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**City of
Santa Clarita**

November 28, 1994

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

To: City Manager

It is a pleasure to submit for your information the Comprehensive Annual Financial Report of the City of Santa Clarita for the fiscal year ended June 30, 1994. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Organization of This Report

The Comprehensive Annual Financial Report is prepared in accordance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and includes the report of the independent public accounting firm of Diehl, Evans & Company.

Organization of the financial report follows the guidelines set forth by the Government Finance Officers Association of the United States and Canada (GFOA) and the California Society of Municipal Finance Officers (CSMFO). A Certificate of Achievement for Excellence in Financial Reporting is presented by the GFOA and a Certificate of Award for Outstanding Financial Reporting by the CSMFO to those entities whose comprehensive annual financial reports are judged to substantially conform to program standards. In order to receive the awards, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The City of Santa Clarita received both awards for the last five years' financial reports and, in my opinion, the accompanying financial report conforms to the high standards of public financial reporting and will again this year be submitted to both award programs for review.



In accordance with the above-mentioned guidelines, the Comprehensive Annual Financial report is divided into three sections:

I. Introductory Section

Letter of transmittal
GFOA Certificate of Achievement for Excellence in
Financial Reporting
CSMFO Certificate of Award for Outstanding Financial
Reporting
Officials of the City of Santa Clarita
City organization chart

II. Financial Section

Independent auditors' report
General purpose financial statements
Notes to general purpose financial statements
Supplemental financial statements and schedules

III. Statistical Section

Pertinent financial and nonfinancial data that presents
historical trends and facts about the City

The Financial Section of this report has been structured so as to represent a "reporting pyramid." The significance of the levels of this pyramid are as follows:

General Purpose Financial Statements - This level includes the Independent Auditors' Report, the General Purpose Financial Statements, and Notes thereto. The Combined Financial Statements provide a summary of the City's financial position at June 30, 1994, and the results of its operations and cash flows for its proprietary funds, for the period then ended, by fund type or account group.

Combining, Individual Fund and Account Group Statements and Schedules - Also presented are separate sections for the various financial statements and schedules for each fund type. They reflect financial data on each generic fund type with separate columns for each individual fund. Each separate column serves as a financial statement for that particular fund, and combining financial statements are presented in each instance where the City has more than one fund of a given fund type.

The City's accounting records for general operations are maintained on the modified-accrual basis of accounting. The revenues are recorded when measurable and available, and expenditures, except for accrued interest on long-term debt, which is recorded when due, are recorded when the liability is incurred.

The City's Accounting System and Budgetary Control

In evaluating the City's accounting system needs, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of a specific control feature should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

All evaluation of the City's system of internal control will continue to occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City of Santa Clarita maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service fund, and capital project fund are included in the annual appropriated budget. In addition, yearly operating budgets are adopted for the City's proprietary fund types to facilitate management evaluation. The level of budgetary control, that is, the level at which expenditures cannot legally exceed the appropriated amount, is established by function or program within an individual fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Open encumbrances are reported as a reserve of fund balance at the end of a fiscal year for all governmental funds. Encumbrances at year end lapse and then are added to the following year's budgeted appropriations.

The Reporting Entity

The City of Santa Clarita was officially incorporated on December 15, 1987, after a ballot measure was passed by the City's residents. The City operates under a Council-Manager form of government and provides, either directly or under contract with the County of Los Angeles, a full range of municipal services including public safety, public works, parks and recreation, community development, etc. This report includes all funds and account groups of the City of Santa Clarita. In addition to general government activities, the City of Santa Clarita has oversight responsibilities over the Santa Clarita Redevelopment Agency and Santa Clarita Public Financing Authority.

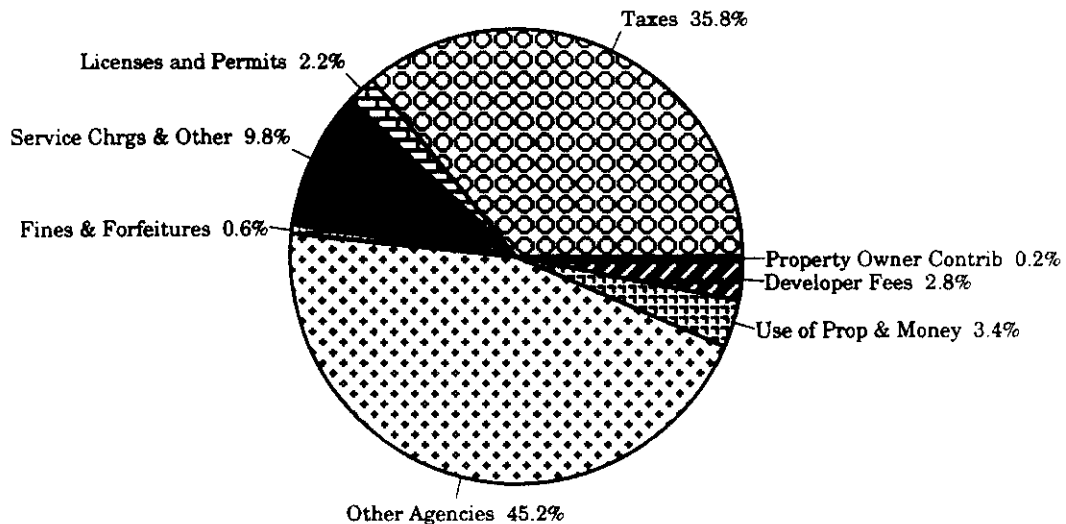
The oversight responsibility is determined by criteria, such as, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and fiscal accountability. There are no other separate legal entities with accounting activities for which the City Council has continuing oversight responsibilities.

General Government Functions

A summary of the general government functions overall operating results for the fiscal year ended June 30, 1994 and the amount and percentage of increases and decreases in relation to prior year revenues and expenditures is presented below. General government functions include the General, Special Revenue, Debt Service, Capital Project and Expendable Trust funds. Details of these revenue and expenditure amounts (all amounts are in thousands) by fund, can be found in the accompanying general purpose financial statements.

FISCAL YEAR 1993-94 REVENUES

REVENUES:	FY 93-94 AMOUNT	PERCENT OF TOTAL	INCREASE <DECREASE> FROM FY 92-93	PERCENT OF INCREASE <DECREASE>
TAXES	\$19,442	35.8%	\$262	1.4%
LICENSES AND PERMITS	1,178	2.2	<122>	<9.4>
DEVELOPER FEES	1,511	2.8	<1288>	<46.0>
USE OF MONEY & PROPERTY	1,879	3.4	<520>	<21.7>
REVENUES FROM OTHER AGENCIES	24,557	45.2	6,404	35.3
FINES AND FORFEITURES	330	0.6	12	3.8
SERVICE CHARGES & OTHERS	5,369	9.8	3,382	1.7
PROPERTY OWNER CONTRIBUTIONS	112	0.2	<16,574>	<99.3>
TOTALS	\$54,378	100.0%	\$<8,444>	



As the recession lingers on in California, the City of Santa Clarita is also seeing its effects on its revenues. However, the overall impact of the recession on the City's revenues has been limited in comparison to its effects on the State and other local jurisdictions.

The City experienced an overall increase of 17.6% in general government revenues. For comparison purposes, this calculation reflects an adjustment to exclude revenue relating to Property Owners Contributions since these funds relate to proceeds from bond funds. The stability of the City's tax revenues, which comprises 35.8% of the total revenue base continues to assist in minimizing the effects of the weak economy. This is reflected by Revenue from Taxes gain of 1.4% from last years total. Sales tax, the City's largest revenue source, held the line with a .7% increase. At the same time, franchises tax revenue increased 5.5% due to growth in the City. Revenues from Licenses and Permits showed a decline of 9.4%. There was a 15.7% drop in Building and Safety permits primarily due to the January 17, 1994 earthquake which spurred a slow down for non-earthquake related construction. To assist the property owners in their efforts to rebuild the community, the City has not charged permit fees for any earthquake recovery construction work.

The 46% decrease in Developer Fees is due mainly to the City recognizing revenue in fiscal year 1992-93 for payments received for infrastructure work that was completed during the prior fiscal year.

An overall decrease of 21.7% in Use of Money & Property occurred in fiscal year 1993-94. As a result of interest rates continuing to fall, interest earnings experienced a decline of 18.6%. The aftermath of the January 17, 1994 earthquake took its toll on Rental Income and Common Area Maintenance (CAM) charges and is reflective of a 28.7% decrease as City Hall was required to vacate leasing tenants to perform earthquake repairs. It was a major accomplishment for the City to repair the City Hall building after the earthquake in under 100 days, not losing one tenant, and being the first steel framed building in the Southland to be repaired and occupied.

Revenues from Other Agencies include many of the State and County subventions that the City receives. This revenue category experienced an increase of 35.3% due to the City recognizing \$10 million in Federal Emergency Management Agency (FEMA) grant monies for City-wide public property and earthquake damages.

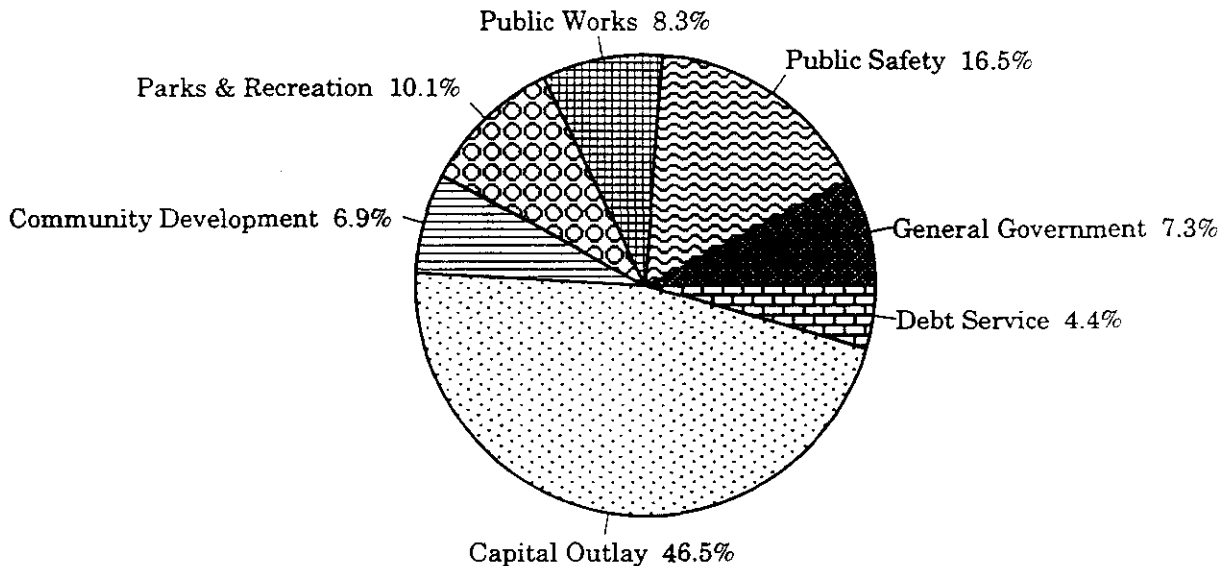
Effective October of 1993, the City assumed responsibility for the administration and collection of parking violation fines. This transfer was a result of AB408 to reduce work loads in courts and provided the City with a 3.8% increase in Fines and Forfeitures compared to last year.

Revenues from Service Charges and Others experienced an increase of 1.7% (after adjusting to exclude Property Owners Contributions) from last year's total. The components of this increase are the receipt of approximately \$3.5 million in insurance settlement money for earthquake repairs to the City Hall building and a continued increase in participation of recreation programs.

So, while the weak economy continues to claim some of its revenues, the City has been able to minimize its effects by expanding and implementing other areas of revenue recognition.

FISCAL YEAR 1993-94 EXPENDITURES

EXPENDITURES:	FY 93-94 AMOUNT	PERCENT OF TOTAL	INCREASE <DECREASE> FROM FY 92-93	PERCENT OF INCREASE <DECREASE>
GENERAL GOVERNMENT	\$ 4,120	7.3%	\$ 632	18.1%
PUBLIC SAFETY	9,257	16.5	868	10.3
PUBLIC WORKS	4,686	8.3	<905>	<16.2>
PARKS & RECREATION	5,677	10.1	<193>	<3.3>
COMMUNITY DEVELOPMENT	3,896	6.9	<691>	<15.0>
CAPITAL OUTLAY	26,202	46.5	561	2.2
DEBT SERVICE	2,471	4.4	<1,772>	<41.7>
TOTALS	\$56,308	100.0%	\$<1,500>	



During fiscal year 1993-94, the City saw an overall decrease in expenditures of 2.6%.

Fiscal year 1993-94 was an election year for the City with the City Clerk section creating approximately \$100,000 in election costs. This represents only one component of the increase of 18.0% in **General Government** expenditures. Another portion of this increase is due to the CDBG division expenditures of \$280,000 being reported as part of general government expenditures instead of parks and recreation as in previous years. The reorganization is part of the changes which occurred with the creation of the Community Recovery Agency to develop a comprehensive community recovery program. Approximately \$212,000 in formation and administration costs was incurred by the Community Recovery Agency which makes up the final component of this increase.

Public Safety expenditures came in at a 10.3% increase compared to last year. This is a direct result of an increase in the amount of County surcharge on Police Services to offset losses in the County Municipal Liability Fund and the County police budget 5.75% cost of living increase which in turn is passed on to contract cities. To balance the impacts of these increases, the City has been creative in reducing costs by adjusting the number of cars and hours dedicated to traffic duty and the usage of the Community Relations Officer position.

Public Works ended the year with a 16.2% decrease in expenditures from last year. In order to minimize the impacts of a weak economy, the City was faced with cutting back street sweeping services from once per week to every other week for non-major streets, and once per week for major roads. Also, costs were reduced by replacing the County contract with a private company. This was accomplished without compromising the health and welfare of the residents. Public Works focused its efforts on keeping the City graffiti-free, by use of volunteer residents, reducing graffiti by 40%; implementing a new Commercial Waste and Recycling Agreement; and providing support for our continued efforts to prevent the siting of a mega-dump in Elsmere Canyon.

Parks and Recreation expenditures decreased 3.3%. Parks Administration division increased 3.8% due to continued increase in Community Service Grant activity. Recreation division showed a decline in expenditures of 2.6% as a result of a reduction in part-time personnel costs of \$139,000 and other adjustments made to programs that were impacted by the earthquake. This covered an increase of \$62,000 for the printing of four seasons of recreation brochures, compared to two in the previous year, and first-time costs of \$115,000 associated with the City's first Cowboy Poetry Festival. The event, seen as both a recreational and economic development activity, is designed to capitalize on the heritage of Santa Clarita, enhance our identity, and generate revenues community-wide. Park Maintenance division remained flat for fiscal year 1993-94 by offsetting the increase in personnel costs via a reduction in tree trimming services. Savings were used to cover additional maintenance cost associated with the addition of Bouquet Canyon Park, and expansion in landscape services for street medians and the Metrolink Station. Parks and recreation staff efforts to reduce cost created two new programs; "Park Partners" involves residents in on-going safety and beautification of Bouquet Park, and "Neighborhood Leaf Out" recruits volunteers from neighborhoods to involve them in all aspects of tree planting and maintenance. Finally, as noted previously, CDBG expenditures are now being reported under general government expenditures.

The slow down in the building industry continues to affect the City as evidenced by the 15.1% decrease in **Community Development** expenditures. The department as a whole has minimized this impact by leaving current staff openings vacant until the economy turns around. The Community Development administrative section reflects a 74% increase as a result of the City's new method of directly charging each division for its share of legal services. Building and Safety division generated a decrease in expenditures of 21.5% by reducing inspector consultant services and hiring two new inspectors with the cost savings. The Engineering division was also able to reduce its expenditures by 16.2% by charging staff time to capital projects, and the use of in-house engineering to handle all engineering-related issues to include design work using our new Computer Aided Drafting and Design System. The Planning Division realized a 23.1% reduction in expenditures by training staff on annexations and oak tree management, and the use of planners as Environmental Impact Report (EIR) consultants on City projects which has virtually eliminated the use of outside consultants.

During fiscal year 1993-94, **Capital Outlay** had an increase of 3.0% compared to last year. Some of the major capital project activities this year are the completion of the City phases of the San Fernando Road project, opening of the Whites Canyon bridge in conjunction with the County and contractor, signal synchronization, annual street slurry and construction of a second Metrolink station which allowed a series of bus programs to the San Fernando Valley after the earthquake.

Debt Service expenditures decreased 41.7% due to the interest plus principal payoff in fiscal year 1992-93 of the Los Angeles County incorporation costs debt.

Proprietary Funds

These types of funds consist of enterprise and internal service funds. The City operates one enterprise fund, Transit Service, which offers Dial-A-Ride, local fixed route service, and commuter service to downtown Los Angeles. This enterprise fund was created to provide management with information relating to transit operations, which include debt service and depreciation and amortization. For fiscal year 1993-94, Proposition A funds of \$1,194,195, Proposition C funds of \$577,437, and Gas Tax funds of \$606,000 were used to subsidize transit activity not covered by user fees.

The internal service funds provide services to other City departments. The City's internal service funds consist of Self Insurance and Vehicle Replacement funds. Combining statements for these funds and descriptions of each fund are presented in the Supplemental Information portion of this report.

Gann Limit

Proposition 4, the "Gann" initiative, was passed by California voters in 1978 and is intended to limit government appropriations. According to California law, cities must use the 1978-79 appropriations as a base year and modify that figure by the composite consumer price index and population changes which have accrued in subsequent years. Because Santa Clarita is a newly incorporated city, the Los Angeles County Local Agency Formation Commission used 1985-86 fiscal year appropriations at incorporation as the base year on which the City will modify each year. The City has since performed a study to increase the limit, and City appropriations remain below the Gann limitation and are expected to continue in that respect in the near future.

Cash Management

The City operates its pooled idle cash investments under the "Prudent Man Rule" and has adopted a formal investment policy. Such policy affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is permissible under current effective legislation of the State of California and other regulations. The City recently received a Certificate of Excellence award from the Municipal Treasurer's Association of the United States and Canada for its Treasurer's Investment Policy. This is the second time the City submitted and was successful in receiving this award which commends the City for enhancing its fiscal responsibility in the management of fiscal funds.

Temporarily idle cash was invested in a variety of investment vehicles, including the State Treasurer's Local Agency Investment Fund, Los Angeles County Pooled Investment Fund, deposits with commercial banking institutions and U.S. government agency instruments. Other permissible investment vehicles in which the City did not invest this year are commercial paper and bankers acceptances. The City's diversified investment portfolios allow for flexibility and safety of the total invested funds. The weighted average yield on such investments for the year was 4.4% with total interest earnings for all funds at \$1,458,388.

Debt Administration

In May 1991, the City entered into a master lease and option to purchase agreement in the amount of \$2,150,000 for the lease of thirteen buses. Such agreement carries an interest of 6.6% payable semi-annually, due from November 1, 1991, through May 1, 2001. Under the terms of the agreement, the City has leased these transit buses for the establishment of a City-wide local public transit system. As of June 30, 1994, the master lease obligation aggregated \$1,646,195.

In October 1991, the Public Financing Authority Revenue Bonds - Series 1991 were issued in the amount of \$22,940,000. The proceeds were used to purchase the City Hall building, pay off the corporate yard debt and will be used on certain capital road improvement projects. This was the City's first rated bond issue in which Standard and Poor assigned an A- Bond rating to the City of Santa Clarita. As of June 30, 1994, the City's obligation for Public Financing Authority Revenue Bonds - Series 1991 is \$21,405,000.

In October 1991, the City entered into a lease with an option to purchase agreement in the amount of \$4,895,000 for the lease of sixteen buses from the Los Angeles County Transportation Commission (LACTC). The agreement carries interest rates ranging from 4.9% to 6.5%, payable semi-annually from July 1, 1992, through January 1, 2004. Balance of the LACTC lease obligation as of June 30, 1994, equals \$4,285,000.

In October 1992, the City received a distribution of loan proceeds totaling \$2,557,436 from the Price Company. This money has been used for the acquisition of certain infrastructure improvements surrounding the Price Club. Interest on the note accrues at the rate of 10% per year. Payments are due quarterly and will equal 70% of the sales tax revenue generated monthly from the operation of the Price Club Center. The payments will be made for a period of 30 years. As of June 30, 1994, the City's obligation for the Note Payable is \$2,557,436.

In April, 1993, the City entered into an agreement whereby the City will reimburse Home Depot Company \$690,000 for certain public improvements. Interest on the note accrues at the rate of 7% per year. Payments are due quarterly and will equal up to 50% of the sales tax revenue generated monthly from the operation of the Home Depot. The payments will be made for a period of 7 years or until accrued interest and principal are paid in full.

Fiduciary Operations

Trust and agency funds are maintained to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and other funds. The City's General Trust Fund is an expendable trust fund which accounts for assets and activities restricted to a specific purpose in accordance with a formal intent. An Agency fund is custodial in nature and is used to receive and disburse funds which do not belong to the City. The City's agency funds are the Deferred Compensation Plan which represents employee contributions invested in accounts with the International City Managers Association (ICMA) Retirement Corporation and the Community Facilities District No. 92-1 which represents bond proceeds from the sale of Special Tax Bonds, Series A. These bonds were issued to finance a portion of the costs of acquiring certain public infrastructure improvements located within the vicinity of the Valencia Town Center. The bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982. This fund was established during fiscal year 1992-93.

Risk Management

The City is self-insured for the first \$250,000 on each general liability claim against the City. Third party coverage is currently maintained for general liability claims greater than \$250,000 up to a limit of \$10,000,000 and all worker's compensation claims. The City has a Safety Committee to promote safe and healthy work practices. Some of the objectives of the Safety Committee are to identify and review unsafe conditions and practices and to provide a means for their correction or elimination in a timely manner, establish employee safety training programs, and to promote a system of communication with employees regarding safety and health matters.

General Fixed Assets

The City's general fixed assets represent those fixed assets used in the performance of general government functions. At June 30, 1994, the City's general fixed assets aggregated \$43,832,451. This amount represents the original cost of the assets or fair market value at the date of contribution to the City. No depreciation of general fixed assets is recognized in the City's accounting system.

The General Fixed Assets Account Group does not include those assets defined as "infrastructure assets" (i.e., roads, curbs, gutters, sidewalks, etc.). Such assets are generally immovable and are deemed to be of value only to the City.

Other City Highlights

The City has had quite an extraordinary year going through the process of rebuilding our community from the Northridge Earthquake. Despite the impacts of the disaster and a troubled economy, Santa Clarita has continued to provide its citizens with many new programs.

The City Manager's Office has taken the lead in implementing a continued Total Quality Management (TQM) improvement program throughout the organization. The program is geared toward total quality to enhance the satisfaction of both internal and external customers of the City. The City Clerk's section has also been very busy starting up the new records retention system throughout City Hall.

In fiscal year 1993-94, the Community Recovery Agency was formed. Its activities are governed by the Health and Safety Code (Section 33000 et. seq.) and are organized under the areas of Earthquake Damage Relief, Disaster Infrastructure Mitigation and Enhancements, Economic Development (restoration and mitigation) and Housing. The City has been performing a very intensive community participation process to solicit guidance on project selection and Agency operations.

New for this year was the establishment of a storm water utility as a user fee to manage the storm water runoff which enters the City's streets, storm drains and the river from private property. The Federally Mandated NPDES program which is enforced by the Regional Water Quality Control Board requires the City to fund required activities to minimize pollutants in urban runoff/storm water discharges to the Santa Clara River and the ocean. This will amount to a \$2 million program for the upcoming year.

Building and Safety implemented an on-line building permit issuance and tracking system at the Earthquake Recovery Unit. To date the City has process 7,027 in earthquake recovery permits.

One of the issues we have been grappling with at the state level is the crime rate among our youth. The City believes it should be investing in our youth at the front end, instead of focusing so much of our efforts on building prisons. With this in mind, a youth committee was formed that will ultimately result in a valley-wide youth master plan. Also, Recreation developed two new programs; a boxing program in the Newhall community and Friday Night Live for teens.

Recycling continues to be a primary concern for the City. As part of the earthquake debris removal program, the City was able to remove 50,770 tons of debris and recycle over 99%. These efforts resulted in only 355 tons ending up in the landfill.

The City's dedication to serving the citizens of Santa Clarita, as well as its dedication to high standards and high quality in every task it performs, has earned the City various honors and awards. The City of Santa Clarita was named "Tree City U.S.A." for the fourth year in a row by the National Arbor Day Foundation, received the 1993 International City/County Management Association (ICMA) award for the City's Community Strategic Plan and the 1994 Transportation Award from the Institute of Transportation Engineers.

Economic Condition and Outlook

In 1993-94, Santa Clarita saw the continued impacts of the recession and held its ground. However, there are the beginnings of economic improvement as national economists are predicting slower population growth and lower unemployment rates for the State. There is an expected job growth in California in the areas of services, retail and construction.

Building permits for single and multi-units is anticipated to increase. With this encouragement, Santa Clarita will continue to enjoy its continued success in terms of the economic development investment in the community.

The City's Valencia Town Center has been in operation for two years now, and has experienced continued economic success taking on new tenants such as the popular Disney and Eddie Bauer stores. Home Depot opened in January, 1994, right before the earthquake, providing 100 jobs and has been able to respond to improvement needs required from earthquake recovery efforts in the community. Kaiser Permanente's 43,500 square foot facility opened in late 1994, employing 96 staff and 32 doctors, and anticipates serving about 185 members daily and 4,500 members per month in the Santa Clarita area. Also, opening its doors in late 1994 was Trader Joe's, providing Santa Clarita shoppers with an eclectic assortment of fine foods and beverages at discount prices.

Fiscal year 1994-95 has a bright outlook for commercial and retail activities. A new Saturn auto dealership will contribute to the City's largest sales tax generator product and supply 75 jobs. The Creekside Retail Place, a 47,000 commercial/retail complex, will augment the dealership with the housing of three restaurants, a state-of-the-art bookstore and other retail stores. It is scheduled to open in May, 1995, and expects to employ 100 to 150 positions. Opening in the summer of 1995 is Mountasia. This family entertainment center will create 100 jobs and host miniature golf, roller skating, go carts, an entertainment complex and a mini-restaurant. Weyerhaeuser is building its north Los Angeles distribution center for lumber with a scheduled completion date of February, 1995. In early Spring of 1995, the City will see a new face, Pacific Roofing Company, who will be moving into a previously vacant commercial building and employ 200 people.

Santa Clarita continues to flourish economically in the retail and business sectors. California magazine named Santa Clarita the second largest, best mid-sized city in the state to do business. With its proactive approach to governmental service and continuation of sound budget policy, Santa Clarita will continue to attract quality economic development investment and offer its citizens a superior quality of life.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Diehl, Evans & Company has been selected by the City Council to perform this service. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards

I am pleased to report that CSMFO awarded its Outstanding Financial Reporting Award and GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Santa Clarita for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1993. Based on the latest available data from GFOA, the City of Santa Clarita was one of 1,568 municipalities nationwide, of approximately 39,000 municipal governments, to receive this award.

A GFOA Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to GFOA Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department. I should like to express my appreciation to all members of the department who assisted and contributed to its preparation, in particular, Susie LaSoya, Accounting Manager; Barbara Boswell, Senior Accountant; Michele Hansen and April Skinner, Accountants; Lee Davis, Executive Secretary; Jackie Bialas, Account Clerk; Marilou Tan, Accounting Intern; and Nina Giangreco, the City's Graphic Artist. I should also like to thank the Mayor; Members of the City Council; and the City Manager, George Carvalho, for their continuing efforts in planning and administering the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Steve Stark
Director of Finance

AUDIT:cafrsav.1dd

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, 1993

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

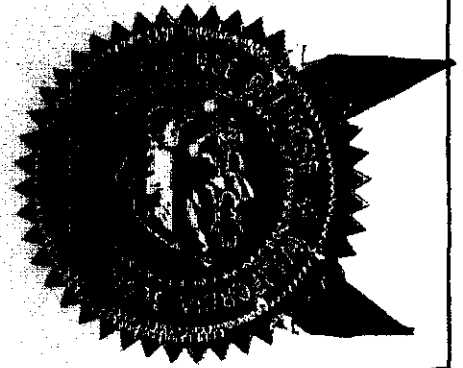
Executive Director

*California Society of
Municipal Finance Officers*

*Certificate of Award
Outstanding Financial Reporting 1992-93
Presented to
City of Santa Clarita*

This certificate is issued in recognition of meeting professional standards and criteria in reporting which reflect a high level of quality in the annual financial statements and in the underlying accounting system from which the reports were prepared.

February 28, 1994



[Signature]

Chair, Professional & Technical Standards Committee

[Signature]

President

Dedicated to Excellence in Municipal Financial Management

Officials of the City of Santa Clarita

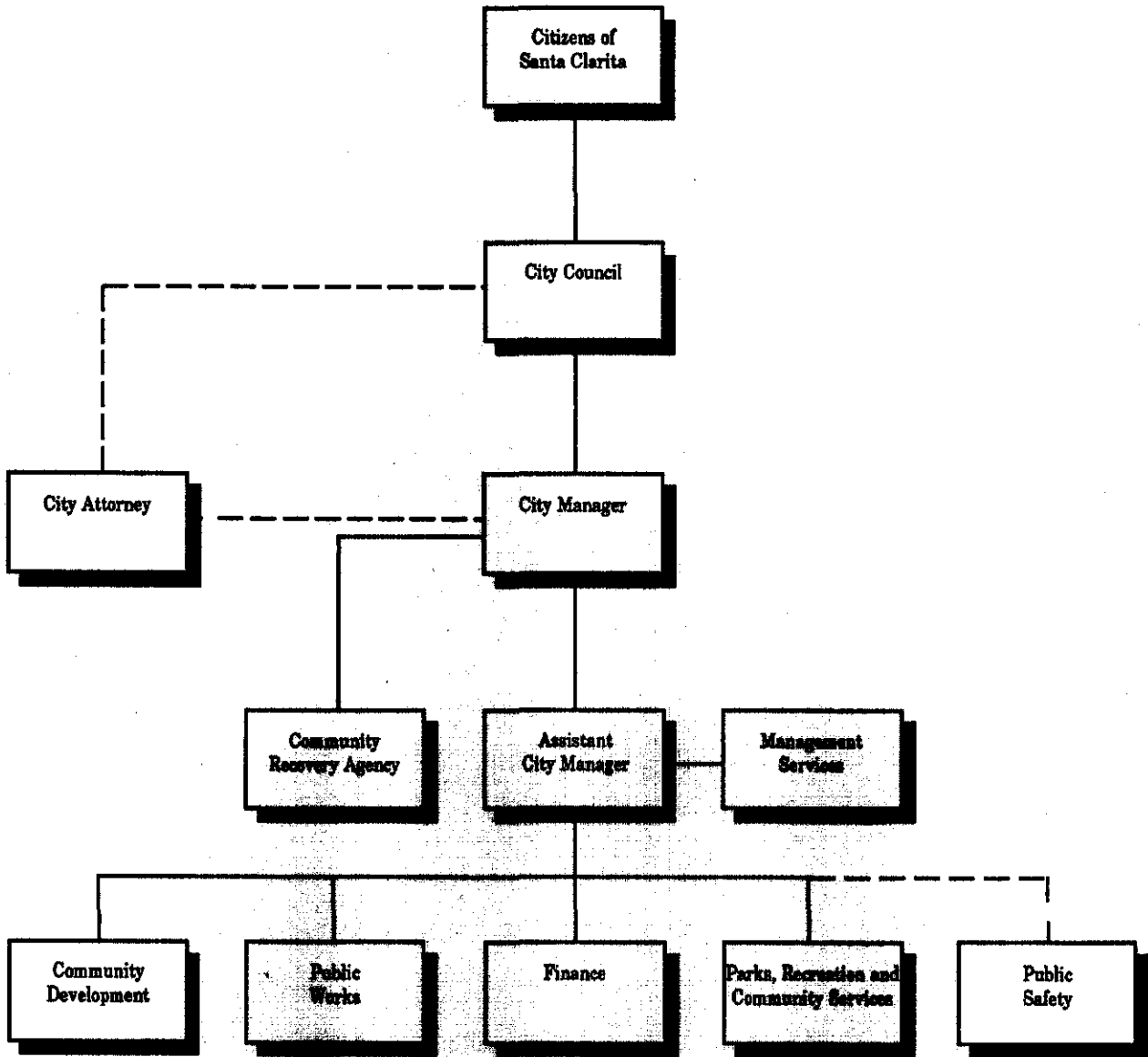
City Council

George Pederson	MAYOR
Jo Anne Darcy	MAYOR PRO-TEM
Carl Boyer III	COUNCIL MEMBER
Jan Heidt	COUNCIL MEMBER
Hamilton C. Smyth	COUNCIL MEMBER

City Officials

George Carvalho	CITY MANAGER
Kenneth Pulskamp	ASSISTANT CITY MANAGER
Carl Newton	CITY ATTORNEY
Donna Grindey	CITY CLERK
Steve Stark	DIRECTOR OF FINANCE
Jeff Kolin	DEPUTY CITY MANAGER DIRECTOR PUBLIC WORKS
Lynn M. Harris	DEPUTY CITY MANAGER DIRECTOR COMMUNITY DEVELOPMENT
Rick Putnam	DIRECTOR OF PARKS, RECREATION AND COMMUNITY SERVICES

City of Santa Clarita Organization Chart



City of Santa Clarita

