291,056</u>	<u>186,586</u>	<u>104,470</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,182)</u>	<u>154,649</u>	<u>267,632</u>	<u>112,983</u>
Other financing sources (uses):				
Transfers in	20,420	20,420	20,420	-
Transfer out	(1,095)	(3,314)	(2,219)	(1,095)
Total Other Financing Sources (Uses)	<u>19,325</u>	<u>17,106</u>	<u>18,201</u>	<u>(1,095)</u>
Net Change in Fund Balance	<u>\$ (16,857)</u>	<u>\$ 171,755</u>	<u>285,833</u>	<u>\$ 111,888</u>
Fund Balance at Beginning of Year			<u>1,218,853</u>	
Fund Balance at End of Year			<u>\$ 1,504,686</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STREET LIGHTING DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Special assessments	\$ 5,425,454	\$ 5,425,454	\$ 5,513,690	\$ 88,236
Charges for services	-	15,000	10,000	(5,000)
Investment income	64,745	64,745	8,499	(56,246)
Total Revenues	5,490,199	5,505,199	5,532,189	26,990
Expenditures:				
Operating:				
Personnel	241,601	216,699	183,995	32,704
Operating	5,992,610	10,513,551	4,515,788	5,997,763
Total Expenditures	6,234,211	10,730,250	4,699,783	6,030,467
Excess (Deficiency) of Revenues Over (Under) Expenditures	(744,012)	(5,225,051)	832,406	6,057,457
Other financing sources (uses):				
Transfers in	795,828	1,893,538	14,728,040	(12,834,502)
Transfer out	(800,898)	(2,951,642)	(187,833)	(2,763,809)
Total Other Financing Sources (Uses)	(5,070)	(1,058,104)	14,540,207	(15,598,311)
Net Change in Fund Balance	\$ (749,082)	\$ (6,283,155)	15,372,613	\$ (9,540,854)
Fund Balance at Beginning of Year			6,489,911	
Fund Balance at End of Year			\$ 21,862,524	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE M LOCAL RETURN SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Intergovernmental	\$ 2,587,641	\$ 2,735,777	\$ 2,306,349	\$ (429,428)
Investment income	-	-	(18,690)	(18,690)
Total Revenues	<u>2,587,641</u>	<u>2,735,777</u>	<u>2,287,659</u>	<u>(448,118)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,587,641</u>	<u>2,735,777</u>	<u>2,287,659</u>	<u>(448,118)</u>
Net Change in Fund Balance	<u>\$ 2,587,641</u>	<u>\$ 2,735,777</u>	<u>2,287,659</u>	<u>\$ (448,118)</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ 2,287,659</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SB1 ROAD REPAIR AND ACTIVITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Intergovernmental	\$ 1,233,885	\$ 1,233,885	\$ 1,267,715	\$ 33,830
Investment income	-	-	(8,082)	(8,082)
Total Revenues	<u>1,233,885</u>	<u>1,233,885</u>	<u>1,259,633</u>	<u>25,748</u>
Expenditures:				
Capital Improvement Projects:				
Operating	-	1,233,885	323,167	910,718
Total Expenditures	<u>-</u>	<u>1,233,885</u>	<u>323,167</u>	<u>910,718</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,233,885</u>	<u>-</u>	<u>936,466</u>	<u>936,466</u>
Net Change in Fund Balance	<u>\$ 1,233,885</u>	<u>\$ -</u>	<u>936,466</u>	<u>\$ 936,466</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ 936,466</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STATE PARK SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Intergovernmental	\$ 312,393	\$ 62,393	\$ 123,505	\$ 61,112
Expenditures:				
Operating:				
Personnel	35,423	36,953	36,373	580
Operating	26,900	26,900	26,870	30
Capital Improvement Projects:				
Personnel	250,000	-	-	-
Total Expenditures	<u>250,000</u>	<u>-</u>	<u>63,243</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 62,393</u>	<u>\$ 62,393</u>	60,262	<u>\$ 61,112</u>
Fund Balance at Beginning of Year			(59,099)	
Fund Balance at End of Year			<u>\$ 1,163</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
TRANSPORTATION DEVELOPMENT ACT 8 SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Intergovernmental	\$ 10,068,142	\$ 7,637,646	\$ 7,209,974	\$ (427,672)
Investment income (loss)	18,750	18,750	(36,953)	(55,703)
Total Revenues	<u>10,086,892</u>	<u>7,656,396</u>	<u>7,173,021</u>	<u>(483,375)</u>
Expenditures:				
Capital Improvement Projects:				
Personnel	-	-	65,913	(65,913)
Operating	8,034,021	13,210,295	7,422,794	5,787,501
Total Expenditures	<u>8,034,021</u>	<u>13,210,295</u>	<u>7,488,707</u>	<u>5,721,588</u>
Net Change in Fund Balance	<u>\$ 2,052,871</u>	<u>\$ (5,553,899)</u>	<u>(315,686)</u>	<u>\$ 5,238,213</u>
Fund Balance at Beginning of Year			<u>5,601,358</u>	
Fund Balance at End of Year			<u>\$ 5,285,672</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
TRAFFIC SAFETY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 461	\$ 461
Fines and forfeitures	400,000	400,000	578,264	178,264
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>578,725</u>	<u>178,725</u>
Other financing sources (uses):				
Transfer out	(400,000)	(400,000)	(578,725)	(178,725)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ -</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Intergovernmental	\$ 1,732,178	\$ 1,633,169	\$ 613,838	\$ (1,019,331)
Expenditures:				
Operating:				
Personnel	198,247	133,725	99,772	33,953
Operating	575,841	635,773	514,066	121,707
Capital Improvement Projects:				
Operating	949,522	867,300	-	867,300
Total Expenditures	<u>1,723,610</u>	<u>1,636,798</u>	<u>613,838</u>	<u>1,022,960</u>
Net Change in Fund Balance	<u>\$ 8,568</u>	<u>\$ (3,629)</u>	<u>-</u>	<u>\$ 3,629</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ -</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
AIR QUALITY MANAGEMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Intergovernmental	\$ 275,700	\$ 275,700	\$ 277,988	\$ 2,288
Investment income	3,125	3,125	(515)	(3,640)
Total Revenues	<u>278,825</u>	<u>278,825</u>	<u>277,473</u>	<u>(1,352)</u>
Expenditures:				
Operating:				
Operating	18,916	18,916	19,510	(594)
Capital Improvement Projects:				
Personnel	-	-	442	(442)
Operating	334,860	495,814	41,121	454,693
Total Expenditures	<u>353,776</u>	<u>514,730</u>	<u>61,073</u>	<u>453,657</u>
Net Change in Fund Balance	<u>\$ (74,951)</u>	<u>\$ (235,905)</u>	<u>216,400</u>	<u>\$ 452,305</u>
Fund Balance at Beginning of Year			<u>589,207</u>	
Fund Balance at End of Year			<u>\$ 805,607</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STORMWATER SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Special assessments	\$ 82,359	\$ 82,359	\$ 3,319,631	\$ 3,237,272
Investment income	1,875	1,875	4,244	2,369
Charges for services	3,339,350	3,339,350	-	(3,339,350)
Other revenue	297,738	297,738	211,348	(86,390)
Total Revenues	3,721,322	3,721,322	3,535,223	(186,099)
Expenditures:				
Operating:				
Personnel	1,359,124	1,294,599	1,334,197	(39,598)
Operating	2,079,628	2,698,600	1,988,947	709,653
Capital Improvement Projects:				
Personnel	-	-	4,489	(4,489)
Operating	2,560,000	2,560,000	101,706	2,458,294
Total Expenditures	5,998,752	6,553,199	3,429,339	3,123,860
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,277,430)	(2,831,877)	105,884	2,937,761
Other financing sources (uses):				
Transfers in	3,690	3,690	3,690	-
Transfer out	(28,345)	(88,256)	(59,911)	28,345
Total Other Financing Sources (Uses)	(24,655)	(84,566)	(56,221)	28,345
Net Change in Fund Balance	\$ (2,302,085)	\$ (2,916,443)	49,663	\$ 2,966,106
Fund Balance at Beginning of Year			5,609,697	
Fund Balance at End of Year			<u>\$ 5,659,360</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 SURFACE TRANSPORTATION PROGRAM SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Intergovernmental	\$ 1,267,562	\$ 1,316,905	\$ 76,203	\$ (1,240,702)
Expenditures:				
Capital Improvement Projects:				
Operating	1,267,562	1,267,562	-	1,267,562
Net Change in Fund Balance	\$ -	\$ 49,343	76,203	\$ 26,860
Fund Balance at Beginning of Year			(49,342)	
Fund Balance at End of Year			\$ 26,861	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 BJA LAW ENFORCEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Intergovernmental	\$ -	\$ 1,526	\$ 1,525	\$ (1)
Expenditures:				
Operating:				
Operating	-	1,526	1,525	1
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			<u>\$ -</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SUPPLEMENTAL LAW GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Intergovernmental	\$ 3,328,213	\$ 338,213	\$ 331,017	\$ (7,196)
Investment income	-	-	(164)	(164)
Total Revenues	<u>3,328,213</u>	<u>338,213</u>	<u>330,853</u>	<u>(7,360)</u>
Expenditures:				
Operating:				
Operating	-	406,050	427,773	(21,723)
Net Change in Fund Balance	<u>\$ 3,328,213</u>	<u>\$ (67,837)</u>	<u>(96,920)</u>	<u>\$ (29,083)</u>
Fund Balance at Beginning of Year			<u>214,091</u>	
Fund Balance at End of Year			<u>\$ 117,171</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 HOME SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Intergovernmental	\$ -	\$ 2,500	\$ 7,700	\$ 5,200
Investment income	-	-	15	15
Net Change in Fund Balance	\$ -	\$ 2,500	7,715	\$ 5,215
Fund Balance at Beginning of Year			50,048	
Fund Balance at End of Year			\$ 57,763	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 LIBRARY FACILITIES FEES SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ (613)	\$ (613)
Developer fees	275,000	275,000	381,026	106,026
Total Revenues	275,000	275,000	380,413	105,413
Expenditures:				
Operating:				
Operating	-	40,999	920	40,079
Net Change in Fund Balance	\$ 275,000	\$ 234,001	379,493	\$ 145,492
Fund Balance at Beginning of Year			1,244,736	
Fund Balance at End of Year			<u>\$ 1,624,229</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 PUBLIC EDUCATION AND GOVERNMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Taxes	\$ 480,000	\$ 450,000	\$ 450,688	\$ 688
Investment income	16,440	16,440	16,794	354
Total Revenues	<u>496,440</u>	<u>466,440</u>	<u>467,482</u>	<u>1,042</u>
Expenditures:				
Operating:				
Operating	204,500	245,164	212,428	32,736
Capital outlay	101,000	1,526,000	1,502,802	23,198
Total Expenditures	<u>305,500</u>	<u>1,771,164</u>	<u>1,715,230</u>	<u>55,934</u>
Net Change in Fund Balance	<u>\$ 190,940</u>	<u>\$ (1,304,724)</u>	<u>(1,247,748)</u>	<u>\$ 56,976</u>
Fund Balance at Beginning of Year			<u>1,811,286</u>	
Fund Balance at End of Year			<u>\$ 563,538</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PROPOSITION C SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Intergovernmental	\$ 5,485,789	\$ 7,804,160	\$ 5,250,847	\$ (2,553,313)
Investment income	9,375	9,375	(246)	(9,621)
Total Revenues	5,495,164	7,813,535	5,250,601	(2,562,934)
Expenditures:				
Capital Improvement Projects:				
Personnel	-	-	789	(789)
Operating	2,511,772	3,269,508	403,940	2,865,568
Total Expenditures	2,511,772	3,269,508	404,729	2,864,779
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,983,392	4,544,027	4,845,872	301,845
Other financing sources (uses):				
Transfer out	(3,013,120)	(4,070,969)	(2,567,131)	1,503,838
Net Change in Fund Balance	\$ (29,728)	\$ 473,058	2,278,741	\$ 1,805,683
Fund Balance at Beginning of Year			200,297	
Fund Balance at End of Year			\$ 2,479,038	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 FEDERAL GRANTS SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,718,668	\$ 16,661,356	\$ 7,608,727	\$ (9,052,629)
Expenditures:				
Capital Improvement Projects:				
Personnel	-	-	236,732	(236,732)
Operating	2,718,668	16,410,675	9,756,468	6,654,207
Total Expenditures	<u>2,718,668</u>	<u>16,410,675</u>	<u>9,993,200</u>	<u>6,417,475</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>250,681</u>	<u>(2,384,473)</u>	<u>(2,635,154)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 250,681</u>	<u>(2,384,473)</u>	<u>\$ (2,635,154)</u>
Fund Balance at Beginning of Year			<u>(141,416)</u>	
Fund Balance at End of Year			<u>\$ (2,525,889)</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE R SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 2,544,996	\$ 2,519,996
Investment income	2,534,683	2,541,020	7,879	(2,533,141)
Total Revenues	<u>2,559,683</u>	<u>2,566,020</u>	<u>2,552,875</u>	<u>(13,145)</u>
Expenditures:				
Capital Improvement Projects:				
Personnel			8,766	(8,766)
Operating	808,568	4,146,486	2,945,372	1,201,114
Total Expenditures	<u>808,568</u>	<u>4,146,486</u>	<u>2,954,138</u>	<u>1,192,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,751,115</u>	<u>(1,580,466)</u>	<u>(401,263)</u>	<u>1,179,203</u>
Other financing sources (uses):				
Transfer out	-	-	-	-
Net Change in Fund Balance	<u>\$ 1,751,115</u>	<u>\$ (1,580,466)</u>	<u>(401,263)</u>	<u>\$ 1,179,203</u>
Fund Balance at Beginning of Year			6,780,724	
Fund Balance at End of Year			<u>\$ 6,379,461</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
TOURISM MARKETING DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Charges for services	\$ 710,814	\$ 710,814	\$ 649,168	\$ (61,646)
Investment income	6,250	6,250	477	(5,773)
Total Revenues	<u>717,064</u>	<u>717,064</u>	<u>649,645</u>	<u>(67,419)</u>
Expenditures:				
Operating:				
Personnel	29,615	29,943	28,167	1,776
Operating	497,324	497,324	432,135	65,189
Total Expenditures	<u>526,939</u>	<u>527,267</u>	<u>460,302</u>	<u>66,965</u>
Net Change in Fund Balance	<u>\$ 190,125</u>	<u>\$ 189,797</u>	<u>189,343</u>	<u>\$ (454)</u>
Fund Balance at Beginning of Year			<u>977,972</u>	
Fund Balance at End of Year			<u>\$ 1,167,315</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
OPEN SPACE PRESERVATION DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive/(Negative)
Revenues:				
Special assessments	\$ 2,563,525	\$ 2,563,525	\$ 2,556,110	\$ (7,415)
Charges for services	86,655	86,655	135,587	48,932
Investment income	31,250	31,250	11,314	(19,936)
Total Revenues	<u>2,681,430</u>	<u>2,681,430</u>	<u>2,703,011</u>	<u>21,581</u>
Expenditures:				
Operating:				
Personnel	465,590	402,861	326,155	76,706
Operating	165,280	165,280	118,104	47,176
Capital outlay	14,812	1,913,026	120,018	1,793,008
Capital Improvement Projects:				
Capita outlay	-	2,000,000	2,000,000	-
Total Expenditures	<u>645,682</u>	<u>4,481,167</u>	<u>2,564,277</u>	<u>1,916,890</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,035,748</u>	<u>(1,799,737)</u>	<u>138,734</u>	<u>1,938,471</u>
Other financing sources (uses):				
Transfer out	(709,947)	(913,165)	(908,424)	4,741
Total Other Financing Sources (Uses)	<u>(709,947)</u>	<u>(913,165)</u>	<u>(908,424)</u>	<u>4,741</u>
Net Change in Fund Balance	<u>\$ 1,325,801</u>	<u>\$ (2,712,902)</u>	<u>(769,690)</u>	<u>\$ 1,943,212</u>
Fund Balance at Beginning of Year			4,445,896	
Fund Balance at End of Year			<u>\$ 3,676,206</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MISCELLANEOUS GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Intergovernmental	\$ 61,500	\$ 61,500	\$ 81,532	\$ 20,032
Other revenue	49,400	484,204	18,689	(465,515)
Total Revenues	<u>110,900</u>	<u>545,704</u>	<u>100,221</u>	<u>(445,483)</u>
Expenditures:				
Operating:				
Operating	161,500	213,469	201,706	11,763
Capital Improvement Projects:				
Operating	-	484,204	76,550	407,654
Total Expenditures	<u>161,500</u>	<u>697,673</u>	<u>278,256</u>	<u>419,417</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(50,600)</u>	<u>(151,969)</u>	<u>(178,035)</u>	<u>(26,066)</u>
Net Change in Fund Balance	<u>\$ (50,600)</u>	<u>\$ (151,969)</u>	<u>(178,035)</u>	<u>\$ (26,066)</u>
Fund Balance at Beginning of Year			<u>310,132</u>	
Fund Balance at End of Year			<u>\$ 132,097</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PARK DEDICATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Investment income	\$ 21,875	\$ 21,875	\$ (16,552)	\$ (38,427)
Developer fees	1,713,824	3,025,030	3,547,823	522,793
Total Revenues	1,735,699	3,046,905	3,531,271	484,366
Expenditures:				
Capital Improvement Projects:				
Personnel	-	-	249	(249)
Operating	23,218	953,630	173,272	780,358
Total Expenditures	23,218	953,630	173,521	780,109
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,712,481	2,093,275	3,357,750	1,264,475
Net Change in Fund Balance	\$ 1,712,481	\$ 2,093,275	3,357,750	\$ 1,264,475
Fund Balance at Beginning of Year			7,873,956	
Fund Balance at End of Year			<u>\$ 11,231,706</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
HOUSING SUCCESSOR AGENCY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ (144)	\$ (144)
Other revenue	-	126,949	44,468	(82,481)
Total Revenues	-	126,949	44,324	(82,625)
Expenditures:				
Operating:				
Operating	-	-	1,943	(1,943)
Net Change in Fund Balance	\$ -	\$ 126,949	42,381	\$ (84,568)
Fund Balance at Beginning of Year			608,188	
Fund Balance at End of Year			<u>\$ 650,569</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
TOURISM MARKETING BUREAU SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Charges for services	\$ 11,300	\$ 11,300	\$ 9,150	\$ (2,150)
Investment income	-	-	35	35
Other revenue	-	-	2,500	2,500
Total Revenues	<u>11,300</u>	<u>11,300</u>	<u>11,685</u>	<u>385</u>
Expenditures:				
Operating:				
Operating	17,556	17,556	5,070	12,486
Net Change in Fund Balance	<u>\$ (6,256)</u>	<u>\$ (6,256)</u>	<u>6,615</u>	<u>\$ 12,871</u>
Fund Balance at Beginning of Year			<u>41,818</u>	
Fund Balance at End of Year			<u>\$ 48,433</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Expenditures:				
Capital Improvement Projects:				
Personnel	\$ -	\$ -	\$ 15,339	\$ (15,339)
Operating	794,825	2,356,311	1,883,830	472,481
Total Expenditures	<u>794,825</u>	<u>2,356,311</u>	<u>1,899,169</u>	<u>457,142</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(794,825)</u>	<u>(2,356,311)</u>	<u>(1,899,169)</u>	<u>457,142</u>
Other financing sources (uses):				
Transfers in	944,075	1,051,244	1,051,244	-
Transfer out	-	(75,000)	(75,000)	-
Total Other Financing Sources (Uses)	<u>944,075</u>	<u>976,244</u>	<u>976,244</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 149,250</u>	<u>\$ (1,380,067)</u>	<u>(922,925)</u>	<u>\$ 457,142</u>
Fund Balance at Beginning of Year			2,002,584	
Fund Balance at End of Year			<u>\$ 1,079,659</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 PUBLIC FINANCING AUTHORITY CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Other financing sources (uses):				
Transfers in	\$ 705,206	\$ 705,206	\$ 705,206	\$ -
Transfer out	(705,206)	(705,206)	(705,206)	-
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance at Beginning of Year			10	
Fund Balance at End of Year			<u>\$ 10</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Expenditures:				
Debt Service:				
Debt Services	\$ 2,890,283	\$ 2,890,283	\$ 3,103,945	\$ (213,662)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,890,283)</u>	<u>(2,890,283)</u>	<u>(3,103,945)</u>	<u>(213,662)</u>
Other financing sources (uses):				
Bonds issued	-	-	15,848,271	15,848,271
Payment to refunding bond escrow agent	-	-	(35,099)	(35,099)
Transfers in	2,890,283	3,755,484	3,755,484	-
Transfers out	-	-	(15,593,241)	(15,593,241)
Total Other Financing Sources (Uses)	<u>2,890,283</u>	<u>3,755,484</u>	<u>3,975,415</u>	<u>219,931</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 865,201</u>	<u>871,470</u>	<u>\$ 6,269</u>
Fund Balance at Beginning of Year			<u>10,142</u>	
Fund Balance at End of Year			<u>\$ 881,612</u>	

CITY OF SANTA CLARITA, CALIFORNIA

**INTERNAL SERVICE FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

The Internal Service Funds are used to account for goods or services provided by a central service department to other City departments.

Self-Insurance – To account for the City’s self-insurance program.

Computer Replacement – To account for the financing of the replacement of the City’s computer equipment.

Vehicle Replacement – To account for the financing of the replacement of the City’s automotive equipment.

CITY OF SANTA CLARITA, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018**

	Self Insurance	Computer Replacement	Vehicle Replacement	Totals
Assets:				
Current assets:				
Cash and investments	\$ 4,320,035	\$ 2,678,688	\$ 3,954,507	\$ 10,953,230
Receivables:				
Interest	22,190	11,431	16,875	50,496
Prepaid costs	-	8,658	-	8,658
Total Current Assets	4,342,225	2,698,777	3,971,382	11,012,384
Noncurrent assets:				
Capital assets:				
Equipment, net of accumulated depreciation	-	117,051	1,247,692	1,364,743
Total Assets	4,342,225	2,815,828	5,219,074	12,377,127
Deferred Outflows of Resources:				
Deferred outflows related to pensions	74,645	-	-	74,645
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	42,248	20,472	-	62,720
Compensated absences	8,842	-	-	8,842
Claims and judgments	1,690,947	-	-	1,690,947
Total Current Liabilities	1,742,037	20,472	-	1,762,509
Noncurrent liabilities:				
Net OPEB liability	30,927	-	-	30,927
Net pension liability	171,540	-	-	171,540
Claims and judgments	1,084,282	-	-	1,084,282
Total Non-current Liabilities	1,286,749	-	-	1,286,749
Total Liabilities	3,028,786	20,472	-	3,049,258
Deferred Inflows of Resources:				
Deferred inflows related to OPEB	4,308	-	-	4,308
Deferred inflows related to pensions	8,478	-	-	8,478
Total Deferred Inflows of Resources	12,786	-	-	12,786
Net position:				
Net investment in capital assets	-	117,051	1,247,692	1,364,743
Unrestricted	1,375,298	2,678,305	3,971,382	8,024,985
Total Net Position	\$ 1,375,298	\$ 2,795,356	\$ 5,219,074	\$ 9,389,728

CITY OF SANTA CLARITA, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Self Insurance	Computer Replacement	Vehicle Replacement	Totals
Operating Revenues:				
Charges for services	\$ 2,228,994	\$ 804,314	\$ 258,768	\$ 3,292,076
Other revenues	1,000,000	-	-	1,000,000
Total Operating Revenues	<u>3,228,994</u>	<u>804,314</u>	<u>258,768</u>	<u>4,292,076</u>
Operating Expenses:				
Administration and personnel services	166,052	-	-	166,052
Services and supplies	1,629,418	404,815	2,833	2,037,066
Depreciation expense	-	44,169	215,257	259,426
Total Operating Expenses	<u>1,795,470</u>	<u>448,984</u>	<u>218,090</u>	<u>2,462,544</u>
Operating Income (Loss)	<u>1,433,524</u>	<u>355,330</u>	<u>40,678</u>	<u>1,829,532</u>
Nonoperating Revenues:				
Investment income (loss)	(12,857)	984	5,133	(6,740)
Gain (loss) on disposal of capital assets	-	-	10,935	10,935
Total Net Nonoperating Revenues	<u>(12,857)</u>	<u>984</u>	<u>16,068</u>	<u>4,195</u>
Income before transfers	<u>1,420,667</u>	<u>356,314</u>	<u>56,746</u>	<u>1,833,727</u>
Transfers				
Transfers in	72,198	-	-	72,198
Transfers out	(1,242,917)	-	-	(1,242,917)
Total Transfers	<u>(1,170,719)</u>	<u>-</u>	<u>-</u>	<u>(1,170,719)</u>
Change in net position	<u>249,948</u>	<u>356,314</u>	<u>56,746</u>	<u>663,008</u>
Net Position				
Net Position at Beginning of the Year, As Restated	1,125,350	2,439,042	5,162,328	8,726,720
Net Position at End of the Year	<u>\$ 1,375,298</u>	<u>\$ 2,795,356</u>	<u>\$ 5,219,074</u>	<u>\$ 9,389,728</u>

CITY OF SANTA CLARITA, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Self Insurance	Computer Replacement	Vehicle Replacement	Totals
Cash flows from operating activities:				
Cash received from customers and users	\$ 3,228,994	\$ 804,314	\$ 261,143	\$ 4,294,451
Cash paid to suppliers for goods and services	(2,019,615)	(408,880)	(2,833)	(2,431,328)
Cash paid to employees for services	(166,593)	-	-	(166,593)
Net Cash Provided by Operating Activities	<u>1,042,786</u>	<u>395,434</u>	<u>258,310</u>	<u>1,696,530</u>
Cash flows from non-capital financing activities:				
Cash transfers out	(1,242,917)	-	-	(1,242,917)
Cash transfers in	72,198	-	-	72,198
Net Cash Provided (Used in) Non-capital Financing Activities	<u>(1,170,719)</u>	<u>-</u>	<u>-</u>	<u>(1,170,719)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	(7,594)	(372,858)	(380,452)
Proceeds from sales of capital assets	-	-	10,935	10,935
Net Cash (Used in) Capital and Related Financing Activities	<u>-</u>	<u>(7,594)</u>	<u>(361,923)</u>	<u>(369,517)</u>
Cash flows from investing activities:				
Interest received	(14,248)	(634)	5,612	(9,270)
Net Cash Provided by Investing Activities	<u>(14,248)</u>	<u>(634)</u>	<u>5,612</u>	<u>(9,270)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(142,181)</u>	<u>387,206</u>	<u>(98,001)</u>	<u>147,024</u>
Cash and Cash Equivalents, Beginning of Fiscal Year	4,462,216	2,291,482	4,052,508	10,806,206
Cash and Cash Equivalents, End of Fiscal Year	<u>\$ 4,320,035</u>	<u>\$ 2,678,688</u>	<u>\$ 3,954,507</u>	<u>\$ 10,953,230</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 1,433,524	\$ 355,330	\$ 40,678	\$ 1,829,532
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	44,169	215,257	259,426
Change in deferred amounts related to pensions	(31,431)	-	-	(31,431)
Change in deferred amounts related to OPEB	4,308	-	-	4,308
Change in net OPEB liability	(2,314)	-	-	(2,314)
Change in net pension liability	26,422	-	-	26,422
Decrease in accounts receivable	-	-	2,375	2,375
Decrease in prepaid expense	-	12,752	-	12,752
Decrease in accounts payable	25,330	(16,817)	-	8,513
Increase in claims and judgments	(415,527)	-	-	(415,527)
Increase in compensated absences	2,474	-	-	2,474
Total Adjustments	<u>(390,738)</u>	<u>40,104</u>	<u>217,632</u>	<u>(133,002)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,042,786</u>	<u>\$ 395,434</u>	<u>\$ 258,310</u>	<u>\$ 1,696,530</u>

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CITY OF SANTA CLARITA, CALIFORNIA

**AGENCY FUNDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

Agency Funds are used to account for assets held by the City as an agency for individuals.

Assessment District No. 92-2 – To account for monies held to account for debt service requirements of Assessment District No. 92-2.

Assessment District No. 99-1 – To account for monies held to account for debt service requirements of Assessment District No. 99-1.

Community Facilities District No. 2002-1 – To account for monies held to account for debt service requirements for Community Facilities District No. 2002-1.

Santa Clarita Watershed and Recreation Conservancy Authority – To account for monies held for the operations of the Watershed Authority, for which the City performs administrative functions.

Santa Clarita Public Television Authority – To account for monies held for the operations of the Santa Clarita Public Television Authority, for with the City performs administrative functions.

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)
 AGENCY FUNDS
 AS OF JUNE 30, 2018

	Assessment District No. 92-2	Assessment District No. 99-1	Community Facilities District No. 2002-1
Assets:			
Cash and investments	\$ 171,601	\$ 114,643	\$ 898,397
Receivables:			
Interest	732	489	3,836
Taxes	391	925	-
Restricted assets:			
Cash and investments with fiscal agents	56,262	60,288	1,647,558
Capital assets:			
Land	-	-	-
Building, net of accumulated depreciation	-	-	-
Total Assets	<u>\$ 228,986</u>	<u>\$ 176,345</u>	<u>\$ 2,549,791</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to external parties	228,986	176,345	2,549,791
Total Liabilities	<u>\$ 228,986</u>	<u>\$ 176,345</u>	<u>\$ 2,549,791</u>

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
AS OF JUNE 30, 2018

Santa Clarita Watershed and Recreation Conservancy Authority	Santa Clarita Public Television Authority	Totals
\$ 3,935	\$ 68	\$ 1,188,644
-	-	5,057
-	-	1,316
-	-	1,764,108
9,937,976	-	9,937,976
75,252	-	75,252
<u>\$ 10,017,163</u>	<u>\$ 68</u>	<u>\$ 12,972,353</u>
\$ 500	-	\$ 500
10,016,663	68	12,971,853
<u>\$ 10,017,163</u>	<u>\$ 68</u>	<u>\$ 12,972,353</u>

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>Assessment District No. 92-2</u>				
Assets				
Cash and investments	\$ 165,615	\$ 5,986	\$ -	\$ 171,601
Receivables:				
Interest	710	22	-	732
Taxes	418	-	27	391
Restricted assets:				
Cash and investments with fiscal agents	55,933	329	-	56,262
Total Assets	\$ 222,676	\$ 6,337	\$ 27	\$ 228,986
Liabilities				
Due to external parties	\$ 222,676	\$ 6,337	\$ 27	\$ 228,986
Total Liabilities	\$ 222,676	\$ 6,337	\$ 27	\$ 228,986
<u>Assessment District No. 99-1</u>				
Assets				
Cash and investments	\$ 90,214	\$ 24,429	\$ -	\$ 114,643
Receivables:				
Interest	386	103	-	489
Taxes	3,291	-	2,366	925
Restricted assets:				
Cash and investments with fiscal agents	59,788	500	-	60,288
Total Assets	\$ 153,679	\$ 25,032	\$ 2,366	\$ 176,345
Liabilities				
Accounts payable	\$ 124	\$ -	\$ 124	\$ -
Due to external parties	153,555	22,790	-	176,345
Total Liabilities	\$ 153,679	\$ 22,790	\$ 124	\$ 176,345

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES (CONTINUED)
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>Community Facilities District No. 2002-1</u>				
Assets				
Cash and investments	\$ 869,775	\$ 28,622	\$ -	\$ 898,397
Receivables:				
Interest	3,718	118	-	3,836
Restricted assets:				
Cash and investments with fiscal agents	1,645,255	2,303	-	1,647,558
Total Assets	\$ 2,518,748	\$ 31,043	\$ -	\$ 2,549,791
Liabilities				
Due to external parties	\$ 2,518,748	\$ 31,043	\$ -	\$ 2,549,791
Total Liabilities	\$ 2,518,748	\$ 31,043	\$ -	\$ 2,549,791
<u>Santa Clarita Watershed Recreation and Conservancy Authority</u>				
Assets				
Cash and investments	\$ 3,933	\$ 2	\$ -	\$ 3,935
Land	9,937,976	-	-	9,937,976
Building, net of accumulated depreciation	79,014	-	3,762	75,252
Total Assets	\$ 10,020,923	\$ 2	\$ 3,762	\$ 10,017,163
Liabilities				
Accounts payable	\$ -	\$ 500	\$ -	\$ 500
Due to external parties	10,020,923	-	4,260	10,016,663
Total Liabilities	\$ 10,020,923	\$ 500	\$ 4,260	\$ 10,017,163

(Continued)

CITY OF SANTA CLARITA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES (CONTINUED)
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<u>Santa Clarita Public Television Authority</u>				
Assets				
Cash and investments	\$ 44,485	\$ -	\$ 44,417	\$ 68
Total Assets	\$ 44,485	\$ -	\$ 44,417	\$ 68
Liabilities				
Due to external parties	\$ 44,485	\$ -	\$ 44,417	\$ 68
Total Liabilities	\$ 44,485	\$ -	\$ 44,417	\$ 68
<u>Total Agency Funds</u>				
Assets				
Cash and investments	\$ 1,174,022	\$ 59,039	\$ 44,417	\$ 1,188,644
Receivables:				
Interest	4,814	243	-	5,057
Taxes	3,709	-	2,393	1,316
Restricted assets:				
Cash and investments with fiscal agents	1,760,976	3,132	-	1,764,108
Capital assets:				
Land	9,937,976	-	-	9,937,976
Building, net of accumulated depreciation	79,014	-	3,762	75,252
Total Assets	\$ 12,960,511	\$ 62,414	\$ 50,572	\$ 12,972,353
Liabilities				
Accounts payable	\$ 124	\$ 500	\$ 124	\$ 500
Due to external parties	12,960,387	60,170	48,704	12,971,853
Total Liabilities	\$ 12,960,511	\$ 60,670	\$ 48,828	\$ 12,972,353

STATISTICAL SECTION

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CITY OF SANTA CLARITA, CALIFORNIA

STATISTICAL SECTION



This part of the City of Santa Clarita’s comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information say about the government’s overall financial health.

CONTENTS	PAGE
Financial Trends These tables contain trend information that may assist the reader in the City’s current financial performance by placing it in historical perspective.	154-163
Revenue Capacity These tables contain information that may help in assessing the viability of the City’s most significant revenue sources, the property and sales tax.	164-178
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	179-185
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	186-187
Operating Information These tables contain service and infrastructure indicators that can inform one’s understanding of how the information in the City’s financial statements relates to the services the City provides and the activities it performs.	188-190

City of Santa Clarita
Net Position by Component ⁽¹⁾
Last Ten Fiscal Years Ended June 30, 2018
(accrual basis of accounting)

	FISCAL YEAR			
	17-18	16-17	15-16	14-15
Governmental Activities				
Net investment in capital assets	\$ 895,056,642	\$ 867,144,998	\$ 810,324,041	\$ 818,817,043
Restricted for:				
Capital projects	-	-	-	-
Debt service	-	-	-	-
Specific projects and programs	113,286,626	87,272,723	70,773,322	73,541,304
Total restricted	113,286,626	87,272,723	70,773,322	73,541,304
Unrestricted	85,155,060	105,514,664	115,356,272	79,211,600
Total governmental activities net position	<u>\$ 1,093,498,328</u>	<u>\$ 1,059,932,385</u>	<u>\$ 996,453,635</u>	<u>\$ 971,569,947</u>
Business-Type Activities				
Net investment in capital assets	\$ 79,199,471	\$ 79,589,102	\$ 76,687,260	\$ 78,495,871
Unrestricted	(888,318)	(1,202,362)	3,101,763	2,766,972
Total business-type activities net position	<u>\$ 78,311,153</u>	<u>\$ 78,386,740</u>	<u>\$ 79,789,023</u>	<u>\$ 81,262,843</u>
Primary Government				
Net investment in capital assets	\$ 974,256,113	\$ 946,734,100	\$ 887,011,301	\$ 897,312,914
Restricted	113,286,626	87,272,723	70,773,322	73,541,304
Unrestricted	84,266,742	104,312,302	118,458,035	81,978,572
Total primary government net position	<u>\$ 1,171,809,481</u>	<u>\$ 1,138,319,125</u>	<u>\$ 1,076,242,658</u>	<u>\$ 1,052,832,790</u>

Note:

(1) Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted and unrestricted. Net position is considered restricted only when (a) an external party, such as the State of California or the federal government, places a restriction on how the revenues may be used, or (b) enabling legislation is enacted by the City.

Source: City of Santa Clarita, Administrative Services Department - Finance Division

FISCAL YEAR					
13-14	12-13	11-12	10-11	09-10	08-09
\$ 799,926,613	\$ 738,271,282	\$ 743,281,558	\$ 717,613,095	\$ 657,644,168	\$ 629,621,720
-	14,292,447	3,275,312	3,452,815	4,769,573	4,769,573
-	-	-	-	-	-
71,643,713	54,229,493	46,915,965	30,201,655	85,895,468	92,644,739
71,643,713	68,521,940	50,191,277	33,654,470	90,665,041	97,414,312
52,551,033	65,706,424	79,141,211	67,397,688	63,218,255	98,512,704
\$ 924,121,359	\$ 872,499,646	\$ 872,614,046	\$ 818,665,253	\$ 811,527,464	\$ 825,548,736
\$ 83,296,545	\$ 76,561,407	\$ 73,778,640	\$ 75,416,868	\$ 67,911,725	\$ 66,478,547
2,250,491	3,835,316	3,099,419	503,446	(176,196)	3,603,396
\$ 85,547,036	\$ 80,396,723	\$ 76,878,059	\$ 75,920,314	\$ 67,735,529	\$ 70,081,943
\$ 883,223,158	\$ 814,832,689	\$ 817,060,198	\$ 793,029,963	\$ 725,555,893	\$ 696,100,267
71,643,713	68,521,940	50,191,277	33,654,470	90,665,041	97,414,312
54,801,524	69,541,740	82,240,630	67,901,134	63,042,059	102,116,100
\$ 1,009,668,395	\$ 952,896,369	\$ 949,492,105	\$ 894,585,567	\$ 879,262,993	\$ 895,630,679

City of Santa Clarita
Changes in Net Position ⁽¹⁾
Last Ten Fiscal Years Ended June 30, 2018
(accrual basis of accounting)

	FISCAL YEAR			
	17-18	16-17	15-16	14-15
Expenses				
Governmental Activities				
General government	\$ 53,928,438	\$ 44,390,099	\$ 39,155,006	\$ 46,224,813
Public safety	27,232,724	25,231,712	23,778,931	22,235,368
Recreation and community service	23,472,469	23,563,825	38,223,035	36,103,144
Public Works	14,771,925	16,224,154	15,594,958	22,619,337
Community development	6,957,438	7,057,301	10,505,906	5,720,237
Neighborhood Services	1,082,836	1,815,637	-	-
Unallocated infrastructure depreciation	19,259,333	18,833,113	18,342,933	18,072,657
Interest on long-term debt	1,638,960	1,378,888	2,194,181	1,827,094
Total governmental activities expenses	<u>148,344,123</u>	<u>138,494,729</u>	<u>147,794,950</u>	<u>152,802,650</u>
Business-Type Activities				
Transit	28,309,870	29,858,499	28,127,407	28,062,668
Total business-type activities expenses	<u>28,309,870</u>	<u>29,858,499</u>	<u>28,127,407</u>	<u>28,062,668</u>
Total primary government expenses	<u>\$ 176,653,993</u>	<u>\$ 168,353,228</u>	<u>\$ 175,922,357</u>	<u>\$ 180,865,318</u>
Program Revenues				
Governmental Activities				
Charges for services:				
General government	\$ 10,007,154	\$ 6,740,507	\$ 22,914,059	\$ 26,783,616
Public safety	1,429,900	1,231,974	1,162,551	1,605,059
Public works	15,792,197	11,549,806	16,407,616	13,056,586
Recreation and community service	8,306,076	6,191,011	8,142,336	4,525,662
Community development	1,901,897	1,906,079	1,843,296	1,774,482
Neighborhood Services	27,090,508	25,044,704	-	-
Operating grants and contributions	9,259,079	5,977,971	7,687,397	12,561,608
Capital grants and contributions	31,807,581	55,220,052	23,629,474	30,107,231
Total governmental activities program revenues	<u>105,594,392</u>	<u>113,862,104</u>	<u>81,786,729</u>	<u>90,414,244</u>
Business-Type Activities				
Charges for services:				
Transit	6,987,488	7,231,136	7,546,433	6,779,579
Operating grants and contributions	10,226,946	8,459,236	9,153,499	8,228,348
Capital grants and contributions	3,102,269	9,138,643	3,504,305	1,423,440
Total business-type activities program revenues	<u>20,316,703</u>	<u>24,829,015</u>	<u>20,204,237</u>	<u>16,431,367</u>
Total primary government revenues	<u>\$ 125,911,095</u>	<u>\$ 138,691,119</u>	<u>\$ 101,990,966</u>	<u>\$ 106,845,611</u>

Note:

(1) The City implemented the GASB 34 reporting module for the fiscal year ended June 30, 2003.

Source: City of Santa Clarita, Administrative Services Department - Finance Division

FISCAL YEAR					
13-14	12-13	11-12	10-11	09-10	08-09
\$ 41,807,284	\$ 35,921,943	\$ 33,664,470	\$ 47,048,462	\$ 32,116,335	\$ 30,094,380
22,187,434	19,940,098	27,391,075	21,280,904	17,912,704	17,489,870
26,183,862	28,651,261	30,623,718	25,799,166	26,758,527	48,514,645
22,550,301	21,809,820	19,282,538	11,281,552	27,835,763	32,747,618
6,193,101	7,214,293	5,896,640	11,547,650	13,831,341	9,761,681
-	-	-	-	-	-
17,561,539	15,163,864	16,844,238	16,392,901	15,545,626	14,405,047
1,872,832	1,992,574	3,391,058	4,650,566	5,476,918	5,786,174
138,356,353	130,693,853	137,093,737	138,001,201	139,477,214	158,799,415
26,819,161	25,653,753	24,930,635	24,127,043	23,348,708	22,299,379
26,819,161	25,653,753	24,930,635	24,127,043	23,348,708	22,299,379
\$ 165,175,514	\$ 156,347,606	\$ 162,024,372	\$ 162,128,244	\$ 162,825,922	\$ 181,098,794
\$ 31,970,148	\$ 24,323,027	\$ 13,719,117	\$ 398,181	\$ 396,651	\$ 621,624
1,847,403	2,284,334	2,079,109	2,305,608	2,194,038	1,898,022
12,463,046	9,943,014	7,209,724	4,929,602	3,162,052	260,524
4,390,686	4,371,888	4,156,386	4,220,977	3,956,933	3,849,699
1,961,243	1,611,184	5,152,484	12,059,509	15,937,913	35,138,334
-	-	-	-	-	-
19,421,199	9,061,950	16,032,433	14,090,686	16,224,269	9,931,109
22,530,841	33,585,797	28,616,388	31,325,725	15,249,634	38,785,576
94,584,566	85,181,194	76,965,641	69,330,288	57,121,490	90,484,888
7,587,497	6,863,086	6,616,778	6,573,879	3,181,614	3,299,263
8,984,127	8,579,209	7,385,264	6,913,534	10,260,579	13,653,177
10,804,747	8,513,238	5,041,992	13,043,418	-	-
27,376,371	23,955,533	19,044,034	26,530,831	13,442,193	16,952,440
\$ 121,960,937	\$ 109,136,727	\$ 96,009,675	\$ 95,861,119	\$ 70,563,683	\$ 107,437,328

(Continued)

City of Santa Clarita
Changes in Net Position ⁽¹⁾
Last Ten Fiscal Years Ended June 30, 2018
(accrual basis of accounting)

	FISCAL YEAR			
	17-18	16-17	15-16	14-15
Net Revenues (expenses):				
Governmental activities	(42,749,731)	(24,060,399)	(66,008,221)	\$ (62,388,406)
Business-type activities	(7,993,167)	(5,029,484)	(7,923,170)	(11,631,301)
Total net revenues (expenses)	<u>(50,742,898)</u>	<u>(29,089,883)</u>	<u>(73,931,391)</u>	<u>\$ (74,019,707)</u>
General Revenue and Other Changes in Net Position				
Governmental activities				
Taxes:				
Sales taxes	\$ 37,252,523	\$ 36,147,727	\$ 37,807,385	\$ 34,355,412
Property taxes	42,284,749	39,924,749	40,072,597	38,556,890
Franchise taxes	8,523,791	8,208,347	8,392,789	8,512,818
Real property transfer taxes	1,320,018	1,275,363	1,383,473	1,169,780
Transient occupancy taxes	3,489,281	3,639,264	3,813,437	3,124,904
Unrestricted revenue in lieu of motor vehicle taxes	162,103	144,665	129,053	85,703
Unrestricted revenue in lieu of sales taxes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings	591,177	1,052,254	4,142,959	2,240,594
Miscellaneous revenue	2,661,916	737,513	1,080,771	678,937
Gain on sale of capital asset	10,935	11,711	459,709	27,410
Transfers	(5,924,278)	(3,602,443)	(6,390,264)	(7,329,516)
Reversal of Allowance for Notes to RDA Successor Agency	-	-	-	12,633,832
Capital Contributions	-	-	-	15,780,230
Total governmental activities	<u>90,372,215</u>	<u>87,539,150</u>	<u>90,891,909</u>	<u>109,836,994</u>
Business-type activities				
Unrestricted investment earnings	(1,242)	(28,735)	59,086	17,592
Gain on sale of capital asset	20,238	53,223	-	-
Miscellaneous revenue	-	-	-	-
Transfers	5,924,278	3,602,443	6,390,264	7,329,516
Total business-type activities	<u>5,943,274</u>	<u>3,626,931</u>	<u>6,449,350</u>	<u>7,347,108</u>
Total primary government	<u>\$ 96,315,489</u>	<u>\$ 91,166,081</u>	<u>\$ 97,341,259</u>	<u>\$ 117,184,102</u>
Extraordinary Item				
Gain from dissolution of former redevelopment agency of the City of Santa Clarita	-	-	\$	-
Change in Net Position				
Governmental activities	\$ 47,622,484	\$ 63,478,751	\$ 24,883,688	\$ 47,448,588
Business-type activities	(2,049,893)	(1,402,553)	(1,473,820)	(4,284,193)
Total primary government	<u>\$ 45,572,591</u>	<u>\$ 62,076,198</u>	<u>\$ 23,409,868</u>	<u>\$ 43,164,395</u>

Note:

(1) The City implemented the GASB 34 reporting module for the fiscal year ended June 30, 2003.

Source: City of Santa Clarita, Administrative Services Department - Finance Division

FISCAL YEAR					
13-14	12-13	11-12	10-11	09-10	08-09
\$ (43,771,787)	\$ (68,670,913)	\$ (60,128,096)	\$ (68,670,913)	\$ (82,355,724)	\$ (68,314,527)
557,210	2,403,788	(5,886,601)	2,403,788	(9,906,515)	(5,346,939)
\$ (43,214,577)	\$ (66,267,125)	\$ (66,014,697)	\$ (66,267,125)	\$ (92,262,239)	\$ (73,661,466)

\$ 33,480,522	\$ 32,057,358	\$ 28,828,139	\$ 27,701,757	\$ 24,511,238	\$ 27,751,506
35,652,080	32,341,369	34,818,426	24,996,219	25,126,278	26,820,068
7,796,070	7,141,953	6,920,244	6,697,241	6,407,923	6,704,074
947,470	706,180	590,474	3,082,456	4,564,687	4,816,638
2,781,527	2,556,774	2,380,547	2,106,521	2,050,857	2,260,708
86,531	91,062	-	-	-	-
-	-	-	3,316,058	3,221,498	3,083,353
-	-	87,883	812,475	896,708	1,015,413
2,090,322	(82,870)	1,509,201	3,756,112	4,871,133	6,020,940
781,986	310,676	5,372,890	9,148,163	4,161,677	3,193,421
18,174	-	-	-	-	-
(5,692,032)	(5,187,224)	(6,844,199)	(5,808,300)	(7,477,547)	(8,006,128)

77,942,650	69,935,278	73,663,605	75,808,702	68,334,452	73,659,993
4,791	29,660	147	(27,303)	82,554	-
-	-	-	-	-	-
-	-	-	-	-	938,901
5,692,032	5,187,224	6,844,199	5,808,300	7,477,547	8,006,128
5,696,823	5,216,884	6,844,346	5,780,997	7,560,101	8,945,029
\$ 83,639,473	\$ 75,152,162	\$ 80,507,951	\$ 81,589,699	\$ 75,894,553	\$ 82,605,022

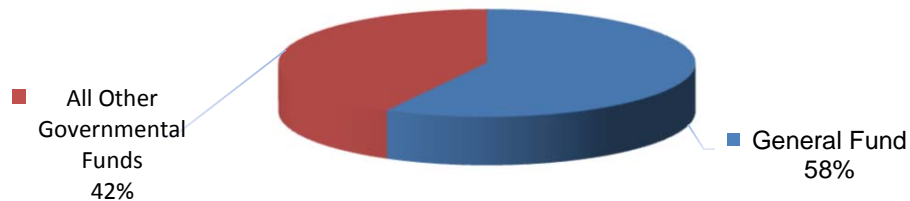
\$ -	\$ -	\$ 40,413,284	\$ -	\$ -	\$ -
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\$ 34,170,863	\$ 1,264,365	\$ 53,948,793	\$ 7,137,789	\$ (14,021,272)	\$ 5,345,466
6,254,033	7,620,672	957,745	8,184,785	(2,346,414)	3,598,090
\$ 40,424,896	\$ 8,885,037	\$ 54,906,538	\$ 15,322,574	\$ (16,367,686)	\$ 8,943,556

City of Santa Clarita
Fund Balances of Governmental Funds
Last Ten Fiscal Years Ended June 30, 2018
(modified accrual basis of accounting)

	FISCAL YEAR			
	17-18	16-17	15-16	14-15
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	12,390,885	15,742,945	11,108,252	11,024,338
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	88,674,761	79,367,084	79,367,084	55,336,807
Unassigned	47,116,231	53,905,237	50,669,580	50,141,486
Total general fund	\$ 148,181,877	\$ 149,015,266	\$ 141,144,916	\$ 116,502,631
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved:				
Special revenue funds	-	-	-	-
Debt service fund	-	-	-	-
Capital projects fund	-	-	-	-
Nonspendable	29,099	976,841	1,134,103	1,455,067
Restricted	113,286,626	86,664,536	86,240,243	85,763,293
Committed	15,008	14,000	14,000	14,000
Assigned	1,117,165	2,151,360	1,881,728	1,843,822
Unassigned	(6,809,748)	(5,897,790)	(6,975,198)	(8,633,303)
Total all other governmental funds	\$ 107,638,150	\$ 83,908,947	\$ 82,294,876	\$ 80,442,879

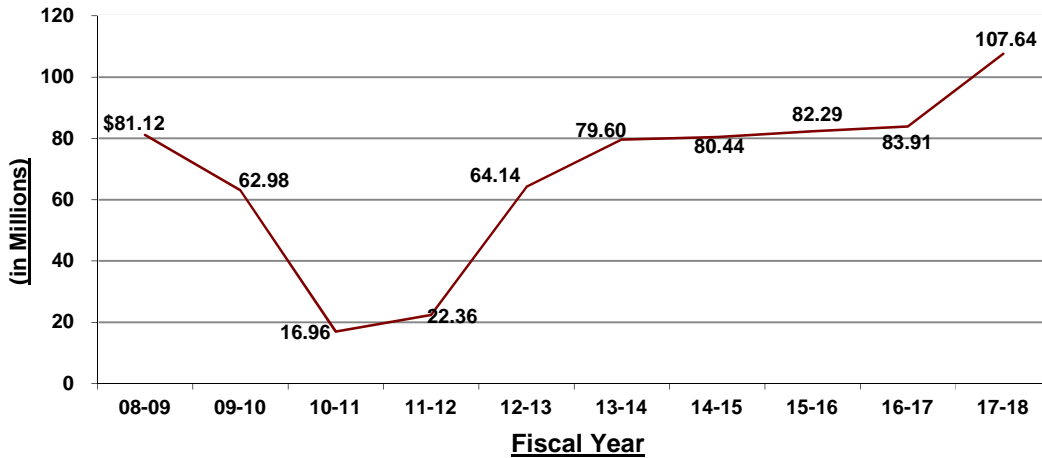
FUND BALANCES
Fiscal Year Ended June 30, 2018



Source: City of Santa Clarita, Administrative Services Department - Finance Division

FISCAL YEAR					
13-14	12-13	11-12	10-11	09-10	08-09
\$ -	\$ -	\$ -	\$ -	\$ 19,546,015	\$ 32,617,139
-	-	-	-	58,211,508	41,674,470
11,519,143	11,910,059	18,902,350	23,845,861	-	-
-	-	-	-	-	-
-	-	66,257	12,356,339	-	-
51,718,096	47,106,536	309,078	572,781	-	-
45,654,640	35,320,706	50,664,338	46,915,238	-	-
\$ 108,891,879	\$ 94,337,301	\$ 69,942,023	\$ 83,690,219	\$ 77,757,523	\$ 74,291,609
\$ -	\$ -	\$ -	\$ -	\$ 51,195,454	\$ 70,667,494
-	-	-	-	2,109,198	(7,048,095)
-	-	-	-	(24,048,962)	(17,004,471)
-	-	-	-	33,725,531	34,502,270
606,996	670,612	28,885,983	28,813,152	-	-
84,268,720	68,957,999	46,915,965	57,205,072	-	-
612,829	716,826	-	-	-	-
3,412,127	4,466,367	3,275,312	3,637,410	-	-
(9,300,647)	(10,665,597)	(56,718,519)	(72,692,440)	-	-
\$ 79,600,025	\$ 64,146,207	\$ 22,358,741	\$ 16,963,194	\$ 62,981,221	\$ 81,117,198

**FUND BALANCES
ALL OTHER GOVERNMENTAL FUNDS
Last Ten Fiscal Years**



City of Santa Clarita
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years Ended June 30, 2018
(modified accrual basis of accounting)

	FISCAL YEAR			
	17-18	16-17	15-16	14-15
Revenues:				
Taxes	\$ 93,032,465	\$ 89,340,115	\$ 91,598,734	\$ 85,789,556
Licenses and permits	7,688,342	7,408,357	7,283,898	5,567,280
Developer fees	9,888,734	4,211,890	6,272,799	10,764,554
Investment income	595,650	1,030,146	3,937,618	2,026,507
Intergovernmental	36,491,705	23,922,361	31,380,753	31,953,692
Fines and forfeitures	1,372,687	1,117,620	973,753	1,261,752
Service charges	41,793,226	36,639,646	36,828,067	37,738,754
Other revenues	1,744,075	690,974	1,789,724	511,117
Total Revenues	192,606,884	164,361,109	180,065,346	175,613,212
Expenditures:				
Current:				
General government	50,728,642	41,138,676	35,969,981	43,196,168
Public safety	27,217,567	25,214,091	23,777,171	22,188,641
Public works	57,213,646	43,459,620	21,327,662	36,082,625
Recreation and community service	21,589,318	20,446,596	37,937,050	21,007,651
Community development	6,988,331	6,583,484	10,673,993	5,883,441
Neighborhood services	1,162,647	1,667,058		
Capital outlay	12,083,887	9,759,258	10,562,953	23,224,180
Debt service:				
Principal	2,138,803	2,167,429	2,852,140	1,992,479
Interest, professional services and fiscal charges	1,647,842	1,237,357	4,539,815	1,850,703
Redemption of district credits	-	-	-	5,105,402
Total Expenditures	180,770,683	151,673,569	147,640,765	160,531,290
Excess of Revenues Over (Under) Expenditures	11,836,201	12,687,540	32,424,581	15,081,922
Other Financing Sources (Uses)				
Revenue bonds issued/issuance premium	15,848,271	-	32,997,352	-
Proceeds of long-term debt	(35,099)	-	(32,907,353)	-
Escrow payment, costs of bonds issuance and others				-
Proceeds from capital lease				-
Transfers in	25,690,566	8,046,713	11,940,563	7,850,640
Transfers out	(30,444,125)	(11,249,832)	(17,960,861)	(14,478,956)
Issuance of district credits	-			-
Total Other Financing Sources (Uses)	11,059,613	(3,203,119)	(5,930,299)	(6,628,316)
Extraordinary Item:				
Dissolution of Santa Clarita Redevelopment Agency	-	-	-	-
Net change in fund balances	22,895,814	9,484,421	26,494,282	8,453,606
Fund balances - Beginning of Year	232,924,213	223,439,792	196,945,510	188,491,904
Fund balances - End of Year	\$ 255,820,027	\$ 232,924,213	\$ 223,439,792	\$ 196,945,510
Debt service as percentage of noncapital expenditures	3.01%	2.97%	5.72%	2.80%

Note:

- (1) Beginning in FY 2011, the fund balance classification changed in accordance with GASB 54
- (2) The fiscal year 2011-2012 balance was restated as a result of analyzing amounts previously reported.

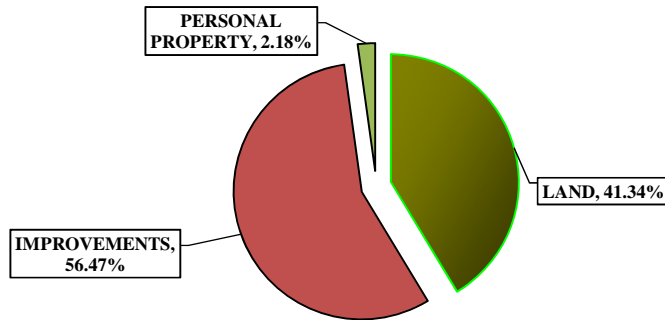
Source: City of Santa Clarita, Administrative Services Department - Finance Division

FISCAL YEAR						
13-14	(2) 12-13	(1) 11-12	10-11	09-10	08-09	
\$ 80,285,660	\$ 73,972,006	\$ 73,625,713	\$ 72,474,882	\$ 80,714,829	\$ 87,659,599	
5,366,972	4,246,957	4,097,709	3,675,424	4,093,250	3,697,218	
2,600,997	15,828,388	7,181,986	282,776	3,053,363	15,763,070	
1,911,491	1,702,006	2,739,794	3,798,498	5,485,925	10,749,728	
34,355,734	27,452,216	28,375,142	19,780,700	33,881,145	28,882,884	
1,661,157	2,114,166	1,674,085	1,891,500	1,936,318	1,759,371	
42,156,582	36,311,324	28,145,012	23,608,272	10,812,521	8,375,771	
5,943,608	332,146	6,425,792	7,685,141	7,234,923	5,077,400	
174,282,201	161,959,209	152,265,233	133,197,193	147,212,274	161,965,041	
36,294,205	35,433,288	50,816,449	42,213,597	27,951,510	27,250,056	
22,137,338	19,894,859	25,412,420	21,230,594	17,862,129	17,439,295	
24,385,865	27,968,407	20,753,607	34,210,327	20,594,575	42,937,168	
20,498,108	19,824,550	19,523,584	21,853,319	20,048,430	20,126,412	
6,185,263	7,252,424	5,923,872	11,575,365	10,849,942	7,095,386	
36,580,589	23,837,533	27,403,439	21,311,885	46,183,268	41,826,511	
1,837,174	1,750,538	2,338,787	2,246,218	2,611,372	2,072,341	
1,885,546	2,039,144	3,743,134	4,796,695	5,411,152	5,279,549	
-	14,368,419	-	-	-	-	
149,804,088	152,369,162	155,915,292	159,438,000	151,512,378	164,026,718	
24,478,113	9,590,047	(3,650,059)	(26,240,807)	(4,300,104)	(2,061,677)	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	252,068	-	-	-	
9,757,447	9,069,495	16,538,674	50,869,852	18,953,115	12,150,426	
(15,524,498)	(14,256,719)	(29,810,448)	(64,714,376)	(28,930,662)	(23,281,554)	
11,297,334	12,270,335	-	-	-	-	
5,530,283	7,083,111	(13,019,706)	(13,844,524)	(9,977,547)	(11,131,128)	
-	-	8,317,116	-	-	-	
30,008,396	16,673,158	(8,352,649)	(40,085,331)	(14,277,651)	(13,192,805)	
158,483,508	141,810,350	100,653,413	140,738,744	155,016,395	168,601,612	
\$ 188,491,904	\$ 158,483,508	\$ 92,300,764	\$ 100,653,413	\$ 140,738,744	\$ 155,408,807	
3.26%	2.95%	4.40%	5.96%	6.84%	5.54%	

City of Santa Clarita
 Assessed Values ⁽¹⁾ and Actual Values of Taxable Property
 Last Ten Fiscal Years

Fiscal Year	STATE ASSESSED				LOCALLY ASSESSED				
	SECURED (UTILITY)				SECURED				
	LAND	IMPROVEMENTS	PERSONAL PROPERTY	TOTAL	LAND	IMPROVEMENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL
2008-09	1,515,305	330,866	-	1,846,171	10,259,253,083	11,386,047,165	95,440,322	(203,174,372)	21,537,566,198
2009-10	1,750,395	2,264,780	-	4,015,175	9,416,163,697	11,115,441,327	105,296,475	(323,630,904)	20,313,270,595
2010-11	1,750,395	2,264,780	-	4,015,175	9,160,567,699	11,280,024,994	112,335,544	(330,372,395)	20,222,555,842
2011-12	1,431,971	2,264,780	-	3,696,751	9,097,382,703	11,485,773,659	107,089,927	(372,583,638)	20,317,662,651
2012-13	1,431,971	2,264,780	-	3,696,751	8,882,930,332	11,516,988,299	111,202,431	(400,045,608)	20,111,075,454
2013-14	1,431,971	2,264,780	-	3,696,751	9,989,545,816	13,726,755,146	107,166,367	(412,668,046)	23,410,799,283
2014-15	1,431,971	2,264,780	-	3,696,751	10,820,572,961	14,749,259,449	103,844,310	(453,562,893)	25,220,113,827
2015-16	1,431,971	2,264,780	-	3,696,751	11,358,919,366	15,476,133,167	109,544,613	(471,097,603)	26,473,499,543
2016-17	1,431,971	2,264,780	-	3,696,751	11,931,551,116	16,179,111,473	123,045,242	(348,794,590)	27,884,913,241
2017-18	2,368,193	2,208,225	-	4,576,418	12,988,746,949	17,460,522,327	136,887,194	(682,936,469)	29,903,220,001

ASSESSED VALUATION by CATEGORIES
 (Total Secured and Unsecured)
 Fiscal Year Ended June 30, 2018



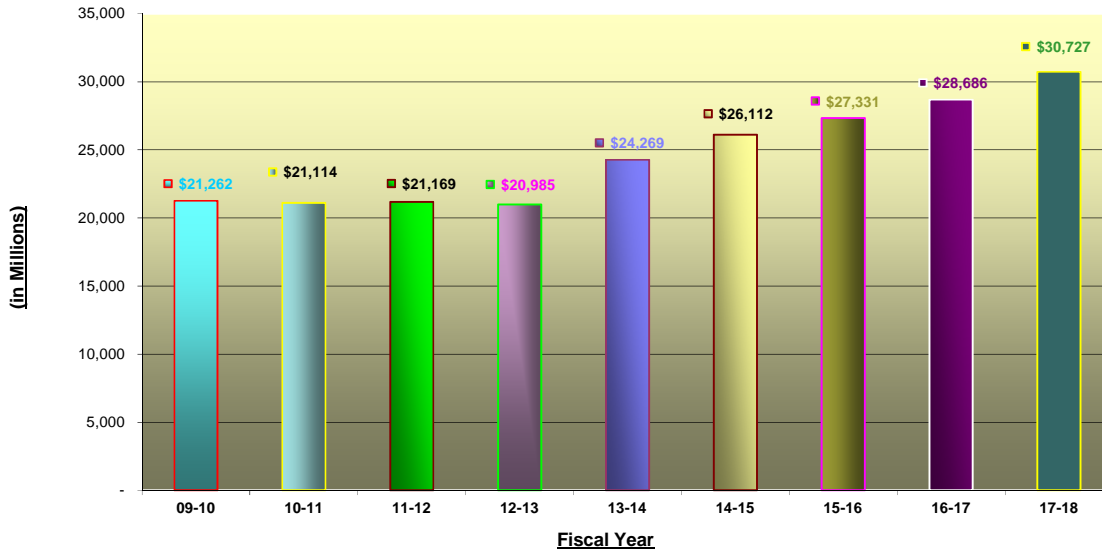
Note:

- (1) Assessed valuation is based on 100% of full value in accordance with Section 135 of the California Revenue and Taxation Code
- (2) Direct Rate includes Redevelopment Agency areas.

Source: HdL Coren & Cone, County of Los Angeles, Auditor-Controller Office, Combined Tax Rolls 2017-18

LOCALLY ASSESSED				TOTALS				
IMPROVE- MENTS	UNSECURED		TOTAL	BEFORE OTHER EXEMPTIONS	TAXABLE ASSESSED VALUE	% INCR. (DECR.)	TOTAL DIRECT RATE (2)	HOME- OWNER PROPERTY TAX RELIEF
	PERSONAL PROPERTY	OTHER EXEMPTIONS						
293,355,474	611,636,166	(33,951,806)	871,039,834	22,647,578,381	22,410,452,203	4.27%	0.07268%	223,396,120
359,543,253	600,420,921	(15,127,698)	944,836,476	21,600,880,848	21,262,122,246	-1.08%	0.07432%	224,731,598
346,874,191	553,829,644	(13,331,377)	887,372,458	21,457,647,247	21,113,942,935	-0.70%	0.07392%	223,277,279
314,286,482	548,430,090	(15,137,342)	847,579,230	21,556,659,612	21,168,938,632	0.26%	0.07291%	220,496,294
349,415,601	534,947,944	(13,693,787)	870,669,758	21,399,181,358	20,985,441,963	-0.87%	0.07183%	216,163,460
329,350,845	541,533,568	(15,907,716)	854,976,697	24,698,048,493	24,269,472,731	15.65%	0.09170%	236,577,388
339,544,656	561,740,289	(13,152,888)	888,132,057	26,578,658,416	26,111,942,635	7.59%	0.09163%	232,799,644
299,024,341	569,926,540	(15,283,837)	853,667,044	27,817,244,778	27,330,863,338	4.67%	0.09169%	230,402,082
265,891,622	547,111,240	(15,791,822)	797,211,040	29,050,407,444	28,685,821,032	4.96%	0.09259%	226,031,427
280,824,664	549,107,476	(10,383,140)	819,549,000	31,420,665,028	30,727,345,419	7.12%	0.09111%	228,373,713

**TOTAL ASSESSED VALUATION
(Taxable Values)
Last Ten Fiscal Years**



City of Santa Clarita
 Redevelopment Agency ⁽¹⁾
 Assessed Values ⁽²⁾ and Actual Values of Taxable Property
 Last Ten Fiscal Years

FISCAL YEAR	STATE ASSESSED				LOCALLY ASSESSED				
	SECURED (UTILITY)				SECURED				
	LAND	IMPROVE- MENTS	PERSONAL PROPERTY	TOTAL	LAND	IMPROVE- MENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL
2008-09	-	-	-	-	348,100,511	217,393,278	2,064,527	(3,754,719)	563,803,597
2009-10	-	-	-	-	343,043,150	214,695,279	1,775,246	(3,779,814)	555,733,861
2010-11	-	-	-	-	319,869,014	213,093,295	1,850,279	(3,196,475)	531,616,113
2011-12	-	-	-	-	322,803,745	214,686,716	1,933,165	(7,016,751)	532,406,875
2012-13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013-14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014-15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015-16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016-17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017-18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) The Redevelopment Agency of the City was established on November 28, 1989, pursuant to the State of California and Safety Code, Section 33000. However, the Agency was not active until fiscal year 1998-99 and the Base Year was calculated in fiscal year 1996-97, which included the Homeowners Tax Relief of that year. Redevelopment agencies were dissolved by the State of California effective February 1, 2012.

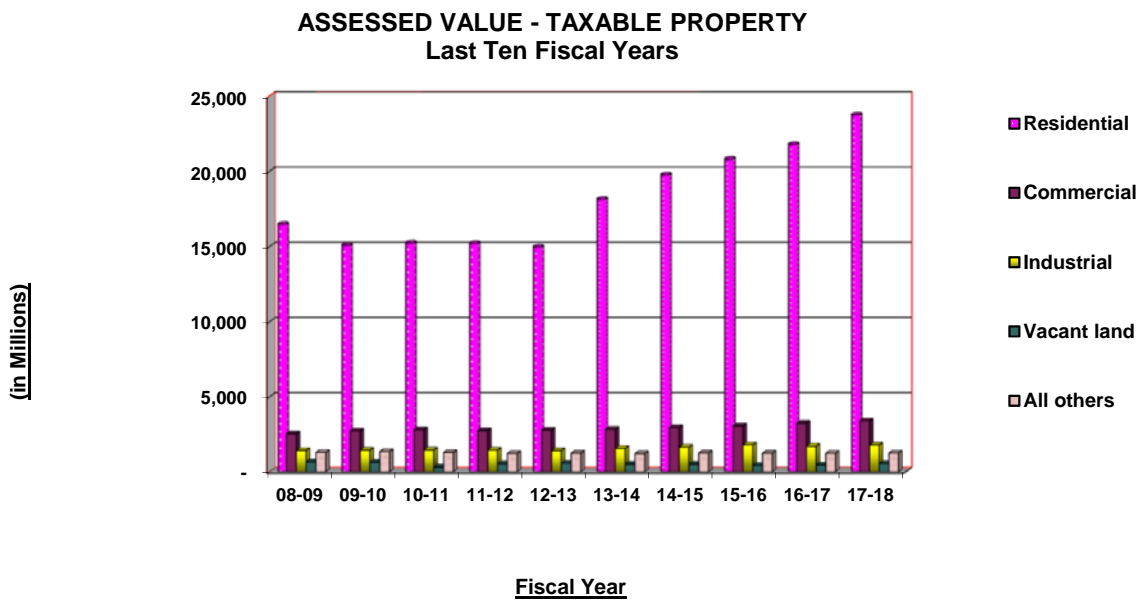
(2) Assessed valuation is based on 100% of full value in accordance with Section 135 of the California Revenue and Taxation Code

Source: County of Los Angeles, Auditor-Controller/Tax Division

LOCALLY ASSESSED				TOTALS				
IMPROVE- MENTS	UNSECURED		TOTAL	TOTALS BEFORE BASE YEAR	BASE YEAR	TAXABLE ASSESSED VALUE	VALUE GROWTH	HOME- OWNER PROPERTY TAX RELIEF
	PERSONAL PROPERTY	OTHER EXEMPTIONS						
39,771,667	48,437,084	(77,000)	88,131,751	651,935,348	(266,351,517)	385,583,831	36,870,753	2,002,848
34,102,838	46,361,945	(84,500)	80,380,283	636,114,144	(266,351,517)	369,762,627	(15,821,204)	1,921,661
21,240,432	62,307,206	(84,500)	83,463,138	615,079,251	(266,351,517)	348,727,734	(21,034,893)	1,871,456
34,353,633	46,665,422	(102,000)	80,917,055	613,323,930	(266,351,517)	346,972,413	(1,755,321)	1,865,922
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City of Santa Clarita
 Assessed Values—Taxable Property
 Last Ten Fiscal Years

CATEGORY	FISCAL YEAR					
	17-18	16-17	15-16	14-15	13-14	12-13
Residential	\$ 23,734,569,687	\$ 21,784,467,001	\$ 20,809,579,112	\$ 19,755,522,402	\$ 18,138,258,224	\$ 14,971,655,728
Commercial	3,399,444,104	3,248,599,972	3,059,958,633	2,952,772,231	2,847,760,176	2,794,405,083
Industrial	1,790,582,919	1,706,030,432	1,799,119,742	1,642,718,866	1,561,091,316	1,413,623,056
Irrigated	2,993,570	2,960,760	2,936,120	2,834,466	2,827,311	2,796,388
Dry farm	-	-	-	-	-	-
Recreational	106,578,193	99,802,827	104,324,505	101,870,300	100,138,918	104,981,278
Institutional	193,500,837	213,333,035	162,056,819	142,862,940	136,824,169	132,119,758
Government	363,846	356,714	220,358	216,042	215,066	210,850
Miscellaneous	315,717	309,530	348,240	341,421	1,017,342	864,299
Vacant land	554,513,132	449,270,431	419,750,992	507,997,067	509,125,263	565,117,297
SBE Nonunitary	4,576,418	3,696,751	3,696,751	3,696,751	3,696,751	3,696,751
Possessory Int.	120,357,965	117,718,179	115,205,002	112,978,072	113,541,478	125,301,717
Unsecured	819,549,000	797,363,610	853,667,044	888,132,057	854,976,697	870,669,758
Unknown	31	20	20	20	20	-
TOTALS:	\$30,727,345,419	\$28,423,909,262	\$27,330,863,338	\$26,111,942,635	\$24,269,472,731	\$20,985,441,963



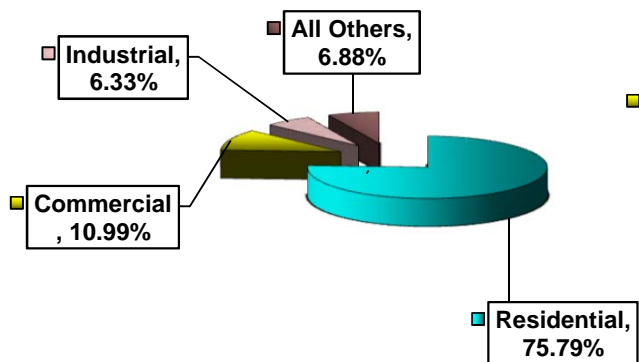
FISCAL YEAR			
11-12	10-11	09-10	08-09
\$ 15,212,586,674	\$ 15,239,936,469	\$ 15,094,074,637	\$ 16,493,025,013
2,748,247,727	2,820,296,027	2,729,669,423	2,541,908,257
1,455,126,754	1,463,696,151	1,451,053,867	1,420,480,569
3,016,072	3,004,749	3,630,743	3,559,558
-	-	-	-
106,506,146	121,791,852	121,511,353	119,459,165
125,982,002	127,363,481	125,868,861	136,418,924
206,717	205,173	206,850	201,629
847,359	841,034	843,038	-
533,608,937	308,820,538	636,182,476	664,562,300
3,696,751	4,015,175	3,573,175	1,073,171
131,534,263	136,599,828	150,671,347	158,723,783
847,579,230	887,372,458	944,836,476	871,039,834
-	-	-	-
\$21,168,938,632	\$21,113,942,935	\$ 21,262,122,246	\$ 22,410,452,203

Notes: In 1978 the voters of the State of California passed Proposition 13, which limited 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 of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value 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 limitation just mentioned.

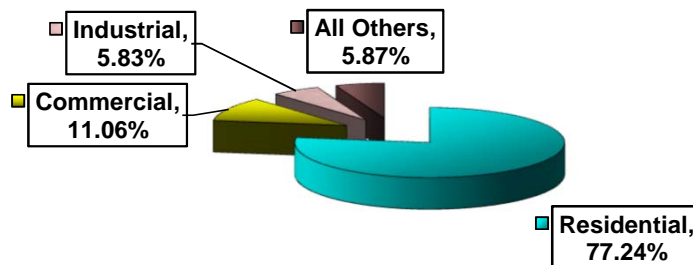
City of Santa Clarita
 Assessed Values—Use Category Summary
 Fiscal Year 2017-18

CATEGORY	PARCELS	ASSESSED VALUE	PERCENT	EXEMPTIONS	NET TAXABLE VALUE	PERCENT
Residential	57,968	\$ 23,814,421,987	75.8%	\$ 79,852,300	\$ 23,734,569,687	77.24%
Commercial	910	3,453,381,455	11.0%	\$ 53,937,351	3,399,444,104	11.06%
Industrial	718	1,989,909,802	6.3%	\$ 199,326,883	1,790,582,919	5.83%
Irrigated	6	2,993,570	0.0%	\$ -	2,993,570	0.01%
Recreational	36	109,550,143	0.3%	\$ 2,971,950	106,578,193	0.35%
Institutional	99	535,206,889	1.7%	\$ 341,706,052	193,500,837	0.63%
Government	5	363,846	0.0%	\$ -	363,846	0.00%
Miscellaneous	6	315,717	0.0%	\$ -	315,717	0.00%
Vacant land	3,899	558,627,285	1.8%	\$ 4,114,153	554,513,132	1.80%
SBE Nonunitary	(15)	4,576,418	0.0%	\$ -	4,576,418	0.01%
Possessory Int.	(2,220)	121,385,745	0.4%	\$ 1,027,780	120,357,965	0.39%
Unsecured	(4,457)	829,932,140	2.6%	\$ 10,383,140	819,549,000	2.67%
Unknown	24	31	0.0%	\$ -	31	0.00%
TOTALS:	56,979	\$ 31,420,665,028	100.00%	\$ 693,319,609	\$ 30,727,345,419	100.00%

ASSESSED VALUE by USE CATEGORY
 Fiscal Year 2017-18



NET TAXABLE VALUE by USE CATEGORY
 Fiscal Year 2017-18

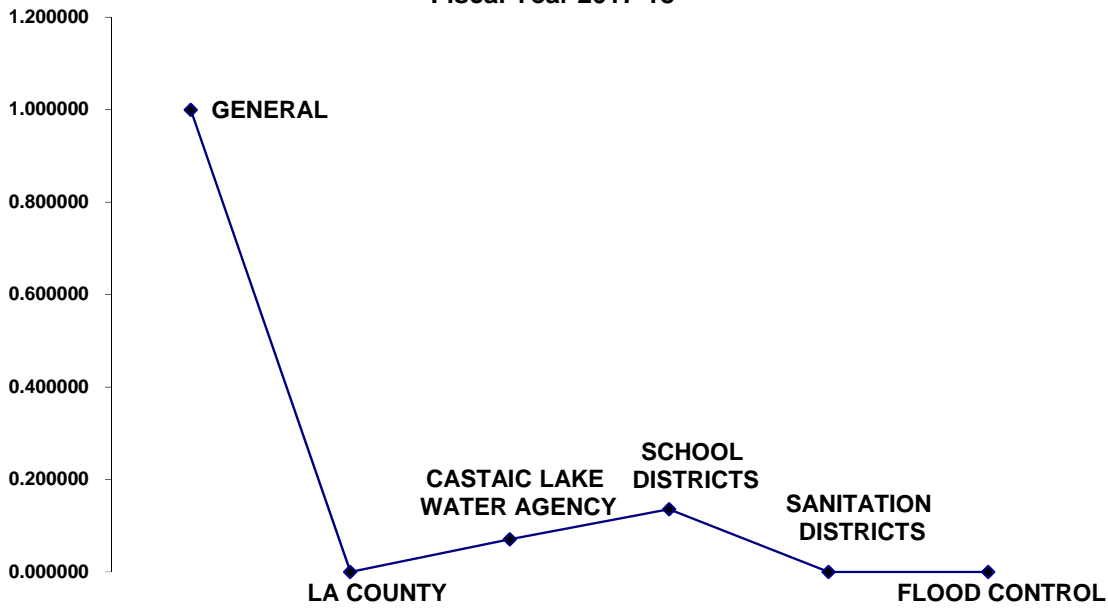


Source: HdL Coren & Cone, Los Angeles County Assessor 2017-18 Combined Tax Rolls.

City of Santa Clarita
 Direct and Overlapping Property Tax Rates
 (rate per \$100 of assessed value)
 Last Ten Fiscal Years

Fiscal Year	GENERAL	LOS ANGELES COUNTY	CASTAIC LAKE WATER AGENCY	SCHOOL DISTRICTS	COUNTY SANITATION DISTRICTS	COUNTY FLOOD CONTROL	TOTAL
2008-09	1.000000	-	0.040000	0.077110	-	-	1.117110
2009-10	1.000000	-	0.060750	0.089815	-	-	1.150565
2010-11	1.000000	-	0.070600	0.086830	-	-	1.157430
2011-12	1.000000	-	0.070600	0.091457	-	-	1.162057
2012-13	1.000000	-	0.070600	0.112835	-	-	1.183435
2013-14	1.000000	-	0.070600	0.120330	-	-	1.190930
2014-15	1.000000	-	0.070600	0.118570	-	-	1.189170
2015-16	1.000000	-	0.070600	0.116070	-	-	1.186670
2016-17	1.000000	-	0.070600	0.119436	-	-	1.190036
2017-18	1.000000	-	0.070600	0.135348	-	-	1.205948

**DIRECT and OVERLAPPING PROPERTY TAX RATES
 Fiscal Year 2017-18**



Source: HdL Coren & Cone, Los Angeles County Assessor 2017-18 Tax Rate Table

City of Santa Clarita
Direct and Overlapping Property Tax Rates
(rate per \$100 of assessed value)
One Year Detail of Rates Producing Revenue for City and Associated Redevelopment Agencies

City General Fund Direct Rates				RDA Incremental Rate	Total Direct Rate
Roll Year	City Share of 1% per Prop. 13	Debt Rates	Total City Rates	Prop. 13 plus applicable voter-approved debt	
2017-18	0.122750	0.000000	0.122750	0.00000%	0.09259%

Agency	2017-18
City of Santa Clarita Tax District 1 (249.01)	0.05730
Castaic Lake Water Agency (302.01)	0.05780
Children's Institutional Tuition Fund (400.21)	0.00283
Consolidated Fire Protection District of LA Co. (007.30)	0.16340
County School Service Fund Newhall (581.06)	0.00801
County School Service Hart William S. Hart (757.06)	0.00034
County School Services (400.15)	0.00143
Development Center Handicapped Minor Newhall (581.07)	0.00088
Educational Augmentation Fund Impound (400.01)	0.13380
Educational Revenue Augmentation Fund (ERAF) (400.00)	0.08260
Greater LA Co. Vector Control (061.80)	0.00032
Santa Clarita Library (249.56)	0.02360
LA County Fire - Ffw (007.31)	0.00323
LA County Flood Control Improvement District (030.10)	0.00176
LA County Flood Control Maintenance (030.70)	0.00996
LA County General (001.05)	0.14050
LA County Accum Cap Outlay (001.20)	0.00009
Newhall School District (581.01)	0.08350
Santa Clarita Community College (814.04)	0.03740
Santa Clarita Street Light Maintenance #2 (249.32)	0.02250
Santa Clarita Valley Sanitation Dist. LA Co.	0.02500
Valencia Areawide Landscape T1A S.C.	0.01924
William S. Hart Elementary School Fund (757.07)	0.04290
William S. Hart Union High (757.02)	0.08150
Total Prop. 13 Rate:	1.00000

Notes: General fund tax rates are representative and based upon the direct and overlapping rates for the largest General Fund tax rates area (TRA) by net taxable value. Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information. The percentages presented in the columns above do not sum across rows. In 1978 California voters passed Proposition 13, which set the property tax at a 1.00% fixed amount. This 1.00% is shared by all the taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter-approved bonds.

Castaic Lake Water Agency (302.01)	0.070600
Newhall Elementary School District Debt Services 1999 Ser. B (581.53)	0.020805
Newhall Elementary School District Debt Services 1999 Ser. A (581.52)	0.020805
Santa Clarita Community College Debt Services 2001 Ser. 2005 (814.54)	0.008610
Santa Clarita Community College Debt Services 2006 Ser. 2007 (814.55)	0.008610
Santa Clarita Community College Debt Services 2005 Refunding Bonds (814.56)	0.008610
Santa Clarita Community College Debt Services 2001 Ser. 2003 (814.52)	0.008610
Santa Clarita Community College Debt Services 2006 Ser. 2012	0.008610
William S. Hart Un.Hsd Debt Services (757.51)	0.010138
William S. Hart Un.Hsd Debt Services 2008 Ser. B	0.010138
William S. Hart Un.Hsd Debt Services 2008 Ser. C	0.010138
William S. Hart Unified Debt Services 2001 Ser. B (757.52)	0.010138
William S. Hart Unified Debt Services 2008 Ser. A (757.53)	0.010138
Total Tax Rate	0.205950

Source: HdL Coren & Cone, Los Angeles County Assessor 2017/18 Tax Rate Table

City of Santa Clarita
Principal Property Taxpayers
Current Fiscal Year and Nine Fiscal Years Ago

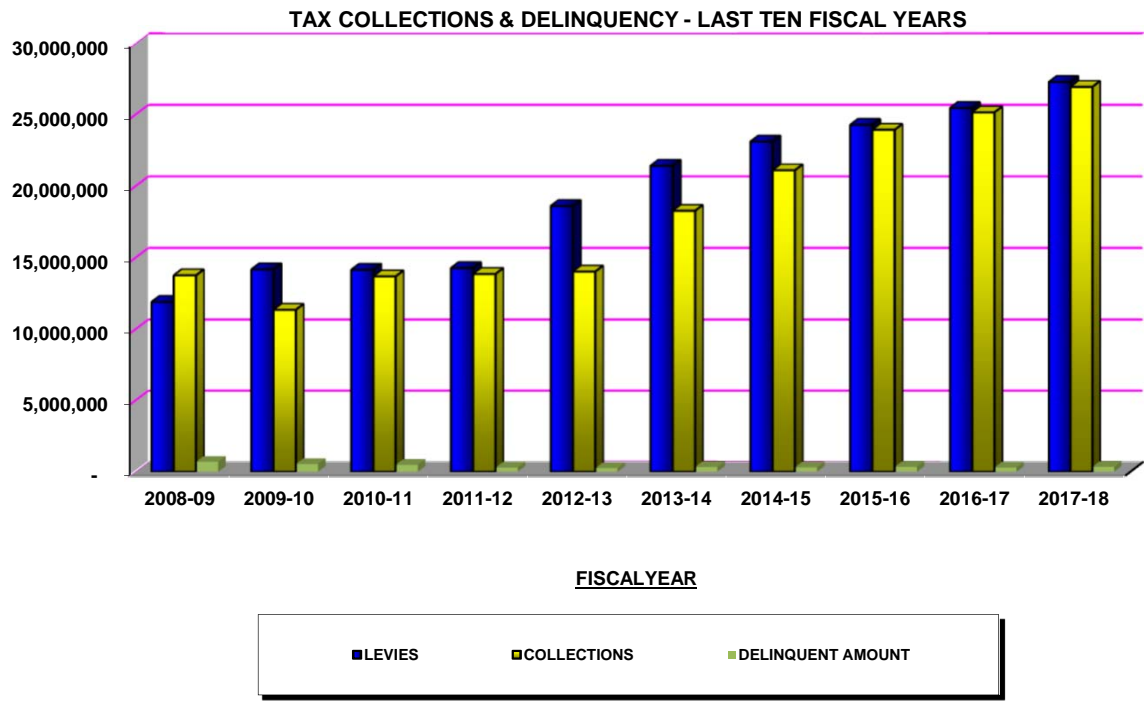
OWNER/TAXPAYER	FISCAL YEAR 2017-18			OWNER/TAXPAYER	FISCAL YEAR 2008-09		
	Number of Parcels	TOTAL ASSESSED VALUE	PERCENT of TOTAL CITY ASSESSED VALUE		Number of Parcels	TOTAL ASSESSED VALUE	PERCENT of TOTAL CITY ASSESSED VALUE
Valencia Town Center Venture LP	17	\$ 380,418,174	1.24 %	Valencia Town Center Venture	30	\$ 283,259,367	1.26 %
Bel Valencia LLC	9	162,999,991	0.53	VTC Business Center	9	157,307,514	0.70
Park Sierra Properties	15	139,879,720	0.46	EQR Valencia LLC	218	93,110,745	0.42
WESCO IV LLC	2	123,475,402	0.40	Casden Santa Clarita LLC	25	79,590,546	0.36
Saugus Colony Limited	19	118,157,292	0.38	C-Native Exchange I LLC Time Warn	1	78,960,993	0.35
EQR Valecna LLC	218	104,965,564	0.34	Walmart Real Estate Business Trust	5	75,424,767	0.34
EQR The Oaks LLC	28	102,832,717	0.33	RREEF America REIT II Corp	2	74,150,497	0.33
Southern California Edison Compan	2	102,419,258	0.33	Prado Town Center West LLC	264	71,125,630	0.32
ARC SLSTCCA001 LLC	4	99,413,280	0.32	EQR - Wellfan 2008	3	70,617,530	0.32
Aerospace Dynamics International II	6	98,426,895	0.32	Gateway Village LLC	1	67,743,300	0.30
Total	320	1,432,988,293	4.66 %		558	1,051,290,889	4.69 %
All Others		29,294,357,126	95.34			21,358,388,314	95.31
Total Assessed Valuation		\$ 30,727,345,419	100.00 %			\$ 22,409,679,203	100.00 %

NOTE: The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Source: HdL Coren & Cone, LA County Assessor 2017/18 Combined Tax Rolls

**City of Santa Clarita
Property Tax Levies, Tax Collections and Delinquencies
Last Ten Fiscal Years**

FISCAL YEAR	TAXES LEVIED	COLLECTIONS	PERCENT COLLECTIONS	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	PERCENT COLLECTIONS TO DATE
2008-09	11,925,285	11,361,604	95.3%	16,722	11,378,326	95.41%
2009-10	14,202,626	13,711,940	96.5%	-	13,711,940	96.55%
2010-11	14,172,030	13,829,640	97.6%	50,605	13,880,246	97.94%
2011-12	14,299,999	13,999,770	97.9%	49,862	14,049,633	98.25%
2012-13	18,634,850	18,297,746	98.2%	-	18,297,746	98.19%
2013-14	21,446,963	21,128,332	98.5%	-	21,128,332	98.51%
2014-15	23,131,317	22,795,838	98.5%	-	22,795,838	98.55%
2015-16	24,304,887	23,957,604	98.6%	-	23,957,604	98.57%
2016-17	25,483,385	25,178,564	98.8%	-	25,178,564	98.80%
2017-18	27,299,254	26,957,834	98.7%	-	26,957,834	98.75%



NOTES:

Article XIII-A of the Constitution of the State of California, adopted by the electorate in June 1978, precludes the City from a local property tax levy. All general-purpose property taxes are levied by the County and allocated to other governmental entities on a predetermined formula.

The above figures include secured property taxes only.

Prior to the implementation of GASB 44 in FY 2006, collections in subsequent years were not required to be reported by tax year. Beginning in FY 2007, collections in subsequent years are included.

Source: County of Los Angeles, Department of Auditor-Controller

City of Santa Clarita
 Successor Agency
 Top Property Owners Based on Net Values
 Fiscal Year 2017-18

	Owner	Secured			Unsecured			Combined		Primary Use
		Parcels	Value	% of Net AV	Parcels	Values	% of Net AV	Value	% of Net AV	
1	Time Warner Cable	-	\$ -	0.00%	3	\$43,041,370	57.84%	\$ 43,041,370	11.09%	Unsecured
2	Casden Santa Clarita LLC <i>(Pending Appeals On Parcels)</i>	24	20,877,920	2.93%	-	-	0.00%	20,877,920	4.36%	Vacant
3	Saugus Station LLC	7	18,658,747	3.16%	1	127,592	0.00%	18,786,339	4.71%	Industrial
4	JDH Mulberry LLC	1	10,810,000	1.43%	-	-	0.00%	10,810,000	2.13%	Residential
5	Lyons Properties Limited <i>(Pending Appeals On Parcels)</i>	1	10,481,542	1.78%	-	-	0.00%	10,481,542	2.65%	Commercial
6	Telfair Corporation <i>(Pending Appeals On Parcels)</i>	2	9,018,828	1.53%	-	-	0.00%	9,018,828	2.28%	Commercial
7	25805 San Fernando LLC	1	8,369,466	1.42%	-	-	0.00%	8,369,466	2.11%	Commercial
8	RFT Sprouts LLC, et. al.	3	8,011,513	1.36%	-	-	0.00%	8,011,513	2.02%	Residential
9	23801 San Fernando Rd Landco LLC	1	7,565,006	1.28%	-	-	0.00%	7,565,006	1.91%	Institutional
10	Peter and Barbara Coeler, et. al. <i>(Pending Appeals On Parcels)</i>	3	7,178,918	1.22%	1	6,548	0.00%	7,185,466	1.81%	Residential
Top Ten Total		43	\$ 100,971,940	16.11%	5	\$43,175,510	57.84%	\$ 144,147,450	35.07%	
Agency Total			602,803,617			76,826,195		679,629,812		
Incremental Net AV Total			\$ 356,660,568	28.31%		\$58,894,543	73.45%	\$ 415,555,111	34.71%	

Source: HdL Coren & Cone

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**City of Santa Clarita
 Successor Agency
 Project Area Assessment Appeals Summary and Tax Collection History
 Fiscal Years 2009-10 Through 2017-18**

Project Area Assessment Appeals Summary—FY 2017-18

Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. & Value of Appeals Pending	Estimated No. of Appeals Allowed	Estimated Reduction on Pending Appeals Allowed
275	210	175	64%	33 / \$92,694,705	28	\$ 49,096,498

**Tax Collection History
 For Fiscal Years 2009-10 Through 2017-18**

Year	Tax Levy	Current Year Collection	Prior Year Collection	Total	Current Year Collection Percentage	Total Collection Percentage
2009-10	\$ 4,068,572	\$ 3,885,719	\$ 42,260	\$ 3,927,979	96%	97%
2010-11	3,618,835	2,744,263	(204,741)	2,539,523	76%	70%
2011-12 ⁽¹⁾	3,762,457	2,934,904	218,094	3,152,998	78%	84%
2012-13 ⁽²⁾	3,485,808	2,786,791	275,290	3,062,081	80%	88%
2013-14 ⁽²⁾	3,526,463	2,828,495	815,124	3,643,619	80%	103%
2014-15 ⁽²⁾	3,836,835	3,185,967	158,652	3,344,619	83%	87%
2015-16 ⁽²⁾	3,579,829	3,430,748	518,292	3,704,259	96%	103%
2016-17 ⁽²⁾	4,063,020	3,819,731	797,178	3,983,145	94%	98%
2017-18 ⁽²⁾	4,188,893	3,944,498	860,267	4,046,235	94%	97%

Source: Los Angeles County Auditor/Controller, Disbursement/Tax Division "CRA Remittance Advice" from Fiscal Years 1997-98 through 2010-11, and for Fiscal Year 2011-12, November 2011 through January 2012.

⁽¹⁾ Sources: Ledgers and 2011-12 Revenue & Collection from Year-End Adjusted Gross TI Collection by CRA reports from Los Angeles County Auditor-Controller.

⁽²⁾ Sources: Ledgers and special reports from Los Angeles County Auditor-Controller commencing February 2012 pursuant to AB X 1 26.

City of Santa Clarita
 Charge Detail Report for CFD 2002-1 (Valencia Town Center)
 Fiscal Year 2017-18

ASSESSOR'S PARCEL NUMBER	PROPERTY OWNER	LAND ASSESSED VALUES (\$)	STRUCTURE ASSESSED VALUES (\$)	TOTAL ASSESSED VALUES (\$)	TAXABLE ACREAGE
2861-058-071	Valencia Town Center Venture LP	\$ 1,261,095	\$ 192,163	\$ 1,453,258	0.84
2861-058-072	Valencia Town Center Venture LP	3,495,554	18,172,669	21,668,223	4.81
2861-058-073	Valencia Town Center Venture LP	27,624,175	3,404,070	31,028,245	15.68
2861-058-076	Valencia Town Center Venture LP	879,987	87,398	967,385	1.18
2861-058-077	Valencia Town Center Venture LP	4,751,549	406,423	5,157,972	6.70
2861-058-081	Valencia Town Center Venture LP	16,068,719	169,909,906	185,978,625	14.34
2861-058-084	Valencia Town Center Venture LP	3,314,888	9,608,384	12,923,272	2.05
2861-058-085	Valencia Town Center Venture LP	432,372	216,184	648,556	0.33
Totals:		\$ 57,828,339	\$ 201,997,197	\$ 259,825,536	45.94

CLASS	MAX TAX RATE (\$)	MAX TAX	APPLIED RATE (\$)	CHARGE (\$)
1	\$ 36,342	\$ 30,677	\$ 26,839	\$ 22,655
1	36,342	174,807	26,839	129,095
1	36,342	569,923	26,839	420,888
1	36,342	43,029	26,839	31,777
1	36,342	243,495	26,839	179,821
	36,342.4827 &			
1&2	244,797.30	521,219	26,842	384,920
1	36,342	74,502	26,839	55,020
1	36,342	11,920	26,839	8,803
				<u>\$ 1,232,978</u>

City of Santa Clarita
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

GOVERNMENTAL ACTIVITIES									
FISCAL YEAR	CERTIFICATES OF PARTICIPATION (1) (3)		LOANS	BONDS (2)	PRIVATE PLACEMENT LEASE (5)	TAX ALLOCATION BONDS (4)		CAPITAL LEASES	TOTAL
2008-09	14,790,000	15,525,000	2,823,907	13,330,000	-	29,860,000	8,850,000	11,370	85,190,277
2009-10	13,760,000	15,525,000	2,017,793	13,075,000	-	29,460,000	8,730,000	1,624	82,569,417
2010-11	12,700,000	15,525,000	1,413,786	12,805,000	-	29,040,000	8,605,000	-	80,088,786
2011-12	11,610,000	15,490,000	1,040,000	12,525,000	-	-	-	242,417	40,907,417
2012-13	10,480,549	15,379,349	810,000	12,316,280	-	-	-	201,880	39,188,058
2013-14	9,323,138	15,291,374	580,000	12,002,622	-	-	-	154,705	37,351,839
2014-15	8,128,138	15,175,988	300,000	11,673,964	-	-	-	217,615	35,495,705
2015-16	-	-	200,000	26,012,352	6,328,411	-	-	138,877	32,679,640
2016-17	-	-	100,000	25,262,456	4,984,543	-	-	60,444	30,407,443
2017-18	-	-	-	40,380,831	3,595,740	-	-	32,200	44,008,771

NOTES:

(1) In 1991 the Santa Clarita Public Financing Authority issued \$22,940,000 aggregate principal amount of Local Agency (Redevelopment) Revenue Bonds Series 1991. Simultaneously with the receipt of the Bond proceeds, the Authority acquired \$22,940,000 Certificates of Participation issued by the Santa Clarita Redevelopment Agency, of which the proceeds were transferred to the City to finance and/or refinance the design, acquisition, improvement or construction of land, the City Hall Building and certain road improvements, and to refinance certain debt. The Agency leased back the facilities to the City for lease payments to be made by the City to the Authority equal to the principal and interest due on the revenue bonds. At this point in time, the Agency is not active

-The 1991 Series certificates were later refunded in fiscal year 1997-98 by the Certificates of Participation Series 1997 of \$19,670,000. As a result, the 1991 Series certificates are considered to be defeased and the liability for those certificates was removed from the general long-term debt

-On July 1, 2005, the Santa Clarita Public Financing Authority issued \$17,700,000 in Certificates of Participation to advance refund \$17,640,000 of outstanding 1997 Series certificates. As a result, the 1997 Series were considered defeased and the liability for those certificates was removed from the long-term liability

-On July 15, 2015, the Santa Clarita Public Financing Authority entered into a Private Placement Lease agreement for \$6,985,000 to refinance the outstanding 2005 Series certificates. As a result, the 2005 Series were considered defeased and the liability for those certificates was removed from the long-term liability.

-In November 2001, the Santa Clarita Public Financing Authority issued \$3,200,000 in Certificates of Participation for the acquisition of parkland. In 2006 the COP Series 2001 were considered defeased and the liability for those certificates was removed from the general long-term debt.

(2) On January 16, 2007, the Santa Clarita Public Financing Authority issued \$13,785,000 Lease Revenue Bonds (Golden Valley Road), Series 2007 for the acquisition of right-of-way

- On June 22, 2016, the Santa Clarita Public Financing Authority issued \$10,320,000 in Series 2016A Lease Revenue Bonds (Golden Valley Road) to advance refund \$11,260,000 of outstanding 2007 Series bonds. As a result, the 2007 Series were considered defeased and the liability for those bonds was removed from the general long-term debt.

- On June 22, 2016, the Santa Clarita Public Financing Authority issued \$14,020,000 in Series 2016B Lease Revenue Refunding Bonds (OSPD) to advance refund \$15,070,000 of outstanding 2007 Series certificates.

- On June 1, 2018, the Santa Clarita Public Financing Authority issued \$15,300,000 in Lease Revenue Bonds for the acquisition and retrofit of streetlights located within the City from Southern California Edison.

(3) On December 1, 2007, the Santa Clarita Public Financing Authority issued \$15,525,000 in Certificates of Participation for the acquisition of open space and parkland.

-On June 22, 2016, the Santa Clarita Public Financing Authority issued \$14,020,000 in Series 2016B Lease Revenue Refunding Bonds (OSPD) to advance refund \$15,070,000 of outstanding 2007 Series certificates. As a result, the 2007 Series were considered defeased and the liability for those bonds was removed from the general long-term debt.

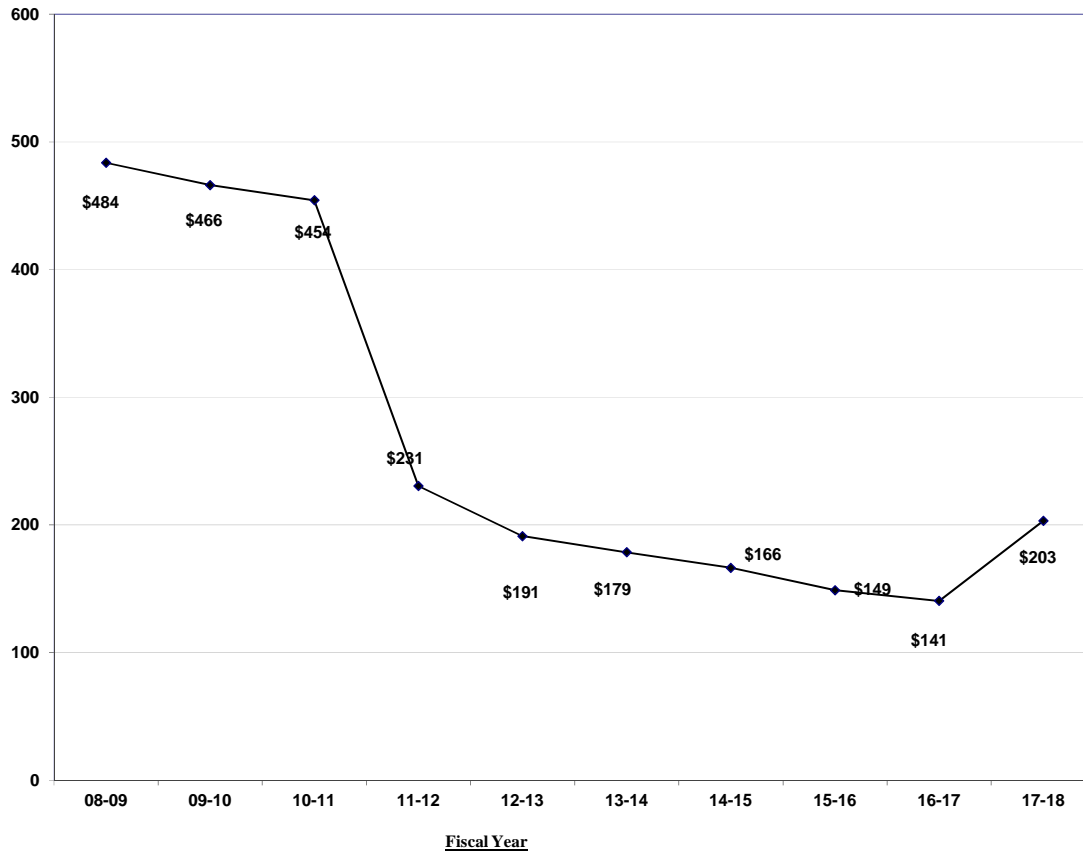
(4) On June 1, 2008, the Santa Clarita Redevelopment Agency issued \$29,860,000 in Non-Housing Tax Allocation Bonds and \$8,850,000 in Low/Mod Housing Tax Allocations Bonds to fund certain redevelopment projects within the Newhall Redevelopment Project area. Upon the dissolution of redevelopment agencies in the State of California effective February 1, 2012, the bonds were transferred to the RDA Successor Agency

(5) On July 15, 2015, the Santa Clarita Public Financing Authority entered into a Private Placement Lease agreement for \$6,985,000 to refinance the outstanding 2005 Series certificates.

Sources: City of Santa Clarita, Administrative Services Department - Finance Division

BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF TAXABLE ASSESSED VALUE	DEBT PER CAPITA	OUTSTANDING DEBT TO PERSONAL INCOME
LEASE PAYABLE	TOTAL				
485,304	485,304	85,675,581	0.38%	484	5%
248,304	248,304	82,817,721	0.39%	466	5%
-	-	80,088,786	0.38%	454	N/A
-	-	40,907,417	0.19%	231	N/A
-	-	39,188,058	0.19%	191	N/A
-	-	37,351,839	0.15%	179	N/A
-	-	35,495,705	0.14%	166	N/A
-	-	32,679,640	0.12%	149	N/A
-	-	30,407,443	0.11%	141	N/A
-	-	44,008,771	0.14%	203	N/A

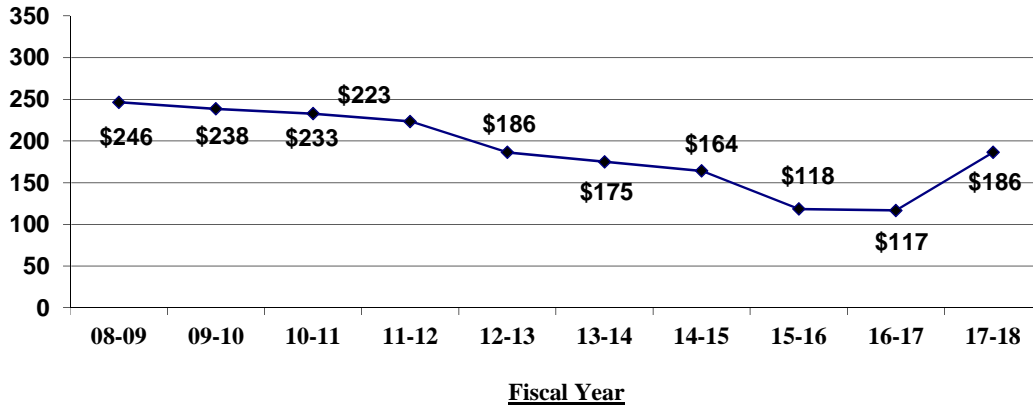
OUTSTANDING DEBT PER CAPITA
Last Ten Fiscal Years



City of Santa Clarita
 Ratio of General Bonded Debt Outstanding
 Last Ten Fiscal Years

FISCAL YEAR	OUTSTANDING GENERAL BONDED DEBT				PERCENTAGE OF TAXABLE ASSESSED VALUE	DEBT PER CAPITA
	POPULATION (1)	REVENUE BONDS	CERTIFICATES OF PARTICIPATION	TOTAL		
2008-09	177,150	13,330,000	30,315,000	43,645,000	0.19%	246
2009-10	177,641	13,075,000	29,285,000	42,360,000	0.20%	238
2010-11	176,971	12,805,000	28,225,000	41,030,000	0.19%	233
2011-12	177,445	12,525,000	27,100,000	39,625,000	0.19%	223
2012-13	204,951	12,316,280	25,859,898	38,176,178	0.18%	186
2013-14	209,130	12,002,622	24,614,512	36,617,134	0.15%	175
2014-15	213,231	11,673,964	23,304,126	34,978,090	0.13%	164
2015-16	219,611	26,012,352	-	26,012,352	0.10%	118
2016-17	216,350	25,262,456	-	25,262,456	0.09%	116.77
2017-18	216,589	40,380,831	-	40,380,831	0.13%	186.44

GENERAL BONDED DEBT OUTSTANDING PER CAPITA
Last Ten Fiscal Years



Source: (1) State of California, Finance Department

**City of Santa Clarita
Direct and Overlapping Tax and Assessment Debt
June 30, 2018**

2017-18 Assessed Valuation: \$30,727,345,419
(Net of Redevelopment Agency Incremental Value of \$415,555,111)

2017-18 Population: 216,589

	Total Debt 06/30/2018	Percent Applicable To City ⁽¹⁾	City's Share of Debt 06/30/2018
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Santa Clarita Community College District	\$ 259,836,537	73.28%	\$ 190,410,813
William S. Hart Union High School District	351,454,487	73.27%	\$ 257,514,217
William S. Hart Union High School District Community Facilities District No. 87-1	80,000	100%	\$ 80,000
William S. Hart Union High School District Community Facilities District No. 90-1	320,000	100%	\$ 320,000
William S. Hart Union High School District Community Facilities District No. 2015-1	24,930,000	100%	\$ 24,930,000
Los Angeles Community College and Unified School Districts	14,769,980,000	0.00001%	\$ 1,477
Castaic Union School District	11,505,327	27.996%	\$ 3,221,031
Newhall School District	7,890,000	59.93%	\$ 4,728,240
Newhall School District School Facilities Improvement District No. 2011-1	59,390,000	60.71%	\$ 36,054,481
Saugus Union School District	23,821,991	87.85%	\$ 20,927,381
Saugus Union School District School Facilities Improvement District No. 2014-1	41,820,000	88.08%	\$ 36,834,220
Saugus Union School District Community Facilities District No. 2006-1, Improvement Area N	19,485,000	96.28%	\$ 18,760,548
Saugus Union School District Community Facilities District No. 2006-1, Improvement Area N	21,210,000	93.15%	\$ 19,756,055
Saugus Union School District Community Facilities District No. 2006-1, Improvement Area N	21,265,000	100%	\$ 21,265,000
Saugus Union School District Community Facilities District No. 2006-2, Improvement Area N	7,565,000	100%	\$ 7,565,000
Saugus Union School District Community Facilities District No. 2006-2, Improvement Area N	7,980,000	100%	\$ 7,980,000
Saugus Union School District Community Facilities District No. 2006-2, Improvement Area N	15,780,000	100%	\$ 15,780,000
Saugus-Hart School District Community Facilities District No. 2000-1	10,015,000	100%	\$ 10,015,000
Saugus-Castaic School District Facilities Financing Authority Community Facilities District N	16,775,000	53.58%	\$ 8,987,206
Sulphur Springs Union School District	48,596,062	92.84%	\$ 45,117,556
Sulphur Springs Union School District Community Facilities District No. 2002-1	24,880,000	100%	\$ 24,880,000
Sulphur Springs Union School District Community Facilities District No. 2006-1	19,300,000	100%	\$ 19,300,000
City of Santa Clarita Open Space and Parkland Assessment District	13,450,000	100%	\$ 13,450,000
City of Santa Clarita Landscaping and Lighting Streetlighting Zones A and B	15,300,000	99.39%	\$ 15,206,058
City of Santa Clarita Community Facilities District No. 2002-1	14,500,000	100%	\$ 14,500,000
City of Santa Clarita 1915 Act Bonds	660,000	100%	\$ 660,000
Los Angeles County Regional Park and Open Space Assessment District	26,575,000	2.16%	\$ 572,957
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 818,817,240
Los Angeles County General Fund Obligations	1,921,992,404	2.16%	\$ 41,438,156
Los Angeles County Superintendent of Schools Certificates of Participation	6,500,306	2.16%	\$ 140,147
Los Angeles County Sanitation District No. 32 Authority	11,390,938	74.90%	\$ 8,531,699
Santa Clarita Community College District Certificates of Participation	9,580,000	73.28%	\$ 7,020,320
William S. Hart Union High School District Certificates of Participation	29,136,059	73.72%	\$ 21,348,282
Castaic Union School District Certificates of Participation	3,550,000	27.996%	\$ 993,858
Saugus Union School District Certificates of Participation	10,910,000	87.849%	\$ 9,584,326
Sulphur Springs Union School District Certificates of Participation	25,375,000	92.84%	\$ 23,558,658
Los Angeles Unified School District Certificates of Participation	195,975,000	0.00001%	\$ 20
City of Santa Clarita Obligations	13,197,940	100.00%	\$ 13,197,940 (2)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 125,813,404
Total Net Direct and Overlapping General Fund Debt			\$ 125,813,404
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	33,980,000	100.000%	33,980,000
Total Direct Debt			\$ 26,647,940
Gross Total Overlapping Debt			951,962,704
Net Total Overlapping Debt			\$ 951,962,704
GROSS COMBINED TOTAL DEBT			\$ 978,610,644 (3)
NET COMBINED TOTAL DEBT			\$ 978,610,644

(1) Percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable value.

(2) Excludes \$32,200 Capital Lease Obligations

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations

Ratios to 2017-18 Assessed Valuation:

Direct Debt (\$13,450,000).....	0.04%
Total Overlapping Tax and Assessment Debt.....	2.66%
Total Direct Debt (\$26,647,940).....	0.09%
Gross Combined Total Debt.....	3.18%
Net Combined Total Debt.....	3.18%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$415,555,111)

Total Overlapping Tax Increment Debt.....	8.18%
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Source: MuniServices, LLC

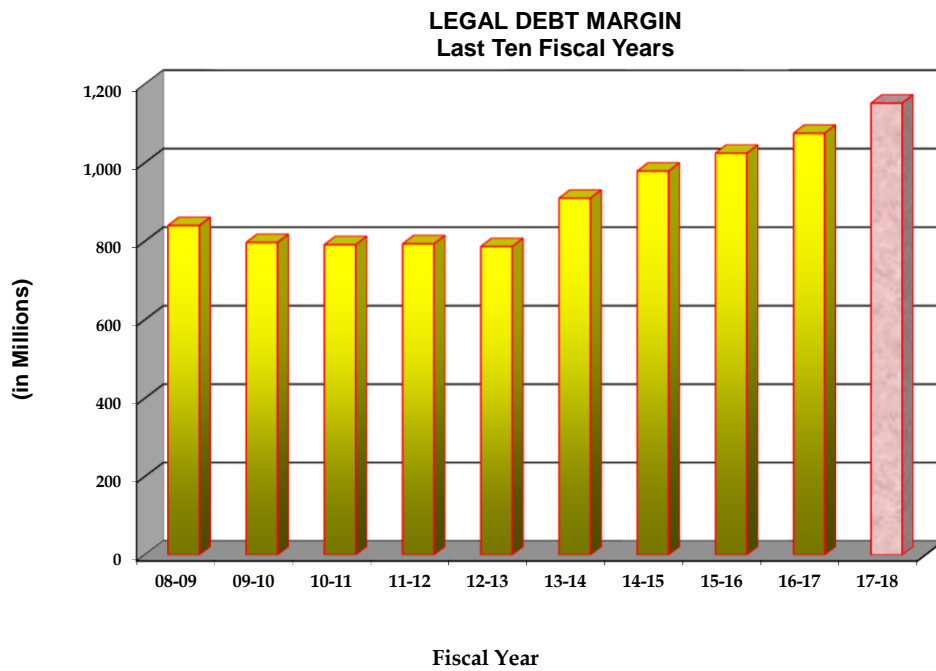
**City of Santa Clarita
 Legal Debt Margin Information
 Last Ten Fiscal Years**

	FISCAL YEAR				
	17-18	16-17	15-16	14-15	13-14
Assessed valuation	\$ 30,727,345,419	\$ 28,685,821,032	\$ 27,330,863,338	\$ 26,111,942,635	\$ 24,269,472,731
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	7,681,836,355	7,171,455,258	6,832,715,835	6,527,985,659	6,067,368,183
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,152,275,453	1,075,718,289	1,024,907,375	979,197,849	910,105,227
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 1,152,275,453	\$ 1,075,718,289	\$ 1,024,907,375	\$ 979,197,849	\$ 910,105,227
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Section 43605 of the Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments located within the State.

Source: City of Santa Clarita, Administrative Services Department - Finance Division

FISCAL YEAR				
12-13	11-12	10-11	09-10	08-09
\$ 20,985,441,963	\$ 21,168,938,632	\$ 21,113,942,935	\$ 21,262,122,246	\$ 22,410,452,203
25%	25%	25%	25%	25%
5,246,360,491	5,292,234,658	5,278,485,734	5,315,530,562	5,602,613,051
15%	15%	15%	15%	15%
786,954,074	793,835,199	791,772,860	797,329,584	840,391,958
-	-	-	-	-
\$ 786,954,074	\$ 793,835,199	\$ 791,772,860	\$ 797,329,584	\$ 840,391,958
0%	0%	0%	0%	0%



City of Santa Clarita
Pledged Revenue Coverage
Last Ten Fiscal Years

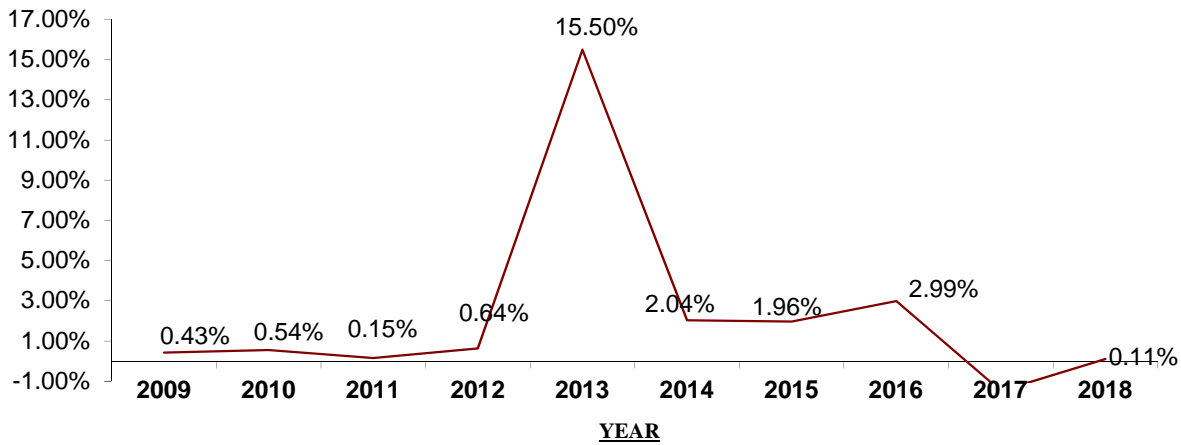
TRANSIT						
Fiscal Year	TRANSIT REVENUES (1)	LESS OPERATING EXPENSES (2)	NET AVAILABLE REVENUES	DEBT SERVICE Principal	Interest	COVERAGE
2008-09	26,612,418	23,014,324	3,598,094	384,846	42,172	1.60%
2009-10	21,179,438	23,525,855	(2,346,417)	236,999	23,149	1.23%
2010-11	32,507,582	24,270,533	8,237,048	248,304	11,844	0.80%
2011-12	26,133,433	25,175,688	957,745	-	-	-
2012-13	29,420,486	25,901,822	3,518,664	-	-	-
2013-14	33,298,907	27,044,874	6,254,034	-	-	-
2014-15	24,008,186	28,292,380	(4,284,194)	-	-	-
2015-16	26,853,481	28,327,301	(1,473,820)	-	-	-
2016-17	28,652,461	30,231,012	(1,578,551)	-	-	-
2017-18	27,971,473	30,021,366	(2,049,893)	-	-	-

NOTE: (1) Includes Other revenues, Transfers in and Capital contributions
(2) Includes Transfers out and Other expenses

**City of Santa Clarita
Demographic and Economic Statistics
Last Ten Calendar Years**

YEAR	CITY OF SANTA CLARITA POPULATION (1)	AVERAGE ANNUAL PERCENTAGE INCREASE	LOS ANGELES COUNTY POPULATION (1)	AVERAGE ANNUAL PERCENTAGE INCREASE	PER CAPITA PERSONAL INCOME (2)	TOTAL PERSONAL INCOME (2)	UNEMPLOYMENT RATE (3)
2009	177,150	0.43%	9,801,096	0.16%	43,119	550,832,000	7.70%
2010	177,641	0.54%	9,822,121	0.21%	43,999	565,365,000	7.70%
2011	176,971	0.15%	9,818,605	-0.04%	44,423	575,044,998	7.60%
2012	177,445	0.64%	9,884,632	0.67%	46,337	604,831,837	6.90%
2013	204,951	15.50%	9,958,091	0.74%	48,425	635,891,798	6.60%
2014	209,130	2.04%	10,041,797	0.84%	50,751	673,073,539	4.70%
2015	213,231	1.96%	10,136,559	0.94%	54,526	727,377,241	6.40%
2016	219,611	2.99%	10,241,335	1.03%	57,160	760,828,529	4.70%
2017	216,350	-1.48%	10,241,278	0.00%	N/A	N/A	4.40%
2018	216,589	0.11%	10,283,729	0.41%	N/A	N/A	5.10%

**POPULATION INCREASE
Last Ten Fiscal Years**



Sources: (1) State of California, Finance Department, as of 1/1/2018
 (2) U.S. Department of Commerce, Bureau of Economic Analysis (BEA)
 Personal Income and Unemployment rates are for the regional area, Los Angeles. The City's related information is not available. Information lags two years.
 (3) State of California, Department of Employment Development (EDD), Sept. 21, 2018

Note: Reduction in 2017 population numbers due to change in the county controls. The primary factor was a lowering of the estimated school enrollment.

**City of Santa Clarita
Principal Employers
Current Fiscal Year and Nine Fiscal Years Ago**

EMPLOYER	2018*		EMPLOYER	2009	
	NUMBER of EMPLOYEES	PERCENT of TOTAL EMPLOYMENT		NUMBER of EMPLOYEES	PERCENT of TOTAL EMPLOYMENT
Six Flags Magic Mountain	3,200	10.38%	Mountain	3,689	15.64%
Princess Cruises	2,096	6.80%	Princess Cruises	2,100	8.90%
Henry Mayo Newhall			Henry Mayo Newhall		
Memorial Hospital	2,052	6.65%	Memorial Hospital	1,212	5.14%
Boston Scientific	1,000	3.24%	HR Textron	845	3.58%
The Master's College	760	2.46%	The Master's College	755	3.20%
Walmart	730	2.37%	Speciality Laboratories	725	3.07%
Cal Arts	700	2.27%	Arvato Services	586	2.48%
Woodward HRT (formerly HR Textron)	680	2.21%	Cal Arts	500	2.12%
Quest Diagnostics (formerly Speciality Laboratories)	648	2.10%	Aerospace Dynamics	450	1.91%
Aerospace Dynamics	617	2.00%	Fanfare Media Works	407	1.73%
Largest firms ⁽¹⁾	12,483	40.48%	Largest firms ⁽¹⁾	11,269	47.77%
All others	18,355	59.52%	All others	12,323	52.23%
Grand total	30,838	100.00%	Grand total	23,592	100.00%

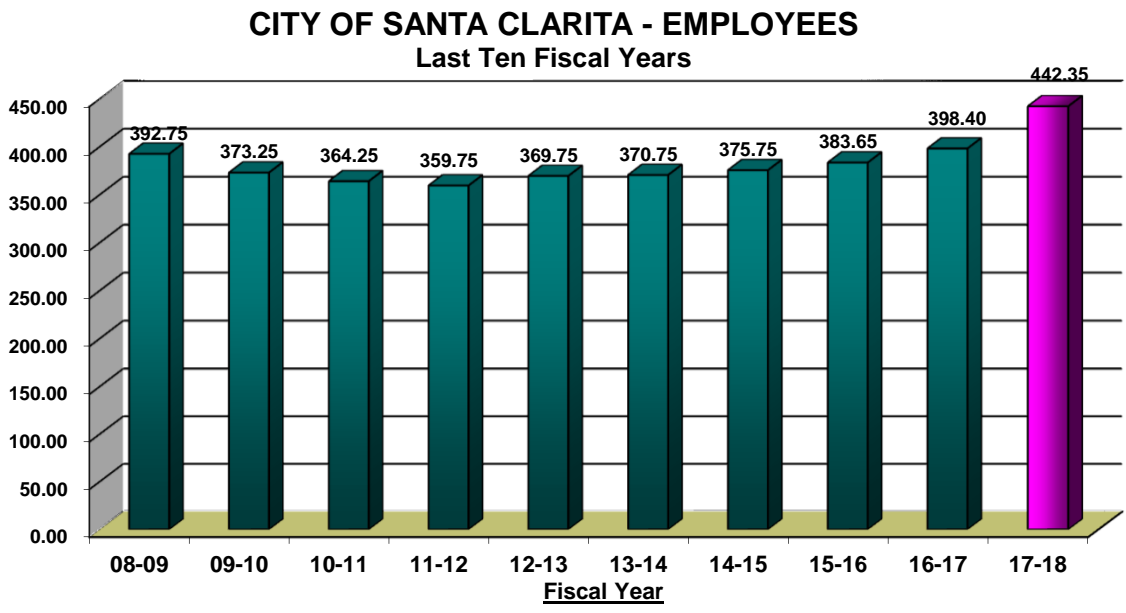
* As of March 2018

NOTE: (1) Non-governmental employers

Source: 2018 Economic Outlook Santa Clarita Valley Economic Dev Corp & College of the Canyons
2009 CAFR

**City of Santa Clarita
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years**

Function	FISCAL YEAR									
	17-18	16-17	15-16	14-15	13-14	12-13	11-12	10-11	09-10	08-09
General government	180.60	150.00	91.00	87.60	87.60	89.60	84.35	85.75	89.75	95.75
Public safety (1)	-	-	-	-	-	-	-	-	-	-
Public works	139.50	128.50	131.50	125.00	122.00	129.00	126.00	127.00	128.00	135.50
Community developmen	44.00	44.00	37.00	41.00	41.00	32.00	30.50	33.00	33.00	36.00
Parks and Recreation	68.25	63.90	112.15	111.15	109.15	108.15	105.90	106.50	110.50	111.50
Transit	10.00	12.00	12.00	11.00	11.00	11.00	13.00	12.00	12.00	14.00
Totals	442.35	398.40	383.65	375.75	370.75	369.75	359.75	364.25	373.25	392.75



(1) Police and Fire services have been provided by the County

Source: City of Santa Clarita, Administrative Services Department - Finance Division

**City of Santa Clarita
Operating Indicators by Function
Last Ten Fiscal Years**

Function	FISCAL YEAR									
	17-18	16-17	15-16	14-15	13-14	12-13	11-12	10-11	09-10	08-09
Police:										
Parking citations issued ⁽¹⁾	15,505	13,133	9,035	4,765	4,786	5,726	5,521	6,577	5,114	4,126
Parking revenue collected	\$ 498,749	\$ 470,843	\$ 379,384	\$ 320,682	\$ 323,040	\$ 341,607	\$ 335,663	\$ 323,408	\$ 238,478	\$ 235,634
Public works:										
Street resurfacing (miles)	38.9	45.0	15.5	80.0	20.9	18.0	24.0	24.0	33.8	14.0
Parks and Recreation:										
Number of recreation classes	2,903	2,992	2,918	2,189	2,557	2,548	2,106	2,080	2,447	2,284
Number of facility rentals (times)	12,013	19,924	13,390	19,018	14,604	13,000	11,042	10,754	10,239	9,801
Transit:										
Number of customers served ⁽²⁾	2,775,327	2,864,351	3,167,021	3,422,015	3,540,969	3,661,302	3,612,060	3,724,490	3,922,052	4,210,842

NOTE: (1) The City contracts the Los Angeles County Sheriff Department for its police services. The number of citations issued and money collected are within the City's boundaries.

(2) Number of customers served includes those outside of the City boundaries.

Source: City of Santa Clarita, Administrative Services Department - Finance Division

**City of Santa Clarita
Capital Assets Statistics by Function
Last Ten Fiscal Years**

Function	FISCAL YEAR									
	17-18	16-17	15-16	14-15	13-14	12-13	11-12	10-11	09-10	08-09
Public works:										
Streets (miles)	540	537	516	497	496	496	496	496	496	496
Street lights ⁽¹⁾	18,662	17,843	17,843	17,843	17,843	17,843	15,081	14,963	14,939	14,739
Traffic signals (City Jurisdiction)	187	186	180	180	177	177	171	170	166	172
Traffic signals (Joint Jurisdiction)	5	5	5	5	5	5	6	1	6	5
Parks and recreation:										
Number of parks	32	32	32	32	29	29	24	23	20	20
Community centers	2	2	2	2	2	1	1	1	1	1
Transit:										
Stations	4	4	4	4	4	4	4	4	4	4

(1) All of the above referred streetlights are/were owned and maintained by Edison Company. The Highway Safety Lights (HSL) are the streetlights attached to traffic signals (989) and those are City owned and maintained through a contract with the County. The City took over the streetlights from the County in 1998 and the City Engineering division established the inventory reports since 2001.

Source: City of Santa Clarita, Administrative Services Department - Finance Division