



City of
SANTA CLARITA
California



Comprehensive Annual Financial Report
Fiscal Year Ended - June 30, 2009

**CITY OF SANTA CLARITA
(CALIFORNIA)**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

City of Santa Clarita
Comprehensive Annual Financial Report
For the year ended June 30, 2009

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City of
SANTA CLARITA

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December 17, 2009

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, 2009 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 of Santa Clarita as of June 30, 2009.

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. Caporicci & Larson, Certified Public Accountants, an independent firm of certified public accountants, has issued an unqualified "clean" opinion on the City of Santa Clarita's financial statements for the year ended June 30, 2009. 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 with 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 not only on the fair presentation of the financial statements, but also on 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 officially incorporated on December 15, 1987 as a General Law City, and operates under a City Council/City Manager form of government. Located 35 miles northwest of downtown Los Angeles and 40 miles east of the Pacific Ocean, between Interstate 5 and State Highway 14, Santa Clarita forms an inverted triangle with the Santa Susana and San Gabriel mountain ranges. Encompassing the communities of Canyon Country, Newhall, Saugus, and Valencia, Santa Clarita covers approximately 52 square miles. With a population of over 180,000, the City is the 26th largest city in the State of California. Santa Clarita residents enjoy an expansive year-round parks and recreation network, featuring 20 beautiful parks totaling 250 acres, and more than 60 miles of picturesque trails and paseos designed for commuting and recreational use, including walking, riding, jogging, and skating. With its unique blend of rural, old west heritage, and urban sophistication, this fast-growing City has established an enviable balance between quality living and growth.

Santa Clarita has attracted regional and national sports events like the AT&T Champions Classic, Amgen Tour of California, Volcom Skate Park event, Southern California Junior Olympics, and the 2009 Western States Police & Fire Games.

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 selected from among the Councilmembers. The governing 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 carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the government, and for appointing the various Department Heads. 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 works, parks and recreation, community development, and cultural events. The City also provides services through the Santa Clarita Redevelopment Agency (RDA) and the Santa Clarita Public Financing Authority (PFA), which are blended component units of the City of Santa Clarita. The financial activities of these entities are included on this report as their activities are under the control of the City. Separate component unit reports for each entity are also available.

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 function or program level within each fund.

LOCAL ECONOMY

Located minutes from the Bob Hope Airport in Burbank, the City of Santa Clarita enjoys a prime position in north Los Angeles County and is one of Southern California's most sought-after places to live and to 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 that is quintessentially California.

The instability of national and world financial markets in the last fiscal year heightened awareness of city programs and budgets throughout the state. The City has a 100 percent track record for adopting a balanced, on-time budget, with ample reserves and contingency funds. Santa Clarita is proud to share Fiscal Year 08-09 was successful and stable for the City.

Earlier this year, the City's bond rating advanced to AA+ by Standard & Poor's Ratings Service (S&P). Per Standard & Poor's, this upgrade is representative of the City's strong economic stability, strong financial performance, and good management practices. The S&P report further states "The city is characterized by, in our opinion, very strong wealth and income levels. The market value per capita is \$129,056 and median household income is 159% of the national average."

Santa Clarita boasts one of the lowest unemployment rates in Los Angeles County at 7.0 percent, compared to 11.4 for Los Angeles County and 11.6 percent for the state of California. Targeted employment sectors in Santa Clarita include aerospace, biotechnology, entertainment, and technology. Several noted and internationally recognized brands are based in the Santa Clarita Valley opened new operation centers or expanded existing facilities in the last year including, Advanced Bionics, Boston Scientific, Bioness, Princess Cruises, Pharmavite, Aerospace Dynamics International, Santa Clarita Studios, and more.

While prudent fiscal planning on behalf of the City of Santa Clarita City Council has lessened the affect of the global economic slowdown, which has devastated some local communities, the City was not immune to the hardships of the recession.

On April 28, 2009, the City of Santa Clarita City Council unanimously approved the 21-Point Business Plan for Progress. This program, which includes more than \$5 million dollars of investment in results-driven initiatives to stimulate the economy at the local level, was developed at the request of the City Council and designed with input from several key industry liaisons and business-minded community organizations, including the Santa Clarita Chamber of Commerce, College of the Canyons, and Valencia Industrial Association.

The City's entertainment industry enjoyed many successes in the year, with FY 08-09 resulting in an economic impact of nearly \$21 million to local businesses from location filming alone. Santa Clarita is home to more than 20 sounds stages and 10 movie ranches and hundreds of film related businesses. Five network television shows, including HBO's "Big Love," CBS's "The Unit," and "NCIS," and ABC's Family "Make it or Break it" and "10 Things I Hate About You," base in Santa Clarita and regularly film on location in the City.

Tourism continues to be one of the City of Santa Clarita's largest economic generators contributing more than \$2.3 million to the general fund from Transient Occupancy Tax (T.O.T.). Attraction of regional and national sports tourism events like the AT&T Champions Classic, Amgen Tour of California, Volcom Skate Park event, Southern California Junior Olympics, and the 2009 Western States Police & Fire Games, generates additional visitors in Santa Clarita and increased revenue for the City and its businesses

The City of Santa Clarita has developed and is implementing programs to help existing businesses succeed while also initiating programming designed to grow targeted business sectors in the coming years. Los Angeles Economic Development Corporation (LAEDC) recently named the City of Santa Clarita the most business-friendly city in the county. Santa Clarita was named one of the Top 25 City Retail Markets in California by the California Retail Survey for the second consecutive year, and new retail centers such as Bridgeport Marketplace and Plaza at Golden Valley are anchored with strong retailers like Bristol Farms, Lowe's, Kohl's, and Target. The City's continued control of expenditure growth is a key factor in maintaining the City's strong financial position.

The City of Santa Clarita continues to use business attraction and retention programs like the Enterprise Zone Program to support business by providing tax incentives to businesses located within the zone. The Santa Clarita Enterprise Zone encompasses 97 percent of all commercial and industrial zoned property in the City, including both existing and proposed development areas, and has proven to be a powerful business attraction and retention tool. To date, Santa Clarita Enterprise Zone staff has issued over 792 employee vouchers to businesses in Santa Clarita as part of the Enterprise Zone program, potentially saving local employers over \$28 million because of tax credits.

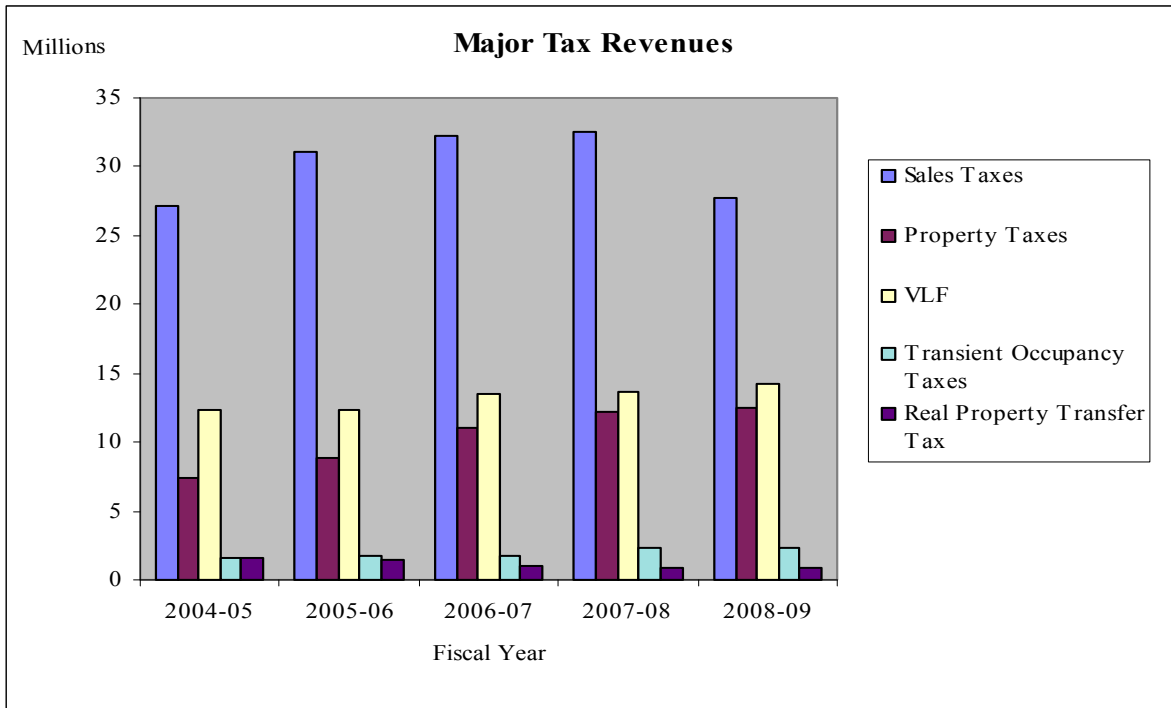
Santa Clarita recognizes the important role education plays in the success of the community. The City is home to three premier colleges, including California Institute of the Arts (CalArts), College of the Canyons, and the Masters College, all of which offer world-class instruction and programming that prepares students to become the next generation of business professionals and leaders. Santa Clarita was named one of the best communities for young people by America's Promise, the nation's largest private-public partnership.

LONG -TERM FINANCIAL PLANNING

Santa Clarita's well-planned community is home to more than 180,000 residents and is consistently ranked one of California's model cities, boasting the essential elements needed for well-balanced living and total wellbeing. Santa Clarita ranks as one of the safest cities in California among cities with populations exceeding 150,000. Santa Clarita is home to a well-educated population, with more than 61 percent of adults over age 25 and older having attained some college or higher, as compared to Los Angeles County, which averages 43 percent.

The City of Santa Clarita has experienced continuous 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. This year the City was successful in attracting Advanced Bionics to locate in the City that added 350 high-paying jobs. 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, providing increased opportunities for residents to work close to home.

The current economic downturn has directly affected the City’s revenue growth, producing decreases in sales tax and real property transfer tax revenues. However, the City’s property tax, property tax in-lieu of Vehicle License Fee (VLF), and TOT have all increased for Fiscal Year 08-09.



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. Annually, the City prepares extended forecasts for the General Fund to determine the future impact of current actions. These forecasts indicate a flat or stable General Fund over the next few years, primarily due to projected decreases in sales, property taxes, and property taxes in lieu of VLF. However, because the City of Santa Clarita has practiced smart growth in successful times, the City is well prepared for these 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 replacement 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 2008-2009

- ❖ Santa Clarita was named “the most Business Friendly City,” in Los Angeles County by the Los Angeles Economic Development Corporation (LAEDC), citing the City’s many business-friendly practices and policies including, no utility user tax, no business license tax, and Santa Clarita’s state designation as an Enterprise Zone.
- ❖ The City celebrated major milestones in 2009 including the grand opening of the new state-of-the-art 40,000 square-foot Skate Park and Sports Complex expansion, the Magic Mountain Parkway/Interstate 5 expansion project complete after a three-year span, and Phase one of the Old Town Newhall Streetscape transformation project of Newhall’s Main Street.
- ❖ On January 26, 2009, the City held a special groundbreaking event for the last phase of the Cross Valley Connector project. This final phase of the roadway involves construction of two bridges, north and south bound. Each bridge is 1,100 feet long and will provide for six lanes of roadway.

AWARDS AND ACKNOWLEDGMENTS

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, 2008. This was the twentieth 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.

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 Finance Division. 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 Puskamp, Assistant City Manager Ken Striplin, Director of Public Works Robert Newman, Director of Parks, Recreation and Community Service Rick Gould, and Director of Community Services Paul Brotzman, for their continuing efforts in administering the financial operations of the City in a conservative and responsible manner.

Sincerely,



Darren Hernández,
Deputy City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Santa Clarita
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**OFFICIALS OF THE CITY OF SANTA CLARITA
As of June 30, 2009**

City Council

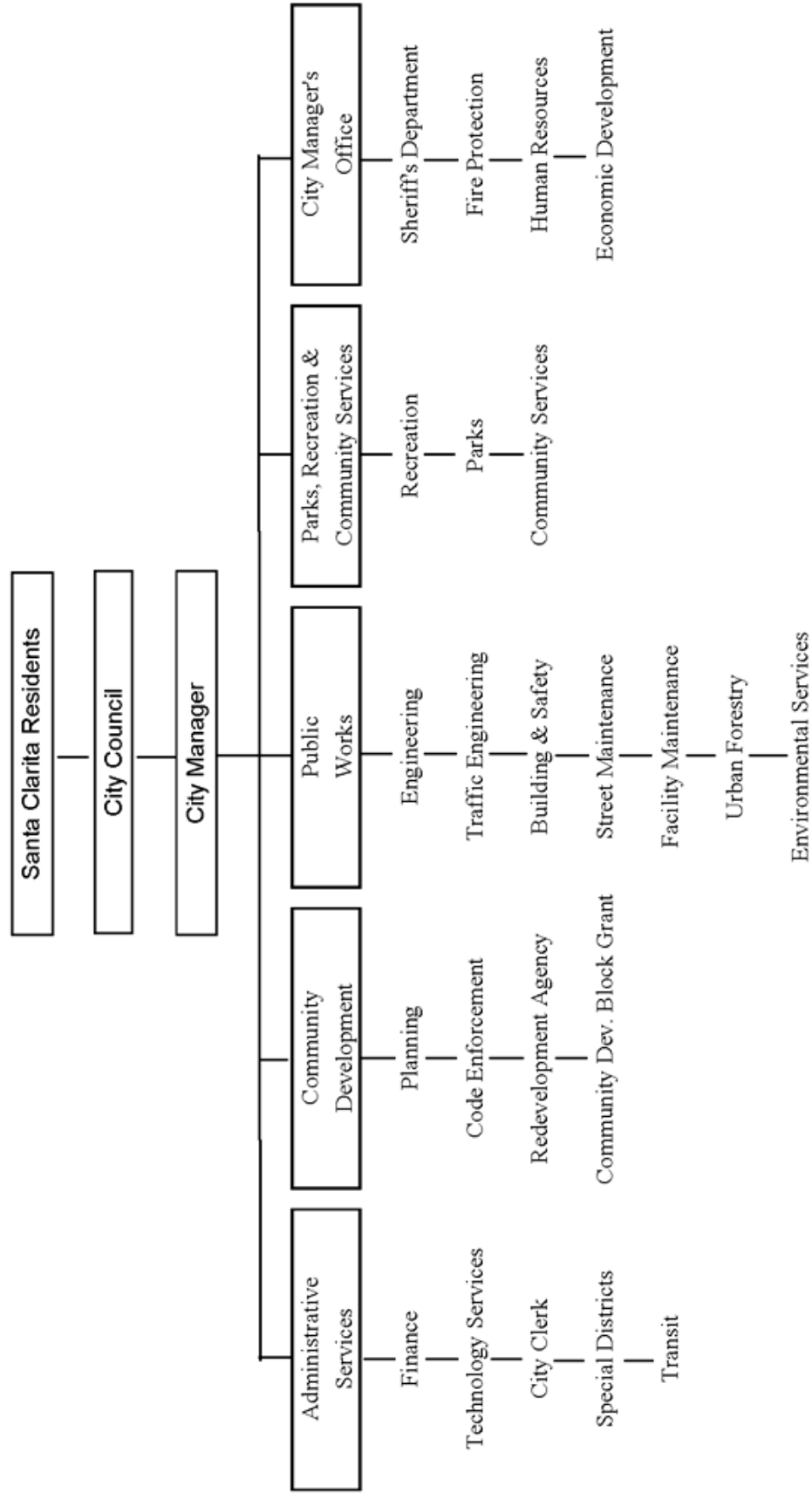
Frank Ferry	MAYOR
Laurene Weste	MAYOR PRO TEM
Laurie Ender	COUNCILMEMBER
Marsha McLean	COUNCILMEMBER
Bob Kellar	COUNCILMEMBER

City Officials

Ken Pulskamp	CITY MANAGER
Ken Striplin	ASSISTANT CITY MANAGER
Carl Newton	CITY ATTORNEY
Paul Brotzman	DIRECTOR OF COMMUNITY DEVELOPMENT
Richard Gould	DIRECTOR OF PARKS, RECREATION & COMMUNITY SERVICES
Darren Hernández	DEPUTY CITY MANAGER
Robert Newman	DIRECTOR OF PUBLIC WORKS/CITY ENGINEER

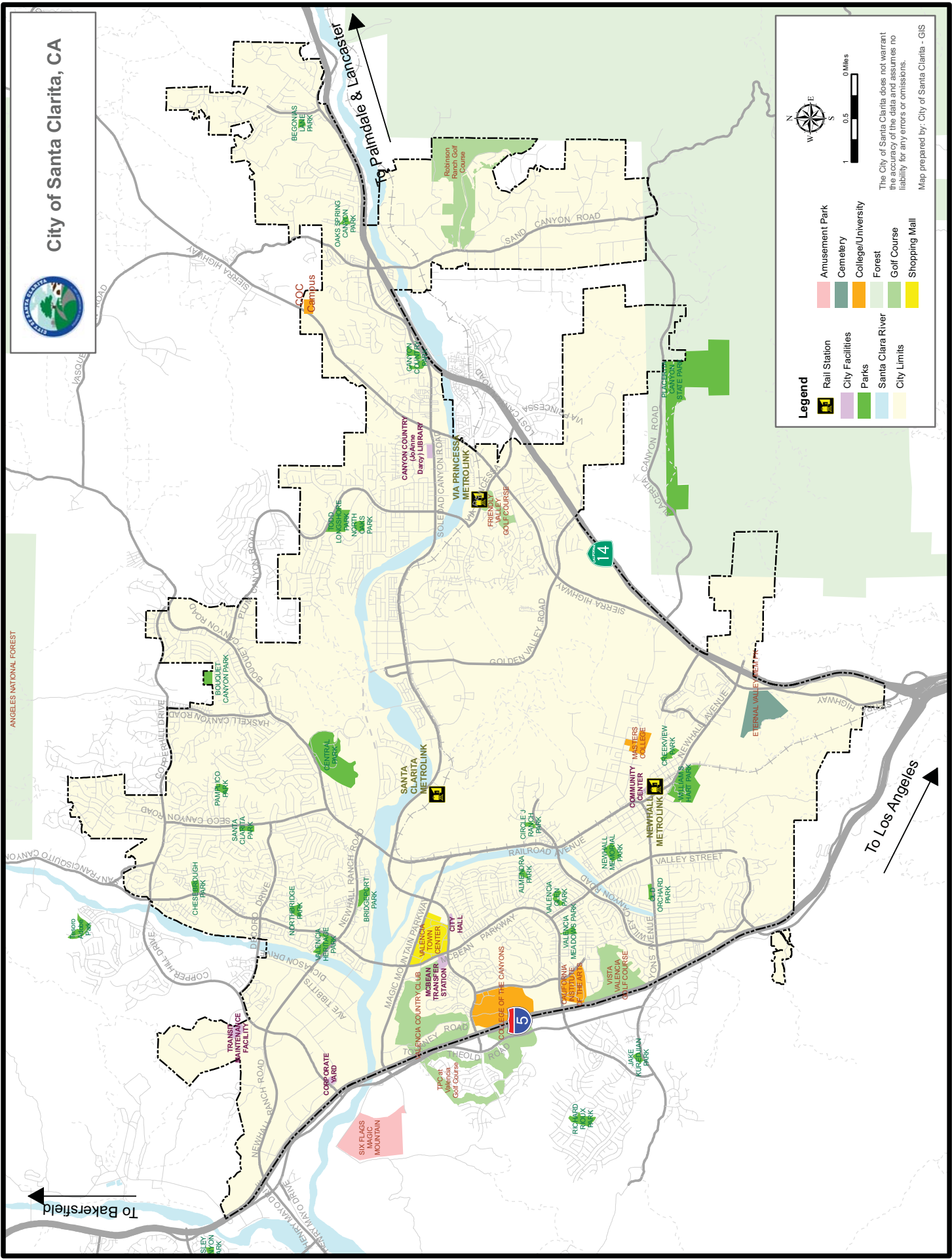
City of Santa Clarita

ORGANIZATION CHART As of June 30, 2009





City of Santa Clarita, CA



Legend

- Rail Station
- City Facilities
- Parks
- Santa Clara River
- City Limits
- Amusement Park
- Cemetery
- College/University
- Forest
- Golf Course
- Shopping Mall

Scale: 0.5 Miles

North Arrow

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

INDEPENDENT AUDITORS' REPORT

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

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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subsequent to the basic financial statements date of June 30, 2009 and the year then ended, the State of California (State) has borrowed and proposed taking funds from local governments including the City of Santa Clarita. These actions by the State include:

- o 8% of Property Taxes borrowed -- to be repaid in 3 years
- o Redevelopment Agency funds -- prepared to be taken for fiscal year 2010

These above amounts are very significant to the local governments and may affect their ongoing operations. Certain lawsuits are in process to stop such State actions. For more detailed information, see Note 18 in the Notes to Basic Financial Statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

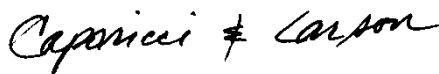
To the Honorable Mayor and Members of the City Council
of the City of Santa Clarita
Santa Clarita, California
Page 2

As described in Note 1 to the basic financial statements, the City adopted Statement of Governmental Accounting Standards Board No. 45, *Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions*, No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2009 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 grants. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.



Irvine, California
December 17, 2009



City of
SANTA CLARITA

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www.santa-clarita.com

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2009

This discussion and analysis of the City of Santa Clarita's financial performance provides an overview of the financial activities of the City of Santa Clarita (City) for the fiscal year ended June 30, 2009. 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 \$895.6 million. Of this amount, \$101.6 million represents unrestricted net assets that may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by 1.01 %, primarily as a result of the increase in capital assets. Net assets of the business-type activities increased by \$3.6 million, or 5.4%, and net assets of the governmental activities increased by \$5.3 million, or .65%.
- The capital assets of the City's governmental activities decreased by \$11.4 million due to a recording of a prior period adjustment, or 1.6% over last fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$155 million. This represents a decrease of \$13.6 million as compared to the prior year.

USING THIS ANNUAL REPORT

The financial statements presented herein include all of the activities of the City of Santa Clarita and its component units using the integrated approach as prescribed by 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).

See independent auditors report.



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 Assets 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 Assets 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 assets reports all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Net assets are one way to measure the City's financial health or *financial position*. Over time, *increases or decreases* in the City's net assets are 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 assets changed during the fiscal year. All activities resulting in changes in net assets 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 Assets and the Statement of Activities, we separate the City 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 and recreation, community services, economic development, planning, and engineering. 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.

See independent auditors report.

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 two legally separate entities. The financial activity and data of the Santa Clarita Public Financing Authority and the Redevelopment Agency of the City of Santa Clarita have 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 funds 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 33 governmental funds. The general fund, bridge and thoroughfare fund, developer fees fund, open space preservation district special revenue fund, capital projects-redevelopment agency fund, and debt service-redevelopment agency 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 27 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 statement, 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 four internal service funds to account for costs related to self-insurance, computer replacement, vehicle replacement, and public facilities replacement.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS - FUND FINANCIAL STATEMENTS (CONTINUED)

Proprietary funds are reported in the same way all activities are reported in the Statement of Net Assets 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 Assets and Liabilities. 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. Required supplementary information can be located on pages 81-88 of this report.

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. Combining and individual fund statements and schedules, as well as schedules related to the capital assets used in the operation of governmental funds, can be found on pages 91-133 of this report.

THE CITY AS A WHOLE

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

The City's net assets may be analyzed and used as an indicator of the City's overall financial condition. The City's combined net assets increased by \$8.9 million, increasing from \$886.7 million to \$895.6 million. There was a prior period adjustment of \$26 million recorded in FY09.

THE CITY AS A WHOLE (CONTINUED)

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<u>ASSETS:</u>						
Current and Other Assets	\$ 272,202,340	\$ 268,634,435	\$ 6,580,204	\$ 6,416,378	\$ 278,782,544	\$ 275,050,813
Capital assets	711,663,024	723,115,624	66,963,851	64,396,391	778,626,875	787,512,015
TOTAL ASSETS	983,865,364	991,750,059	73,544,055	70,812,769	1,057,409,419	1,062,562,828
<u>LIABILITIES:</u>						
Long Term Liabilities	84,375,842	86,790,293	248,304	485,304	84,624,146	87,275,597
Other Liabilities	73,940,786	58,758,162	3,213,808	3,843,612	77,154,594	62,601,774
TOTAL LIABILITIES	158,316,628	145,548,455	3,462,112	4,328,916	161,778,740	149,877,371
<u>NET ASSETS:</u>						
Invested in capital assets, net of related debt	629,621,720	672,306,820	66,963,851	63,526,242	696,585,571	735,833,062
Restricted	97,414,312	107,644,883	-	-	97,414,312	107,644,883
Unrestricted	98,512,704	66,249,901	3,118,092	2,957,611	101,630,796	69,207,512
TOTAL NET ASSETS	\$ 825,548,736	\$ 846,201,604	\$ 70,081,943	\$ 66,483,853	\$ 895,630,679	\$ 912,685,457

The City's Net Assets is made up of three components: Investment in Capital Assets (Net of Related Debt), Restricted Net Assets, and Unrestricted Net Assets.

As of June 30, 2009, assets exceeded liabilities by \$895.6 million. The largest component of the City's net assets, 78.0%, is represented by its \$697 million investment in capital assets (e.g., infrastructure, land, buildings and improvements, equipment, and construction in progress) less any related outstanding debt used to acquire the 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 assets, 10.9%, represents resources subject to external restrictions on how they may be used. The remaining 11.3% of unrestricted net assets, \$101.6 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 assets. Net assets for governmental activities increased by \$5.3 million over the prior year, \$11.4 million of which is represented by decreased capital assets due to the recording of a prior period adjustment and reductions in their related debt. Increase in capital assets and decrease in total liabilities accounted for the majority of the overall increase in net assets for business-type activities of \$3.6 million. The unrestricted portion of the business-type activities increased by \$160,481.

See independent auditors report.

THE CITY AS A WHOLE (CONTINUED)

Governmental Activities

Revenues from governmental activities were down by \$2.3 million or -1.31%. The cost of all governmental activities this year was \$158.7 million, an increase of 30.27% over the past year. However, as shown in the Statement of Activities, the governmental activities expenses were ultimately financed in part by the taxpayers, as \$41.7 million in revenues were generated by service revenues received from the performance of these activities; another \$9.9 million was received from government agencies and other organizations that subsidized certain programs with operating grants and contributions; and another \$38.8 million in revenues was generated from capital grants and contributions. Community Development programs were the only activities that generated net revenues of \$32.6. Overall, the City's governmental program and general revenues amounted to \$172 million, which funded the expenses and resulted in a \$5.3 million increase in net assets. Part of the \$172 million program and general revenue is other non-program governmental revenue amounting to \$82 million that the City realized this past year.

THE CITY AS A WHOLE (CONTINUED)

TABLE 2
CITY OF SANTA CLARITA'S CHANGES IN NET ASSETS

	Government Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Program Revenues:						
Charges for services	\$ 41,768,203	\$ 35,601,495	\$ 3,299,263	\$ 3,216,239	\$ 45,067,466	\$ 38,817,734
Operating grants and contributions	9,931,109	22,600,793	13,653,177	11,876,720	23,584,286	34,477,513
Capital grants and contributions	38,785,876	39,003,536	-	617,421	38,785,576	39,620,957
General Revenues						
Taxes:						
Property taxes, levied for general purposes	26,820,068	24,482,930	-	-	26,820,068	24,482,930
Other Taxes	45,876,287	46,866,631	-	-	45,876,287	46,866,631
Grants and contributions not restricted to specific programs	1,015,413	1,252,281	-	-	6,020,940	1,252,281
Other	7,893,380	4,566,884	938,901	48,961	3,826,754	4,615,845
Total Revenues	172,090,036	174,374,550	17,891,341	15,759,341	189,981,379	190,133,891
General government	30,094,380	27,488,731	-	-	30,094,380	27,488,731
Public safety	17,489,870	16,482,917	-	-	17,489,870	16,482,917
Public works	48,514,645	30,549,888	-	-	48,514,645	30,549,888
Parks and recreation	32,747,618	21,817,251	-	-	32,747,618	21,817,251
Community development	9,761,681	9,257,881	-	-	9,761,681	9,257,881
Unallocated infrastructure depreciation	14,405,047	13,128,617	-	-	14,405,047	13,128,617
Interest on long term debt	5,725,201	3,127,998	-	-	5,725,201	3,127,998
Transit	-	-	22,299,379	21,506,317	22,299,379	21,506,317
Total Expenses	158,738,442	121,853,283	22,299,379	21,506,317	181,037,821	143,359,600
Increase in Net Assets before transfers	13,351,594	52,521,267	(4,408,038)	(5,746,976)	8,943,556	46,774,291
Transfers	(8,006,128)	(8,431,120)	8,006,128	8,431,120	-	-
Increase In Net Assets	5,345,466	44,090,147	3,598,090	2,684,144	8,943,556	46,774,291
Net Assets - Beginning of Year, As Restated (Note 16)	820,203,270	802,111,457	66,483,853	63,799,709	886,687,123	865,911,166
Net Assets - End of Year	\$ 825,548,736	\$ 846,201,604	\$ 70,081,943	\$ 66,483,853	\$ 895,630,679	\$ 912,685,457

See independent auditors report.

THE CITY AS A WHOLE (CONTINUED)

Business-Type Activities

Business-type activities increased the City's net assets by \$3.5 million for the current year. Business-type activities revenues increased by \$2.1 million during the year for a total of \$17.8 million in revenues, not including the \$8 million of transfers in from other governmental activities. This was largely due to an increase of \$1.7 million in operating grants and contributions. Related transit activity expenses increased by \$793,062.

THE CITY'S FUNDS, AS RESTATED (Note 16)

The governmental funds reported a combined fund balance at the end of the current fiscal year of \$155 million, a decrease of \$13.6 million over the prior year. In FY08-09, the City recorded a liability amount of \$21.3 million for developer credits in the Bridges & Thoroughfare fund. Approximately \$90 million is reserved and already committed for specific restricted purposes, and approximately \$65 million of the unreserved portion may be used to meet the City's ongoing obligations to citizens and creditors.

The total governmental fund balance includes the general fund balance of \$73.9 million, an increase of \$7.8 million over the prior year. The general fund is the chief operating fund of the City of Santa Clarita. At the end of the current fiscal year, the \$32.6 million in reserved general fund balance accounted for 32% of the total reserved governmental fund balance. The unreserved general fund balance of \$41.2 million, which is available for spending at the City's discretion, is up by \$10 million from prior year. The City's general fund balance has reserved \$32.6 million for advances, encumbrances, deposits and prepaid items. More detailed information about the combined fund balance reserves and designations and restatement are presented in Note 11 to the financial statements.

Other major fund balance changes are noted below:

- The bridge and thoroughfare fund balance has realized a decrease of \$19.1 million or 125% from the prior year. This unusual and large decrease in fund balance is due to the recording of liability from developer fee credits. These credits are issued to developers when a particular project has been completed in which developers have contributed portions of bridges and thoroughfares in conjunction with a particular project.
- The developer fees fund balance decreased in the current year by \$712,474. This is due primarily to an increase in deferred revenues from developers.
- The Open Space Preservation District fund realized an increase of \$1.2 million this fiscal year. The purpose of this fund is to accelerate vacant land acquisition in and around the City. The total fund balance for the current year is \$17.6 million.
- Presented separately in the major funds category is the debt service fund - redevelopment agency and the capital projects fund - redevelopment agency. The total fund balance for the current year for the debt service fund - redevelopment agency is a negative \$17 million and \$37.8 million for the capital projects fund - redevelopment agency.

THE CITY'S FUNDS, AS RESTATED (Note 16) (CONTINUED)

Other major fund balance changes are noted below (continued):

In addition to the major funds, the fund balances for the other governmental funds experienced an aggregate decrease of \$3.2 million, resulting in an overall 6.6% decrease in other governmental funds' balances.

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 assets for the transit enterprise fund increased over the prior year by \$3.6 million or 5%. This \$3.6 million increase was primarily due to the increase in total assets and decrease in total liabilities. The unrestricted portion of the business-type activities net assets increased by \$160,000 from prior year. The Internal Service funds net assets decreased by \$5.8 million or 23.7%, ending the fiscal year with a fund balance of \$18.7 million, of which \$17.8 million is unrestricted.

General Fund Budgetary Highlights

Comparison of the fiscal year 2008-09 original (adopted) general fund budgeted expenditures and transfers of \$78.1 million to the final budgeted expenditures of \$84.04 million results in a net increase of \$5.9 million.

Included in this net increase is \$1.27 million in committed purchase orders and contracts from the prior June 30 balance, as well as \$665,056 of prior fiscal year operating and capital improvement projects approved for carryover into fiscal year 2009-10. The resulting beginning budget balance was equal to \$96.6 million.

Original Budget +	Cont. Appropriations +	Encumbrances =	Beg. Balance +	Supplemental Changes =	Final Budget
\$78,131,694 +	\$665,056 +	\$1,272,355 =	\$96,600,554 +	\$1,560,339 =	\$84,039,660

Comparing the beginning budget of \$78.1 million with the final budget of \$84.0 million indicates the general fund had supplemental budgetary appropriations of \$1.56 million during the fiscal year. Included in the supplemental appropriations are the results of this year's budget review.

At the mid-year budget review, the City Council approved additional appropriations for non-represented employee cost-of-living salary increases of 2.0%, as well as increased costs related to the City's contribution towards employees' health benefits.

During the mid-year budget review, budgeted general fund revenue had a net decrease of \$3.1 million. Included in the net decrease is \$1.6 million decrease in sales and use tax.

At year end, the City's actual revenues are \$1.3 million more than the final budgetary estimates. Actual expenditures were less than the final budgetary estimates by over \$7.2 million. This was partly due to large infrastructure commitments that were not liquidated at year end and projects that are multi-year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had \$778.6 million (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 (including infrastructure placed in service prior to July 1, 2002), 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	
	2009	2008	2009	2008	2009	2008
Land	\$ 84,071,279	\$ 82,955,324	\$ 10,787,880	\$ 10,787,880	\$ 94,859,159	\$ 93,743,204
Construction in progress	43,776,640	106,605,795	2,097,683	762,096	45,874,323	107,367,891
Infrastructure, net	531,550,499	480,771,124	-	-	531,550,499	480,771,124
Depreciable site improvements, Net	12,917,720	12,693,526	1,607,566	-	14,525,286	12,693,526
Depreciable buildings and improvements, net	36,378,551	37,381,460	35,555,280	38,095,978	71,933,831	75,477,438
Depreciable equipment, net	2,968,335	2,708,395	16,915,442	14,750,437	19,883,777	17,458,832
TOTALS	711,663,024	\$ 723,115,624	\$ 66,963,851	\$ 64,396,391	\$ 778,626,875	\$ 787,512,015

Major capital asset events during the year included:

- Completion of the I-5/Magic Mountain Freeway Interchange. This project was a joint City-Developer effort with Los Angeles County and Caltrans oversight to reconstruct the Interstate 5 Magic Mountain Interchange.
- Final phase of the Cross Valley Connector project. This project involves construction of two bridges, north and south-bound, each will have a length of 1,100 feet and will span the Santa Clara River. The bridges will provide for six lanes of roadway.
- Newhall Streetscape Project - This project is located on Main Street in downtown Newhall and is a major public improvement effort which will construct and create landscaping, hardscaping, street furniture, street lights, pavers, and mid-block crossings.

Additional information on the City of Santa Clarita's capital assets can be located in Note 3 to the financial statements on pages 55 through 57.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

At year-end, the City's total debt amounted to \$87.7 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	
	2009	2008	2009	2008	2009	2008
Refunding Certificates of Participation, net	\$ 14,420,000	\$ 15,388,369	\$ -	\$ -	\$ 14,420,511	\$ 15,388,369
Tax Allocation Bonds	38,549,624	38,544,094	-	-	38,549,624	38,544,094
Certificates of Participation	15,525,000	15,525,000	-	-	15,525,000	15,525,000
Lease Revenue Bonds	13,430,912	13,679,570	-	-	13,430,912	13,679,570
Contract and Leases Payable	2,834,795	3,617,410	485,304	870,149	3,320,099	4,487,559
Compensated Absences	2,471,047	1,993,279	-	-	2,471,047	1,993,279
Claims Payable	50,000	70,000	-	-	50,000	70,000
TOTALS	\$ 87,281,889	\$ 88,817,722	\$ 485,304	\$ 870,149	\$ 87,767,193	\$ 89,687,871

The City's governmental activities had \$87.3 million in debt at year-end. Governmental Activities long-term debt decreased overall by \$1.5 million during the year. A summary of the activity giving rise to new increases in debt is as follows:

- Compensated absences liability for that portion of unused, earned vacation compensation that is not expected to be paid within the coming fiscal year, increased by \$691,971.
- Claims payable liability for that portion of incurred and reported claims, as well as incurred but unreported claims, which are not expected to be paid within the coming fiscal year decreased by \$20,000. Additional information on the City of Santa Clarita's self-insurance can be located in the financial statements on page 76.
- Contract & leases payable for that portion of incurred and reported payables decreased by \$782,615, from \$3,617,410 to \$2,834,795.

The City's business-type activities debt decreased by \$384,845, from \$870,149 to \$485,304. No new debt related to business-type activities was issued or refinanced during the current fiscal year. Debt in the business-type activities is for capital leasing of buses and other transit-related equipment.

During the fiscal year ended June 30, 2009, the City was able to meet its current year debt obligation in a timely matter. State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The debt limitation for the City as of June 30, 2009, was \$3,240,132,127.

Additional information on the City of Santa Clarita's debt can be located in Note 4 to the financial statements, on pages 58 through 67.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the budget for fiscal year 2009-10, management considered the devastating economic climate and the impacts that it has had on our revenues.

- General fund sales tax revenue remains one of the primary sources of revenue to operate general governmental functions, accounting for 34.1% or \$26.5 million in 2009-10. Although five sales tax generators will open between May to September 2009, the City projected an 18.7% decline in sales tax revenue.
- Property tax revenues accounts for 32.4% or \$25.1 million in 2009-10. This is a decline of 5.6%. The projection is based on assessed valuation for fiscal year 2008-09. The decline is due to the County's rising delinquency rate of up to 6%. Also, Proposition 8 appeals continue to make a significant negative impact.

Budgeted general fund revenues for fiscal year 2009-10 is \$73.0 million, 11.6% lower than the original budget revenues of the prior year. The City's general fund operating and capital expenditures for the coming year are budgeted at \$69.8 million, a decrease of 11.8% over previous year. The City made a conscious effort to limit the amount of ongoing general fund expenditures. Instead, the City utilized special funds to take the burden off the general fund to continue providing essential services. Operational expenditures decreased by 7.1% or \$5.5 million, and capital expenditures had a dramatic decrease of 93.4% or \$4.0 million. The City's 2009-10 operating budget for all funds increased by .1% or \$71,463.

The City has successfully secured \$13.5 million of federal stimulus money that will help fund capital projects. The City Council has also created the "21 Point Business Plan for Progress", this is a \$5.2 million local economic development stimulus strategy to stimulate local businesses. The 2009-10 budget is a reflection of the City's commitment to the residents of Santa Clarita. The

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)

City's departments worked very hard to identify ways to reduce budgets with the goals of not seriously impacting services. 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 curb teen crimes. A copy of the City's 2009-10 budget can be obtained by contacting the City Finance Division or visit the web at santaclarita.com/cityhall/cmo/budget.

CONTACTING THE CITY'S FINANCE DIVISION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the City's Finance Division, at the City of Santa Clarita, 23920 Valencia Boulevard, Suite 295, Santa Clarita, California 91355, or (661) 255-4920.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Santa Clarita
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 231,706,839	\$ 2,984,134	\$ 234,690,973
Cash and investments with fiscal agent	1,171,624	-	1,171,624
Receivables:			
Accounts	7,591,494	34,537	7,626,031
Interest	1,667,631	-	1,667,631
Taxes	2,552,463	-	2,552,463
Prepaid costs	191,263	-	191,263
Due from other governments	8,510,387	3,509,270	12,019,657
Land held for resale	1,607,196	-	1,607,196
Deferred charges	2,616,761	-	2,616,761
Deposits	13,333,807	-	13,333,807
Loans receivable	1,307,138	-	1,307,138
Internal balances	(52,263)	52,263	-
Capital assets:			
Not being depreciated:			
Land	84,071,279	10,787,880	94,859,159
Construction in progress	43,776,640	2,097,683	45,874,323
Being depreciated:			
Site improvements, net of accumulated depreciation	12,917,720	1,607,566	14,525,286
Building, net of accumulated depreciation	36,378,551	35,555,280	71,933,831
Equipment, net of accumulated depreciation	2,968,335	16,915,442	19,883,777
Infrastructure, net of accumulated depreciation	531,550,499	-	531,550,499
Total capital assets, net	<u>711,663,024</u>	<u>66,963,851</u>	<u>778,626,875</u>
Total assets	<u>983,867,364</u>	<u>73,544,055</u>	<u>1,057,411,419</u>
LIABILITIES			
Accounts payable and accrued liabilities	26,779,646	2,964,943	29,744,589
Unearned revenue	7,178,286	11,865	7,190,151
Due to other governments	862,942	-	862,942
Deposits payable	31,491,425	-	31,491,425
Interest payable	1,023,467	-	1,023,467
Other postemployment benefits payable	3,700,973	-	3,700,973
Noncurrent liabilities:			
Due within one year	2,906,047	237,000	3,143,047
Due in more than one year	84,375,842	248,304	84,624,146
Total liabilities	<u>158,318,628</u>	<u>3,462,112</u>	<u>161,780,740</u>
NET ASSETS			
Invested in capital assets, net of related debt	629,621,720	66,478,547	696,100,267
Restricted for:			
Capital improvements	4,769,573	-	4,769,573
Other special purposes	18,889,244	-	18,889,244
Redevelopment projects	12,246,730	-	12,246,730
Low and moderate income housing	37,794,856	-	37,794,856
Special assessments	23,713,909	-	23,713,909
Unrestricted	98,512,704	3,603,396	102,116,100
Total net assets	<u>\$ 825,548,736</u>	<u>\$ 70,081,943</u>	<u>\$ 895,630,679</u>

See accompanying Notes to Basic Financial Statements.

City of Santa Clarita
Statements of Activities and Changes in Net Assets
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 30,094,380	\$ 621,624	\$ 51,707	\$ -
Public safety	17,489,870	1,898,022	2,604	-
Public works	48,514,645	260,524	7,276,310	31,378,428
Parks and recreation	32,747,618	3,849,699	327,201	2,405,061
Community development	9,761,681	35,138,334	2,273,287	5,002,087
Unallocated infrastructure depreciation	14,405,047	-	-	-
Interest and fiscal charges	5,786,174	-	-	-
Total governmental activities	158,799,415	41,768,203	9,931,109	38,785,576
Business-type activities:				
Transit	22,299,379	3,299,263	13,653,177	-
Total	\$ 181,098,794	\$ 45,067,466	\$ 23,584,286	\$ 38,785,576

General Revenues:

- Taxes:
 - Sales taxes
 - Property taxes, levied for general purposes
 - Franchise taxes
 - Transient occupancy taxes
 - Property transfer tax
- Unrestricted revenue in lieu of sales taxes
- Grant and contributions not restricted to specific programs
- Unrestricted investment earnings
- Miscellaneous revenue
- Transfers

Total general revenues and transfers

Changes in net assets

Net assets - beginning of year, as restated

Net assets - end of year

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (29,421,049)	\$ -	\$ (29,421,049)
(15,589,244)	-	(15,589,244)
(9,599,383)	-	(9,599,383)
(26,165,657)	-	(26,165,657)
32,652,027		32,652,027
(14,405,047)	-	(14,405,047)
(5,786,174)	-	(5,786,174)
<u>(68,314,527)</u>	<u>-</u>	<u>(68,314,527)</u>
-	(5,346,939)	(5,346,939)
<u>(68,314,527)</u>	<u>(5,346,939)</u>	<u>(73,661,466)</u>
27,751,506	-	27,751,506
26,820,068	-	26,820,068
6,704,074	-	6,704,074
2,260,708	-	2,260,708
4,816,638	-	4,816,638
3,083,353	-	3,083,353
1,015,413	-	1,015,413
6,020,940	-	6,020,940
3,193,421	938,901	4,132,322
(8,006,128)	8,006,128	-
<u>73,659,993</u>	<u>8,945,029</u>	<u>82,605,022</u>
5,345,466	3,598,090	8,943,556
<u>820,203,270</u>	<u>66,483,853</u>	<u>886,687,123</u>
<u>\$ 825,548,736</u>	<u>\$ 70,081,943</u>	<u>\$ 895,630,679</u>



FUND FINANCIAL STATEMENTS

City of Santa Clarita
Balance Sheet
Governmental Funds
June 30, 2009

	Special Revenue Funds			
	General	Bridge and Thoroughfare	Developer Fees	Open Space Preservation District
ASSETS				
Cash and investments	\$ 66,641,607	\$ 22,695,490	\$ 15,087,183	\$ 17,564,038
Cash and investments with fiscal agents	-	-	-	-
Receivable:				
Accounts	6,626,520	157,150	448,246	68,573
Interest	686,124	210,024	142,576	20,167
Taxes	-	-	-	-
Prepaid costs	191,263	-	-	-
Due from other funds	3,802,017	-	-	-
Due from other governments	379,099	-	-	-
Land held for resale	-	-	-	-
Deposits	13,330,807	-	-	3,000
Loans receivable	-	-	-	-
Advance to other funds	17,822,713	18,334,071	600,422	-
Total assets	\$ 109,480,150	\$ 41,396,735	\$ 16,278,427	\$ 17,655,778
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 19,927,127	\$ 1,651,604	\$ 55,596	\$ 3,795
Deferred revenue	5,546,153	2,506,568	14,353,442	8,582
Due to other governments	-	-	-	-
Deposits	10,107,673	21,383,752	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	19,693,690	-	-
Total liabilities	35,580,953	45,235,614	14,409,038	12,377
Fund Balances:				
Reserved:				
General fund	32,617,139	-	-	-
Special revenue fund	-	22,071,710	1,093,129	17,643,401
Debt service fund	-	-	-	-
Capital projects fund	-	-	-	-
Unreserved, designated:				
General fund	220,616	-	-	-
Special revenue fund	-	-	776,260	-
Debt service fund	-	-	-	-
Capital projects fund	-	-	-	-
Unreserved, undesignated	41,061,442	(25,910,589)	-	-
Total fund balances	73,899,197	(3,838,879)	1,869,389	17,643,401
Total liabilities and fund balances	\$ 109,480,150	\$ 41,396,735	\$ 16,278,427	\$ 17,655,778

See accompanying Notes to Basic Financial Statements.

Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Redevelopment Agency	Redevelopment Agency	Funds	Funds
\$ 22,090	\$ 37,029,227	\$ 54,949,191	\$ 213,988,826
902,745	-	268,879	1,171,624
-	91,489	196,856	7,588,834
-	87,944	381,279	1,528,114
-	-	2,552,463	2,552,463
-	-	-	191,263
-	-	-	3,802,017
-	-	8,131,288	8,510,387
-	1,607,196	-	1,607,196
-	-	-	13,333,807
-	-	1,307,138	1,307,138
-	-	-	36,757,206
<u>\$ 924,835</u>	<u>\$ 38,815,856</u>	<u>\$ 67,787,094</u>	<u>\$ 292,338,875</u>
\$ -	\$ 234,581	\$ 6,272,525	\$ 28,145,228
-	37,423	12,945,704	35,397,872
-	748,996	113,946	862,942
-	-	-	31,491,425
-	-	3,802,017	3,802,017
17,929,306	-	-	37,622,996
<u>17,929,306</u>	<u>1,021,000</u>	<u>23,134,192</u>	<u>137,322,480</u>
-	-	-	32,617,139
-	-	11,968,628	52,776,868
-	-	571,063	571,063
-	3,292,586	735,459	4,028,045
-	-	-	220,616
-	-	25,010,146	25,786,406
-	-	-	-
-	34,502,270	4,769,573	39,271,843
(17,004,471)	-	1,598,033	(255,585)
<u>(17,004,471)</u>	<u>37,794,856</u>	<u>44,652,902</u>	<u>155,016,395</u>
<u>\$ 924,835</u>	<u>\$ 38,815,856</u>	<u>\$ 67,787,094</u>	<u>\$ 292,338,875</u>



City of Santa Clarita
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2009

Total Fund Balances - Total Governmental Funds \$ 155,016,395

Amounts reported for governmental activities in the Statement of Net Assets are different because:

	Government- Wide Statement of Net Assets	Less Internal Service Funds	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. Those assets consist of:			
Nondepreciable	\$ 127,847,919	\$ -	
Depreciable, net of accumulated depreciation	583,815,103	894,124	
Total capital assets	<u>\$ 711,663,022</u>	<u>\$ 894,124</u>	<u>710,768,898</u>

Bond issuance costs from issuing debt were expenditures in the fund financial statements. However, they were deferred and subject to capitalization and amortization in the Government-Wide Financial Statements:

Deferred charges, net of accumulated amortization 2,616,761

Long-term receivables were not current available resources. Therefore, they were offset by a deferred revenue amount equal to the net receivable in the governmental funds. 28,219,586

	Government- Wide Statement of Net Assets	Internal Service Funds	
Liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds:			
Compensated absences - current	\$ (285,797)	\$ -	
Capital leases - current	(9,278)	-	
Long-term debt - due within one year	(2,610,972)	-	
Compensated absences - noncurrent	(2,185,250)	-	
Capital leases - noncurrent	(1,610)	-	
Long-term debt - noncurrent	(80,382,685)	-	
Deferred discount/premiums	428,953	-	
Claims payable	(50,000)	(50,000)	
OPEB obligations	(3,700,973)	-	
	<u>\$ (88,797,612)</u>	<u>\$ (50,000)</u>	<u>(88,747,612)</u>

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds. (1,023,467)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Government-Wide Statement of Net Assets. 18,698,175

Net assets of governmental activities \$ 825,548,736

City of Santa Clarita
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds			
	General	Bridge and Thoroughfare	Developer Fees	Open Space Preservation District
REVENUES:				
Taxes	\$ 64,594,946	\$ -	\$ -	\$ 1,645,398
Licenses and permits	3,697,218	-	-	-
Developer fees	-	14,671,591	569,715	-
Investment income	4,768,812	1,558,040	1,332,025	291,006
Revenue from other agencies	1,444,610	-	-	-
Fines and forfeitures	402,851	-	-	-
Service charges	5,364,011	-	-	-
Other revenue	314,169	-	39,985	-
Overhead reimbursement	2,395,549	-	-	-
Total revenues	82,982,166	16,229,631	1,941,725	1,936,404
EXPENDITURES:				
Current:				
General government	13,779,808	-	-	17,966
Public safety	17,155,497	-	-	-
Public works	14,665,832	21,500,307	-	-
Parks and recreation	19,926,371	-	-	-
Community development	4,438,666	-	97,088	-
Capital outlay	-	13,704,434	1,132,163	-
Debt service:				
Bond issuance costs	39,011	-	-	-
Principal retirement	411,994	-	-	-
Interest and fiscal charges	35,845	688,463	-	-
Total expenditures	70,453,024	35,893,204	1,229,251	17,966
REVENUES OVER (UNDER) EXPENDITURES	12,529,142	(19,663,573)	712,474	1,918,438
OTHER FINANCING SOURCES (USES):				
Transfers in	4,551,323	515,517	-	-
Transfers out	(9,255,694)	-	-	(710,507)
Total other financing sources (uses)	(4,704,371)	515,517	-	(710,507)
Net change in fund balances	7,824,771	(19,148,056)	712,474	1,207,931
FUND BALANCES:				
Beginning of year	66,074,426	15,309,177	1,156,915	16,435,470
End of year	\$ 73,899,197	\$ (3,838,879)	\$ 1,869,389	\$ 17,643,401

See accompanying Notes to Basic Financial Statements.

Debt Service Fund		Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Redevelopment Agency	Redevelopment Agency			
\$ -	\$ 3,202,114	\$ 17,824,729	\$ 87,267,187	
-	-	-	3,697,218	
-	-	521,764	15,763,070	
20,820	889,591	1,928,077	10,788,371	
-	-	27,399,631	28,844,241	
-	-	1,356,520	1,759,371	
-	-	3,011,760	8,375,771	
-	69,780	2,257,917	2,681,851	
-	-	-	2,395,549	
20,820	4,161,485	54,300,398	161,572,629	
-	-	13,452,282	27,250,056	
-	-	283,798	17,439,295	
-	-	6,771,029	42,937,168	
-	-	200,041	20,126,412	
-	1,502,947	1,056,685	7,095,386	
-	1,495,750	25,494,164	41,826,511	
-	11,814	6,690	57,515	
-	-	1,602,832	2,014,826	
2,255,941	-	2,299,300	5,279,549	
2,255,941	3,010,511	51,166,821	164,026,718	
(2,235,121)	1,150,974	3,133,577	(2,454,089)	
1,114,374	70,862	5,648,350	11,900,426	
(9,889)	(1,114,374)	(11,941,090)	(23,031,554)	
1,104,485	(1,043,512)	(6,292,740)	(11,131,128)	
(1,130,636)	107,462	(3,159,163)	(13,585,217)	
(15,873,835)	37,687,394	47,812,065	168,601,612	
\$ (17,004,471)	\$ 37,794,856	\$ 44,652,902	\$ 155,016,395	

City of Santa Clarita

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the Year Ended June 30, 2009

Net change in fund balance - total governmental funds: \$ (13,585,217)

Amounts reported for governmental activities in the Statement of Activities are different because:

Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over the estimated useful lives as depreciation expense. The following was the amount of capital assets recorded in the current period:

Capital outlay 31,297,318

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds. The adjustment is the difference between the depreciation expense of the governmental activities in the amount of \$17,038,171 and the depreciation expense of the internal service funds in the amount of \$294,355.

(16,743,818)

Amortization expense was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, amortization expense was not reported as an expenditure in the governmental funds:

Amortization of bond premiums and discounts (34,014)

Amortization of discount and deferred amount on refunding (68,765)

Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Assets. Repayment of bond principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.

Issuance of certificates of participation and tax allocation bonds, loans, and capital leases:

Principal payments 2,027,615

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. The following amount represents the change from the prior year:

Compensated absences (477,768)

Accrued interest (359,120)

Other post employment benefits (1,454,750)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the governmental funds. Conversely, collection of these revenues are reported in the governmental funds, but not in the Statement of Activities since they have been recognized in previous years.

10,578,380

Internal service funds are used by management to charge the costs of self-insurance and capital replacements to individual funds. The net revenue of internal service funds is reported with governmental activities.

(5,834,395)

Change in net assets of governmental activities \$ 5,345,466

PROPRIETARY FUND FINANCIAL STATEMENTS



City of Santa Clarita
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-Type Activity Transit Enterprise	Government Activities Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	\$ 2,984,134	\$ 17,718,013
Receivables:		
Accounts	6,655	2,660
Interest	27,882	139,517
Due from other governments	3,509,270	-
Advances to other fund	-	865,790
Total current assets	<u>6,527,941</u>	<u>18,725,980</u>
Noncurrent assets:		
Capital assets:		
Land	10,787,880	-
Construction in progress	2,097,683	-
Site improvements, net of accumulated depreciation	1,607,566	-
Building, net of accumulated depreciation	35,555,280	-
Equipment, net of accumulated depreciation	16,915,442	894,124
Total noncurrent assets	<u>66,963,851</u>	<u>894,124</u>
Total assets	<u>73,491,792</u>	<u>19,620,104</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	2,964,943	819,666
Deferred revenue	11,865	-
Accrued interest payable	-	-
Capital leases payable	237,000	-
Total current liabilities	<u>3,213,808</u>	<u>819,666</u>
Noncurrent liabilities:		
Claims payable	-	50,000
Capital leases payable	248,304	-
Total noncurrent liabilities	<u>248,304</u>	<u>50,000</u>
Total liabilities	<u>3,462,112</u>	<u>869,666</u>
NET ASSETS		
Invested in capital assets	66,478,547	894,124
Unrestricted	3,551,133	17,856,314
Total net assets	<u>\$ 70,029,680</u>	<u>\$ 18,750,438</u>
<i>Net assets reconciliation:</i>		
Net assets of proprietary funds	\$ 70,029,680	
Adjustment to reflect the consolidation of internal service fund activities related to the Transit Fund	<u>52,263</u>	
Net assets of business-type activities	<u>\$ 70,081,943</u>	

See accompanying Notes to Basic Financial Statements.

City of Santa Clarita
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

	Business-Type Activity - Transit Enterprise	Government Activities - Internal Service Fund
OPERATING REVENUES:		
Charges for services	\$ 3,044,584	\$ 2,420,383
Other revenues	254,679	13,258
Total operating revenue	3,299,263	2,433,641
OPERATING EXPENSES:		
Administrative and personnel services	1,764,355	-
Transportation services	15,261,207	-
Service and supplies	1,560,011	11,881,900
Depreciation	3,713,806	294,355
Total operating expenses	22,299,379	12,176,255
OPERATION INCOME (LOSS)	(19,000,116)	(9,742,614)
NONOPERATING REVENUES (EXPENSES):		
Intergovernmental grants	13,653,177	-
Investment income	-	783,219
Miscellaneous revenues	969,819	-
Interest	(30,918)	-
Total nonoperating revenues (expenses)	14,592,078	783,219
INCOME (LOSS) BEFORE TRANSFERS	(4,408,038)	(8,959,395)
TRANSFERS AND CAPITAL CONTRIBUTIONS:		
Transfers in	8,172,930	3,125,000
Transfers out	(166,802)	-
Total transfers	8,006,128	3,125,000
Changes in net assets	3,598,090	(5,834,395)
NET ASSETS:		
Beginning of the year	66,483,853	24,584,833
End of the year	\$ 70,081,943	\$ 18,750,438
<i>Net assets reconciliation:</i>		
Net assets of proprietary funds	\$ 3,598,090	
Adjustment to reflect the consolidation of internal service fund activities related to the Transit Fund		-
Net assets of business-type activities	\$ 3,598,090	

See accompanying Notes to Basic Financial Statements.

City of Santa Clarita
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

	Business-Type Activity - Transit Enterprise	Government Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ 3,063,079	\$ 2,425,581
Other operating expenses	(781,113)	13,258
Payment to suppliers	(16,055,049)	(11,608,569)
Payments to employees	(1,764,355)	-
Net cash provided by (used for) operating activities	(15,537,438)	(9,169,730)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash contributed by other governments	13,653,177	-
Other income	969,819	-
Cash received from other funds	8,172,930	5,335,410
Cash paid to other funds	(166,802)	-
Net cash provided by (used for) noncapital financing activities	22,629,124	5,335,410
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(6,281,266)	(286,587)
Principal payments on financed debt	(384,845)	-
Interest expense	(53,747)	-
Net cash provided by (used for) capital and related financing activities	(6,719,858)	(286,587)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest expense	(968)	807,449
Net cash provided (used) by investing activities	(968)	807,449
Net increase (decrease) in cash and cash equivalents	370,860	(3,313,458)
CASH AND CASH EQUIVALENTS:		
Beginning of year	2,613,274	21,031,471
End of year	\$ 2,984,134	\$ 17,718,013
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (19,000,116)	\$ (9,742,614)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation expense	3,713,806	294,355
Change in assets and liabilities:		
Increase (decrease) in accounts receivable	18,495	5,198
Increase (decrease) in due from other governments	171,058	-
Increase (decrease) in accounts payable and accrued liabilities	766,169	293,331
Increase (decrease) in due to other governments	(1,218,715)	-
Increase (decrease) in claims payable	-	(20,000)
Increase (decrease) in deferred revenues	11,865	-
Net cash provided (used) by operating activities	\$ (15,537,438)	\$ (9,169,730)

See accompanying Notes to Basic Financial Statements.



FIDUCIARY FUND FINANCIAL STATEMENTS



City of Santa Clarita
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 227,747
Cash and investments with fiscal agent	1,799,564
Taxes receivable	2,504
Interest receivable	<u>2,129</u>
Total assets	\$ 2,031,944
LIABILITIES	
Accounts payable and accrued liabilities	\$ 2,045
Due to other funds	754
Due to bondholders	<u>2,029,145</u>
Total liabilities	\$ 2,031,944



NOTES TO BASIC FINANCIAL STATEMENTS

City of Santa Clarita
Notes to Basic Financial Statements
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Santa Clarita, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

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.

As required by GAAP, these basic financial statements present the City and its component units for which the City is considered to be financially accountable. GASB Statement No. 14, *The Financial Reporting Entity*, defines component units as legally separate entities that meet any one of the following tests:

1. The City appoints the voting majority of the board of the potential component unit and:
 - ◆ is able to impose its will on the component unit and/or
 - ◆ is in a relationship of financial benefit or burden with the potential component unit.
2. The potential component unit is fiscally dependent upon the City.
3. The financial statements of the City would be misleading if data from the potential component unit was omitted.

Management determined that the following component units should be blended based on the criteria above:

The Redevelopment Agency of the City of Santa Clarita (Agency) was established in July 1991, pursuant to the State of California Health and Safety Code, Section 33000. The Agency is governed by the members of the City Council. The Agency's primary purpose is to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse arising from inadequate street layout and street access, lack of open space, landscaping and other improvements and facilities necessary to establish and maintain the economic growth of the City. The Agency's financial data and activity are reported within the debt service and capital projects fund types of the City. The Agency's basic financial statements can be obtained at the City's administrative offices.

The Santa Clarita Public Financing Authority (Authority) was established in July 1991 as a joint power of authority between the City and the Agency for the purpose of providing financing and funding of public capital improvements and the acquisition of property. The Authority's financial data and activity are reported within the debt service and capital projects fund types of the City. The Authority's basic financial statements can be obtained at the City's administrative offices.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus

The accounting policies of the City conform to GAAP in the United States for local governmental units. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose of which they are to be spent and means by which spending activities are controlled.

Government – Wide and Fund Financial Statements

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These basic 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, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. 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 GASB Statement No. 34 in regards to interfund activities. All internal balances in the Statement of Net Assets 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

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

The City has conformed to the pronouncements of the Governmental Accounting Standards Board (GASB), which are acknowledged as the primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments. In accordance with GASB Statements No. 20, the City applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures. The City has elected not to follow subsequent private-sector guidance.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The City has presented all major funds that meet the required criteria. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements.

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 monies received from developers for street and highway construction through bridge and thoroughfare districts.

The Developer Fees Special Revenue Fund is used to account for monies received from developers for street improvements.

The Open Space Preservation District Special Revenue Fund is used to account for monies received from assessments for the costs of acquiring open space lands, parks, and parkland in accordance with the City's programs.

The Redevelopment Agency Debt Service Fund is used to account for debt service on loans from the City to the Redevelopment Agency.

The Redevelopment Agency Capital Projects Fund is used to account for the Agency's construction of all capital projects located within the project area that are not financed with housing set-aside funds.

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) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. 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.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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

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.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Assets. The City's fiduciary funds represent agency funds. Fiduciary fund types are accounted for according to the nature of the fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting.

The City reports the following agency funds:

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

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

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 to expenditures for special 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.

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, vehicle replacement and public facilities replacement.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. 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.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

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

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB 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

D. 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 governmental-wide financial statements as "internal balances."

E. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets

Government-Wide Financial Statements

Capital assets, which include land, site improvements, buildings and improvements, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. General infrastructure assets consist of roads, curbs and gutters, sidewalks, medians, street trees, street signs, bus shelters, bridges, trails, traffic signals, storm drains/catch basins, sewer manholes, and sewer lines. 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 historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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:

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

Fund Financial Statements

The fund financial statements do not present capital assets. As such, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

G. Land Held for Resale

Land held for resale is carried at cost. An amount equal to the carrying value of land is reserved in fund balance because such assets are not available to finance the City's current operations.

H. Long Term Debt

Government-Wide Financial Statements

Long-term debt and other financed obligations are reported as liabilities in the government-wide and proprietary fund financial statements.

Bond premiums and discounts, as well as issuance costs, 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. Issuance costs are reported as deferred charges.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Long Term Debt, Continued

Fund Financial Statements

The fund financial statements do not present long-term debt. As such, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

I. Employee Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation (compensated absences). All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Vacation pay which is expected to be liquidated in the current period with expendable available resources is reported in the governmental funds that will pay it (primarily the General Fund). Compensated absences are reported in governmental funds only if they have matured.

J. Claims Payable

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 claims (IBNR) and is recorded in an Internal Service Fund.

K. Property Taxes

Property taxes are an enforceable lien on property as of January 1 of each year. Taxes are levied on each July 1 and are payable in two installments on November 1 and February 1, which become delinquent on December 10 and April 10, respectively. The County of Los Angeles bills and collects property taxes for the City. Remittance of property taxes to the City is accounted for in the City's General Fund.

L. Net Assets and Fund Balances

Government-Wide Financial Statements - In the government-wide financial statements, net assets are classified in the following:

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Net Assets and Fund Balances, Continued

Fund Financial Statements - Reservations represent the fund balance which are not appropriable for expenditure or which are legally segregated for specific future use. Designated fund balance represents tentative plans for future use of financial resources. Undesignated fund balance represents the fund balance which is available for appropriation in future periods.

M. Use of Restricted/Unrestricted Net Assets

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

N. 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 assets and liabilities 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.

O. Unearned and Deferred Revenue

Government-Wide Financial Statements - Unearned revenue is recognized for transactions for which revenue has not yet been earned. Unearned revenue includes monies received in advance from the fiscal agents on the amounts deposited in the reserve funds for various bonds and prepaid charges for services.

Fund Financial Statements - Deferred revenue represents money received during the current or previous years that has not been earned or is not considered available to finance expenditures of the current period.

P. New Pronouncements

In 2009, the City adopted new accounting standards in order to conform to the following GASB Statements:

- GASB Statement No. 45, *Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Plans* - this Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.
- GASB Statement No. 49, *Financial Reporting for Pollution Remediation Obligations* - This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. New Pronouncements, Continued

- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* - The Statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature.
- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* - This Statement incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments.

2. CASH AND INVESTMENTS

A. Cash and Investments

Cash and investments at June 30, 2009, are classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Assets			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Assets	Total
Cash and Investments	\$ 231,706,839	\$ 2,984,134	\$ 234,690,973	\$ 227,747	\$ 234,918,720
Cash and Investments with fiscal agent	1,171,624	-	1,171,624	1,799,564	2,971,188
Total	\$ 232,878,463	\$ 2,984,134	\$ 235,862,597	\$ 2,027,311	\$ 237,889,908

Cash and investments consisted of the following at June 30, 2009:

Cash and cash equivalents:	
Cash on hand	\$ 3,535
Deposits with financial institutions	1,826,706
Total cash and cash equivalents	1,830,241
Investments:	
US Treasury Securities	35,243,998
Federal Agencies	128,760,634
Money Markets	10,711,881
Certificates of Deposit	403,188
Corporate Securities	42,776,753
Local Agency Pool	13,758,058
LA County Pool	1,433,967
Total investments	233,088,479
Total cash and investments	\$ 234,918,720

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

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

The table below identifies the investment types that are authorized 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	None	None
U.S. Treasury Obligations	5 years	None	None
State of California Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Government Sponsored Enterprise Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	5 years	15%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	Not Applicable	None	None
Local Agency Investment Fund (LAIF)	Not Applicable	\$ 40 M	None

* - Excluding amounts held by bond trustees that are not subject to California Government Code restrictions

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 or Amount of Portfolio *	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
Money Market Mutual Funds	5 years	15%	10%
Local Agency Investment Fund (LAIF)	Not Applicable	\$ 40 M	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 (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 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, 2009, 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
US Treasury Securities	\$ 35,243,998	\$ 19,040,335	\$ 6,388,127	\$ 3,268,617	\$ 6,546,919	\$ -
Federal Agencies	128,760,634	61,393,498	31,658,829	18,599,538	12,614,683	4,494,086
Money Markets	10,711,881	10,711,881	-	-	-	-
Certificates of Deposit	403,188	403,188	-	-	-	-
Corporate Securities	42,776,753	10,068,565	8,551,162	20,246,834	3,910,192	-
Local Agency Pool	13,758,058	13,758,058	-	-	-	-
LA County Pool	1,433,967	1,433,967	-	-	-	-
Total	\$ 233,088,479	\$ 116,809,492	\$ 46,598,118	\$ 42,114,989	\$ 23,071,794	\$ 4,494,086

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Standard and Poor's, as of year-end for each investment type:

Credit Quality Distribution for Securities
with Credit Exposure as a Percentage of Total Investments

Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
US Treasury Securities	AAA	AAA	15.12%
Federal Agencies	AAA	AAA	55.24%
Money Markets	Not Rated	Not Rated	4.60%
Certificates of Deposit	Not Rated	Not Rated	0.17%
Corporate Securities	Various	Various	18.35%
Local Agency Pool	Not Rated	Not Rated	5.90%
LA County Pool	Not Rated	Not Rated	0.62%
Total			100.00%

E. 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% or more of the City's total investments are as follows:

Issuer	Investment Type	Reported Amount	% of Total Investments
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 25,397,601	11.38%
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	31,964,178	14.33%
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	40,040,994	17.95%
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	26,697,374	11.97%

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2009, the City deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California Law.

H. 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 \$40,000,000 and may also invest without limitation in special bond proceeds accounts. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. The City's investments with LAIF at June 30, 2008, 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, 2008, the City had \$13,758,058 invested in LAIF, which had invested 14.71% of the pool investment funds in Structured Notes and Asset-Backed. The LAIF fair value factor of 1.001304743 was used to calculate the fair value of the investments in LAIF.

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

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

1. Investment in County Investment Pool

The 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 anytime without penalty. 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 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 LCPIF, which are recorded on an amortized cost basis.

3. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2009, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 84,071,279	\$ 10,787,880	\$ 94,859,159
Construction-in-progress	43,776,640	2,097,683	45,874,323
Total non-depreciable assets	<u>127,847,919</u>	<u>12,885,563</u>	<u>140,733,482</u>
Depreciable assets:			
Site improvements	18,711,484	1,894,765	20,606,249
Building and improvements	46,537,031	40,414,239	86,951,270
Equipment	10,456,562	35,198,335	45,654,897
Infrastructure	732,979,344	-	732,979,344
Total depreciable assets	<u>808,684,421</u>	<u>77,507,339</u>	<u>886,191,760</u>
Less accumulated depreciation:			
Site improvements	(5,793,764)	(287,199)	(6,080,963)
Building and improvements	(10,158,480)	(4,858,959)	(15,017,439)
Equipment	(7,488,227)	(18,282,893)	(25,771,120)
Infrastructure	(201,428,845)	-	(201,428,845)
Total accumulated depreciation	<u>(224,869,316)</u>	<u>(23,429,051)</u>	<u>(248,298,367)</u>
Total depreciable assets, net	<u>583,815,105</u>	<u>54,078,288</u>	<u>637,893,393</u>
Total capital assets, net	<u>\$ 711,663,024</u>	<u>\$ 66,963,851</u>	<u>\$ 778,626,875</u>

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

3. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

The following is a summary of changes in the capital assets for governmental activities during the fiscal year:

	Governmental Activities				Balance June 30, 2009
	Balance July 1, 2008	Additions	Deletions	Prior Period Adjustments	
Non-depreciable assets:					
Land	\$ 82,955,324	\$ 1,115,955	\$ -	\$ -	\$ 84,071,279
Construction-in-progress	106,605,795	24,784,347	(61,615,168)	(25,998,334)	43,776,640
Total non-depreciable assets	189,561,119	25,900,302	(61,615,168)	(25,998,334)	127,847,919
Depreciable assets:					
Site improvements	17,734,424	977,060	-	-	18,711,484
Building and improvements	46,537,031	-	-	-	46,537,031
Equipment	9,434,533	1,146,558	(124,529)	-	10,456,562
Infrastructure	667,794,922	65,184,422	-	-	732,979,344
Total depreciable assets	741,500,910	67,308,040	(124,529)	-	808,684,421
Less accumulated depreciation:					
Site improvements	(5,040,898)	(752,866)	-	-	(5,793,764)
Building and improvements	(9,155,571)	(1,002,909)	-	-	(10,158,480)
Equipment	(6,726,138)	(877,349)	115,260	-	(7,488,227)
Infrastructure	(187,023,798)	(14,405,047)	-	-	(201,428,845)
Total accumulated depreciation	(207,946,405)	(17,038,171)	115,260	-	(224,869,316)
Total depreciable assets, net	533,554,505	50,269,869	(9,269)	-	583,815,105
Governmental activities capital assets, net	\$ 723,115,624	\$ 76,170,171	\$ (61,624,437)	\$ (25,998,334)	\$ 711,663,024

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2009 as follows:

Governmental Activities	
General government	\$ 418,369
Public safety	50,575
Public works	304,537
Parks and recreation	1,544,075
Community development	21,213
Internal service funds depreciation charged to programs	294,355
Allocated depreciation	2,633,124
Unallocated infrastructure depreciation	14,405,047
Total depreciation expense - governmental activities	<u>\$ 17,038,171</u>

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

3. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

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

	Business-Type Activities				Balance June 30, 2009
	Balance July 1, 2008	Additions	Deletions	Reclassification	
Non-depreciable assets:					
Land	\$ 10,787,880	\$ -	\$ -	\$ -	\$ 10,787,880
Construction-in-progress	762,096	1,545,348	(209,761)	-	2,097,683
Total non-depreciable assets	11,549,976	1,545,348	(209,761)	-	12,885,563
Depreciable assets:					
Site improvements	1,894,765	-	-	-	1,894,765
Building and improvements	40,414,239	-	-	-	40,414,239
Equipment	30,252,655	4,945,680	-	-	35,198,335
Total depreciable assets	70,666,894	4,945,680	-	-	77,507,339
Less accumulated depreciation:					
Site improvements	(216,023)	(71,176)	-	-	(287,199)
Building and improvements	(3,997,003)	(861,956)	-	-	(4,858,959)
Equipment	(15,502,218)	(2,780,675)	-	-	(18,282,893)
Total accumulated depreciation	(19,715,244)	(3,713,807)	-	-	(23,429,051)
Total depreciable assets, net	50,951,650	1,231,873	-	-	54,078,288
Business-type activities capital assets, net	\$ 62,501,626	\$ 2,777,221	\$ (209,761)	\$ -	\$ 66,963,851

Depreciation expense for business-type activities for the fiscal year ended June 30, 2009 was charged as follows:

Transit	\$ 3,713,807
Total depreciation expense	\$ 3,713,807

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2009:

	Balance			Balance June 30, 2009	Classification	
	July 1, 2008	Additions	Deletions		Due Within One Year	Due More Than One Year
Governmental Activities:						
Lease Revenue Bonds:						
Series 2007	\$ 13,575,000	\$ -	\$ (245,000)	\$ 13,330,000	\$ 255,000	\$ 13,075,000
Plus deferred amount for issuance premium	104,570	-	(3,658)	100,912	-	100,912
Total Lease Revenue Bonds	<u>13,679,570</u>	<u>-</u>	<u>(248,658)</u>	<u>13,430,912</u>	<u>255,000</u>	<u>13,175,912</u>
Certificates of Participation:						
Refunding, Series 2005	15,790,000	-	(1,000,000)	14,790,000	1,030,000	13,760,000
Series 2007	15,525,000	-	-	15,525,000	-	15,525,000
Less deferred amounts:						
For issuance discounts	(78,172)	-	4,614	(73,558)	-	(73,558)
On refunding	(323,459)	-	27,528	(295,931)	-	(295,931)
Total Certificates of Participation	<u>30,913,369</u>	<u>-</u>	<u>(967,858)</u>	<u>29,945,511</u>	<u>1,030,000</u>	<u>28,915,511</u>
Tax Allocation Bonds:						
Series 2008	29,860,000	-	-	29,860,000	400,000	29,460,000
Housing Set-Aside	8,850,000	-	-	8,850,000	120,000	8,730,000
Less deferred amounts:						
For issuance discounts	(165,906)	-	5,530	(160,376)	-	(160,376)
Total Tax Allocation Bonds	<u>38,544,094</u>	<u>-</u>	<u>5,530</u>	<u>38,549,624</u>	<u>520,000</u>	<u>38,029,624</u>
Capital leases payable	23,676	-	(12,788)	10,888	9,278	1,610
Loans payable	3,593,734	-	(769,827)	2,823,907	805,972	2,017,935
Compensated absences	1,993,279	1,770,398	(1,292,630)	2,471,047	285,797	2,185,250
Claims payable	70,000	-	(20,000)	50,000	-	50,000
Total	<u>\$ 88,817,722</u>	<u>\$ 1,770,398</u>	<u>\$ (3,306,231)</u>	<u>\$ 87,281,889</u>	<u>\$ 2,906,047</u>	<u>\$ 84,375,842</u>

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT, Continued

Governmental Activities

Lease Revenue Bonds – Series 2007

On January 16, 2007, the Authority issued \$13,785,000 Lease Revenue Bonds, Series 2007. Concurrent with this bond issuance, the Authority entered into a lease and lease-back arrangement with the City whereby the Authority used the proceeds of the bond issuance to make a lump-sum lease payment to the City. In return, the City will make lease-back payments to the Authority sufficient to cover the principal and interest due on the Series 2007 Bonds. The property subject to the lease and lease-back arrangement is City Hall. The City used the proceeds from the lump-sum lease payment to make a valuation deposit with the Los Angeles County Superior Court in connection with the acquisition of right-of-ways.

Principal amounts on serial bonds mature annually each February 1 in the years 2008 through 2018 and bear interest at rates ranging from 4.0% to 5.0%. \$2,495,000 term bonds mature February 1, 2033 and bear interest at 4.3%. \$2,965,000 term bonds mature February 2037 and bear interest at 4.375%. Interest is payable semi-annually on February 1 and August 1, commencing August 1, 2007.

The term bonds maturing February 1, 2033 are subject to mandatory redemption commencing February 1, 2030. The term bonds maturing February 1, 2037 are subject to mandatory redemption commencing February 1, 2034. Bonds maturing on or after February 1, 2018 are subject to optional redemption on or after February 1, 2017.

The total principal and interest remaining to be paid on the Bonds is \$23,038,848 as of June 30, 2009. For the current year, principal and interest paid on the Bonds was \$822,156 and property tax increment net revenues were \$27,212,480. The Bonds required 3% of net revenues. The outstanding balance of the Bonds was \$13,330,000 at June 30, 2009.

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

Year Ending June 30,	Principal	Interest	Total
2010	\$ 255,000	\$ 566,460	\$ 821,460
2011	270,000	555,304	825,304
2012	280,000	541,804	821,804
2013	295,000	527,804	822,804
2014	310,000	513,054	823,054
2015-2019	1,750,000	2,368,469	4,118,469
2020-2024	2,125,000	1,990,069	4,115,069
2025-2029	2,585,000	1,521,913	4,106,913
2030-2034	3,190,000	922,504	4,112,504
2035-2037	2,270,000	201,469	2,471,469
Total	\$ 13,330,000	\$ 9,708,848	\$ 23,038,848

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT, Continued

Governmental Activities, Continued

The following is a summary of the unamortized premiums and discounts outstanding at June 30, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ 104,570	\$ -	\$ (3,658)	\$ 100,912

Amortization expense was \$3,658 for June 30, 2009.

Refunding Certificates of Participation - Series 2005

On July 1, 2005, the Authority issued \$17,700,000 in Certificates of Participation with an average interest rate of 3.4% to advance refund \$17,640,000 of outstanding 1997 Series certificates with an average interest rate of 4.9%. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1997 series certificates. As a result, the 1997 Series certificates are considered to be defeased, and the liability for those certificates has been removed from the long-term liabilities. The defeased 1997 Series certificates have been retired. The Authority amended and restated the lease agreement with the City that was entered into simultaneously with the refunded certificates issue.

Principal amounts mature annually each October 1 in the years 2006 through 2020 and bear interest at rates ranging from 3.0% to 4.0%. Interest is payable semi-annually on April 1 and October 1.

The certificates maturing on or after October 1, 2016, are subject to optional prepayment on any date on or after October 1, 2015, at a price equal to the principal amount plus accrued interest to the prepayment date, without premium.

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

Year Ending June 30,	Principal	Interest	Total
2010	\$ 1,030,000	\$ 501,751	\$ 1,531,751
2011	1,060,000	470,401	1,530,401
2012	1,090,000	438,151	1,528,151
2013	1,125,000	404,223	1,529,223
2014	1,160,000	368,085	1,528,085
2015-2019	6,410,000	1,197,675	7,607,675
2020-2021	2,915,000	117,700	3,032,700
Total	\$ 14,790,000	\$ 3,497,987	\$ 18,287,987

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT, Continued

Governmental Activities, Continued

The following is a summary of the unamortized premiums and discounts outstanding at June 30, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ (78,172)	\$ -	\$ 4,614	\$ (73,558)

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the bonds. This difference is considered to be a deferred loss on refunding. The deferred loss on refunding, reported in the basic financial statements as a deduction from long-term debt, is amortized on a straight-line method over 20 years. The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ (323,459)	\$ -	\$ 27,528	\$ (295,931)

Amortization expense was \$32,142 for June 30, 2009.

Certificates of Participation - Series 2007

On December 12, 2007, the Authority issued \$15,525,000 in Certificates of Participation to provide financing for the costs of acquiring open space lands, parks, and parkland in accordance with the City's open space, park and parkland programs, purchase a reserve fund surety and fund the costs of delivery of the Certificates. The Certificates are backed by lease payments to be made by the City to the Authority for the use and occupancy of the Aquatic Center and Sports Complex.

The Certificates were issued at a discount of \$60,776, which will be amortized and recognized as interest expense over the life of the debt on a straight-line basis for government-wide financial statement purposes. This issuance is comprised of \$6,000,000 serial certificates maturing annually on October 1 from 2011 to 2028 and two term certificates (totaling \$9,525,000) maturing on October 1, 2033 and October 1, 2037 that are payable in annual sinking fund installments commencing October 1, 2029. Interest on the certificates is payable semi-annually on October 1 and April 1 at rates ranging from 4.00% to 4.60% for the serial certificates and 4.75% for the term certificates.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT, Continued

Governmental Activities, Continued

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

Year Ending June 30,	Principal	Interest	Total
2010	\$ -	\$ 713,651	\$ 713,651
2011	-	713,651	713,651
2012	35,000	712,951	747,951
2013	60,000	711,051	771,051
2014	90,000	708,051	798,051
2015-2019	930,000	3,451,856	4,381,856
2020-2024	1,855,000	3,170,164	5,025,164
2025-2029	3,030,000	2,633,710	5,663,710
2030-2034	4,535,000	1,755,956	6,290,956
2035-2038	4,990,000	493,763	5,483,763
Total	\$ 15,525,000	\$ 15,064,806	\$ 30,589,806

Tax Allocation Bonds – Series 2008

On June 12, 2008, the Agency issued the Santa Clarita Redevelopment Agency Tax Allocation Bonds, Series 2008 (2008 Bonds) in the amount of \$29,860,000. Proceeds of the 2008 Bonds will be used to finance certain redevelopment projects of the Agency, fund a debt service reserve account, and pay for costs of the bond issuance. The bonds were issued at a net discount of \$165,906, which will be amortized and recognized as interest expense over the life of the debt on a straight-line basis for government-wide financial statement purposes. This bond issue is comprised of \$12,065,000 serial bonds maturing annually on October 1 through 2028 and three term bonds (totaling \$17,795,000) maturing on October 1, 2032, October 1, 2037, and October 1, 2042 that are payable in annual sinking fund installments commencing October 1, 2029. Interest on the 2008 Bonds is payable semi-annually on October 1 and April 1 at rates ranging from 4.00% to 4.75% for the serial bonds and 4.75% to 5.00% for the term bonds.

The total principal and interest remaining to be paid on the Bonds is \$60,181,010 as of June 30, 2009. For the current year, principal and interest paid on the Bonds was \$1,104,098 and property tax increment net revenues were \$3,202,114. The Bonds required 34% of net property tax increment revenues. The outstanding balance of the Bonds was \$29,860,000 at June 30, 2009.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT, Continued

Governmental Activities, Continued

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

Year Ending June 30,	Principal	Interest	Total
2010	\$ 400,000	\$ 1,380,148	\$ 1,780,148
2011	420,000	1,363,748	1,783,748
2012	435,000	1,346,648	1,781,648
2013	450,000	1,328,948	1,778,948
2014	470,000	1,310,548	1,780,548
2015-2019	2,655,000	6,248,638	8,903,638
2020-2024	3,230,000	5,651,066	8,881,066
2025-2029	4,005,000	4,849,191	8,854,191
2030-2034	5,050,000	3,783,053	8,833,053
2035-2039	6,395,000	2,404,775	8,799,775
2040-2043	6,350,000	654,250	7,004,250
Total	\$ 29,860,000	\$ 30,321,010	\$ 60,181,010

Tax Allocation Bonds – Housing Set-Aside

On June 2008, the Agency issued the Santa Clarita Redevelopment Agency Housing Set-Aside Tax Allocation Bonds, Series 2008 (Housing Set-Aside Bonds) in the amount of \$8,850,000. Proceeds of the Housing Set-Aside Bonds will be used to finance low and moderate income housing projects and programs, fund a reserve fund, and pay for costs of the bond issuance. The bonds were issued at a net discount of \$5,241. The bond issue is comprised of \$3,550,000 serial bonds maturing annually on October 1 through 2028 and three term bonds (totaling \$5,300,000) maturing on October 1, 2032, October 1, 2037, and October 1, 2042 that are payable in annual sinking fund installments commencing October 1, 2029. Interest on the Housing Set-Aside Bonds is payable semi-annually on October 1 and April 1 at rates ranging from 4.00% to 4.875% for the serial bonds and 5.00% for the term bonds.

The total principal and interest remaining to be paid on the Bonds is \$17,999,159 as of June 30, 2009. For the current year, principal and interest paid on the Bonds was \$332,575 and property tax increment net revenues were \$800,529. The Bonds required 41% of net property tax increment revenues. The outstanding balance of the Bonds was \$8,850,000 at June 30, 2009.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT, Continued

Governmental Activities, Continued

The annual debt service requirements on the Housing Set-Aside Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 120,000	\$ 415,156	\$ 535,156
2011	125,000	410,256	535,256
2012	125,000	405,256	530,256
2013	135,000	400,056	535,056
2014	140,000	394,556	534,556
2015-2019	780,000	1,883,181	2,663,181
2020-2024	945,000	1,707,825	2,652,825
2025-2029	1,180,000	1,471,122	2,651,122
2030-2034	1,500,000	1,145,000	2,645,000
2035-2039	1,905,000	721,375	2,626,375
2040-2043	1,895,000	195,375	2,090,375
Total	\$ 8,850,000	\$ 9,149,159	\$ 17,999,159

The following is a summary of the unamortized premiums and discounts outstanding at June 30, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ (165,906)	\$ -	\$ 5,530	\$ (160,376)

Amortization expense was \$5,530 for June 30, 2009.

Capital Leases Payable

In August 2005, the City entered into a lease with an option to purchase agreement in the amount of \$40,608 for the lease of a copier. Payments of \$812 are due monthly through August 2010.

Future lease payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 9,278	\$ 468	\$ 9,746
2011	1,610	14	1,624
Total	\$ 10,888	\$ 482	\$ 11,370

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT, Continued

Governmental Activities, Continued

Capital Leases Payable

The remaining assets acquired through existing capital leases are as follows:

Assets:	
Equipment	\$ 40,608
Less: accumulated depreciation	(15,566)
Total assets, net	<u>\$ 25,042</u>

Loans Payable

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due within one year	Due in more than one year
HUD Loans	\$ 1,960,000	\$ -	\$ (230,000)	\$ 1,730,000	\$ 230,000	\$ 1,500,000
2002 Zion First National Bank	548,857	-	(127,833)	421,024	133,835	287,189
2003 Zion First National Bank	1,084,877	-	(411,994)	672,883	442,137	230,746
Total	<u>\$ 3,593,734</u>	<u>\$ -</u>	<u>\$ (769,827)</u>	<u>\$ 2,823,907</u>	<u>\$ 805,972</u>	<u>\$ 2,017,935</u>

HUD Loans

In December 1999, the City entered into a loan agreement with the Secretary of Housing and Urban Development in the amount of \$2,000,000. The purpose of this loan was to provide financing for the installation of curbs, gutters and sidewalks in the West Newhall area. Payments are due semi-annually, commencing on August 1, 2001, and continuing through August 1, 2014. Future CDBG grant funding will be used to repay the loan. The interest rate on this loan is fixed.

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.

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 and 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.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT, Continued

Governmental Activities, Continued

Future loan payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 230,000	\$ 92,974	\$ 322,974
2011	230,000	88,424	318,424
2012	230,000	73,949	303,949
2013	230,000	59,184	289,184
2014	230,000	44,056	274,056
2015-2018	580,000	52,408	632,408
Total	\$ 1,730,000	\$ 410,995	\$ 2,140,995

2002 Zion National Bank Loan

On April 8, 2002, the City entered into a lease purchase agreement with the Authority to finance the purchase of real property that was developed as an employee parking lot for the City. The Authority assigned all of its rights under the lease purchase agreement to Zions First National Bank. In consideration of this assignment, Zions First National Bank advanced the City \$1,200,000. The lease purchase agreement calls for interest at a rate of 4.79% per annum on the unpaid balance. Principal and interest are payable to Zions First National Bank semi-annually, commencing on October 8, 2002, and continuing through April 8, 2012. The asset acquired with the loan proceeds is reported in the governmental activities' capital assets as land (not being depreciated).

Future payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 133,835	\$ 18,595	\$ 152,430
2011	140,322	12,108	152,430
2012	146,867	5,307	152,174
Total	\$ 421,024	\$ 36,010	\$ 457,034

2003 Zion National Bank Loan

On October 3, 2003, the City entered into a seven year fixed rate lease/leaseback transaction for certain capital transfer facilities with the Authority. The Authority assigned all of its rights under the leaseback transaction to Zions First National Bank. In consideration of this assignment, Zions First National Bank loaned the Authority \$2,590,955, which the Authority used to pay the up-front rental payment due to the City. This amount was used to prepay, in full, the note payable to Price Enterprise, Inc. The balance of the proceeds were used to pay for delivery costs. The lease/leaseback transaction calls for the City to make semi-annual payments of principal and interest to Zions First National Bank, commencing on May 1, 2004. Interest is fixed at a rate of 3.64%.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

4. LONG-TERM DEBT, Continued

Governmental Activities, Continued

Future payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 442,137	\$ 20,570	\$ 462,707
2011	230,746	4,200	234,946
Total	\$ 672,883	\$ 24,770	\$ 697,653

Compensated absences

There is no fixed payment schedule for earned but unpaid compensated absences.

Business-Type Activities

Capital Leases Payable

In December 1998, the City entered into a lease with an option to purchase agreement in the amount of \$2,335,964 for the lease of six buses. Such agreement carries interest at 4.77%, payable annually on December 31 through 2010.

Future lease payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 237,000	\$ 23,148	\$ 260,148
2011	248,304	11,844	260,148
Total	\$ 485,304	\$ 34,992	\$ 520,296

The remaining book value of assets acquired through the above capital leases are as follows:

Assets:	
Equipment	\$ 3,875,196
Less: accumulated depreciation	(3,508,377)
Total assets, net	<u>\$ 366,819</u>

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. LOANS RECEIVABLE

The City has provided deferred-payment rehabilitation loans to qualified homeowners in connection with CDBG and HOME rehabilitation programs. The loans receivable balance totaling \$1,307,138 at June 30, 2009, has been offset by deferred revenue in other governmental funds, since these loans are not available to finance current expenditures.

6. INTERFUND TRANSACTIONS

Due To/Due From - At June 30, 2009, the City had the following short-term interfund receivables and payables.

		Due From Other Funds	
		General	Total
Due To Other Funds	Non-Major Governmental Funds	\$ 3,802,017	\$ 3,802,017
	Total	<u>\$ 3,802,017</u>	<u>\$ 3,802,017</u>

The General Fund amounts were made to cover negative cash situations.

The interfund payables balance represents routine and temporary cash flow assistance from the General Fund until the amounts receivable from other governments are collected to reimburse eligible expenditures.

Long-Term Advances - At June 30, 2009, the City had the following interfund long-term advances:

		Advances To Other Funds				
		General	Bridge and Thoroughfare	Developer Fees	Self Insurance	Total
Advances From Other Funds	Governmental Funds:					
	Bridge and Thoroughfare	\$ 493,829	\$ 18,334,071	\$ -	\$ 865,790	\$ 19,693,690
	RDA Debt Service	17,328,884	-	600,422	-	17,929,306
	Total	<u>\$ 17,822,713</u>	<u>\$ 18,334,071</u>	<u>\$ 600,422</u>	<u>\$ 865,790</u>	<u>\$ 37,622,996</u>

Advances between funds are to fund capital projects. Repayments will be funded through future developer fees and tax increment revenues.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

6. INTERFUND TRANSACTIONS, Continued

Transfers - At June 30, 2009, the City had the following transfers:

		Transfers Out							
		General Fund	Open Space Preservation District Special Revenue Fund	Redevelopment Agency Debt Service Fund	Redevelopment Agency Capital Projects Fund	Other Governmental Funds	Transit Enterprise Fund	Total	
Transfers In									
General Fund	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,901,323	\$ 150,000	\$ 4,551,323	
Bridge and Thoroughfare	515,517	-	-	-	-	-	-	515,517	
Open Space Preservation District Special Revenue Fund	-	-	-	-	-	-	-	-	
Redevelopment Agency Debt Service Fund	-	-	-	1,114,374	-	-	-	1,114,374	
Redevelopment Agency Capital Projects Fund	45,851	-	9,889	-	15,122	-	-	70,862	
Other Governmental Funds	3,069,326	710,507	-	-	1,851,715	16,802	-	5,648,350	
Transit Enterprise	-	-	-	-	8,172,930	-	-	8,172,930	
Internal Service Funds	3,125,000	-	-	-	-	-	-	3,125,000	
Total	9,255,694	710,507	9,889	1,114,374	11,941,090	166,802	\$ 23,198,356		

Transfers provide funding for capital projects, capital acquisitions, and debt service.

7. INDIVIDUAL FUND DISCLOSURES

A. Deficit Fund Balances

Funds which have a deficit fund balance at June 30, 2009, are as follows:

Fund	Deficit Fund Balance
Major Funds:	
Bridge and Thoroughfare	\$ (3,838,879)
Redevelopment Agency Debt Service Fund	(17,004,471)
Other Governmental Funds:	
State Park Special Revenue Fund	(16,880)
Air Quality Management District Revenue Fund	(50,949)
Miscellaneous Grants Special Revenue Fund	(871,730)
Sewer Maintenance Special Revenue Fund	(18,930)
Federal Urban Aid	(480,000)
BJA Law Enforcement Special Revenue Fund	(6,678)
Supplemental Law Enforcement Revenue Fund	(33,204)
Library Facility Fees Revenue Fund	(6,810)
Federal Grants Special Revenue Fund	(3,031,500)

The City plans to remove these deficits through transfers from the General Fund, receipt of developer fees, receipt of tax increment revenues and receipt of deferred grant revenues from other government agencies.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

7. INDIVIDUAL FUND DISCLOSURES, Continued

B. Expenditures In Excess Of Appropriations

For the year ended June 30, 2009, expenditures exceeded appropriations in the following programs/functions (legal level of budgetary control) of the respective funds:

Funds	Appropriations	Expenditures	Excess Expenditures over Appropriations
General Fund:			
Debt Service	\$ 35,844	\$ 74,856	\$ 39,012
Bridge and Thoroughfare Special Revenue			
Public Works	154,053	21,500,307	21,346,254
Debt Service	-	688,463	688,463
Non-Major Governmental Funds:			
Special Assessment Special Revenue			
General government	2,426,087	2,838,122	412,035
State Park Special Revenue			
Parks and Recreation	190,607	200,041	9,434

8. DEFINED BENEFIT PENSION PLAN

Plan Description:

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

Funding Policy:

Participants are required to contribute 8% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2009, was 10.943% for non-safety employees. The contribution requirements of plan members and the City are established and maybe amended by CalPERS.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

8. DEFINED BENEFIT PENSION PLAN, Continued

Annual Pension Cost:

For 2009, the City's annual pension cost of \$5,060,293 for CalPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2006, actuarial valuation using the entry age normal actuarial cost method. The contributions were determined as a level percent of payroll over an average remaining period of fifteen years from the valuation date. The actuarial assumptions included (a) a 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25% to 14.45%, depending on age, service and type of employment, (c) an inflation rate of 3.00%, (d) a payroll growth rate of 3.25%. The actuarial value of CalPERS' assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a three-year period (smoothed market value). Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 4,280,000	100%	\$ -
6/30/2008	4,622,000	100%	-
6/30/2009	5,060,293	100%	-

Funded Status and Funding Progress:

As of June 30, 2007, the most recent actuarial valuation date, the plan was 83.9% funded. The actuarial accrued liability for benefits was \$60.401 million, and the actuarial value of assets was \$50.699 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$9.702 million. The covered payroll (annual payroll of active employees covered by the plan) was \$22.981 million, and the ratio of the UAAL to the covered payroll was 42.2%.

The schedule of funding progress presented below, presents 3 years of trend information about the actuarial value of plan assets and the actuarial accrued liability for benefits.

Schedule of Funding Progress for PERS
Most Current Available (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded (Overfunded) Actuarial Accrued Liability (B-A) (C)	Funded Ratio (A/B) (D)	Covered Payroll (E)	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll (C/E) (F)
6/30/2005	\$ 36,024	\$ 44,138	\$ 8,114	81.6%	\$ 19,842	40.9%
6/30/2006	42,487	50,463	7,976	84.2%	21,669	36.8%
6/30/2007	50,699	60,401	9,702	83.9%	22,981	42.2%

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

9. POST EMPLOYMENT HEALTH BENEFITS

Plan Description. City retirees, spouse and eligible dependents, receive health plan coverage through the CalPERS Health Plan (Plan). The Plan is a defined benefit plan. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses and dependents.

Eligibility. City employees are eligible who have a service retirement from the City at age 50 with five or more years of service are eligible to receive postemployment medical benefits. Employees who have a disability retirement or retire directly from the City are also eligible.

<u>Participants</u> <u>as of July 1, 2006</u>	<u>Total</u>
Active employees	326
Retirees	22
Total	<u>348</u>

Funding Policy. The contribution requirements are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2009, the City contributed \$283,027 to the plan.

For fiscal year 2008-2009, the City contributed, on an individual basis, for employees and retirees the following amounts:

Unrepresented	\$ 989.11
SEIU Local 347	\$ 989.11

Annual OPEB Cost and Net OPEB Obligation. The City's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based on the *Annual Required Contribution of the Employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB Obligation to the Plan:

	<u>Total</u>
Annual required contribution	\$ 3,984,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>3,984,000</u>
Contributions made	<u>(283,027)</u>
Increase in net OPEB obligation	3,700,973
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u>\$ 3,700,973</u>

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

9. POST EMPLOYMENT HEALTH BENEFITS, Continued

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 3,984,000	7.1%	\$ 3,700,973

Funded Status and Funding Progress. As of July 1, 2006, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$24,046,000, and the actuarial value of assets was \$0, resulting in an UAAL of \$24,046,000. The covered payroll (annual payroll of active employees covered by the plan) was \$21,200,000 and the ratio of UAAL to the covered payroll was 113.42 percent. The most recent available funding progress is listed below.

<u>Actuarial Valuation Date</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Accrued Liability Entry Age</u>	<u>(Unfunded) Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability as Percentage of Covered Payroll</u>
7/1/2006	\$ -	\$ 24,046,000	\$ (24,046,000)	0.0%	\$ 21,889,000	109.85%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the Actuarial Accrued Liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2006, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4.25% investment rate of return which is based on the expected return on funds invested by CalPERS, and an annual healthcare cost trend rate of 9.70% initially and reduced by decrements of 0.6% to an ultimate rate of 4.5% thereafter. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2006, was 30 years.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

10. DEFERRED COMPENSATION PLAN/DEFINED CONTRIBUTION PLAN

The City has established Deferred Compensation/Defined Contribution plans for certain classifications of management under Internal Revenue Service Code Section 401(a). City participation in contributions to the plans is mandatory. The City is obligated to contribute amounts ranging from \$2,000 to \$16,500 per participant per year. Employee contributions to certain plans are voluntary. During the year ended June 30, 2009, there were 619 participants in the plans. The City contributions totaled \$197,798, and employees' contributions totaled \$1,877,640.

11. RESERVES AND DESIGNATIONS OF FUND BALANCES

The City's reserves and designations at June 30, 2009, are tabulated below, followed by explanations as to the nature and purpose of each reserve and designation.

	Special Revenue Funds						
	General Fund	Bridge and Thoroughfare	Developer Fees	Open Space Preservation District	Redevelopment Agency Debt Service	Redevelopment Agency Capital Projects	Other Governmental Funds
Reserves							
Encumbrances	\$ 1,272,356	\$ 3,737,639	\$ 492,707	\$ 741,301	\$ -	\$ 1,685,390	\$ 735,459
Prepaid costs	191,263	-	-	-	-	-	-
Deposits	13,330,807	-	-	253,000	-	-	-
Debt service	-	-	-	-	-	-	571,063
Land held for resale	-	-	-	-	-	1,607,196	-
Low/moderate income housing	-	-	-	-	-	-	11,968,628
Open space preservation district	-	-	-	16,649,100	-	-	-
Advance to other funds	17,822,713	18,334,071	600,422	-	-	-	-
Total Reserves	32,617,139	22,071,710	1,093,129	17,643,401	-	3,292,586	13,275,150
Unreserves							
Designated:							
Self-insurance	220,616	-	-	-	-	-	-
Special revenue purposes	-	-	776,260	-	-	-	25,010,146
Capital improvements	-	-	-	-	-	34,502,270	4,769,573
Undesignated	41,061,442	(25,910,589)	-	-	(17,004,471)	-	1,598,033
Total unreserves	41,282,058	(25,910,589)	776,260	-	(17,004,471)	34,502,270	31,377,752
Total fund balance	\$ 73,899,197	\$ (3,838,879)	\$ 1,869,389	\$ 17,643,401	\$ (17,004,471)	\$ 37,794,856	\$ 44,652,902

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

11. RESERVES AND DESIGNATIONS OF FUND BALANCES, Continued

	Special Revenue Funds					
	General Fund	Bridge and Thoroughfare	Developer Fees	Open Space Preservation District	Redevelopment Agency Capital Projects	Other Governmental Funds
Designations						
Self-insurance	\$ 220,616	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue purposes	-	-	-	-	-	25,010,146
Capital improvements	-	-	-	-	-	4,769,573
Total Designations	<u>\$ 220,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,779,719</u>

- A. Reserved for Encumbrances – Amounts reserved for encumbrances are commitments for materials and services on purchase orders and contracts which are unperformed.
- B. Reserve for Prepaid Costs – This reserve is for prepaid costs since they are not available as a resource to meet expenditures of the current year.
- C. Reserved for Deposits – This reserve is for deposits since they are not available as a resource to meet expenditures of the current year.
- D. Reserved for Debt Service – These reserves represent amounts accumulated in accordance with a bond indenture or similar covenant.
- E. Reserved for Land Held for Resale – This reserve is for land held for resale by the Agency since it is not available as a resource to meet expenditures of the current year.
- F. Reserve for Low/Moderate Income Housing – This reserve is for amounts set-aside from tax increment money received by the Agency for the purpose of spending on projects that benefit low/moderate income households.
- G. Reserved for Advances to Other Funds – This reserve is established to reflect the advances to the Redevelopment Agency, so they will not be considered as current funds available.
- H. Designated for Self-insurance – This designation is held to cover any shortfalls in the Self-insurance Internal Service Fund.
- I. Designated for Special Revenue Purposes – These funds are designated for specific special revenue purposes, as restricted by law or administrative action.
- J. Designated for Capital Improvements – These funds are designated to provide for new capital additions, as determined by the City Council.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

12. SELF INSURANCE

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. On June 30, 2009, \$50,000 was accrued by the City for general liability claims that were received prior to the partnership with SDRMA. While the ultimate amounts of losses that occurred prior to SDRMA are dependent of future developments, based upon information provided from the City Attorney, outside counsel and others involved with the administration of the programs, the City's management believes that the aggregate accrual is adequate to cover such losses.

The City's workers' compensation coverage is also administered by SDRMA. The City is under statutory workers' compensation coverage and claims are handled by SDRMA up to a limit of \$5,000,000 per occurrence.

Settled claims have not exceeded any of these coverage amounts in any of the last three fiscal years, and there were no reductions in the City's insurance coverage during the year ended June 30, 2009.

Changes in the reported liability since June 30, 2006 resulted in the following:

Liability as of June 30, 2007	\$ 100,000
Claims and changes in estimates during the year ended June 30, 2008	1,251,935
Claims and payments during the year ended June 30, 2008	(1,281,935)
Liability as of June 30, 2008	<u>\$ 70,000</u>
Claims and changes in estimates during the year ended June 30, 2009	1,854,791
Claims and payments during the year ended June 30, 2009	(1,874,791)
Liability as of June 30, 2009	<u><u>\$ 50,000</u></u>

13. SEGMENT INFORMATION

Net working capital (deficit) of the Transit Enterprise System at June 30, 2009, was as follows:

Current assets	\$ 6,527,941
Current liabilities payable from current assets	<u>(2,976,808)</u>
Net working capital (deficit)	<u><u>\$ 3,551,133</u></u>

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

14. NO COMMITMENT DEBT

1915 Act Limited Obligation Improvements Bonds

- A. On September 2, 1992, \$879,432 of 1915 Act Limited Obligation Improvement Bonds (1915 Golden Valley Road Bonds) for the Golden Valley Road Improvement Assessment District (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 Assessment District. The principal amount of debt outstanding at June 30, 2009, was \$555,000.
- B. On January 13, 2001, \$790,000 of 1915 Act Limited Obligation Improvement Bonds (1915 Vermont Drive/Everett Drive Bonds) for the Vermont Drive/Everett Drive Improvement Assessment District (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 Assessment District. The principal amount of the debt outstanding at June 30, 2009, was \$590,000.

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 (Community Facilities District). The Special Tax 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, 2009, was \$17,105,000.

15. SANTA CLARITA WATERSHED RECREATION AND CONSERVANCY AUTHORITY

In June 1992, the City entered into a joint powers agreement with the Santa Monica Mountains Conservancy (Conservancy) to create the Santa Clarita Watershed Recreation and Conservancy Authority (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.

Upon termination of the agreement, personal property and funds will be returned to the originating party. Any real property owned by the Watershed Authority shall be conveyed to the City unless the Watershed Authority deems otherwise. The City performs administrative functions for the Watershed Authority; however, it does not have an equity interest.

Financial statements of the Watershed Authority may be obtained at the City's administrative offices.

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

16. COMMITMENTS AND CONTINGENCIES

The City has active construction projects as of June 30, 2009. At year-end, the City's commitments with contractors for the projects are as follows:

Project	Remaining Commitment
Streets	\$ 1,857,483
Bridges	15,487,597
Traffic signals	527,727
Trails	135,948
Sidewalk	35,647
Total	<u>\$ 18,044,402</u>

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, and any required reimbursements are not expected to be material.

In addition, the City is a defendant in certain other legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the City's financial position.

As of June 30, 2009, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

17. PRIOR PERIOD ADJUSTMENTS

Government-Wide Financial Statements

During the fiscal year ended June 30, 2009, the City recorded the following prior period adjustments in the Government-Wide Financial Statements:

Capital assets, net - The City performed a review of its capital assets during the year ended June 30, 2009. As a result of the review, the City identified an error and recorded an adjustment removing some previous capitalized assets that do not belong to the City in the amount of \$25,998,334 for governmental activities as of June 30, 2008. This was a continuation of the GASB No. 34 effort.

	Net Assets, as Previously Reported	Prior Period Adjustments	Net Assets, as Restated
		Capital Assets, Net	
Governmental Activities:			
Net assets	\$ 846,201,604	\$ (25,998,334)	<u>\$ 820,203,270</u>

City of Santa Clarita
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

18. SUBSEQUENT EVENTS

Subsequent to June 30, 2009, the State of California (State) decided to borrow, to defer certain revenue payments and to take certain funds from local governments including the City. These amounts are significant to the City and are as follows:

8% of Property Taxes	<u>\$3,046,488</u>
Redevelopment Agency	<u>\$1,375,082</u>

Property Taxes borrowed by the State for fiscal year 2009-2010 were nearly \$2 billion statewide to help the State's budget shortfall. Legislators and the Governor promised to allow local agencies to sell their eventual repayment from the State to investors to cover the property taxes and to pay the full cost of the sale, or securitization. Passage of Senate Bill 67 (SB67) was accomplished on October 14, 2009. A future bond sale is necessary to complete the funding or securitization. The City has planned to use these funds in the 2009-10 budget.

Redevelopment Agency funds have been estimated for a two year takeaway by the State. This decision is to be litigated by the California Redevelopment Association and other parties, with hope that this will be considered unconstitutional, as was last year's State proposed takeaway.

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**REQUIRED SUPPLEMENTARY
INFORMATION
(Unaudited)**

City of Santa Clarita
Required Supplementary Information (Unaudited)
For the year ended June 30, 2009

1. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States for all governmental funds, except that encumbrances are shown in the year incurred for budgetary purposes. 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. The City's department heads, with approval of the City Manager, may make transfers of appropriations within a department and between departments within a fund. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level.

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 reported as reservations of fund balances. Unexpended appropriations lapse at year-end.

Following are the budget comparison schedules for the General Fund and all major special revenue funds.

City of Santa Clarita
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2009

1. BUDGETARY INFORMATION, Continued

Budget Comparison Schedule - General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Fund balance, July 1, 2008	\$ 66,074,426	\$ 66,074,426	\$ 66,074,426	\$ -
Resources (inflows):				
Taxes	67,887,431	65,468,487	64,594,946	(873,541)
Licenses and permits	4,772,372	4,843,377	3,697,218	(1,146,159)
Use of money and property	2,121,753	2,121,753	4,730,169	2,608,416
Revenue from other agencies	1,495,500	1,442,953	1,483,253	40,300
Fines and forfeitures	434,225	496,225	402,851	(93,374)
Service charges	5,886,908	5,563,008	5,364,011	(198,997)
Other revenue	3,000	103,000	314,169	211,169
Overhead reimbursement	2,264,014	2,264,014	2,395,549	131,535
Transfers in	2,437,981	4,325,197	4,551,323	226,126
Amount available for appropriation	<u>153,377,610</u>	<u>152,702,440</u>	<u>153,607,915</u>	<u>905,475</u>
Charges to appropriations (outflows):				
Current:				
General government	14,626,661	15,249,045	13,779,808	1,469,237
Public safety	18,542,547	19,002,569	17,155,497	1,847,072
Public works	16,569,025	16,988,816	14,665,832	2,322,984
Parks and recreation	20,506,388	20,810,228	19,926,371	883,857
Community development	4,378,663	4,845,937	4,438,666	407,271
Debt service:				
Bond issuance costs	-	-	39,011	(39,011)
Principal retirement	-	411,994	411,994	-
Interest and fiscal charges	-	35,844	35,845	(1)
Transfers out	3,508,410	6,695,227	9,255,694	(2,560,467)
Total charges to appropriations	<u>78,131,694</u>	<u>84,039,660</u>	<u>79,708,718</u>	<u>4,330,942</u>
Fund balance, June 30, 2009	<u>\$ 75,245,916</u>	<u>\$ 68,662,780</u>	<u>\$ 73,899,197</u>	<u>\$ 5,236,417</u>

City of Santa Clarita
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2009

1. BUDGETARY INFORMATION, Continued

Budget Comparison Schedule – Bridge and Thoroughfare Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Fund balance, July 1, 2008	\$ 15,309,177	\$ 15,309,177	\$ 15,309,177	\$ -
Resources (inflows):				
Developer fees	4,954,411	20,600,090	14,671,591	(5,928,499)
Investment income	538,508	538,508	1,558,040	1,019,532
Transfers in	-	515,517	515,517	-
Amount available for appropriation	<u>20,802,096</u>	<u>36,963,292</u>	<u>32,054,325</u>	<u>(4,908,967)</u>
Charges to appropriations (outflows):				
Current:				
Public works	154,461	154,053	21,500,307	(21,346,254)
Capital outlay	5,420,450	21,279,225	13,704,434	7,574,791
Debt service - interest and fiscal charges	-	-	688,463	(688,463)
Total charges to appropriations	<u>5,574,911</u>	<u>21,433,278</u>	<u>35,893,204</u>	<u>(14,459,926)</u>
Fund balance, June 30, 2009	<u>\$ 15,227,185</u>	<u>\$ 15,530,014</u>	<u>\$ (3,838,879)</u>	<u>\$ (19,368,893)</u>

City of Santa Clarita
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2009

1. BUDGETARY INFORMATION, Continued

Budget Comparison Schedule – Developer Fees Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Fund balance, July 1, 2008	\$ 1,156,915	\$ 1,156,915	\$ 1,156,915	\$ -
Resources (inflows):				
Developer fees	-	2,925,479	569,715	(2,355,764)
Investment income	442,201	442,201	1,332,025	889,824
Other revenue	-	-	39,985	39,985
Amount available for appropriation	1,599,116	4,524,595	3,098,640	(1,425,955)
Charges to appropriations (outflows):				
Current:				
Community development	-	670,331	97,088	573,243
Capital outlay	122,000	2,240,419	1,132,163	1,108,256
Total charges to appropriations	122,000	2,910,750	1,229,251	1,681,499
Fund balance, June 30, 2009	\$ 1,477,116	\$ 1,613,845	\$ 1,869,389	\$ 255,544

City of Santa Clarita
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2009

1. BUDGETARY INFORMATION, Continued

Budget Comparison Schedule – Open Space Preservation District Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Fund balance, July 1, 2008	\$ 16,435,470	\$ 16,435,470	\$ 16,435,470	\$ -
Resources (inflows):				
Taxes	1,618,341	1,618,341	1,645,398	27,057
Investment income	17,500	17,500	291,006	273,506
Transfers in	-	250,000	-	(250,000)
Amount available for appropriation	18,071,311	18,321,311	18,371,874	50,563
Charges to appropriations (outflows):				
Current:				
General government	741,652	1,478,003	17,966	1,460,037
Transfers out	-	710,507	710,507	-
Total charges to appropriations	741,652	2,188,510	728,473	1,460,037
Fund balance, June 30, 2009	\$ 17,329,659	\$ 16,132,801	\$ 17,643,401	\$ 1,510,600

City of Santa Clarita
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2009

2. DEFINED PENSION PLAN

PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS)
SCHEDULE OF FUNDING PROGRESS
(\$ Amount in Thousands)

Miscellaneous Employees

	(A)	(B)	(C)	(D)	(E)	(F)
			(Unfunded)			(Unfunded)
Actuarial	Actuarial	Entry Age	Actuarial	Funded	Annual	Actuarial
Valuation	Value of	Actuarial	Accrued	Ratio	Covered	Liability as
Date*	Assets (AVA)	Accrued	Liability	[(A)/(B)]	Payroll	Percentage of
		Liability	[(B)-(A)]			Covered Payroll
						[(C)/(E)]
6/30/2005	\$ 36,024	\$ 44,138	\$ 8,114	81.62%	\$ 19,842	40.89%
6/30/2006	42,487	50,463	7,976	84.19%	21,669	36.81%
6/30/2007	50,699	60,401	9,702	83.94%	22,981	42.22%

* Based on most recent actuarial valuation

City of Santa Clarita
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2009

3. OTHER POST EMPLOYMENT BENEFITS

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress for the City's Plan

	(A)	(B)	(C)	(D)	(E)	(F)
			(Unfunded)			Unfunded
Actuarial	Actuarial	Actuarial	Actuarial	Funded	Covered	Actuarial
Valuation	Asset	Accrued	Accrued	Ratio	Payroll	Liability as
Date	Value	Liability	Liability	[(A)/(B)]		Percentage of
		Entry Age	[(B)-(A)]			Covered Payroll
						[(C)/(E)]
7/1/2006	\$ -	\$ 24,046,000	\$ (24,046,000)	0.0%	\$ 21,200,000	113.42%

SUPPLEMENTARY INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

The Special Revenue Funds are used to account for the 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 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.

Park Dedication - To account for monies received from developers restricted to fund the acquisition and development of new park land space.

Proposition A - As "Proposition A" increased sales tax in Los Angeles County by one-half percent (.5%), this fund accounts for financial activity relative to the City's share of these monies "Proposition A" revenue is to be used for transportation-related purposes.

Special Assessment - To account for monies received for small assessment districts

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

TDA (Transportation Development Act) - 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.

Landscape Maintenance District #1 - To account for receipts and disbursements related to a landscape district.

Stormwater Utility - To account for receipts and disbursements related to stormwater and run-off programs.

Miscellaneous Grants - To account for receipts and disbursements for non-federal miscellaneous grants.

Sewer Maintenance - To account for monies received from developers as sewer frontage fees to be used to fund sewer maintenance projects.

NONMAJOR GOVERNMENTAL FUNDS

Federal Aid Urban - To account for receipts and disbursements associated with Federal Urban Aid.

BJA Law Enforcement - To account for receipts and disbursements for the BJA law enforcement grant.

Supplemental Law Grant - To account for receipts and disbursements for the supplemental law grant.

HOME - To account for receipts and disbursements for the activity for the HOME grant program.

Library Facilities Fees - To account for receipts and disbursements for the library facilities.

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

Proposition C - To account for the City's share of the one-half percent (.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.

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

Redevelopment Agency Low/Mod To account for principal and interest payments on the Housing Set-Aside Tax Allocation Bonds, Series 2008.

Public Financing Authority To account for principal and interest payments on the 1991 Revenue Bonds issued by the Santa Clarita Public Financing Authority.

The Capital Projects Funds are used to account for the acquisition or construction of the City's major capital facilities, other than those financed by proprietary funds.

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

Redevelopment Agency Low/Mod - To account for the 20% set-aside of tax increment revenues, bond proceeds and other revenues to be used for development of low and moderate income housing.

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



City of Santa Clarita
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2009

	Special Revenue Funds				
	Bikeway	Gas Tax	Park Dedication	Proposition A	Special Assessment
ASSETS					
Cash and investments	\$ 137,445	\$ 4,774,609	\$ 1,494,390	\$ 654,780	\$ 6,223,290
Cash and investments with fiscal agents	-	-	-	-	-
Receivables:					
Accounts	-	20,731	-	-	28,352
Interest	1,284	44,192	13,963	6,117	58,148
Taxes	-	356,991	-	-	316,621
Due from other governments	-	-	-	-	-
Notes and loans receivable	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 138,729	\$ 5,196,523	\$ 1,508,353	\$ 660,897	\$ 6,626,411
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 10,781	\$ 201,623	\$ 49,205	\$ 97,941	\$ 322,457
Deferred revenue	83,742	2,652,496	5,942	2,603	24,744
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	208,702
Total liabilities	94,523	2,854,119	55,147	100,544	555,903
Fund Balances (Deficit):					
Reserved for:					
Special revenue fund	-	-	-	-	-
Debt service	-	-	571,063	-	-
Capital projects fund	-	-	-	-	-
Unreserved:					
Designated	-	2,342,404	882,143	560,353	-
Undesignated	44,206	-	-	-	6,070,508
Total fund balances (deficit)	44,206	2,342,404	1,453,206	560,353	6,070,508
Total liabilities and fund balances	\$ 138,729	\$ 5,196,523	\$ 1,508,353	\$ 660,897	\$ 6,626,411

Special Revenue Funds

State Park	TDA	Traffic Safety	CDBG	AQMD	Landscape Maintenance District #1	Stormwater Utility	Miscellaneous Grants
\$ 250,000	\$ 3,277,729	\$ 49,511	\$ 59,376	\$ -	\$ 16,000,075	\$ 3,889,712	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	36,938	109,611	-
-	30,625	463	-	-	149,496	36,343	-
-	-	118,467	-	-	554,423	1,105,481	-
266,880	142,060	-	143,857	50,600	-	-	1,106,954
-	-	-	141,954	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 516,880</u>	<u>\$ 3,450,414</u>	<u>\$ 168,441</u>	<u>\$ 345,187</u>	<u>\$ 50,600</u>	<u>\$ 16,740,932</u>	<u>\$ 5,141,147</u>	<u>\$ 1,106,954</u>
\$ 25,494	\$ 1,297,473	\$ -	\$ 147,825	\$ 25,000	\$ 1,138,192	\$ 225,199	\$ 475,936
266,880	2,005,715	197	141,954	50,600	63,616	15,465	1,084,598
26,215	-	-	-	-	-	-	-
215,171	-	-	-	25,949	-	-	418,150
<u>533,760</u>	<u>3,303,188</u>	<u>197</u>	<u>289,779</u>	<u>101,549</u>	<u>1,201,808</u>	<u>240,664</u>	<u>1,978,684</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	147,226	168,244	55,408	-	15,539,124	4,900,483	-
(16,880)	-	-	-	(50,949)	-	-	(871,730)
<u>(16,880)</u>	<u>147,226</u>	<u>168,244</u>	<u>55,408</u>	<u>(50,949)</u>	<u>15,539,124</u>	<u>4,900,483</u>	<u>(871,730)</u>
<u>\$ 516,880</u>	<u>\$ 3,450,414</u>	<u>\$ 168,441</u>	<u>\$ 345,187</u>	<u>\$ 50,600</u>	<u>\$ 16,740,932</u>	<u>\$ 5,141,147</u>	<u>\$ 1,106,954</u>

City of Santa Clarita
Combining Balance Sheet, Continued
Non-Major Governmental Funds
June 30, 2009

	Special Revenue Funds				
	Sewer Maintenance	Federal Aid Urban	BJA Law Enforcement	Supplemental Law Grant	HOME
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 61,355
Cash and investments with fiscal agents	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Taxes	-	-	-	-	-
Due from other governments	-	480,000	5,608	33,798	-
Notes and loans receivable	-	-	-	-	1,165,184
Land held for resale	-	-	-	-	-
Total assets	\$ -	\$ 480,000	\$ 5,608	\$ 33,798	\$ 1,226,539
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	480,000	3,754	33,798	1,165,184
Due to other governments	-	-	-	-	-
Due to other funds	18,930	480,000	8,532	33,204	-
Total liabilities	18,930	960,000	12,286	67,002	1,165,184
Fund Balances (Deficit):					
Reserved for:					
Special revenue fund	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Unreserved:					
Designated	-	-	-	-	61,355
Undesignated	(18,930)	(480,000)	(6,678)	(33,204)	-
Total fund balances (deficit)	(18,930)	(480,000)	(6,678)	(33,204)	61,355
Total liabilities and fund balances	\$ -	\$ 480,000	\$ 5,608	\$ 33,798	\$ 1,226,539

Special Revenue Funds					Debt Service Funds		
Library Facility Fees	Public Education and Government	Proposition C	Federal Grants	Total	Redevelopment Agency Low/Mod	Public Financing Authority	Total
\$ -	\$ 292,760	\$ 545,370	\$ -	\$ 37,710,402	\$ 9,223	\$ 457,357	\$ 466,580
-	-	-	-	-	268,879	-	268,879
1,224	-	-	-	196,856	-	-	-
-	2,735	5,096	-	348,462	-	-	-
-	80,316	-	-	2,532,299	-	-	-
-	-	2,183,616	3,717,915	8,131,288	-	-	-
-	-	-	-	1,307,138	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,224</u>	<u>\$ 375,811</u>	<u>\$ 2,734,082</u>	<u>\$ 3,717,915</u>	<u>\$ 50,226,445</u>	<u>\$ 278,102</u>	<u>\$ 457,357</u>	<u>\$ 735,459</u>
\$ 2,190	\$ 80,666	\$ 1,278,720	\$ 820,799	\$ 6,199,501	\$ -	\$ -	\$ -
-	1,164	1,395,937	3,453,350	12,931,739	-	-	-
-	-	-	87,731	113,946	-	-	-
5,844	-	-	2,387,535	3,802,017	-	-	-
<u>8,034</u>	<u>81,830</u>	<u>2,674,657</u>	<u>6,749,415</u>	<u>23,047,203</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	571,063	-	-	-
-	-	-	-	-	278,102	457,357	735,459
-	293,981	59,425	-	25,010,146	-	-	-
(6,810)	-	-	(3,031,500)	1,598,033	-	-	-
<u>(6,810)</u>	<u>293,981</u>	<u>59,425</u>	<u>(3,031,500)</u>	<u>27,179,242</u>	<u>278,102</u>	<u>457,357</u>	<u>735,459</u>
<u>\$ 1,224</u>	<u>\$ 375,811</u>	<u>\$ 2,734,082</u>	<u>\$ 3,717,915</u>	<u>\$ 50,226,445</u>	<u>\$ 278,102</u>	<u>\$ 457,357</u>	<u>\$ 735,459</u>

City of Santa Clarita
Combining Balance Sheet, Continued
Non-Major Governmental Funds
June 30, 2009

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Redevelopment Agency Low/Mod	Public Financing Authority	Total	
ASSETS					
Cash and investments	\$ 4,834,395	\$ 11,937,629	\$ 185	\$ 16,772,209	\$ 54,949,191
Cash and investments with fiscal agents	-	-	-	-	268,879
Receivables:					
Accounts	-	-	-	-	196,856
Interest	-	32,817	-	32,817	381,279
Taxes	-	20,164	-	20,164	2,552,463
Due from other governments	-	-	-	-	8,131,288
Notes and loans receivable	-	-	-	-	1,307,138
Land held for resale	-	-	-	-	-
Total assets	\$ 4,834,395	\$ 11,990,610	\$ 185	\$ 16,825,190	\$ 67,787,094
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 65,007	\$ 8,017	\$ -	\$ 73,024	\$ 6,272,525
Deferred revenue	-	13,965	-	13,965	12,945,704
Due to other governments	-	-	-	-	113,946
Due to other funds	-	-	-	-	3,802,017
Total liabilities	65,007	21,982	-	86,989	23,134,192
Fund Balances (Deficit):					
Reserved for:					
Special revenue fund	-	11,968,628	-	11,968,628	11,968,628
Debt service	-	-	-	-	571,063
Capital projects fund	-	-	-	-	735,459
Unreserved:					
Designated	4,769,388	-	185	4,769,573	29,779,719
Undesignated	-	-	-	-	1,598,033
Total fund balances (deficit)	4,769,388	11,968,628	185	16,738,201	44,652,902
Total liabilities and fund balances	\$ 4,834,395	\$ 11,990,610	\$ 185	\$ 16,825,190	\$ 67,787,094



City of Santa Clarita
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds				
	Bikeway	Gas Tax	Park Dedication	Proposition A	Special Assessment
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,178,026
Developer fees	245,506	-	131,527	-	-
Investment income	8,667	85,780	74,640	45,230	269,725
Revenue from other agencies	94,282	7,190,347	-	2,555,366	-
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	-	-	-
Other revenue	-	184	-	-	13,153
Total revenues	348,455	7,276,311	206,167	2,600,596	4,460,904
EXPENDITURES:					
Current:					
General government	-	-	-	-	2,838,122
Public safety	-	-	-	-	-
Public works	-	2,780,744	-	30,715	992,715
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	456,820	2,903,511	730,847	677,813	930,508
Debt service:					
Bond issuance costs	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	456,820	5,684,255	730,847	708,528	4,761,345
REVENUES OVER (UNDER) EXPENDITURES	(108,365)	1,592,056	(524,680)	1,892,068	(300,441)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	217,024	-	-	751,926
Transfers out	-	(309,351)	-	(2,214,426)	(763,628)
Bonds and certificates issued	-	-	-	-	-
Issuance premiums (discounts)	-	-	-	-	-
Total other financing sources (uses)	-	(92,327)	-	(2,214,426)	(11,702)
NET CHANGE IN FUND BALANCE	(108,365)	1,499,729	(524,680)	(322,358)	(312,143)
FUND BALANCE:					
Beginning of year	152,571	842,675	1,977,886	882,711	6,382,651
End of year	\$ 44,206	\$ 2,342,404	\$ 1,453,206	\$ 560,353	\$ 6,070,508

Special Revenue Funds

State Park	TDA	Traffic Safety	CDBG	AQMD	Landscape Maintenance District #1	Stormwater Utility	Miscellaneous Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,768,082	\$ 78,092	\$ -
-	-	-	-	-	-	-	-
-	142,331	12,052	2,806	8,366	607,657	167,031	-
568,329	6,639,991	-	1,351,680	152,397	-	-	1,652,400
-	-	1,356,520	-	-	-	-	-
-	-	-	-	-	-	3,011,760	-
-	-	-	-	-	-	-	129,332
<u>568,329</u>	<u>6,782,322</u>	<u>1,368,572</u>	<u>1,354,486</u>	<u>160,763</u>	<u>13,375,739</u>	<u>3,256,883</u>	<u>1,781,732</u>
-	-	-	-	-	10,194,573	-	197,840
-	-	-	-	-	-	-	47,653
-	-	-	-	43,461	-	2,828,047	62,081
200,041	-	-	-	-	-	-	-
-	-	-	871,430	-	-	-	-
82,944	6,022,399	-	41,717	-	510,006	185,652	981,412
-	-	-	-	-	-	-	-
-	-	-	230,000	-	-	-	-
-	-	-	116,159	-	-	-	-
<u>282,985</u>	<u>6,022,399</u>	<u>-</u>	<u>1,259,306</u>	<u>43,461</u>	<u>10,704,579</u>	<u>3,013,699</u>	<u>1,288,986</u>
<u>285,344</u>	<u>759,923</u>	<u>1,368,572</u>	<u>95,180</u>	<u>117,302</u>	<u>2,671,160</u>	<u>243,184</u>	<u>492,746</u>
-	-	-	-	-	-	182,626	-
-	(617,592)	(1,367,813)	-	(929,488)	(38,149)	(16,920)	(15,517)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>(617,592)</u>	<u>(1,367,813)</u>	<u>-</u>	<u>(929,488)</u>	<u>(38,149)</u>	<u>165,706</u>	<u>(15,517)</u>
285,344	142,331	759	95,180	(812,186)	2,633,011	408,890	477,229
(302,224)	4,895	167,485	(39,772)	761,237	12,906,113	4,491,593	(1,348,959)
<u>\$ (16,880)</u>	<u>\$ 147,226</u>	<u>\$ 168,244</u>	<u>\$ 55,408</u>	<u>\$ (50,949)</u>	<u>\$ 15,539,124</u>	<u>\$ 4,900,483</u>	<u>\$ (871,730)</u>

City of Santa Clarita
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Non-Major Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds				
	Sewer Maintenance	Federal Aid Urban	BJA Law Enforcement	Supplemental Law Grant	HOME
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Developer fees	-	-	-	-	-
Investment income	-	-	-	-	-
Revenue from other agencies	-	-	2,604	195,819	63,222
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	-	-	2,604	195,819	63,222
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	6,298	229,847	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	480,000	-	-	-
Debt service:					
Bond issuance costs	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	480,000	6,298	229,847	-
REVENUES OVER (UNDER) EXPENDITURES	-	(480,000)	(3,694)	(34,028)	63,222
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Bonds and certificates issued	-	-	-	-	-
Issuance premiums (discounts)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	(480,000)	(3,694)	(34,028)	63,222
FUND BALANCE:					
Beginning of year	(18,930)	-	(2,984)	824	(1,867)
End of year	\$ (18,930)	\$ (480,000)	\$ (6,678)	\$ (33,204)	\$ 61,355

Special Revenue Funds					Debt Service Funds		
Library Facility Fees	Public Education and Government	Proposition C	Federal Grants	Total	Redevelopment Agency Low/Mod	Public Financing Authority	Total
\$ -	\$ -	\$ -	\$ -	\$ 17,024,200	\$ -	\$ -	\$ -
144,731	-	-	-	521,764	-	-	-
128	11,227	91,824	-	1,527,464	2,745	1,462	4,207
-	-	5,953,441	979,753	27,399,631	-	-	-
-	-	-	-	1,356,520	-	-	-
-	-	-	-	3,011,760	-	-	-
-	330,012	-	1,785,236	2,257,917	-	-	-
144,859	341,239	6,045,265	2,764,989	53,099,256	2,745	1,462	4,207
27,570	194,177	-	-	13,452,282	-	-	-
-	-	-	-	283,798	-	-	-
-	-	-	33,266	6,771,029	-	-	-
-	-	-	-	200,041	-	-	-
-	-	-	-	871,430	-	-	-
-	-	4,752,256	5,155,466	23,911,351	-	-	-
-	-	-	-	-	-	16	16
-	-	-	-	230,000	-	1,372,832	1,372,832
-	-	-	-	116,159	335,205	1,847,936	2,183,141
27,570	194,177	4,752,256	5,188,732	45,836,090	335,205	3,220,784	3,555,989
117,289	147,062	1,293,009	(2,423,743)	7,263,166	(332,460)	(3,219,322)	(3,551,782)
-	-	-	-	1,151,576	335,205	3,218,649	3,553,854
(144,731)	-	(4,411,424)	-	(10,829,039)	(13,195)	-	(13,195)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(144,731)	-	(4,411,424)	-	(9,677,463)	322,010	3,218,649	3,540,659
(27,442)	147,062	(3,118,415)	(2,423,743)	(2,414,297)	(10,450)	(673)	(11,123)
20,632	146,919	3,177,840	(607,757)	29,593,539	288,552	458,030	746,582
\$ (6,810)	\$ 293,981	\$ 59,425	\$ (3,031,500)	\$ 27,179,242	\$ 278,102	\$ 457,357	\$ 735,459

City of Santa Clarita
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Non-Major Governmental Funds
For the Year Ended June 30, 2009

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Redevelopment Agency Low/Mod	Public Financing Authority	Total	
REVENUES:					
Taxes	\$ -	\$ 800,529	\$ -	\$ 800,529	\$ 17,824,729
Developer fees	-	-	-	-	521,764
Investment income	-	396,084	322	396,406	1,928,077
Revenue from other agencies	-	-	-	-	27,399,631
Fines and forfeitures	-	-	-	-	1,356,520
Service charges	-	-	-	-	3,011,760
Other revenue	-	-	-	-	2,257,917
Total revenues	-	1,196,613	322	1,196,935	54,300,398
EXPENDITURES:					
Current:					
General government	-	-	-	-	13,452,282
Public safety	-	-	-	-	283,798
Public works	-	-	-	-	6,771,029
Parks and recreation	-	-	-	-	200,041
Community development	-	185,255	-	185,255	1,056,685
Capital outlay	1,582,813	-	-	1,582,813	25,494,164
Debt service:					
Bond issuance costs	-	6,593	81	6,674	6,690
Principal retirement	-	-	-	-	1,602,832
Interest and fiscal charges	-	-	-	-	2,299,300
Total expenditures	1,582,813	191,848	81	1,774,742	51,166,821
REVENUES OVER (UNDER) EXPENDITURES	(1,582,813)	1,004,765	241	(577,807)	3,133,577
OTHER FINANCING SOURCES (USES):					
Transfers in	219,218	13,195	710,507	942,920	5,648,350
Transfers out	(50,000)	(335,205)	(713,651)	(1,098,856)	(11,941,090)
Bonds and certificates issued	-	-	-	-	-
Issuance premiums (discounts)	-	-	-	-	-
Total other financing sources (uses)	169,218	(322,010)	(3,144)	(155,936)	(6,292,740)
NET CHANGE IN FUND BALANCE	(1,413,595)	682,755	(2,903)	(733,743)	(3,159,163)
FUND BALANCE:					
Beginning of year	6,182,983	11,285,873	3,088	17,471,944	47,812,065
End of year	\$ 4,769,388	\$ 11,968,628	\$ 185	\$ 16,738,201	\$ 44,652,902

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Bikeway Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Developer fees	\$ 352,290	\$ 341,302	\$ 245,506	\$ (95,796)
Investment income	7,000	7,000	8,667	1,667
Revenue from other agencies	144,777	177,477	94,282	(83,195)
Total revenues	504,067	525,779	348,455	(177,324)
EXPENDITURES:				
Capital outlay	497,067	650,314	456,820	193,494
Total expenditures	497,067	650,314	456,820	193,494
NET CHANGE IN FUND BALANCE	\$ 7,000	\$ (124,535)	(108,365)	\$ 16,170
FUND BALANCE:				
Beginning of year			152,571	
End of year			\$ 44,206	

City of Santa Clarita
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 31,500	\$ 31,500	\$ 85,780	\$ 54,280
Revenue from other agencies	4,981,113	7,668,842	7,190,347	(478,495)
Other revenue	-	-	184	184
Total revenues	5,012,613	7,700,342	7,276,311	(424,031)
EXPENDITURES:				
Current:				
Public works	2,838,654	2,856,958	2,780,744	76,214
Capital outlay	2,103,065	7,202,650	2,903,511	4,299,139
Total expenditures	4,941,719	10,059,608	5,684,255	4,375,353
REVENUES OVER (UNDER) EXPENDITURES	70,894	(2,359,266)	1,592,056	3,951,322
OTHER FINANCING SOURCES (USES):				
Transfers in	250,000	217,024	217,024	-
Transfers out	(302,655)	(309,421)	(309,351)	70
Total other financing sources (uses)	(52,655)	(92,397)	(92,327)	70
NET CHANGE IN FUND BALANCE	\$ 18,239	\$ (2,451,663)	1,499,729	\$ 3,951,392
FUND BALANCE:				
Beginning of year			842,675	
End of year			\$ 2,342,404	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Park Dedication Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Developer fees	\$ -	\$ -	\$ 131,527	\$ 131,527
Investment income	52,500	52,500	74,640	22,140
Total revenues	<u>52,500</u>	<u>52,500</u>	<u>206,167</u>	<u>153,667</u>
EXPENDITURES:				
Capital outlay	360,000	1,328,428	730,847	597,581
Total expenditures	<u>360,000</u>	<u>1,328,428</u>	<u>730,847</u>	<u>597,581</u>
NET CHANGE IN FUND BALANCE	<u>\$ (307,500)</u>	<u>\$ (1,275,928)</u>	<u>(524,680)</u>	<u>\$ 751,248</u>
FUND BALANCE:				
Beginning of year			<u>1,977,886</u>	
End of year			<u>\$ 1,453,206</u>	

City of Santa Clarita
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Proposition A Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 122,500	\$ 122,500	\$ 45,230	\$ (77,270)
Revenue from other agencies	2,852,436	2,540,379	2,555,366	14,987
Total revenues	<u>2,974,936</u>	<u>2,662,879</u>	<u>2,600,596</u>	<u>(62,283)</u>
EXPENDITURES:				
Current:				
Public works	31,850	81,850	30,715	51,135
Capital outlay	-	989,563	677,813	311,750
Total expenditures	<u>31,850</u>	<u>1,071,413</u>	<u>708,528</u>	<u>362,885</u>
REVENUES OVER (UNDER) EXPENDITURES	2,943,086	1,591,466	1,892,068	300,602
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,943,086)	(2,214,426)	(2,214,426)	-
Total other financing sources (uses)	<u>(2,943,086)</u>	<u>(2,214,426)</u>	<u>(2,214,426)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (622,960)</u>	<u>(322,358)</u>	<u>\$ 300,602</u>
FUND BALANCE:				
Beginning of year			882,711	
End of year			<u>\$ 560,353</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Special Assessment Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 3,279,344	\$ 3,278,344	\$ 4,178,026	\$ 899,682
Investment income	213,780	213,780	269,725	55,945
Service charges	-	-	-	-
Other revenue	155,000	20,000	13,153	(6,847)
Total revenues	<u>3,648,124</u>	<u>3,512,124</u>	<u>4,460,904</u>	<u>948,780</u>
EXPENDITURES:				
Current:				
General government	2,407,328	2,426,087	2,838,122	(412,035)
Public works	1,022,500	1,058,828	992,715	66,113
Capital outlay	1,117,000	1,770,400	930,508	839,892
Total expenditures	<u>4,546,828</u>	<u>5,255,315</u>	<u>4,761,345</u>	<u>493,970</u>
REVENUES OVER (UNDER) EXPENDITURES	(898,704)	(1,743,191)	(300,441)	1,442,750
OTHER FINANCING SOURCES (USES):				
Transfers in	776,243	729,531	751,926	(22,395)
Transfers out	(785,645)	(738,933)	(763,628)	(24,695)
Total other financing sources (uses)	<u>(9,402)</u>	<u>(9,402)</u>	<u>(11,702)</u>	<u>(47,090)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (908,106)</u>	<u>\$ (1,752,593)</u>	<u>(312,143)</u>	<u>\$ 1,440,450</u>
FUND BALANCE:				
Beginning of year			<u>6,382,651</u>	
End of year			<u>\$ 6,070,508</u>	

City of Santa Clarita
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
State Park Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Revenue from other agencies	\$ 192,290	\$ 827,422	\$ 568,329	\$ (259,093)
Total revenues	<u>192,290</u>	<u>827,422</u>	<u>568,329</u>	<u>(259,093)</u>
EXPENDITURES:				
Current:				
Parks and recreation	192,290	190,607	200,041	(9,434)
Capital outlay	-	122,280	82,944	39,336
Total expenditures	<u>192,290</u>	<u>312,887</u>	<u>282,985</u>	<u>29,902</u>
REVENUES OVER (UNDER) EXPENDITURES	-	514,535	285,344	(229,191)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(250,000)	-	250,000
Total other financing sources (uses)	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>250,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 264,535</u>	285,344	<u>\$ 20,809</u>
FUND BALANCE:				
Beginning of year			<u>(302,224)</u>	
End of year			<u>\$ (16,880)</u>	

City of Santa Clarita
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
TDA Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ 142,331	\$ 142,331
Revenue from other agencies	6,230,916	9,542,254	6,639,991	(2,902,263)
Total revenues	6,230,916	9,542,254	6,782,322	(2,759,932)
EXPENDITURES:				
Current:				
Capital outlay	1,667,181	8,980,213	6,022,399	2,957,814
Total expenditures	1,667,181	8,980,213	6,022,399	2,957,814
REVENUES OVER (UNDER) EXPENDITURES	4,563,735	562,041	759,923	197,882
OTHER FINANCING SOURCES (USES):				
Transfers out	(764,033)	(775,391)	(617,592)	157,799
Total other financing sources (uses)	(764,033)	(775,391)	(617,592)	157,799
NET CHANGE IN FUND BALANCE	\$ 3,799,702	\$ (213,350)	142,331	\$ 355,681
FUND BALANCE:				
Beginning of year			4,895	
End of year			\$ 147,226	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Traffic Safety Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 31,500	\$ 31,500	\$ 12,052	\$ (19,448)
Fines and forfeitures	1,912,685	1,200,000	1,356,520	156,520
Total revenues	<u>1,944,185</u>	<u>1,231,500</u>	<u>1,368,572</u>	<u>137,072</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,944,185)	(1,136,685)	(1,367,813)	(231,128)
Total other financing sources (uses)	<u>(1,944,185)</u>	<u>(1,136,685)</u>	<u>(1,367,813)</u>	<u>(231,128)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 94,815</u>	759	<u>\$ (94,056)</u>
FUND BALANCE:				
Beginning of year			<u>167,485</u>	
End of year			<u>\$ 168,244</u>	

City of Santa Clarita
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
CDBG Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ 2,806	\$ 2,806
Revenue from other agencies	1,196,631	1,439,967	1,351,680	(88,287)
Total revenues	<u>1,196,631</u>	<u>1,439,967</u>	<u>1,354,486</u>	<u>(85,481)</u>
EXPENDITURES:				
Current:				
Community development	839,145	1,092,614	871,430	221,184
Capital outlay	-	41,718	41,717	1
Debt service:				
Principal retirement	230,000	230,000	230,000	-
Interest and fiscal charges	116,159	116,159	116,159	-
Total expenditures	<u>1,185,304</u>	<u>1,480,491</u>	<u>1,259,306</u>	<u>221,185</u>
NET CHANGE IN FUND BALANCE	<u>\$ 11,327</u>	<u>\$ (40,524)</u>	95,180	<u>\$ 135,704</u>
FUND BALANCE:				
Beginning of year			<u>(39,772)</u>	
End of year			<u>\$ 55,408</u>	

City of Santa Clarita
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
AQMD Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 21,000	\$ 21,000	\$ 8,366	\$ (12,634)
Revenue from other agencies	322,120	236,864	152,397	(84,467)
Total revenues	343,120	257,864	160,763	(97,101)
EXPENDITURES:				
Current:				
Public works	53,000	53,000	43,461	9,539
Total expenditures	53,000	53,000	43,461	9,539
REVENUES OVER (UNDER) EXPENDITURES	290,120	204,864	117,302	(87,562)
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,066,159)	(964,108)	(929,488)	34,620
Total other financing sources (uses)	(1,066,159)	(964,108)	(929,488)	34,620
NET CHANGE IN FUND BALANCE	\$ (776,039)	\$ (759,244)	(812,186)	\$ (52,942)
FUND BALANCE:				
Beginning of year			761,237	
End of year			\$ (50,949)	

City of Santa Clarita

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, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 11,362,187	\$ 11,494,747	\$ 12,768,082	\$ 1,273,335
Investment income	385,000	385,000	607,657	222,657
Total revenues	<u>11,747,187</u>	<u>11,879,747</u>	<u>13,375,739</u>	<u>1,495,992</u>
EXPENDITURES:				
Current:				
General government	12,026,372	12,235,729	10,194,573	2,041,156
Capital outlay	720,000	1,391,081	510,006	881,075
Total expenditures	<u>12,746,372</u>	<u>13,626,810</u>	<u>10,704,579</u>	<u>2,922,231</u>
REVENUES OVER (UNDER) EXPENDITURES	(999,185)	(1,747,063)	2,671,160	4,418,223
OTHER FINANCING SOURCES (USES):				
Transfers out	(38,149)	(38,149)	(38,149)	-
Total other financing sources (uses)	<u>(38,149)</u>	<u>(38,149)</u>	<u>(38,149)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,037,334)</u>	<u>\$ (1,785,212)</u>	2,633,011	<u>\$ 4,418,223</u>
FUND BALANCE:				
Beginning of year			<u>12,906,113</u>	
End of year			<u>\$ 15,539,124</u>	

City of Santa Clarita
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Stormwater Utility Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 84,100	\$ 78,100	\$ 78,092	\$ (8)
Investment income	87,500	87,500	167,031	79,531
Service charges	2,610,900	2,477,000	3,011,760	534,760
Total revenues	<u>2,782,500</u>	<u>2,642,600</u>	<u>3,256,883</u>	<u>614,283</u>
EXPENDITURES:				
Current:				
Public works	2,840,454	3,341,676	2,828,047	513,629
Capital outlay	150,000	424,644	185,652	238,992
Total expenditures	<u>2,990,454</u>	<u>3,766,320</u>	<u>3,013,699</u>	<u>752,621</u>
REVENUES OVER (UNDER) EXPENDITURES	(207,954)	(1,123,720)	243,184	1,366,904
OTHER FINANCING SOURCES (USES):				
Transfers in	169,350	183,126	182,626	500
Transfers out	(13,950)	(18,160)	(16,920)	1,240
Total other financing sources (uses)	<u>155,400</u>	<u>164,966</u>	<u>165,706</u>	<u>1,740</u>
NET CHANGE IN FUND BALANCE	<u>\$ (52,554)</u>	<u>\$ (958,754)</u>	408,890	<u>\$ 1,367,644</u>
FUND BALANCE:				
Beginning of year			<u>4,491,593</u>	
End of year			<u>\$ 4,900,483</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Miscellaneous Grants Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Revenues from other agencies	\$ 367,330	\$ 2,371,614	\$ 1,652,400	\$ (719,214)
Other revenue	28,500	756,080	129,332	(626,748)
Total revenues	395,830	3,127,694	1,781,732	(1,345,962)
EXPENDITURES:				
Current:				
General government	257,636	222,646	197,840	24,806
Public safety	162,656	219,009	47,653	171,356
Parks and recreation	-	92,968	62,081	30,887
Capital outlay	694,469	2,193,956	981,412	1,212,544
Total expenditures	1,114,761	2,728,579	1,288,986	1,439,593
REVENUES OVER (UNDER) EXPENDITURES	(718,931)	399,115	492,746	93,631
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(15,517)	(15,517)
Total other financing sources (uses)	-	-	(15,517)	(15,517)
NET CHANGE IN FUND BALANCE	\$ (718,931)	\$ 399,115	477,229	\$ 78,114
FUND BALANCE:				
Beginning of year			(1,348,959)	
End of year			\$ (871,730)	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Federal Urban Aid Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Revenues from other agencies	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Capital Outlay	-	2,966,462	480,000	2,486,462
Total expenditures	<u>-</u>	<u>2,966,462</u>	<u>480,000</u>	<u>2,486,462</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (2,966,462)</u>	<u>(480,000)</u>	<u>\$ 2,486,462</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ (480,000)</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

BJA Law Enforcement Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Revenues from other agencies	\$ 9,700	\$ 61,137	\$ 2,604	\$ (58,533)
Total revenues	<u>9,700</u>	<u>61,137</u>	<u>2,604</u>	<u>(58,533)</u>
EXPENDITURES:				
Current:				
Public safety	-	61,137	6,298	54,839
Total expenditures	<u>-</u>	<u>61,137</u>	<u>6,298</u>	<u>54,839</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,700</u>	<u>\$ -</u>	<u>(3,694)</u>	<u>\$ (3,694)</u>
FUND BALANCE:				
Beginning of year			<u>(2,984)</u>	
End of year			<u>\$ (6,678)</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Supplemental Law Grant Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Revenues from other agencies	-	229,617	195,819	(33,798)
Total revenues	-	229,617	195,819	(33,798)
EXPENDITURES:				
Current:				
Public safety	-	336,563	229,847	106,716
Total expenditures	-	336,563	229,847	106,716
NET CHANGE IN FUND BALANCE	\$ -	\$ (106,946)	(34,028)	\$ 72,918
FUND BALANCE:				
Beginning of year			824	
End of year			\$ (33,204)	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

HOME Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ -
Revenues from other agencies	-	-	63,222	63,222
Total revenues	-	-	63,222	63,222
EXPENDITURES:				
Current:				
Community development	-	-	-	-
Total expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	63,222	\$ 63,222
FUND BALANCE:				
Beginning of year			(1,867)	
End of year			\$ 61,355	

City of Santa Clarita
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Library Facilities Fees Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Developer fees	\$ -	\$ -	\$ 144,731	\$ 144,731
Investment income	2,625	2,625	128	(2,497)
Total revenues	<u>2,625</u>	<u>2,625</u>	<u>144,859</u>	<u>142,234</u>
EXPENDITURES:				
Current:				
General government	-	27,571	27,570	1
Total expenditures	<u>-</u>	<u>27,571</u>	<u>27,570</u>	<u>1</u>
REVENUES OVER (UNDER) EXPENDITURES	2,625	(24,946)	117,289	142,235
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(135,671)	(144,731)	(9,060)
Total other financing sources (uses)	<u>-</u>	<u>(135,671)</u>	<u>(144,731)</u>	<u>(9,060)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,625</u>	<u>\$ (160,617)</u>	<u>(27,442)</u>	<u>\$ 133,175</u>
FUND BALANCE:				
Beginning of year			<u>20,632</u>	
End of year			<u>\$ (6,810)</u>	

City of Santa Clarita

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, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ 11,227	\$ 11,227
Other revenue	225,000	225,000	330,012	105,012
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>341,239</u>	<u>116,239</u>
EXPENDITURES:				
General government	96,000	276,000	194,177	81,823
Total expenditures	<u>96,000</u>	<u>276,000</u>	<u>194,177</u>	<u>81,823</u>
NET CHANGE IN FUND BALANCE	<u>\$ 129,000</u>	<u>\$ (51,000)</u>	147,062	<u>\$ 198,062</u>
FUND BALANCE:				
Beginning of year			<u>146,919</u>	
End of year			<u>\$ 293,981</u>	

City of Santa Clarita
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Proposition C Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 87,500	\$ 87,500	\$ 91,824	\$ 4,324
Revenue from other agencies	4,633,225	10,603,313	5,953,441	(4,649,872)
Total revenues	4,720,725	10,690,813	6,045,265	(4,645,548)
EXPENDITURES:				
Capital outlay	4,526,679	9,976,896	4,752,256	5,224,640
Total expenditures	4,526,679	9,976,896	4,752,256	5,224,640
REVENUES OVER (UNDER) EXPENDITURES	194,046	713,917	1,293,009	579,092
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,791,001)	(4,411,424)	(4,411,424)	-
Total other financing sources (uses)	(2,791,001)	(4,411,424)	(4,411,424)	-
NET CHANGE IN FUND BALANCE	\$ (2,596,955)	\$ (3,697,507)	(3,118,415)	\$ 579,092
FUND BALANCE:				
Beginning of year			3,177,840	
End of year			\$ 59,425	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Federal Grants Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES:				
Revenues from other agencies	\$ 332,200	\$ 16,108,104	\$ 979,753	\$ (15,128,351)
Other revenue	-	2,251,225	1,785,236	(465,989)
Total revenues	<u>332,200</u>	<u>18,359,329</u>	<u>2,764,989</u>	<u>(15,594,340)</u>
EXPENDITURES:				
Current:				
Public works	20,397	295,000	33,266	261,734
Capital outlay	37,000	17,054,399	5,155,466	11,898,933
Total expenditures	<u>57,397</u>	<u>17,349,399</u>	<u>5,188,732</u>	<u>12,160,667</u>
NET CHANGE IN FUND BALANCE	<u>\$ 274,803</u>	<u>\$ 1,009,930</u>	(2,423,743)	<u>\$ (3,433,673)</u>
FUND BALANCE:				
Beginning of year			<u>(607,757)</u>	
End of year			<u>\$ (3,031,500)</u>	



INTERNAL SERVICE FUNDS

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.

Public Facilities Replacement - To account for the financing of the replacement of the City's public facilities.

City of Santa Clarita
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009

	Self-Insurance	Computer Replacement	Vehicle Replacement	Public Facilities Replacement	Total
ASSETS					
Current assets:					
Cash and investments	\$ 3,639,257	\$ 1,474,500	\$ 3,271,866	\$ 9,332,390	\$ 17,718,013
Receivables:					
Accounts	2,660	-	-	-	2,660
Interest	35,067	13,778	30,571	60,101	139,517
Advances to other fund	865,790	-	-	-	865,790
Total current assets	4,542,774	1,488,278	3,302,437	9,392,491	18,725,980
Noncurrent assets:					
Capital assets:					
Equipment, net of accumulated depreciation	30,717	426,748	436,659	-	894,124
Total noncurrent assets	30,717	426,748	436,659	-	894,124
Total assets	4,573,491	1,915,026	3,739,096	9,392,491	19,620,104
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	29,941	118,275	-	671,450	819,666
Total current liabilities	29,941	118,275	-	671,450	819,666
Noncurrent liabilities:					
Claims payable	50,000	-	-	-	50,000
Total noncurrent liabilities	50,000	-	-	-	50,000
Total liabilities	79,941	118,275	-	671,450	869,666
NET ASSETS					
Invested in capital assets	30,717	426,748	436,659	-	894,124
Unrestricted	4,462,833	1,370,003	3,302,437	8,721,041	17,856,314
Total net assets	\$ 4,493,550	\$ 1,796,751	\$ 3,739,096	\$ 8,721,041	\$ 18,750,438

City of Santa Clarita
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2009

	Self-Insurance	Computer Replacement	Vehicle Replacement	Public Facilities Replacement	Total
OPERATING REVENUES:					
Charges for services	\$ 1,695,883	\$ 398,100	\$ 326,400	\$ -	\$ 2,420,383
Other revenues	850	-	12,408	-	13,258
Total operating revenues	1,696,733	398,100	338,808	-	2,433,641
OPERATING EXPENSES:					
Services and supplies	2,197,421	205,171	13,913	9,465,395	11,881,900
Depreciation	2,792	144,894	146,669	-	294,355
Total operating expenses	2,200,213	350,065	160,582	9,465,395	12,176,255
OPERATING INCOME (LOSS)	(503,480)	48,035	178,226	(9,465,395)	(9,742,614)
NONOPERATING REVENUES (EXPENSES):					
Investment income	185,707	57,914	135,799	403,799	783,219
Total nonoperating revenues (expenses)	185,707	57,914	135,799	403,799	783,219
INCOME (LOSS) BEFORE TRANSFERS	(317,773)	105,949	314,025	(9,061,596)	(8,959,395)
TRANSFERS:					
Transfers in	125,000	-	-	3,000,000	3,125,000
Total other financing sources (uses)	125,000	-	-	3,000,000	3,125,000
CHANGE IN NET ASSETS	(192,773)	105,949	314,025	(6,061,596)	(5,834,395)
NET ASSETS:					
Beginning of year	4,686,323	1,690,802	3,425,071	14,782,637	24,584,833
End of year	\$ 4,493,550	\$ 1,796,751	\$ 3,739,096	\$ 8,721,041	\$ 18,750,438

City of Santa Clarita
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2009

	Self-Insurance	Computer Replacement	Vehicle Replacement	Public Facilities Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from interfund service provided	\$ 1,698,081	\$ 398,100	\$ 329,400	\$ -	\$ 2,425,581
Other operating receipts	850	-	12,408	-	13,258
Payments to suppliers	(2,212,175)	(271,038)	(69,672)	(9,055,684)	(11,608,569)
Net cash provided by (used for) operating activities	(513,244)	127,062	272,136	(9,055,684)	(9,169,730)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash received from other funds	2,335,410	-	-	3,000,000	5,335,410
Cash paid to other funds	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	2,335,410	-	-	3,000,000	5,335,410
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(33,509)	(98,753)	(154,325)	-	(286,587)
Net cash provided (used for) by capital and related financing activities	(33,509)	(98,753)	(154,325)	-	(286,587)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	164,824	56,835	132,875	452,915	807,449
Net cash provided (used for) by investing activities	164,824	56,835	132,875	452,915	807,449
Net increase (decrease) in cash and cash equivalents	1,953,481	85,144	250,686	(5,602,769)	(3,313,458)
CASH AND CASH EQUIVALENTS:					
Beginning of year	1,685,776	1,389,356	3,021,180	14,935,159	21,031,471
End of year	\$ 3,639,257	\$ 1,474,500	\$ 3,271,866	\$ 9,332,390	\$ 17,718,013
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (503,480)	\$ 48,035	\$ 178,226	\$ (9,465,395)	\$ (9,742,614)
Adjustments to reconcile operating income to (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	2,792	144,894	146,669	-	294,355
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	2,198	-	3,000	-	5,198
Increase (decrease) in account payable and accrued liabilities	5,246	(65,867)	(55,759)	409,711	293,331
Increase (decrease) in claims payable	(20,000)	-	-	-	(20,000)
Total adjustments	(9,764)	79,027	93,910	409,711	572,884
Net cash provided (used) by operating activities	\$ (513,244)	\$ 127,062	\$ 272,136	\$ (9,055,684)	\$ (9,169,730)

AGENCY FUNDS

The 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 of Community Facilities District No. 2002-1.

City of Santa Clarita
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	Assessment District No. 92-2	Assessment District No. 99-1	Community Facilities District No. 2002-1	Total
ASSETS				
Cash and investments	\$ 105,211	\$ 84,519	\$ 38,017	\$ 227,747
Cash and investments with fiscal agent	63,908	60,228	1,675,428	1,799,564
Receivables:				
Accounts	1,643	861	-	2,504
Interest	983	790	356	2,129
Total assets	\$ 171,745	\$ 146,398	\$ 1,713,801	\$ 2,031,944
LIABILITIES				
Accounts payable and accrued liabilities	\$ 960	\$ 934	\$ 151	\$ 2,045
Due to other funds	418	336	-	754
Due to bondholders	170,367	145,128	1,713,650	2,029,145
Total liabilities	\$ 171,745	\$ 146,398	\$ 1,713,801	\$ 2,031,944

City of Santa Clarita
Schedule of Changes in Fiduciary Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2009

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
ASSESSMENT DISTRICT NO. 92-2				
ASSETS				
Cash and investments	\$ 122,303	\$ -	\$ 17,092	\$ 105,211
Cash and investments with fiscal agent	64,250	-	342	63,908
Receivables:				
Accounts	1,187	456	-	1,643
Interest	1,111	-	128	983
Total assets	\$ 188,851	\$ 456	\$ 17,562	\$ 171,745
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,306	\$ -	\$ 346	\$ 960
Due to other funds	30,000	-	29,582	418
Due to bondholders	157,545	12,822	-	170,367
Total liabilities	\$ 188,851	\$ 12,822	\$ 29,928	\$ 171,745
 ASSESSMENT DISTRICT NO. 99-1				
ASSETS				
Cash and investments	\$ 22,911	\$ 61,608	\$ -	\$ 84,519
Cash and investments with fiscal agent	60,837	-	609	60,228
Receivables:				
Accounts	1,951	-	1,090	861
Interest	217	573	-	790
Total assets	\$ 85,916	\$ 62,181	\$ 1,699	\$ 146,398
LIABILITIES				
Accounts payable and accrued liabilities	\$ 922	\$ 12	\$ -	\$ 934
Due to other funds	-	336	-	336
Due to bondholders	84,994	60,134	-	145,128
Total liabilities	\$ 85,916	\$ 60,482	\$ -	\$ 146,398

City of Santa Clarita
Schedule of Changes in Fiduciary Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2009

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
COMMUNITY FACILITIES				
DISTRICT NO. 2002-1				
ASSETS				
Cash and investments	\$ 39,826	\$ -	\$ 1,809	\$ 38,017
Cash and investments with fiscal agent	1,685,953	-	10,525	1,675,428
Receivables:				
Interest	364	-	8	356
Total assets	\$ 1,726,143	\$ -	\$ 12,342	\$ 1,713,801
LIABILITIES				
Accounts payable and accrued liabilities	\$ 147	\$ 4	\$ -	\$ 151
Due to other funds	14,350	-	14,350	-
Due to bondholders	1,711,646	2,004	-	1,713,650
Total liabilities	\$ 1,726,143	\$ 2,008	\$ 14,350	\$ 1,713,801
 TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 185,040	\$ 61,608	\$ 18,901	\$ 227,747
Cash and investments with fiscal agent	1,811,040	-	11,476	1,799,564
Receivables:				
Accounts	3,138	456	1,090	2,504
Interest	1,692	573	136	2,129
Total assets	\$ 2,000,910	\$ 62,637	\$ 31,603	\$ 2,031,944
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,375	\$ 16	\$ 346	\$ 2,045
Due to other funds	44,350	336	43,932	754
Due to bondholders	1,954,185	74,960	-	2,029,145
Total liabilities	\$ 2,000,910	\$ 75,312	\$ 44,278	\$ 2,031,944

STATISTICAL SECTION

(Unaudited)



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

CONTENTS		Page
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.	137-143
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 taxes.	144-155
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.	156-162
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.	163-164
Operating Information		
	These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relate to the services the City provides and the activities it performs.	165-167



City of Santa Clarita
Net Assets by Component (1)
Last Six Fiscal Years Ended June 30, 2009
(accrual basis of accounting)

	FISCAL YEAR					
	08-09	07-08	05-06 ⁽²⁾	As Restated	04-05	03-04
Governmental Activities						
Investment in capital assets, net of related debt	\$ 629,621,722	\$ 672,306,820	\$ 661,210,117	\$ 614,300,517	\$ 160,829,971	\$ 110,924,177
Restricted for:						
Capital Projects	4,769,573	45,993,804	18,134,924	32,030,928	14,530,809	14,679,895
Debt Service	-	632,680	-	174,028	347	49
Specific Projects and Programs	92,644,739	61,018,399	34,441,539	30,547,345	27,009,644	25,683,042
Total Restricted	97,414,312	107,644,883	52,576,463	62,752,301	41,540,800	40,362,986
Unrestricted	98,512,704	66,249,901	87,737,817	71,001,423	53,357,322	49,662,321
Total governmental activities net assets	\$ 825,548,738	\$ 846,201,604	\$ 801,524,397	\$ 748,054,241	\$ 255,728,093	\$ 200,949,484
Business-type Activities						
Investment in capital assets, net of related debt	\$ 66,963,851	\$ 63,526,242	\$ 62,246,621	\$ 63,741,429	\$ 57,378,860	\$ 38,827,474
Restricted for:						
Debt Service	-	-	-	-	-	-
Unrestricted	3,118,092	2,957,611	1,553,088	(406,224)	(890,648)	(1,959,972)
Total business-type activities net assets	\$ 70,081,943	\$ 66,483,853	\$ 63,799,709	\$ 63,335,205	\$ 56,488,212	\$ 36,867,502
Primary Government						
Investment in capital assets, net of related debt	696,585,573	735,833,062	723,456,738	678,041,946	218,208,831	149,751,651
Restricted	97,414,312	107,644,883	52,576,463	62,752,301	41,540,800	40,362,986
Unrestricted	101,630,796	69,207,512	89,290,905	70,595,199	52,466,674	47,702,349
Total Primary Government Net Assets	\$ 895,630,681	\$ 912,685,457	\$ 865,324,106	\$ 811,389,446	\$ 312,216,305	\$ 237,816,986

Note: (1) Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt, restricted, and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of California or the federal government, places a restriction on how the revenues may be used, or (2) enabling legislations is enacted by the City.

(2) City of Santa Clarita implemented GASB 34 reporting module for the fiscal year ended June 30, 2003. Fiscal Year 2005-06 balance was restated as a result of the City's valuation of the estimated historical cost of infrastructure placed in service prior to July 1, 2002. See Notes to Basic Financial Statements #16.

City of Santa Clarita
Changes in Net Assets
Last Six Fiscal Years Ended June 30, 2009 ⁽¹⁾
(accrual basis of accounting)

	FISCAL YEAR					
	08-09	07-08	06-07	05-06	04-05	03-04
Expenses						
Governmental Activities						
General government	\$ 30,094,380	\$ 27,488,731	\$ 26,029,070	\$ 24,225,414	\$ 9,930,958	\$ 10,645,351
Public safety	17,489,870	16,482,917	14,398,408	13,821,626	12,437,170	12,113,853
Public works	48,514,645	30,549,888	19,273,980	6,417,841	11,754,949	8,859,452
Parks and recreation	32,747,618	21,817,251	20,573,077	20,988,533	17,637,475	15,370,145
Community development	9,761,681	9,257,881	8,985,449	16,939,976	22,371,678	20,482,573
Unallocated infrastructure depreciation	14,405,047	13,128,617	12,920,310	1,268,939	701,261	243,369
Interest on long-term debt	5,725,201	3,127,998	2,087,949	1,669,701	1,560,223	1,608,577
Total governmental activities expenses:	158,738,442	121,853,283	104,268,243	85,332,030	76,393,714	69,323,320
Business-type Activities						
Transit	22,299,379	21,506,317	18,315,106	16,508,457	15,239,173	14,557,850
Total business-type activities expenses:	22,299,379	21,506,317	18,315,106	16,508,457	15,239,173	14,557,850
Total primary government expenses:	\$ 181,037,821	\$ 143,359,600	\$ 122,583,349	\$ 101,840,487	\$ 91,632,887	\$ 83,881,170
Program Revenues						
Governmental Activities						
Charges for services:						
General government	\$ 621,624	\$ 2,737,355	\$ 302,075	\$ 186,171	\$ 377,202	\$ 325,190
Public safety	1,898,022	2,291,100	2,131,060	2,032,652	1,921,796	1,143,772
Public works	260,524	355,817	3,575,546	2,512,093	2,423,865	2,697,751
Parks and recreation	3,849,699	3,875,539	3,895,422	3,794,662	3,874,109	3,133,880
Community development	35,138,334	26,341,684	20,182,722	19,068,982	20,127,873	20,740,859
Operating grants and contributions	9,931,109	22,600,793	26,641,145	23,465,852	21,301,215	18,503,221
Capital grants and contributions	38,785,576	39,003,536	24,770,306	60,971,404	34,503,830	12,239,868
Total governmental activities program revenues:	90,484,888	97,205,824	81,498,276	112,031,816	84,529,890	58,784,541
Business-type Activities						
Charges for services:						
Transit	3,299,263	3,216,239	5,827,778	4,950,584	5,224,575	4,581,799
Operating grants and contributions	13,653,177	11,876,720	12,616,641	3,351,941	15,834,845	8,937,213
Capital grants and contributions	0	617,421	750,200	-	-	-
Total business-type activities program revenues:	16,952,440	15,710,380	19,194,619	8,302,525	21,059,420	13,519,012
Total primary government revenues:	\$ 107,437,328	\$ 112,916,204	\$ 100,692,895	\$ 120,334,341	\$ 105,589,310	\$ 72,303,553

Note: (1) City of Santa Clarita implemented GASB 34 reporting module for the fiscal year ended June 30, 2003.

City of Santa Clarita
Changes in Net Assets
Last Six Fiscal Years Ended June 30, 2009 ⁽¹⁾
(accrual basis of accounting)

	FISCAL YEAR					
	08-09	07-08	06-07	05-06	04-05	03-04
Net Revenues (expenses):						
Governmental activities	\$ (68,253,554)	\$ (24,647,459)	\$ (22,769,967)	\$ 26,699,786	\$ 8,136,176	\$ (10,538,779)
Business-type activities	(5,346,939)	(5,795,937)	879,513	(8,205,932)	5,820,247	(1,038,838)
Total net revenues (expenses):	\$ (73,600,493)	\$ (30,443,396)	\$ (21,890,454)	\$ 18,493,854	\$ 13,956,423	\$ (11,577,617)
General Revenue and Other Changes in Net Assets						
Governmental activities						
Taxes:						
Sales taxes	\$ 27,751,506	\$ 29,076,388	\$ 23,790,825	\$ 22,204,192	\$ 22,674,470	\$ 27,329,574
Property taxes, levied for general purposes	26,820,068	24,482,930	27,891,202	23,106,806	9,023,363	9,452,945
Franchise taxes	6,704,074	6,028,903	6,248,912	5,560,153	5,314,454	5,131,964
Real property transfer taxes	4,816,638	836,824	1,073,774	1,544,534	1,611,216	1,327,924
Transient occupancy taxes	2,260,708	2,433,651	1,804,923	1,824,394	1,632,137	1,458,388
Unrestricted revenue in lieu of motor vehicle taxes	-	-	-	603,990	10,224,572	10,216,165
Unrestricted revenue in lieu of sales taxes	3,083,353	8,490,865	8,156,017	6,965,521	7,328,638	-
Grants and contributions not restricted						
to specific programs	1,015,413	1,252,281	1,862,901	223,241	872,475	1,279,029
Unrestricted investment earnings	6,020,940	4,566,884	4,970,193	1,891,292	1,663,699	655,106
Miscellaneous	3,132,450	-	-	-	-	-
Transfers	(8,006,128)	(8,431,120)	441,376	(12,054,795)	(13,702,591)	(9,737,217)
Total governmental activities	73,599,022	68,737,606	76,240,123	51,869,328	46,642,433	47,113,878
Business-type activities						
Grants and contributions not restricted						
to specific programs	-	-	-	883,615	93,334	-
Unrestricted investment earnings	938,901	48,961	26,367	1,050	4,538	17,800
Transfers	8,006,128	8,431,120	(441,376)	12,054,795	13,702,591	9,737,217
Total business-type activities:	8,945,029	8,480,081	(415,009)	12,939,460	13,800,463	9,755,017
Total primary government:	\$ 82,544,051	\$ 77,217,687	\$ 75,825,114	\$ 64,808,788	\$ 60,442,896	\$ 56,868,895
Change in Net Assets						
Governmental activities	\$ 5,345,468	\$ 44,090,147	\$ 53,470,156	\$ 78,569,114	\$ 54,778,609	\$ 36,575,099
Business-type activities	3,598,090	2,684,144	464,504	4,733,528	19,620,710	8,716,179
Total primary government:	\$ 8,943,558	\$ 46,774,291	\$ 53,934,660	\$ 83,302,642	\$ 74,399,319	\$ 45,291,278

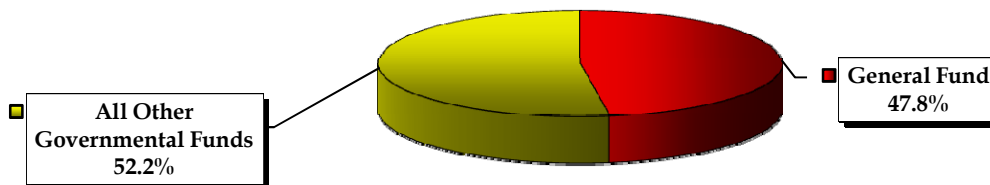
Note: (1) City of Santa Clarita implemented GASB 34 reporting module for the fiscal year ended June 30, 2003.

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

City of Santa Clarita
Fund Balances of Governmental Funds
Last Ten Fiscal Years Ended June 30, 2009
(modified accrual basis of accounting)

	FISCAL YEAR			
	08-09	07-08	06-07	05-06 ⁽¹⁾ As Restated
General Fund				
Reserved	\$ 32,617,139	\$ 34,920,547	\$ 34,699,034	\$ 20,786,040
Unreserved	41,282,058	31,153,879	28,500,824	18,232,779
Total general fund	\$ 73,899,197	\$ 66,074,426	\$ 63,199,858	\$ 39,018,819
All Other Governmental Funds				
Reserved	\$ 70,417,494	\$ 51,972,970	\$ 48,303,588	\$ 80,399,389
Unreserved:				
Special revenue fund	(6,798,095)	28,377,796	3,827,570	(7,159,062)
Debt service funds	(17,004,471)	(15,873,835)	(10,461,382)	(4,743,697)
Capital projects fund	34,502,270	38,050,255	4,592,332	(249,111)
Total all other governmental funds	\$ 81,117,198	\$ 102,527,186	\$ 36,151,718	\$ 68,247,519

FUND BALANCES
Fiscal Year Ended June 30, 2009

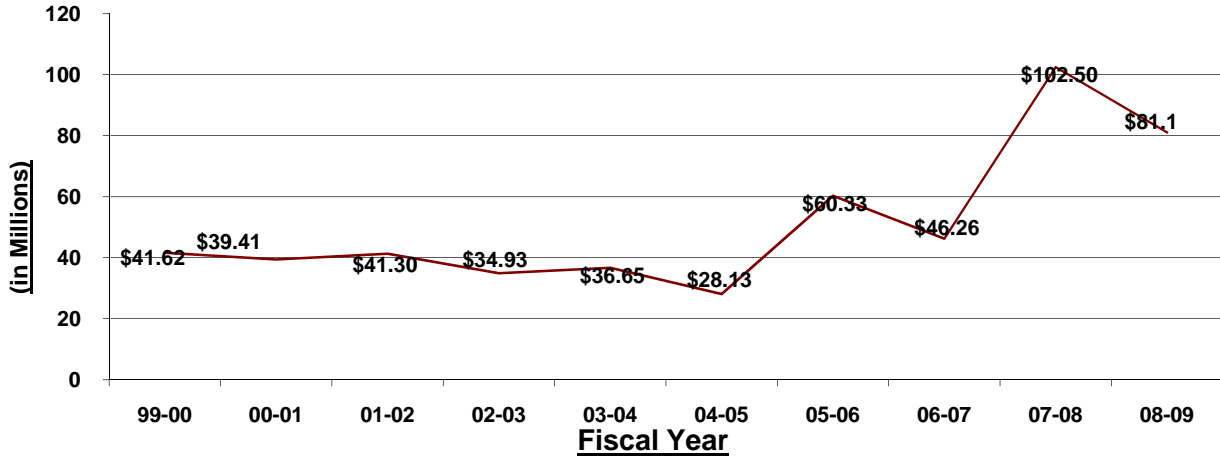


Note: (1) Balance as restated, see Notes to Basic Financial Statements #16B.

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

FISCAL YEAR					
04-05	03-04	02-03	01-02	00-01	99-00
\$ 15,638,513	\$ 12,042,182	\$ 14,034,615	\$ 21,368,003	\$ 16,330,098	\$ 13,412,456
30,780,939	23,109,773	12,927,211	3,168,903	12,209,902	11,948,231
\$ 46,419,452	\$ 35,151,955	\$ 26,961,826	\$ 24,536,906	\$ 28,540,000	\$ 25,360,687
\$ 30,388,825	\$ 41,563,581	\$ 9,203,674	\$ 10,852,416	\$ 8,426,033	\$ 18,574,159
2,843,589	(867,508)	30,014,266	34,078,558	30,758,147	22,571,066
(4,402,225)	(3,944,409)	(4,082,126)	(4,066,749)	-	-
(698,632)	(100,527)	(196,889)	437,307	228,777	474,522
\$ 28,131,557	\$ 36,651,137	\$ 34,938,925	\$ 41,301,532	\$ 39,412,957	\$ 41,619,747

**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, 2009
(modified accrual basis of accounting)

	FISCAL YEAR			
	2009	2008	2007	2006
Revenues:				
Taxes	\$ 87,267,187	\$ 88,088,786	\$ 70,576,755	\$ 66,164,485
Licenses and permits	3,697,218	5,256,748	4,203,933	6,907,826
Developer fees	15,763,070	22,290,808	6,747,767	28,028,933
Investment income	10,749,728	8,287,441	7,926,763	2,881,133
Revenue from other agencies	28,882,884	24,247,611	37,300,213	38,526,364
Fines and forfeitures	1,759,371	2,121,570	1,918,954	1,904,273
Service charges	8,375,771	9,931,041	13,463,673	13,081,649
Other revenues	5,077,400	3,368,879	4,356,961	12,651,674
Total Revenues	161,572,629	163,592,884	146,495,019	170,146,337
Expenditures:				
Current:				
General government	27,250,056	25,965,196	23,411,750	24,668,150
Public safety	17,439,295	16,342,979	14,347,833	13,658,723
Public works	42,937,168	25,977,763	19,511,097	6,802,081
Parks and recreation	20,126,412	20,156,343	18,943,146	17,376,609
Community development	7,095,386	7,583,236	9,051,652	17,164,505
Capital outlays	41,826,511	44,906,802	57,926,955	49,435,744
Debt service:				
Principal	2,072,341	1,927,198	2,374,870	1,367,359
Interest, professional services, and fiscal charges	5,279,549	4,632,979	2,298,974	2,878,536
Total Expenditures	164,026,718	147,492,496	147,866,277	133,351,707
Excess of Revenues over (under) Expenditures	(2,454,089)	16,100,388	(1,371,258)	36,794,630
Other Financing Sources (Uses)				
Revenue bonds issued/issuance premium	-	-	13,894,752	-
Proceeds of long-term debt	-	54,235,000	-	17,700,000
Escrow payment, costs of bonds issuance, and others	-	(226,682)	-	(17,225,304)
Transfers-in	11,900,426	43,112,541	27,468,089	7,865,612
Transfers-out	(23,031,554)	(54,668,661)	(29,881,193)	(19,409,716)
Total Other Financing Sources (Uses)	(11,131,128)	42,452,198	11,481,648	(11,069,408)
Net change in fund balances	(13,585,217)	58,552,586	10,110,390	25,725,222
Fund balances (deficit) - Beginning of Year, as restated	168,601,612	110,049,026	99,351,576	74,551,009
Fund balances (deficit) - End of Year	\$ 155,016,395	\$ 168,601,612	\$ 109,461,966	\$ 100,276,231
Debt service as percentage of non capital expenditures	5.73%	5.87%	4.95%	5.04%

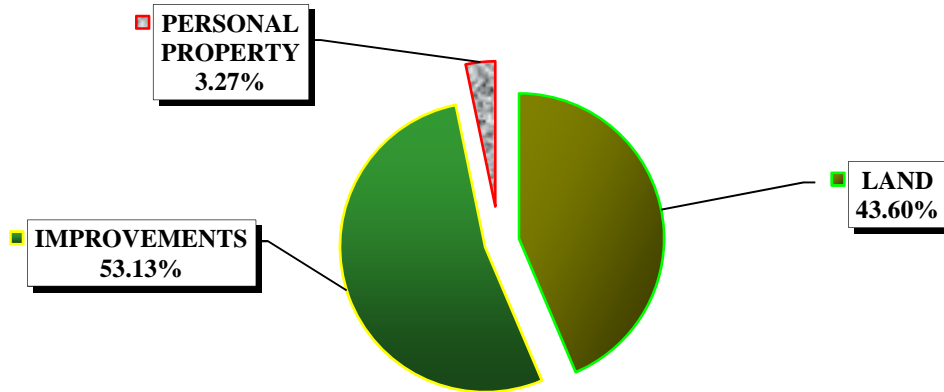
FISCAL YEAR						
	2005	2004	2003	2002	2001	2000
\$	53,763,779	\$ 43,940,454	\$ 39,813,089	\$ 35,589,227	\$ 34,053,282	\$ 30,320,166
	5,127,705	5,303,309	3,512,857		2,759,637	3,341,660
	11,963,054	7,570,352	7,857,087	17,016,274	16,295,503	7,916,830
	3,148,731	919,858	3,788,121	4,165,144	6,303,050	3,439,177
	33,089,887	36,119,851	31,157,062	30,209,371	30,133,734	25,047,788
	1,803,686	1,051,371	1,041,945	1,008,466	972,443	1,019,370
	13,339,462	12,580,933	18,095,424	17,089,401	15,489,302	15,219,587
	2,408,463	3,767,800	2,309,846	1,948,808	1,298,924	859,511
	124,644,767	111,253,928	107,575,431	107,026,691	107,305,875	87,164,089
	11,217,783	12,436,244	9,282,089	9,778,478	8,768,573	8,156,391
	12,429,192	12,102,441	12,124,427	11,264,808	11,386,290	10,386,922
	8,901,359	8,692,908	8,823,785	8,112,935	7,450,660	6,785,186
	15,964,949	14,226,090	11,546,673	10,492,037	9,052,687	8,769,545
	22,531,795	21,039,274	23,900,882	16,450,228	13,566,023	10,978,733
	35,096,683	19,251,357	33,179,578	46,917,311	43,364,800	27,909,694
	2,060,319	4,332,159	1,496,087	533,279	176,061	29,161
	1,570,581	1,760,134	1,958,388	1,598,807	1,547,751	1,501,752
	109,772,661	93,840,607	102,311,909	105,147,883	95,312,845	74,517,384
	14,872,106	17,413,321	5,263,522	1,878,808	11,993,030	12,646,705
	-	-	1,558,097	4,400,000	-	-
	-	-	1,558,097	4,400,000	-	-
	-	2,590,955	-	-	-	-
	8,157,999	8,278,692	7,662,207	9,550,514	2,989,329	3,927,765
	(20,282,188)	(18,380,627)	(18,421,513)	(18,120,682)	(11,591,270)	(16,392,428)
	(12,124,189)	(7,510,980)	(7,643,112)	229,832	(8,601,941)	(12,464,663)
	2,747,917	9,902,341	(2,379,590)	2,108,640	3,391,089	182,042
	71,803,092	61,900,751	65,838,438	64,722,707	61,331,618	61,149,576
\$	74,551,009	\$ 71,803,092	\$ 63,458,848	\$ 66,831,347	\$ 64,722,707	\$ 61,331,618
	4.73%	8.24%	4.21%	3.66%	3.32%	3.28%

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

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

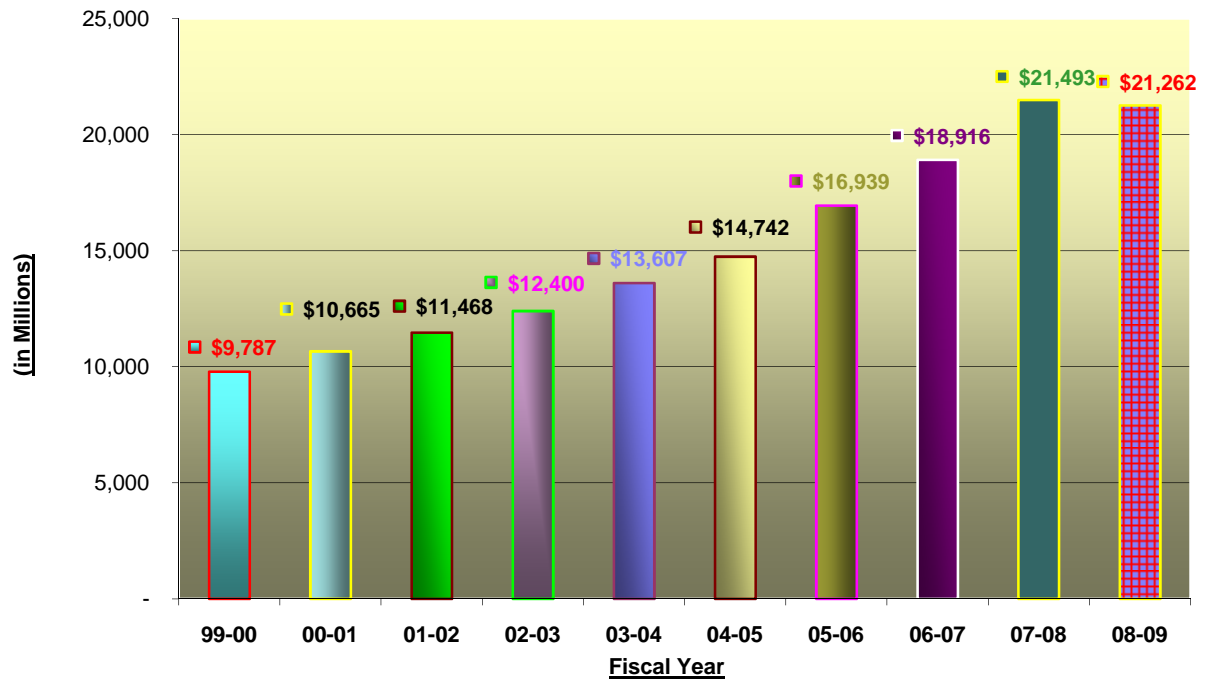
Fiscal Year	STATE ASSESSED				LOCALLY ASSESSED				
	SECURED -UTILITY				SECURED				
	LAND	IMPROVEMENTS	PERSONAL PROPERTY	TOTAL	LAND	IMPROVEMENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL
1999-00	\$ 1,733,140	\$ 323,181	\$ 185,010	\$ 2,241,331	\$ 3,549,417,695	\$ 5,661,843,960	\$ 91,953,388	\$ (121,319,796)	\$ 9,181,895,247
2000-01	2,961,227	298,757	171,028	3,431,012	3,945,586,755	6,169,813,280	91,784,122	(155,105,480)	10,052,078,677
2001-02	2,759,375	327,081	187,242	3,273,698	4,337,350,843	6,540,398,513	95,719,580	(188,756,582)	10,784,712,354
2002-03	2,743,160	314,910	180,275	3,238,345	4,742,666,578	7,042,138,889	91,308,887	(183,110,538)	11,693,003,816
2003-04	5,301,621	43,969,100	205,876	49,476,597	5,312,201,652	7,688,524,882	79,538,536	(187,628,805)	12,892,636,265
2004-05	5,420,327	11,091,534	256,894	16,768,755	6,068,433,252	8,136,867,187	73,449,031	(194,782,110)	14,083,967,360
2005-06	2,098,608	10,833,957	239,620	13,172,185	7,440,682,741	8,947,087,936	89,939,825	(211,472,197)	16,266,238,305
2006-07	2,156,981	8,312,011	197,013	10,666,005	8,556,960,792	9,766,997,767	104,509,489	(253,946,364)	18,174,521,684
2007-08	1,515,305	6,727,866	-	8,243,171	9,899,005,161	10,912,016,138	98,107,607	(214,371,451)	20,694,757,455
2008-09	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

ASSESSED VALUATION by CATEGORIES
 (Total Secured and Unsecured)
 Fiscal Year Ended June 30, 2009



LOCALLY ASSESSED				TOTALS				
UNSECURED				BEFORE OTHER EXEMPTIONS	TAXABLE ASSESSED VALUE	% INCR. (DECR.)	TOTAL DIRECT RATE (2)	HOME- OWNER PROPERTY TAX RELIEF
IMPROVE- MENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL					
\$ 282,745,700	\$ 319,794,318	\$ -	\$ 602,540,018	\$ 9,907,996,392	\$ 9,786,676,596		0.05794%	\$ 199,793,885
240,385,121	369,315,436	(87,800)	609,612,757	10,820,315,726	10,665,122,446	8.98%	0.05824%	199,566,151
273,022,487	407,191,186	(639,000)	679,574,673	11,656,956,307	11,467,560,725	7.52%	0.06100%	199,815,494
281,002,279	422,950,745	(95,000)	703,858,024	12,583,305,723	12,400,100,185	8.13%	0.06192%	199,128,847
254,085,173	411,805,661	(1,135,000)	664,755,834	13,795,632,501	13,606,868,696	9.73%	0.06279%	199,643,032
242,047,848	399,549,912	(76,000)	641,521,760	14,937,115,985	14,742,257,875	8.34%	0.06432%	205,852,669
216,098,046	453,406,084	(9,513,134)	659,990,996	17,160,386,817	16,939,401,486	14.90%	0.06909%	206,658,586
255,417,833	482,574,856	(7,299,585)	730,693,104	19,177,126,742	18,915,880,793	11.67%	0.08039%	206,464,204
264,708,723	558,804,055	(32,916,267)	790,596,511	21,740,884,855	21,493,597,137	13.63%	0.08327%	220,192,568
359,543,253	600,420,921	(15,127,698)	944,836,476	21,600,880,848	21,262,122,246	-1.08%	0.08313%	224,731,598

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



(2) Direct Rate includes Redevelopment Agency areas.

City of Santa Clarita

Redevelopment Agency ⁽¹⁾

Assessed Valuation (2) and Actual Value of Taxable Property

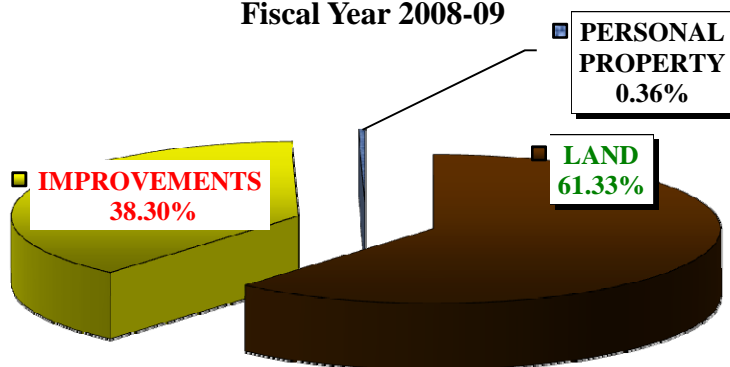
Last Ten Fiscal Years

FISCAL YEAR	STATE ASSESSED				LOCALLY ASSESSED				
	SECURED (UTILITY)				SECURED				
	LAND	IMPROVEMENTS	PERSONAL PROPERTY	TOTAL	LAND	IMPROVEMENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL
1998-99	\$ 68,944	\$ 51,759	\$ 29,632	\$ 150,335	\$ 115,222,237	\$ 127,657,072	\$ 4,474,912	\$ (4,120,954)	\$ 243,233,267
1999-00	47,103	35,364	20,244	102,711	119,628,829	131,911,448	3,855,740	(1,609,625)	253,786,392
2000-01	43,544	32,692	18,715	94,951	129,489,221	136,444,009	4,069,074	(1,624,719)	268,377,585
2001-02	47,672	35,789	20,489	103,950	142,657,899	145,596,895	3,810,222	(2,524,574)	289,540,442
2002-03	45,897	34,458	19,726	100,081	149,325,297	149,506,716	5,028,543	(2,575,054)	301,285,502
2003-04	52,416	39,351	22,527	114,294	161,106,889	159,691,365	3,806,986	(4,148,124)	320,457,116
2004-05	65,404	49,101	28,109	142,614	180,810,905	166,935,237	2,314,234	(5,083,826)	344,976,550
2005-06	61,007	45,801	26,219	133,027	273,260,130	176,564,344	2,435,378	(4,859,824)	447,400,028
2006-07	50,158	37,657	21,558	109,373	295,792,467	185,299,271	2,545,972	(5,085,710)	478,552,000
2007-08	-	-	-	-	335,974,647	205,086,767	2,346,546	(4,630,171)	538,777,789
2008-09	-	-	-	-	348,100,511	217,393,278	2,064,527	(3,754,719)	563,803,597

SECURED ASSESSED VALUATION

(before other exemptions)

Fiscal Year 2008-09

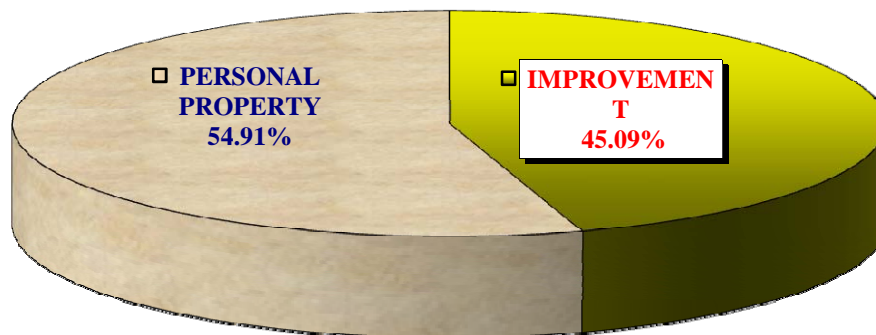


(1) -The Redevelopment Agency of the City of Santa Clarita was established on November 28, 1989, pursuant to the State of California Health and Safety Code, Section 33000. However, the Agency was not active until fiscal year 1998-99 and the Base Year was calculated in fiscal year 1996-97, which included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

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

LOCALLY ASSESSED				TOTALS				
IMPROVE- MENTS	UNSECURED			TOTALS BEFORE BASE YEAR	BASE YEAR	TAXABLE ASSESSED VALUE	VALUE GROWTH	HOME- OWNER PROPERTY TAX RELIEF
	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL					
\$ 4,972,866	\$ 12,239,116	\$ (3,000)	\$ 17,208,982	\$ 260,592,584	\$ (266,351,517)	\$ (5,758,933)	\$ -	\$ 1,870,400
4,143,500	14,484,623	-	18,628,123	272,517,226	(266,351,517)	6,165,709	11,924,642	1,860,600
3,796,012	16,424,155	(10,000)	20,210,167	288,682,703	(266,351,517)	22,331,186	16,165,477	1,895,600
4,515,557	14,923,310	(15,000)	19,423,867	309,068,259	(266,351,517)	42,716,742	20,385,556	1,918,000
5,983,748	19,053,059	(30,000)	25,006,807	326,392,390	(266,351,517)	60,040,873	17,324,131	1,890,000
6,272,382	19,035,089	(33,000)	25,274,471	345,845,881	(266,351,517)	79,494,364	19,453,491	1,923,600
6,326,173	22,151,970	(33,000)	28,445,143	373,564,307	(266,351,517)	107,212,790	27,718,426	2,161,147
5,901,959	23,034,914	(91,000)	28,845,873	476,378,928	(266,351,517)	210,027,411	102,814,621	2,053,943
26,593,269	25,569,962	(16,300)	52,146,931	530,808,304	(266,351,517)	264,456,787	54,429,376	1,971,567
28,204,577	48,299,529	(217,300)	76,286,806	615,064,595	(266,351,517)	348,713,078	84,256,291	2,034,432
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

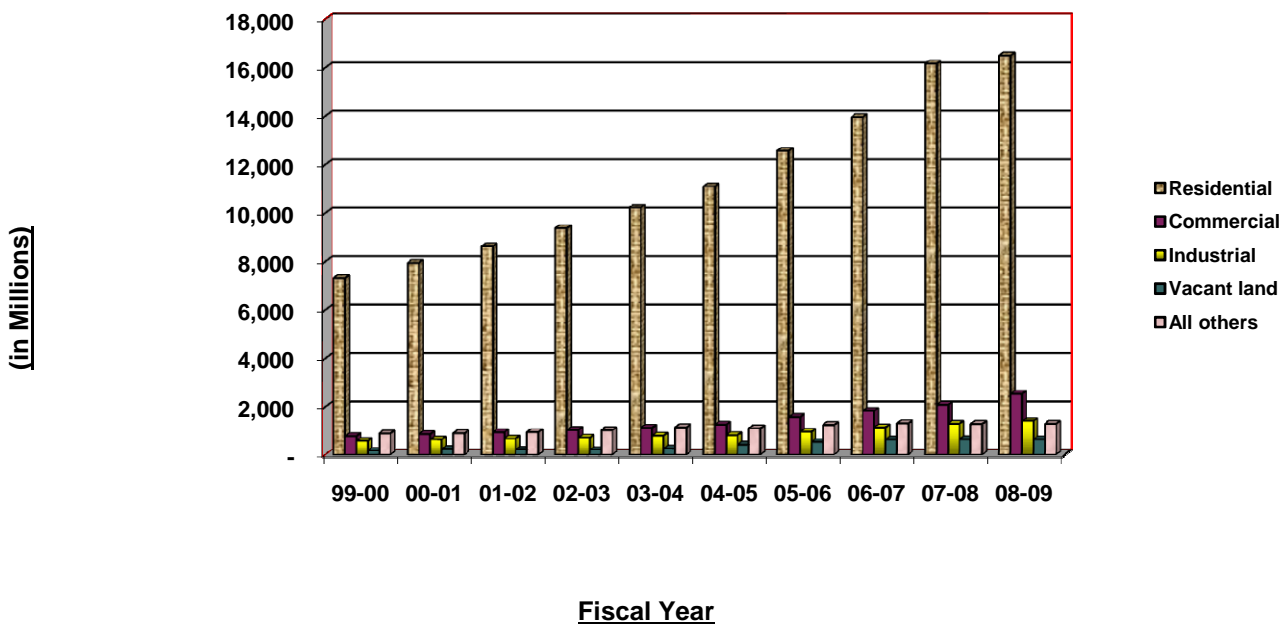
**UNSECURED ASSESSED VALUATION
(before other Exemption)
Fiscal Year 2008-09**



City of Santa Clarita
Assessed Value- Taxable Property
Last Ten Fiscal Years

CATEGORY	FISCAL YEAR				
	08-09	07-08	06-07	05-06	04-05
Residential	\$ 16,491,425,500	\$ 16,165,919,271	\$ 13,962,275,972	\$ 12,569,640,999	\$ 11,097,987,787
Commercial	2,541,908,257	2,081,576,763	1,836,340,797	1,588,835,810	1,258,389,787
Industrial	1,420,480,569	1,293,080,539	1,148,469,489	980,395,598	833,455,573
Irrigated	3,559,558	3,489,768	29,374,674	28,272,540	4,351,050
Dry farm		-	49,088,244	48,512,253	45,145,241
Recreational	119,459,165	114,868,032	90,435,287	94,916,719	84,727,948
Institutional	136,418,924	130,907,129	94,705,673	91,312,643	80,606,769
Government	201,629	197,676	194,922	190,000	-
Miscellaneous	826,513	810,312	795,449	779,859	764,577
Vacant land	664,562,300	664,792,342	656,660,955	554,551,820	440,215,418
SBE Nonunitary	1,073,171	8,243,171	10,666,005	13,172,185	16,768,755
Possessory Int.	158,723,783	239,115,623	222,654,730	205,526,182	201,323,600
Unsecured	871,039,834	790,596,511	730,697,804	659,990,996	641,526,760
Unknown		-	83,525,492	103,303,882	36,994,610
TOTALS:	\$ 22,409,679,203	\$ 21,493,597,137	\$ 18,915,885,493	\$ 16,939,401,486	\$ 14,742,257,875

ASSESSED VALUE - TAXABLE PROPERTY
Last Ten Fiscal Years



Source: HdL Coren & Cone, Los Angeles County Assessor 2008/09 Combined Tax Rolls.

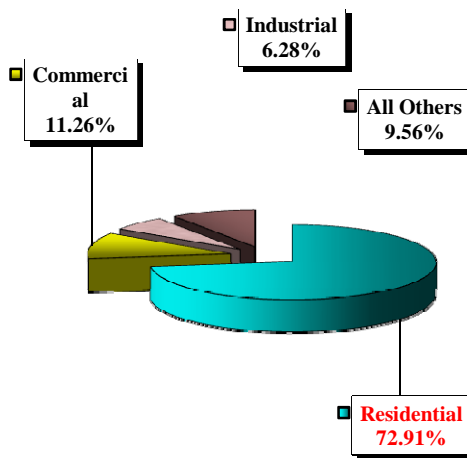
FISCAL YEAR				
03-04	02-03	01-02	00-01	99-00
\$ 10,221,634,945	\$ 9,373,657,630	\$ 8,630,320,972	\$ 7,948,529,358	\$ 7,306,570,760
1,132,585,601	1,043,922,879	955,529,671	879,942,873	797,649,082
817,508,597	735,063,812	693,214,978	660,288,367	597,514,771
3,962,743	3,933,315	5,798,245	3,871,007	5,055,001
43,542,990	29,655,961	34,074,195	38,041,655	47,333,049
94,694,674	60,212,317	46,322,531	42,015,479	41,371,556
113,908,577	102,142,853	82,619,342	96,186,317	105,635,607
493,814	484,173	474,673	465,377	456,265
667,091	7,591,441	2,697,123	7,823,618	7,687,998
280,744,871	212,233,528	228,265,224	260,536,412	179,422,468
49,476,597	3,238,345	3,273,698	3,431,012	2,241,331
153,302,360	109,259,714	75,116,757	73,906,800	77,224,408
664,760,834	703,858,024	679,574,673	609,612,757	602,540,018
29,585,002	14,846,193	30,278,643	40,471,414	15,974,282
\$ 13,606,868,696	\$ 12,400,100,185	\$ 11,467,560,725	\$ 10,665,122,446	\$ 9,786,676,596

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.

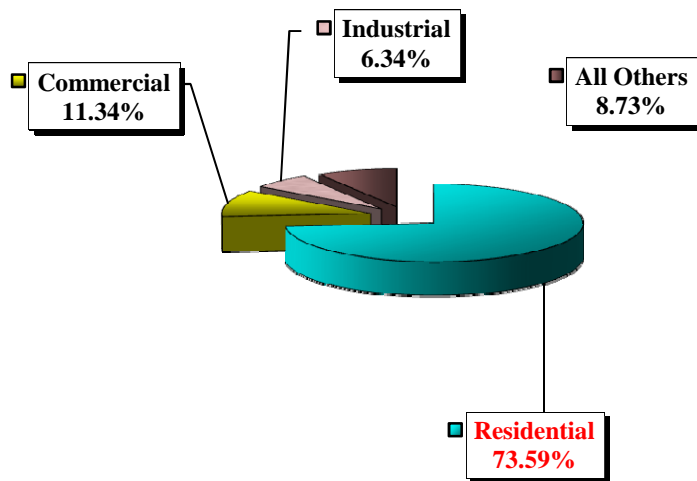
City of Santa Clarita
Assessed Value- Use Category Summary
Fiscal Year 2008-09

CATEGORY	PARCELS	ASSESSED			NET TAXABLE		
		VALUE	PERCENT	EXEMPTIONS	VALUE	PERCENT	
Residential	48,674	\$ 16,511,335,521	72.91%	\$ 19,910,021	\$ 16,491,425,500	73.591%	
Commercial	860	2,549,916,541	11.26%	8,008,284	2,541,908,257	11.343%	
Industrial	672	1,421,577,263	6.28%	1,096,694	1,420,480,569	6.339%	
Irrigated	6	3,559,558	0.02%	-	3,559,558	0.016%	
Recreational	35	122,209,018	0.54%	2,749,853	119,459,165	0.533%	
Institutional	89	306,328,345	1.35%	169,909,421	136,418,924	0.609%	
Government	5	202,795	0.001%	1,166	201,629	0.001%	
Miscellaneous	10	826,513	0.004%	-	826,513	0.004%	
Vacant land	3,559	665,237,238	2.94%	674,938	664,562,300	2.966%	
SBE Nonunitary	(108)	1,073,171	0.00%	-	1,073,171	0.005%	
Possessory Int.	(2,124)	159,547,778	0.70%	823,995	158,723,783	0.708%	
Unsecured	(7,227)	904,991,640	4.00%	33,951,806	871,039,834	3.887%	
Unknown							
TOTALS:	53,910	\$ 22,646,805,381	100.00%	\$ 237,126,178	\$ 22,409,679,203	100.000%	

ASSESSED VALUE by USE CATEGORY
Fiscal Year 2008-09



NET TAXABLE VALUE by USE CATEGORY
Fiscal Year 2008-09

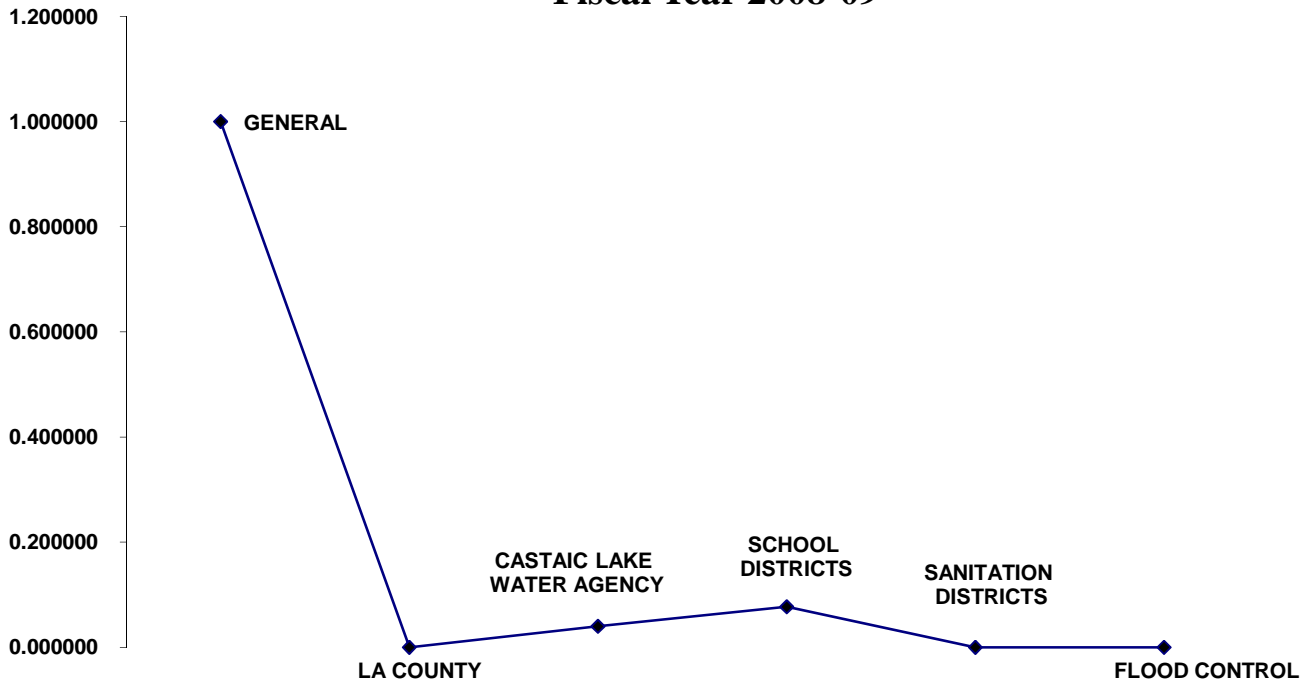


Source: HdL Coren & Cone, Los Angeles County Assessor 2008/09 Combined Tax Rolls.

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
1999-00	1.000000	0.001314	0.060614	0.026663	0.001015	0.001519	1.091125
2000-01	1.000000	0.001314	0.060614	0.000298	0.000498	0.001552	1.064276
2001-02	1.000000	0.001128	0.123017	0.041235	0.000561	0.001073	1.167014
2002-03	1.000000	0.001033	0.106227	0.069731	0.000487	0.000881	1.178359
2003-04	1.000000	0.000992	0.066000	0.079461	0.000328	0.000462	1.147243
2004-05	1.000000	0.000923	0.056169	0.064493	0.000321	0.000245	1.122151
2005-06	1.000000	0.000795	0.049327	0.064422	0.000000	0.000049	1.114593
2006-07	1.000000	0.000660	0.040000	0.060360	0.000000	0.000050	1.101070
2007-08	1.000000	0.000000	0.040000	0.074050	0.000000	0.000000	1.114050
2008-09	1.000000	0.000000	0.040000	0.077110	0.000000	0.000000	1.117110

DIRECT and OVERLAPPING PROPERTY TAX RATES
Fiscal Year 2008-09



Source: HdL Coren & Cone, Los Angeles County Assessor 2008-09 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	
2008-09	0.079870	0.000000	0.079870	1.04000%	0.08313%

Agency	2008-09	
City of Santa Clarita Tax District 1 (249.01)	0.05735	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. RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. 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 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)	0.05779	
Children's Institutional Tuition Fund (400.21)	0.00283	
Consolidated Fire Protection District of LA Co. (007.30)	0.16341	
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)	0.13377	
Educational Revenue Augmentation Fund(ERAF) (400.00)	0.08255	
Greater LA Co. Vector Control (061.80)	0.00032	
LA County Library (003.01)	0.02364	
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)	0.14051	
LA County Accum Cap Outlay (001.20)	0.00009	
Newhall Scholl District (581.01)	0.08349	
Santa Clarita Community College (814.04)	0.03744	
Santa Clarita Street Light Maintenance #2 (249.32)	0.02253	
Santa Clarita Valley Sanitation Dist. La Co.	0.02503	
Valencia Areawide Landscape T1A S.C.	0.01924	
William S. Hart Elementary School Fund (757.07)	0.04289	
William S. Hart Union High (757.02)	0.08151	
Total Prop. 13 Rate:	1.00000	
Castaic Lake Water Agency (302.01)	0.04000	
William S. Hart Un.Hsd Debt Services (757.51)	0.01035	
Newhall Elementary School District Debt Services 1999 Ser. B (581.53)	0.01634	
Newhall Elementary School District Debt Services 1999 Ser. A (581.52)	0.01329	
Santa Clarita Community College Debt Services 2001 Ser. 2005 (814.54)	0.00619	
Santa Clarita Community College Debt Services 2006 Ser. 2007 (814.55)	0.01069	
Santa Clarita Community College Debt Services 2005 Refunding Bonds (814.53)	0.00396	
Santa Clarita Community College Debt Services 2001 Ser. 2003 (814.52)	0.00247	
Santa Clarita Community College Debt Services 2001 Ser. 2002 (814.51)	0.00046	
William S. Hart Unified Debt Services (757.52)	0.01336	
Total Tax Rate	0.11711	

Source: HdL Coren & Cone, Los Angeles County Assessor 2008/09 Tax Rate Table

City of Santa Clarita

Principal Property Taxpayers

Current Fiscal Year and Two Fiscal Years Ago

OWNER/TAXPAYER	FISCAL YEAR 2008-09			FISCAL YEAR 2007-08			FISCAL YEAR 2006-07		
	Number of Parcels	TOTAL ASSESSED VALUE	PERCENT of TOTAL CITY ASSESSED VALUE	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	31	\$ 283,259,367	1.30 %	30	\$ 277,077,500	1.63 %	30	\$ 227,588,430	1.34 %
EQR Valencia LLC	218	93,110,745	0.43	218	91,285,050	0.54	217	54,881,437	0.32
Casden Santa Clarita LLC	25	79,590,546	0.37	25	78,029,956	0.46	25	74,999,960	0.44
Sam's Real Estate Business Trust/WalMart	9	75,424,767	0.35	9	74,050,394	0.44	-	-	-
Prado Town Center West LLC	264	71,125,630	0.33	267	72,754,504	0.43	8	48,696,944	0.29
VTC Business Center	10	157,307,514	0.72	-	-	-	-	-	-
C-Native Exchange LLC Time Warner	12	78,960,993	0.36	-	-	-	-	-	-
Rreef America Reit II Corporation DD	2	74,150,497	0.34	-	-	-	-	-	-
EQR-Wellfan 2008	3	70,617,530	0.32	-	-	-	-	-	-
Gateway Village	1	67,743,300	0.31	-	-	-	-	-	-
Rreef America Reit II Corporation	-	-	-	2	72,650,100	0.43	-	-	-
Newhall Land and Farming Company	-	-	-	296	72,554,608	0.43	142	124,754,967	0.74
Princess Cruises Inc.	-	-	-	5	66,006,818	0.39	7	60,186,928	0.36
ERP Operating	-	-	-	5	65,098,719	0.38	-	-	-
Prism River Oaks Limited Partnership	-	-	-	7	53,641,335	0.32	-	-	-
Total		1,051,290,889	4.84 %		923,148,984	5.45 %		591,108,666	3.49 %
All Others		20,689,593,966	95.16		16,357,948,724	94.66		16,357,948,724	96.51
Total Assessed Valuation		\$21,740,884,855	100.00 %		\$17,281,097,708	100.10 %		\$16,949,057,390	100.00 %

NOTE: The amounts shown above include assessed value data for both the City and the Redevelopment Agency. Prior years' information are not available at this time.

Source: HdL Coren & Cone, LA County Assessor 2008/09 Combined Tax Rolls

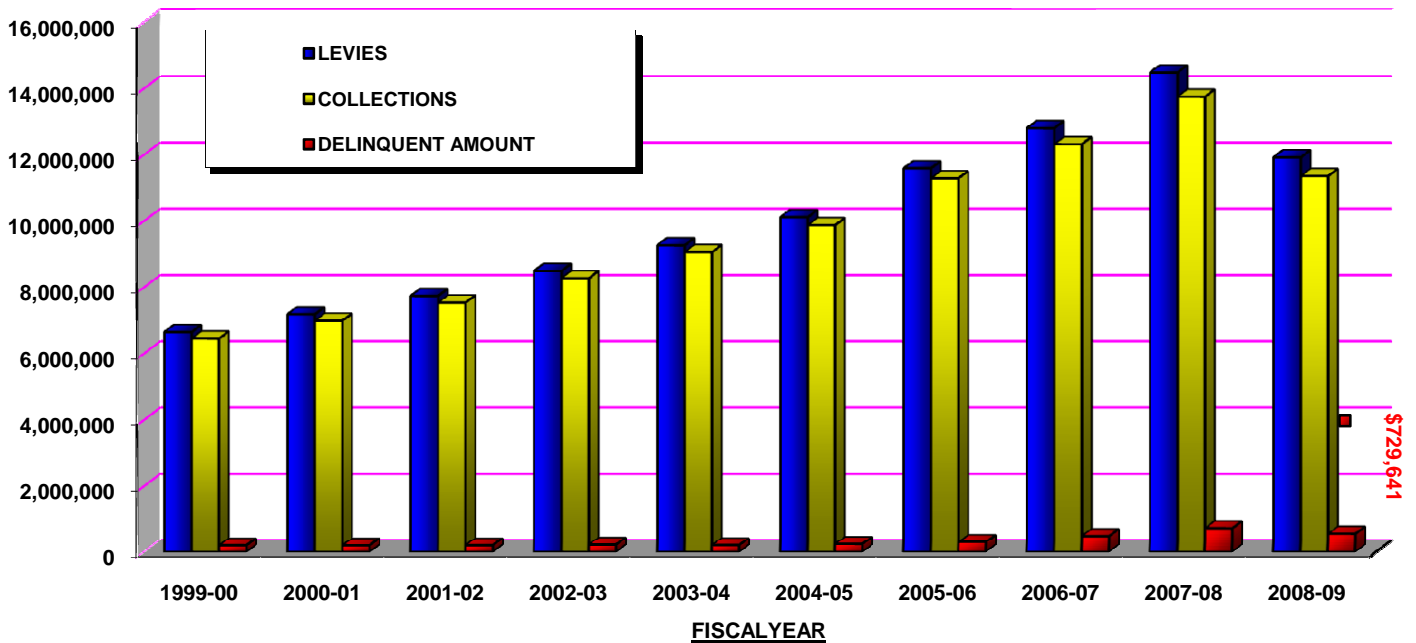


City of Santa Clarita

Property Tax Levies, Tax Collections, and Delinquency Last Ten Fiscal Years

FISCAL YEAR	TAXES LEVIED	COLLECTIONS	DELINQUENT AMOUNT	PERCENT DELINQUENCY
1999-00	\$ 6,652,430	\$ 6,456,536	\$ 195,894	2.94%
2000-01	7,188,685	6,993,761	194,924	2.71%
2001-02	7,741,409	7,542,204	199,205	2.57%
2002-03	8,494,397	8,274,896	219,501	2.58%
2003-04	9,271,388	9,066,213	205,175	2.21%
2004-05	10,118,983	9,878,450	240,533	2.38%
2005-06	11,593,852	11,292,337	301,515	2.60%
2006-07	12,804,630	12,317,614	487,016	3.80%
2007-08	14,483,825	13,754,184	729,641	5.04%
2008-09	11,925,285	11,361,604	563,681	4.73%

TAX COLLECTIONS & DELINQUENCY - LAST TEN FISCAL YEARS



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.

Source: County of LA, Department of Auditor-Controller

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

GOVERNMENTAL ACTIVITIES										
FISCAL YEAR	CERTIFICATES			NOTES	TAX ALLOCATION			CAPITAL		TOTAL
	OF PARTICIPATION (1)	(3)	LOANS		BONDS (2)	BONDS (4) (5)	LEASES			
1999-00	\$ 19,670,000	\$ -	\$ 2,000,000	\$ 3,019,844	\$ -	\$ -	\$ -	\$ 394,878	\$ 25,084,722	
2000-01	19,670,000	3,200,000	1,870,000	2,859,195	-	-	-	322,347	27,921,542	
2001-02	19,475,000	3,200,000	2,940,000	2,665,846	-	-	-	262,056	28,542,902	
2002-03	18,975,000	2,665,000	4,213,913	2,507,371	-	-	-	183,909	28,545,193	
2003-04	18,335,000	2,040,000	6,333,828	-	-	-	-	103,275	26,812,103	
2004-05	17,640,000	1,390,000	5,698,192	-	-	-	-	23,798	24,751,990	
2005-06	17,700,000	710,000	5,029,113	-	-	-	-	12,211	23,451,324	
2006-07	16,760,000	-	4,328,207	-	13,785,000	-	-	36,401	34,909,608	
2007-08	15,790,000	15,525,000	3,593,734	-	13,575,000	29,860,000	8,850,000	23,676	87,217,410	
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	

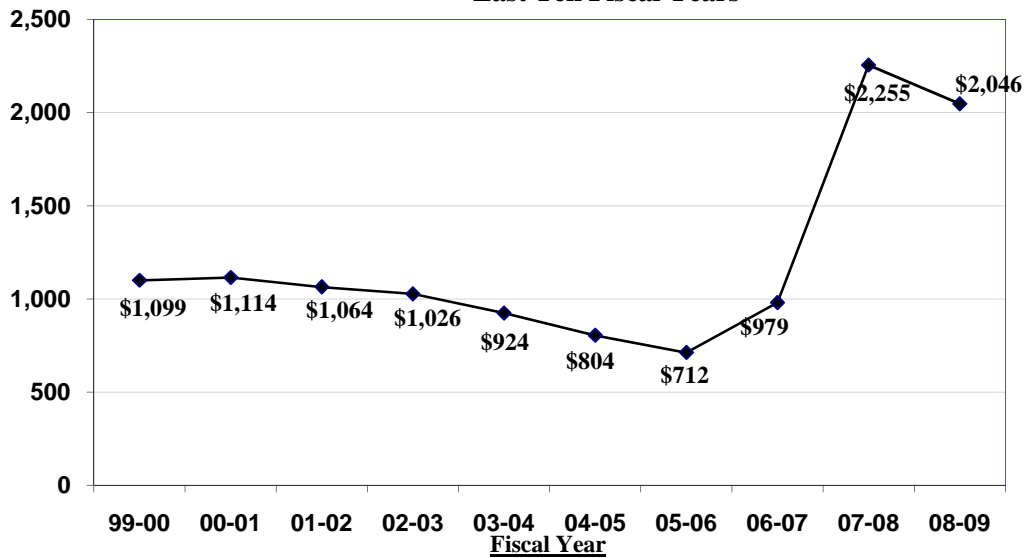
NOTES:

- (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 Financing Authority equal to the principal and interest due on the principal and interest due on the revenue bonds. At this point of time, the RDA was 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 were removed from the general long-term debt.
- On July 1, 2005, the Santa Clarita Public Financing Authority issued \$17,700,000 in Certificates of 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 were removed from the long-term liability.
- In November 2001, the Authority issued \$3,200,000 in Certificates of Participation for the acquisition of parkland.
- (2) On January 16, 2007, the Santa Clarita Public Financing Authority issued \$13,785,000 Lease Revenue Bonds, Series 2007 for the acquisition of right-of-way.
- (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.
- (4) On June 1, 2008, the Santa Clarita Redevelopment Agency issued \$29,860,000 in Non Housing Tax Allocation Bonds to fund certain redevelopment projects within the Newhall Redevelopment Project area.
- (5) On June 1, 2008, the Santa Clarita Redevelopment Agency issued \$8,850,000 in Low/Mod Housing Tax Allocation Bonds to fund certain redevelopment Housing projects within the Newhall Redevelopment Project area.

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
MASTER LEASE OBLIGATIONS	LEASE PAYABLE	TOTAL				
\$ 284,106	\$ 5,378,351	\$ 5,662,457	\$ 30,747,179	0.31%	\$ 1,099	4%
-	4,656,704	4,656,704	32,578,246	0.31%	1,114.47	4%
-	3,897,133	3,897,133	32,440,035	0.28%	1,063.50	4%
-	3,088,996	3,088,996	31,634,189	0.26%	1,026.15	4%
-	2,236,624	2,236,624	29,048,727	0.21%	923.59	3%
-	1,919,312	1,919,312	26,671,302	0.18%	803.86	3%
-	1,586,319	1,586,319	25,037,643	0.15%	711.54	2%
-	1,236,869	1,236,869	36,146,477	0.19%	979.13	3%
-	870,149	870,149	88,087,559	0.41%	2,254.84	6%
-	485,304	485,304	85,675,581	0.40%	2,046.28	5%

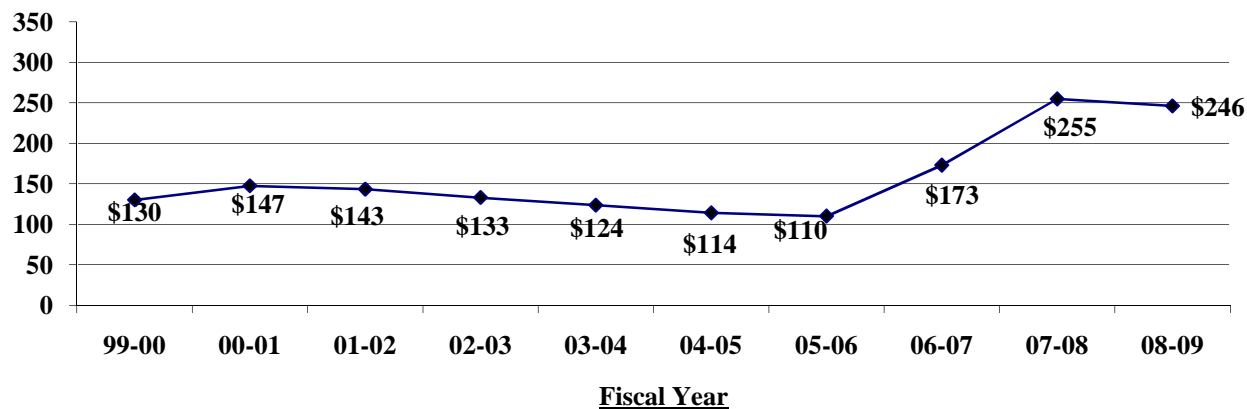
OUTSTANDING DEBT per CAPITA
Last Ten Fiscal Years



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

OUTSTANDING GENERAL BONDED DEBT						PERCENTAGE of TAXABLE ASSESSED VALUE		DEBT PER CAPITA
FISCAL YEAR	POPULATION (1)	REVENUE BONDS	CERTIFICATES of PARTICIPATION	TOTAL				
1999-00	151,260	\$ -	\$ 19,670,000	\$ 19,670,000	0.20%	\$	130	
2000-01	155,124	-	22,870,000	22,870,000	0.21%		147	
2001-02	158,289	-	22,675,000	22,675,000	0.20%		143	
2002-03	162,875	-	21,640,000	21,640,000	0.17%		133	
2003-04	164,916	-	20,375,000	20,375,000	0.15%		124	
2004-05	166,958	-	19,030,000	19,030,000	0.13%		114	
2005-06	167,412	-	18,410,000	18,410,000	0.11%		110	
2006-07	175,676	13,893,228	16,760,000	30,653,228	0.16%		174	
2007-08	176,030	13,575,000	31,315,000	44,890,000	0.21%		255	
2008-09	177,150	13,330,000	30,315,000	43,645,000	0.21%		246	

GENERAL BONDED DEBT OUTSTANDING
per CAPITA
Last Ten Fiscal Years



Source: (1) State of California, Finance Department

City of Santa Clarita

Direct and Overlapping Bonded Debt

June 30, 2009

2008-09 Assessed Valuation: \$22,410,452,203 (Net of Redevelopment Agency
Incremental Value of \$375,808,427)
2008-09 Population: 177,150

	Total Debt 06/30/2009	Percent Applicable To City (1)	City's Share of Debt 06/30/2009
OVERLAPPING TAX AND OVERLAPPING BONDED DEBT:			
Los Angeles County Flood Control District	\$ 84,705,000	2.378 %	\$ 2,014,285
Newhall County Water District - I.D. No. 2 (Sewer and Water issues)	50,000	99.218	49,609
Santa Clarita Community College District	150,093,952	61.498	92,304,779
William S. Hart Union High School District	214,725,872	61.489	132,032,791
William S. Hart Union High School District - Community Facilities District No. 87-1	2,590,000	100.000	2,590,000
William S. Hart Union High School District - Community Facilities District No. 89-1	835,000	100.000	835,000
William S. Hart Union High School District - Community Facilities District No. 90-1	715,000	100.000	715,000
Los Angeles County Community College and Unified School Districts	10,454,825,000	0.00002	2,091
Castaic Union School District	10,268,194	24.798	2,546,307
Newhall School District	30,650,000	57.484	17,618,846
Saugus Union School District	89,486,391	72.537	64,910,743
Sulphur Springs Union School District	10,268,000	70.875	7,277,445
City of Santa Clarita Open Space and Parkland Assessment District	15,525,000	100.000	15,525,000
City of Santa Clarita Community Facilities District No. 2002-1	17,105,000	100.000	17,105,000
City of Santa Clarita 1915 Act Bonds	1,145,000	100.000	1,145,000
Los Angeles County Regional Park and Open Space Assessment District	246,875,000	2.360	5,826,250
Total Overlapping Tax and Assessment Debt			<u>362,498,146</u>
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Los Angeles County General Fund Obligations	928,941,195	2.360 %	21,923,012
Los Angeles County Pension Obligations	235,690,861	2.360	5,562,304
Los Angeles County Superintendent of Schools - Certificates of Participation	15,904,264	2.360	375,341
Los Angeles County Sanitation District No. 32 Authority	36,194,601	63.327	22,920,955
Los Angeles County Sanitation District No. 23 Authority	4,025,616	0.189	7,608
Santa Clarita Community College District - Certificates of Participation	36,200,000	61.498	22,262,276
William S. Hart Union High School District - Certificates of Participation	6,000,000	61.489	3,689,340
Castaic Union School District - Certificates of Participation	21,581,725	24.798	5,351,836
Newhall School District - Certificates of Participation	4,548,275	57.484	2,614,530
Saugus Union School District - Certificates of Participation	435,000	72.537	315,536
Sulphur Springs Union School District - Certificates of Participation	28,799,058	70.875	20,411,332
Los Angeles Unified School District - Certificates of Participation	484,576,710	0.00002	97
City of Santa Clarita - Certificates of Participation	28,120,000	100.000	28,120,000
Total Direct and Overlapping General Fund Debt			133,554,167
Less: William S. Hart Union High School District QZABs supported by investment fund payments			<u>3,689,340</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			129,864,827
COMBINED GROSS TOTAL DEBT			\$ 496,052,313 (2)
COMBINED NET TOTAL DEBT			\$ 492,362,973

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the City
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

<u>Ratios to 2008-09 Assessed Valuation</u>		<u>Per Capita</u>
Total Overlapping Tax and Assessment Debt.....	1.62%	\$2,046.28
Ratios to Adjusted 2008-09 Assessed Valuation		
Combined Direct Debt (\$43,645,000).....	0.20%	158.74
Combined Gross Total Debt.....	2.25%	\$2,800.18
Combined Net Total Debt.....	2.23%	\$2,779.36

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/2009: \$0

City of Santa Clarita
Legal Debt Margin Information
Last Ten Fiscal Years

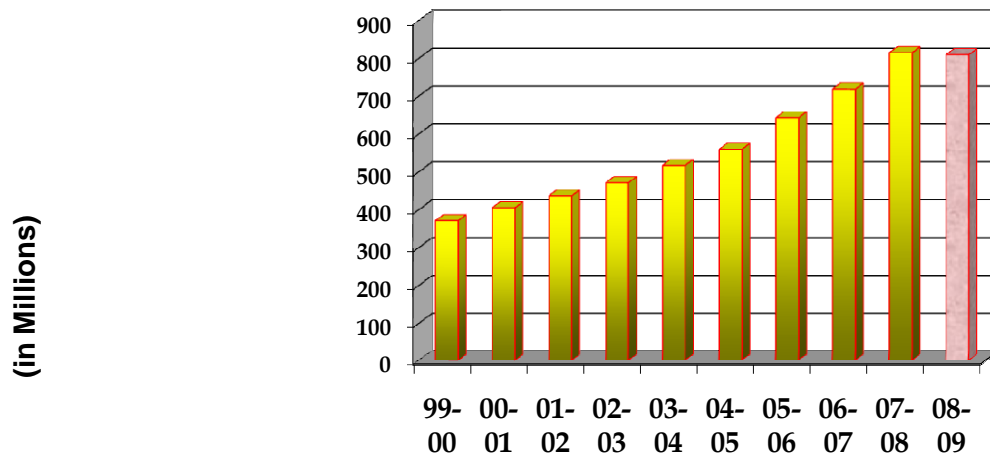
	FISCAL YEAR			
	08-09	07-08	06-07	05-06
Assessed valuation	\$ 21,600,880,848	\$ 21,740,884,855	\$ 19,177,131,442	\$ 17,160,386,817
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	5,400,220,212	5,435,221,214	4,794,282,861	4,290,096,704
Debt limit percentage	15%	15%	15%	15%
Debt limit	810,033,032	815,283,182	719,142,429	643,514,506
Total net debt applicable to limit:				
General obligation bonds	-	-	-	-
Legal debt margin	\$ 810,033,032	\$ 815,283,182	\$ 719,142,429	\$ 643,514,506
Total debt applicable to the limit as a percentage of debt limit	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 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						
04-05	03-04	02-03	01-02	00-01	99-00	
\$ 14,937,115,985	\$ 13,795,632,501	\$ 12,583,305,723	\$ 11,656,956,307	\$ 10,820,315,726	\$ 9,907,996,392	
25%	25%	25%	25%	25%	25%	
3,734,278,996	3,448,908,125	3,145,826,431	2,914,239,077	2,705,078,932	2,476,999,098	
15%	15%	15%	15%	15%	15%	
560,141,849	517,336,219	471,873,965	437,135,862	405,761,840	371,549,865	
-	-	-	-	-	-	
\$ 560,141,849	\$ 517,336,219	\$ 471,873,965	\$ 437,135,862	\$ 405,761,840	\$ 371,549,865	
0%	0%	0%	0%	0%	0%	

LEGAL DEBT MARGIN Last Ten Fiscal Years



FISCAL YEAR

City of Santa Clarita
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	TRANSIT						COVERAGE
	TRANSIT REVENUES (1)	LESS OPERATING EXPENSES (2)	NET AVAILABLE REVENUES	DEBT SERVICE			
				Principal	Interest		
1999-00	\$ 12,108,910	\$ 10,217,313	\$ 1,891,597	\$ 950,317	\$ 351,533	10.75%	
2000-01	21,469,569	11,636,514	9,833,055	1,005,753	445,170	6.76%	
2001-02	25,041,599	12,582,811	12,458,788	759,571	228,698	3.95%	
2002-03	15,714,048	13,167,728	2,546,320	808,137	192,799	6.37%	
2003-04	24,171,361	13,693,876	10,477,485	852,372	135,063	4.09%	
2004-05	35,677,983	14,037,109	21,640,874	317,312	102,395	1.18%	
2005-06	22,041,436	17,242,035	4,799,401	332,993	86,230	1.90%	
2006-07	19,468,288	19,033,240	435,048	349,449	69,388	2.15%	
2007-08	24,888,921	22,204,777	2,684,144	366,720	60,298	1.72%	
2008-09	26,612,418	23,014,324	3,598,094	384,846	42,172	1.60%	

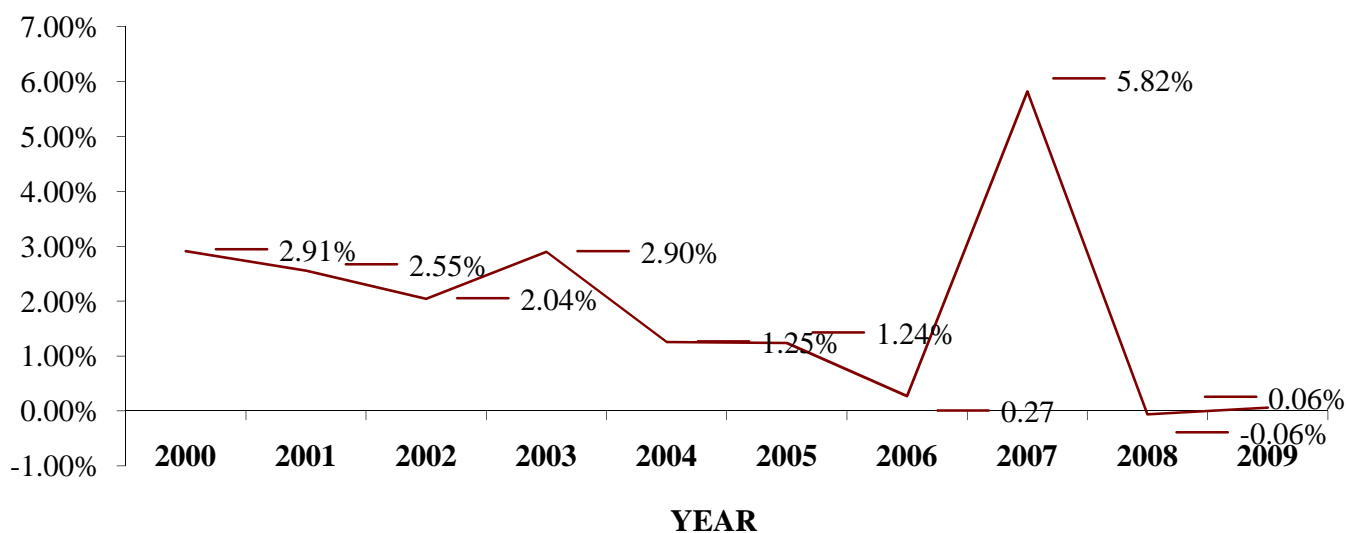
NOTE: (1) Includes Other revenues, Transfers-in, and Capital contributions
(2) Includes Transfers-out and Other expenses

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)	UNEMPLOYMENT RATE (3)
1998	143,836	1.51%	9,225,788	0.86%	\$ 27,220	6.60%
1999	146,979	2.19%	9,330,116	1.13%	27,973	5.90%
2000	151,260	2.91%	9,487,409	1.69%	29,232	5.40%
2001	155,124	2.55%	9,653,900	1.75%	30,503	5.70%
2002	158,289	2.04%	9,817,400	1.69%	30,828	6.80%
2003	162,875	2.90%	9,966,200	1.52%	31,452	7.00%
2004	164,916	1.25%	10,107,451	1.42%	33,179	6.50%
2005	166,958	1.24%	10,166,417	0.58%	35,188	5.30%
2006	167,412	0.27%	10,245,572	0.78%	36,917	4.20%
2007	177,158	5.82%	10,331,939	0.84%	39,066 (4)	2.70%
2008	177,045	-0.06%	10,363,850	0.31%	41,875	4.70%
2009	177,150	0.06%	10,393,185	0.28%	42,916	7.70%



Sources: (1) State of California, Finance Department

(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 of Santa Clarita's related information is not available.

(3) State of California, Department of Employment Development (EDD)

(4) Annual data is not available; average figures for first 10 months of the calendar year were utilized.

City of Santa Clarita
Principal Employers ⁽¹⁾
Current Fiscal Year and Three Fiscal Years Ago

EMPLOYER	2009 ⁽²⁾		2005	
	NUMBER of EMPLOYEES	PERCENT of TOTAL EMPLOYMENT	NUMBER of EMPLOYEES	PERCENT of TOTAL EMPLOYMENT
Six Flag Magic Mountain	3,689	15.64%	3,878	19.56%
Princess Cruises	2,100	8.90%	1,577	7.95%
Henry Mayo Newhall Memorial Hospital	1,212	5.14%	1,240	6.25%
H.R. Textron	845	3.58%	662	3.34%
The Master's College	755	3.20%	755	3.81%
Specialty Laboratories	725	3.07%	670	3.38%
Arvato Services	586	2.48%	474	2.39%
California Institute of Arts	500	2.12%	515	2.60%
Aerospace Dynamics	450	1.91%	435	2.19%
Fanfare Media Works	407	1.73%	490	2.47%
Total	11,269	47.77%	10,696	53.95%
All Others	12,323	52.23%	9,131	46.05%
Total employment in Santa Clarita ⁽¹⁾	23,592	100.00%	19,827	100.00%

NOTE: ⁽¹⁾ Non-governmental employers

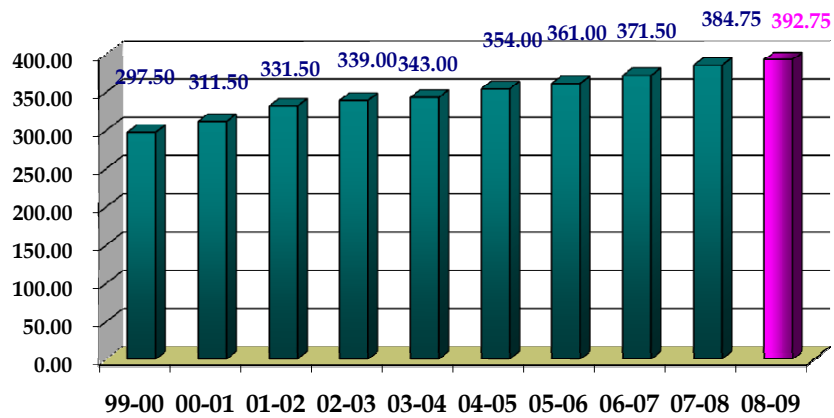
⁽²⁾ 2009 data not available, represents data from 2008

Source: 2008 Santa Clarita Valley - Real Estate and Economic Outlook

City of Santa Clarita
Full-Time and Part-Time City Employees
by Function
Last Ten Fiscal Years

Function	FISCAL YEAR									
	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00
General government	95.75	91.75	86.00	96.00	79.00	78.00	78.00	75.00	68.50	64.50
Public safety (1)	-	-	-	-	-	-	-	-	-	-
Public works	135.50	136.50	133.50	115.00	146.00	138.00	150.00	150.50	138.00	134.00
Community development	36.00	35.00	33.00	36.00	20.00	20.00	20.00	19.00	18.00	18.00
Parks and Recreation	111.50	110.50	108.00	106.00	101.00	99.00	84.00	80.00	80.00	73.00
Transit	14.00	11.00	11.00	8.00	8.00	8.00	7.00	7.00	7.00	8.00
Totals	392.75	384.75	371.50	361.00	354.00	343.00	339.00	331.50	311.50	297.50

CITY OF SANTA CLARITA - EMPLOYEES
Last Ten Fiscal Years



Fiscal Year

(1) Police and Fire services have been provided by the County

City of Santa Clarita
Operating Indicators
by Function
Last Ten Fiscal Years

Function	FISCAL YEAR					FISCAL YEAR				
	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00
Police:										
Parking citation issued (1)	4,126	5,257	4,587	6,042	5,960	5,040	3,893	3,674	3,322	Not Available
Parking revenue collected	\$ 235,634	\$ 288,076	\$ 334,927	\$ 27,257	\$ 10,427	\$ 10,324	\$ 7,011	\$ 6,239	\$ 5,762	Not Available
Public works:										
Street resurfacing (miles)	14.0	15.4	15.4	16.5	12.5	7.5	6.5	6.5	6.5	5.5
Parks and Recreation:										
Number of recreation classes	2,284	2,393	2,535	2,357	2,443	2,469	2,267	1,929	1,874	1,479
Number of facility rentals (times)	9,801	9,767	19,645	19,435	17,739	15,005	12,765	11,505	10,245	8,985
Transit:										
Number of customers served (2)	4,210,842	3,821,299	3,733,299	3,718,640	3,527,000	3,429,913	3,006,739	2,991,605	2,964,613	2,384,919

NOTE: (1) The City of Santa Clarita contracts Los Angeles County, Sheriff Department for its Police services.
The number of citation issued and money collected are within the City's boundaries.

(2) Number of customers served include 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									
	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00
Public works:										
Streets (miles)	496	496	496	496	462	462	452	452	452	426
Street lights (1)	14,739	14,429	14,000	13,200	13,000	12,000	12,000	11,647	11,647	-
Traffic signals (City Jurisdiction)	172	176	166	167	165	158	151	141	134	129
Traffic signals (Joint-Jurisdiction)	5	4	4	5	5	4	2	2	2	-
Parks and recreation:										
Number of parks	20	20	19	18	17	16	16	15	13	12
Community centers	1	1	1	1	-	-	-	-	-	-
Transit:										
Stations	4	4	4	4	4	4	4	4	3	3

NOTE: (1) All of the above referred street lights are/were owned and maintained by Edison Company. The Highway Safety Lights (HSL) are the streetlights attached to traffic signals (732) and those are City owned and maintained through a contract with the County. The City took over the streetlights from County in 1998 and the City Engineering division established the inventory reports since 2001.



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