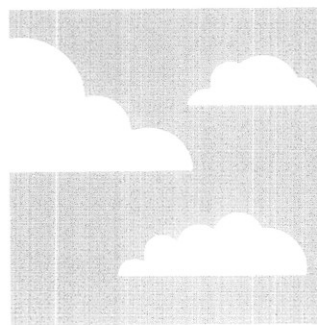


*" We Value Excellence "*

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*Financial Section*

## **Administration**

*In ten short years the 21st Century will be upon us. These ten years must be a time of planning, innovation and creativity. While a decade may seem like an eternity to many, a public entity often needs this time to effectively plan for tomorrow.*

*What will Santa Clarita be in the year 2000? The responsible yet progressive financial systems that Santa Clarita has established, will serve as a foundation to support the varied services and projects desired by our diverse community.*

*How does a new City effectively set a plan of action to bring about the quality of life envisioned? Understanding the complexity of this goal, Santa Clarita set out to outline its first strategic plan. This plan requires participants to evaluate the primary mission and values of the City and in turn implement a plan to address the needs of many.*

*Now in progress are significant projects which will continue to shape our new City. To date there are more than twenty annexations proposed or under study. If used effectively, these annexations will eventually bring about the goal of "One City, One Valley". Such images reinforce the concept of local control and provide the necessary frame work to ensure that the quality of life within the Santa Clarita Valley as a whole is preserved or better yet enhanced.*

*Also of priority is the expansion of library facilities. This is essential in order to preserve the quality education for our youth. Presently Santa Clarita is pursuing the immediate construction of the first City owned library facility in the Canyon Country region.*

*In addition, the Civic Center project, which will serve the citizens of Santa Clarita well into the 21st Century and beyond, has begun. This structure will provide all within the City and Valley greater opportunity to come together in a central Civic Center. It is anticipated that the first phase will be complete in 1994.*

# **KPMG** Peat Marwick

Certified Public Accountants

725 South Figueroa Street  
Los Angeles, CA 90017

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Members of the City Council  
City of Santa Clarita, California:

We have audited the general purpose financial statements of the City of Santa Clarita, California as of and for the year ended June 30, 1990, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Santa Clarita, California as of June 30, 1990 and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and individual account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Santa Clarita, California. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

*KPMG Peat Marwick*

August 24, 1990