



# City of SANTA CLARITA

## Comprehensive Annual Financial Report Fiscal Year 2010-2011



Old Town Newhall Library

19th Annual  
Santa Clarita  
Cowboy Festival



Ribbon Cutting  
Old Town Newhall Streetscape



Connecting  
through the Arts  
Golden Valley Bridge



Thursdays at Newhall,  
Main Street Old Town Newhall



Community Garden  
Central Park



Fallen Warriors Memorial Bridge



**CITY OF SANTA CLARITA  
(CALIFORNIA)**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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



**City of Santa Clarita  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2011**

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City of  
**SANTA CLARITA**

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[www.santa-clarita.com](http://www.santa-clarita.com)

February 7, 2012

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, 2011 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, 2011.

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 financial statements of the City of Santa for the year ended June 30, 2011. 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 was incorporated on December 15, 1987 as a General Law City, and operates under a City Council/City Manager form of government. Located minutes from Bob Hope Airport in Burbank, 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 55 square miles. With a population of 176,971, the City is the 24<sup>th</sup> largest city in the State of California and the fourth largest in Los Angeles County. Santa Clarita residents enjoy an expansive year-round parks and recreation network, featuring 23 beautiful park facilities totaling more than 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 Amgen Tour of California, Tributefest, Volcom Skate Park event, Southern California Junior Olympics Swim Meet, LA Underwater Hockey Nationals, and the Triple Crown Softball Tournament.

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 City Council is responsible, among other things, for passing ordinances, adopting the budget, setting policy, and appointing committees. The City Council appoints the City Manager, who is responsible for implementing the policies of the Council, overseeing the day-to-day operations of City government, and for appointing and managing the various 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 category level within each fund.

## **LOCAL ECONOMY**

The City of Santa Clarita is one of Southern California's most desirable 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.

Recovery from the recession continues at a slow pace and is expected to hold at this rate through 2012. The City has a 100 percent track record for adopting a balanced, on-time budget, with ample reserves and contingency funds. Fiscal Year 10-11 was successful and stable for the City thanks to prudent fiscal planning.

Santa Clarita boasts one of the lowest unemployment rates in Los Angeles County at 8.2 percent, compared to 13.3 for Los Angeles County and 12.4 percent for the state of California (as of July 2011). Targeted employment sectors in Santa Clarita include aerospace, manufacturing, biomedical, entertainment, and technology. Princess Cruises renewed its lease this year. We also welcomed scores of new retailers in the last year to the 180,000 square foot expansion of Westfield Valencia Town Center at The Patios. Several new companies either expanded within or relocated to Santa Clarita, including Quallion, a custom battery manufacturer, and Palyon Medical, which moved from New York to Santa Clarita.

Retail vacancy rates continue to hold at a low six to seven percent, while industrial vacancies remain at less than two percent. The largest area of potential growth in the City is in the area of office space, with Santa Clarita holding at about a 20 percent vacancy rate (however several leases for available space are currently underway and that number may decrease by early 2012).

The City's entertainment industry was strong in FY 10-11 with an economic impact of \$18.7 million to local businesses from location filming. Santa Clarita is home to more than 20 sound stages and 10 movie ranches and hundreds of film related businesses. Five-network television shows, including CBS's "NCIS," ABC Family's "Make it or Break it" and "Switched at Birth," FX's "Justified," TBS' "The Wedding Band," and TNT's "Franklin and Bash" 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 \$2.1 million to the general fund from Transient Occupancy Tax (T.O.T.) in FY 10-11. The first year of the Tourism Marketing District (TMD), a collaborative assessment program and partnership between the City and five local hotels, proved successful with \$379,855 collected in support of increased marketing and promotion of Santa Clarita as a tourism destination. TMD dollars are a vital component of the area's continued attraction of events and visitors, which translate to dollars spent in the community and at local businesses. The following events were attracted as part of the City's increased event attraction efforts: USL Women's Championship Games, SCV Magic Soccer Tournament, Santa Clarita Soccer Showdown, All American Bowl, and Superstates Chess Championship.

The City of Santa Clarita continues to use business attraction and retention programs like the Santa Clarita Enterprise Zone Program to support business by providing tax incentives to companies located within the zone. To date, Santa Clarita Enterprise Zone has resulted in 4,506 jobs hired, 877 new jobs created, and the participating 314 businesses have a potential savings of \$168 million as a result of the program.

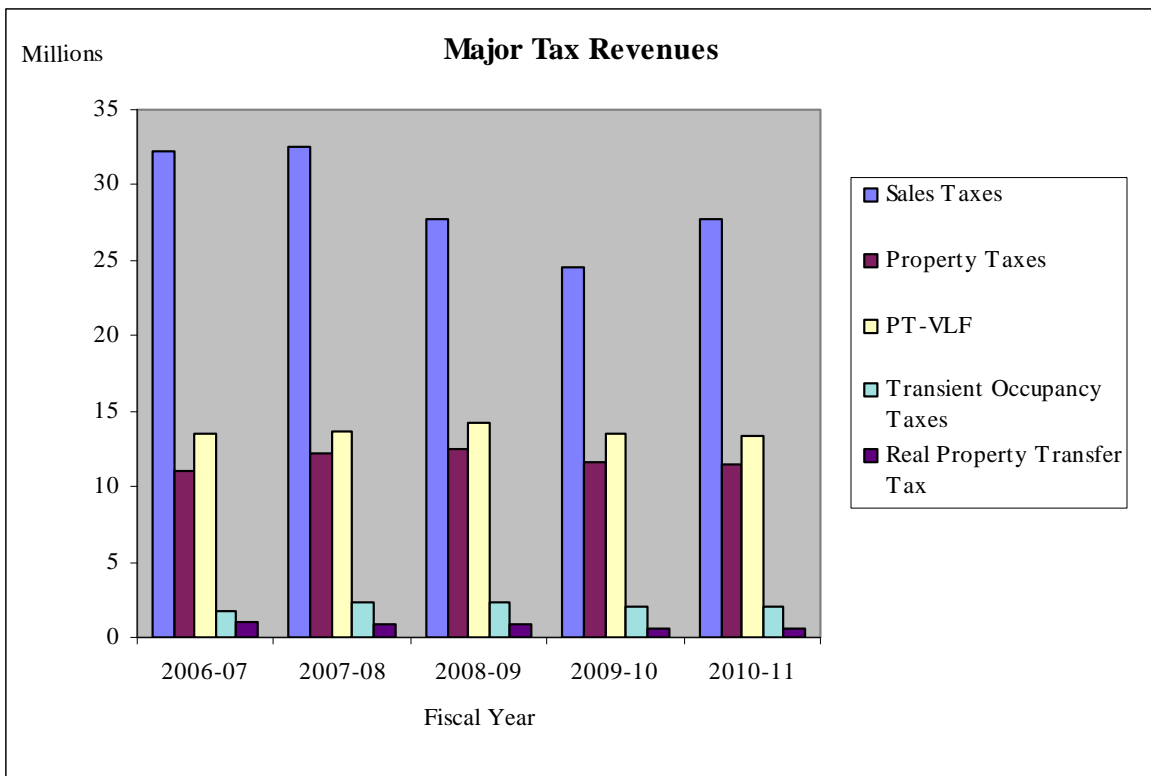
Santa Clarita recognizes the important role education plays in the success of the community. The City is home to three premier colleges, including California Institute of the Arts (CalArts), College of the Canyons, and The Masters College. These colleges offer world-class instruction and programming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

## LONG -TERM FINANCIAL PLANNING

Santa Clarita is one of California's model cities, boasting the essential elements needed for well-balanced living and total wellbeing. Santa Clarita remains one of the safest cities in California among cities with populations exceeding 150,000. In fact, 2011 was one of the safest years on record with the lowest annual crime rate since incorporation. Santa Clarita is home to a well-educated population, with more than 65 percent of adults over age 25 and older having attained some college or higher, as compared to Los Angeles County, which averages 54 percent.

The City of Santa Clarita has experienced steady growth since its inception in 1987 and City officials work directly with the private and public sectors to attract new businesses to the Santa Clarita Valley. This year the City was successful in attracting Quallion and Palyon, while Princess Cruises signed a 15-year lease renewal, maintaining its position as the City's largest employer. Through the Enterprise Zone, the City's new job growth totals 877. 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 slight recovery in our economy has directly affected the City's revenue growth, producing increases in sales tax and Transient Occupancy Tax (TOT), while property tax, property tax in-lieu of Vehicle License Fee (PT-VLF), and real property transfer tax have remained relatively flat for Fiscal Year 10-11.



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 stable General Fund over the next few years, primarily due to projected marginal increases 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 2010-2011**

- ❖ In July 2011, the City hosted the grand opening of the new Santa Clarita Public Library, transitioning the Canyon Country, Newhall and Valencia branches from Los Angeles County to City operation. The City infused the branches with more than \$900,000 in new books and media, upgraded facilities, extended operating hours and added new technology. The three branches serve approximately 20,000 people per week.
- ❖ The City of Santa Clarita continued to place a high priority on revitalization of Old Town Newhall. Construction of the Newhall Library progressed with the topping out ceremony and 50-year time capsule dedication in August. Monthly events, including the Farmer's Market, SENSES block party, and Art Walk attracted thousands to the area each week, while five Main Street businesses participated in the Building Improvement Grant (BIG) program, which allocated funds for renovating storefronts and for other aesthetic building improvements.
- ❖ The City's investment in infrastructure and green offerings for residents continued with the opening of the first community garden project at Central Park. The garden includes 80 plots for residents and local groups to grow fresh vegetables and fruits, with surplus supplies donated to the SCV Food Pantry. Senator Barbara Boxer joined the City at a dedication for the new Federally-funded solar panel project now at the City's Transit Maintenance Facility, which provides 97 percent of the energy needed to power the facility.

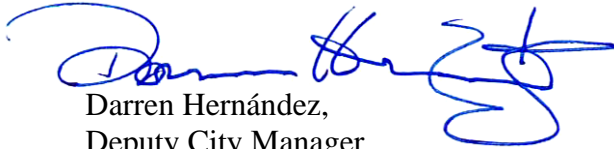
### **AWARDS AND ACKNOWLEDGMENTS**

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, 2010. This was the twenty-second 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 staff of the Finance Division, in particular Carmen Magana, Finance Manager, and Clint Osorio, Susan Crowsigt, Mary Ann Ruprecht, Jan Downey, Eric Herrera , Financial Analysts. 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

DH:cm

# 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, 2010

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.



*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

**OFFICIALS OF THE CITY OF SANTA CLARITA  
As of June 30, 2011**

**City Council**

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

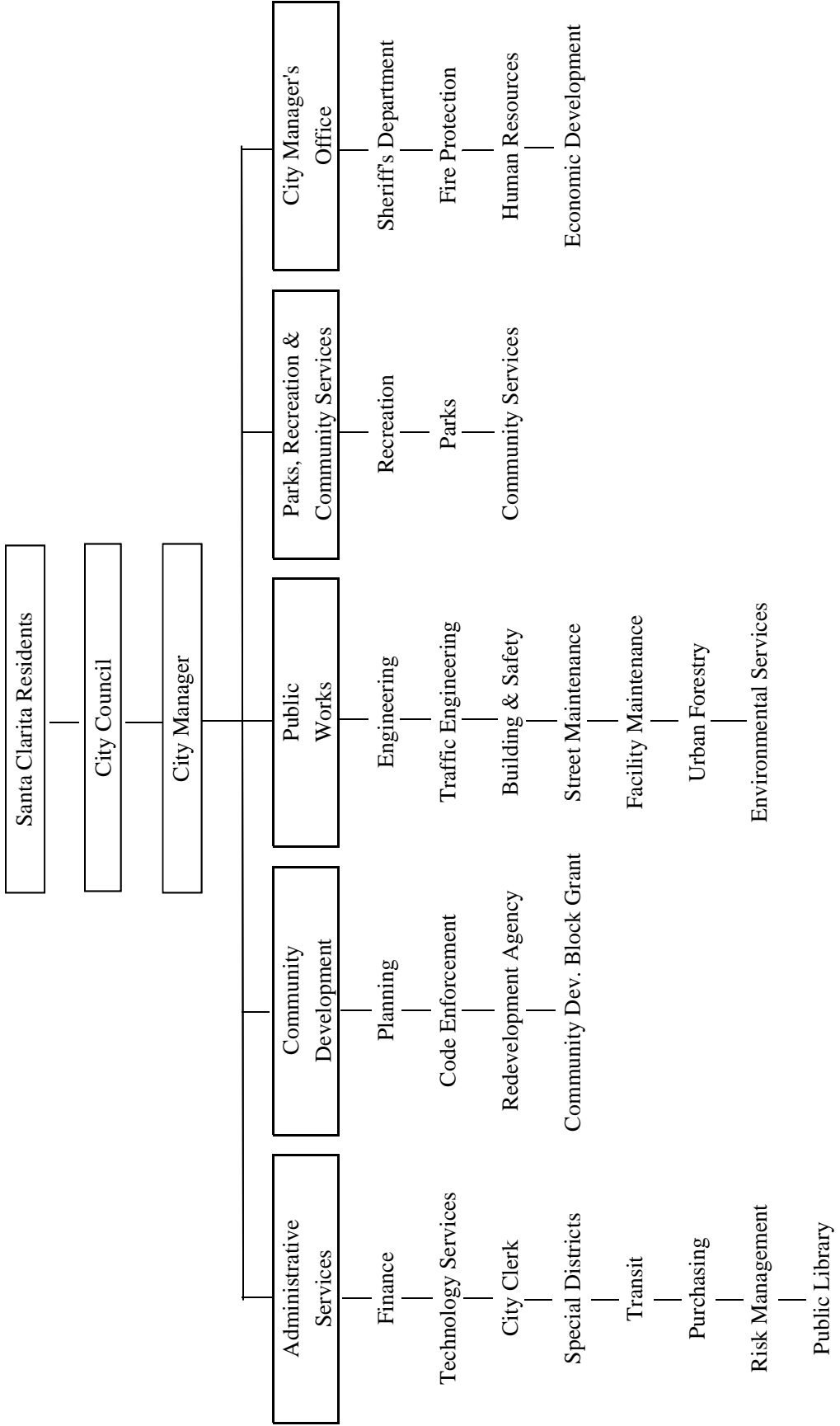
**City Officials**

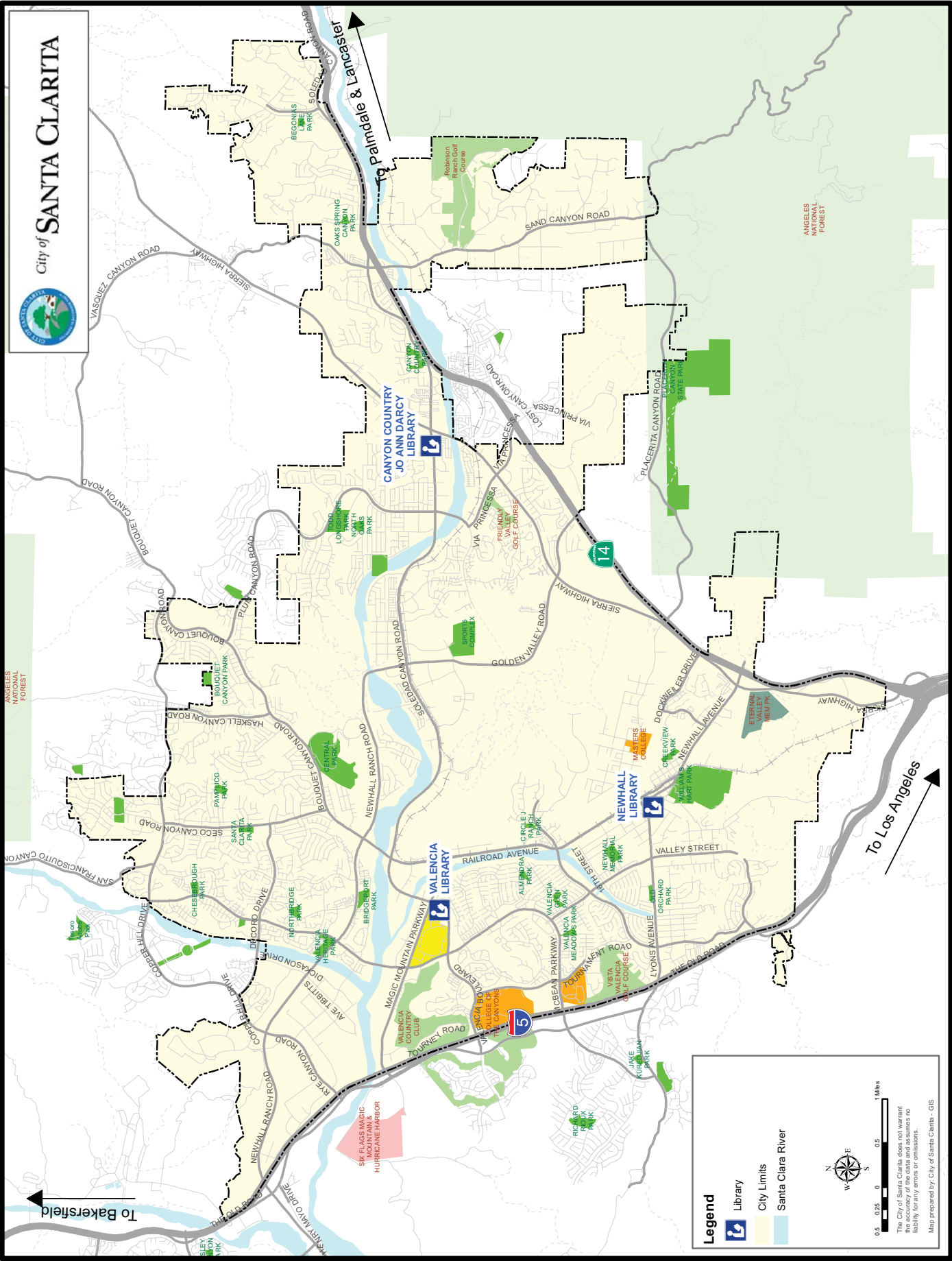
Ken Pulskamp	CITY MANAGER
Ken Striplin	ASSISTANT CITY MANAGER
Darren Hernández	DEPUTY CITY MANAGER
Joseph Montes	CITY ATTORNEY
Paul Brotzman	DIRECTOR OF COMMUNITY DEVELOPMENT
Richard Gould	DIRECTOR OF PARKS, RECREATION & COMMUNITY SERVICES
Robert Newman	DIRECTOR OF PUBLIC WORKS/CITY ENGINEER






# City of Santa Clarita

## ORGANIZATION CHART As of June 30, 2011






**Legend**

-  Library
-  City Limits
-  Santa Clara River

0.5 0.25 0 0.5 1 Miles

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

Map prepared by: City of Santa Clarita - GIS



## 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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. 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 opinions.

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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Redevelopment Agency, a component unit of the City, will continue as a going concern. As discussed in note 16 to the financial statements, on December 29, 2011, the Supreme Court of the State of California upheld the enforceability of legislation that provides for the dissolution of California redevelopment agencies. The full impacts of this most recent development are not known at this time. These recent legislative and judicial actions raise substantial doubt about the ability of the Redevelopment Agency and all redevelopment agencies in the State of California to continue as going concerns. The financial statements do not reflect any adjustments that might result from the outcome of this uncertainty.

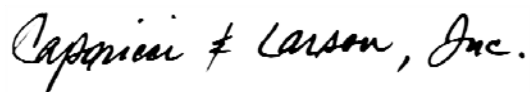
To the Honorable Mayor and Members of the City Council  
of the City of Santa Clarita  
Santa Clarita, California  
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The Agency adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2012 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
Irvine, California  
February 7, 2012

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended June 30, 2011

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, 2011. 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 million. Of this amount, \$67.9 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 1.74%, primarily as a result of the increase in non-depreciable assets. Net assets of the business-type activities increased by \$8,184,785, or 12.08%, and net assets of the governmental activities increased by \$7.1 million, or 0.88%.
- The capital assets of the City's governmental activities increased by \$39 million, or 5.3% over last fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$100 million. This represents a decrease of \$40 million as compared to the prior year.
- Within Governmental Funds, the General Fund reported a fund balance of \$83.6 million, an increase of \$5.9 million over 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).

## 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

**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 35 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 30 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**

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 79-86 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 can be found on pages 87-132 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 \$15.3 million, increasing from \$879.2 million to \$894 million.



**THE CITY AS A WHOLE (CONTINUED)**

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<u>ASSETS:</u>						
Current and Other Assets	\$211,188,970	\$236,495,818	\$ 3,152,010	\$ 6,848,160	\$ 214,340,798	\$ 243,343,978
Capital assets	<u>776,222,079</u>	<u>737,167,870</u>	<u>75,416,686</u>	<u>68,160,029</u>	<u>851,638,947</u>	<u>805,327,899</u>
TOTAL ASSETS	<u>987,411,049</u>	<u>973,663,668</u>	<u>78,568,696</u>	<u>75,008,189</u>	<u>1,065,979,745</u>	<u>1,048,671,877</u>
<u>LIABILITIES:</u>						
Long Term Liabilities	77,429,075	82,018,862	-	-	77,429,075	82,018,862
Other Liabilities	<u>91,316,721</u>	<u>80,117,362</u>	<u>2,648,382</u>	<u>7,272,660</u>	<u>93,965,103</u>	<u>87,390,022</u>
TOTAL LIABILITIES	<u>168,745,796</u>	<u>162,136,224</u>	<u>2,648,382</u>	<u>7,272,660</u>	<u>171,394,178</u>	<u>169,408,884</u>
<u>NET ASSETS:</u>						
Invested in capital assets, net of related debt	717,613,095	657,644,168	75,416,868	67,911,725	793,029,963	725,555,893
Restricted	33,654,470	90,665,041	-	-	33,654,470	90,665,041
Unrestricted	<u>67,397,688</u>	<u>63,218,255</u>	<u>503,446</u>	<u>(176,196)</u>	<u>67,901,134</u>	<u>63,042,059</u>
TOTAL NET ASSETS	<u>\$ 818,665,253</u>	<u>\$ 811,527,464</u>	<u>\$ 75,920,314</u>	<u>\$ 67,735,529</u>	<u>\$ 894,585,567</u>	<u>\$ 879,262,993</u>

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

As of June 30, 2011, assets exceeded liabilities by \$894 million. The largest component of the City's net assets, 81.1%, is represented by its \$793 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. One of the largest additions to the City's capital assets for fiscal year 2010-2011 is land. The City purchased a total of \$21.1 million in land in fiscal year 2010-11. Another large addition to the City's capital assets for fiscal year 2010-11 is infrastructure. For fiscal year 2010-11, the total addition to infrastructure is \$30.8 million. 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, 3.75%, represents resources subject to external restrictions on how they may be used. The remaining 7.59% of unrestricted net assets, \$67.9 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 \$7.1 million over the prior year, \$4.6 million of which is represented by a decrease in long term liabilities. Decrease in liabilities accounted for the majority of the overall increase in net assets for

See independent auditors report.

business-type activities of \$8.1 million. The unrestricted portion of the business-type activities increased by \$679,642.

### **Governmental Activities**

Revenues from governmental activities were up by \$18 million or 13.5%, due primarily to several Capital Grants and Contributions that were received in FY10-11. The cost of all governmental activities this year was \$138 million, a decrease of 1.06% over the past year. As shown in the Statement of Activities, the governmental activities expenditures were ultimately financed in part by the taxpayers, as \$23.9 million in revenues were generated by service revenues received from the performance of these activities; another \$14 million was received from government agencies and other organizations that subsidized certain programs with operating grants and contributions; and another \$31.3 million in revenues was generated from capital grants and contributions. Public Works and Community Development programs were the only activities that generated net revenues of \$15.4 million and \$8.5 million, respectively. Overall, the City's governmental program and general revenues amounted to \$150 million, which funded the expenditures and resulted in a \$7.1 million increase in net assets. Part of the \$150 million program and general revenue is other non-program governmental revenue amounting to \$81.6 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	
	2011	2010	2011	2010	2011	2010
Program Revenues:						
Charges for services	\$ 23,913,817	\$ 25,647,587	\$ 6,573,879	\$ 3,181,614	\$ 30,487,696	\$ 28,829,201
Operating grants and contributions	14,090,686	16,224,269	6,913,534	10,260,579	21,004,220	26,484,848
Capital grants and contributions	31,325,725	15,249,634	13,043,418	-	44,369,143	15,249,634
General Revenues						
Taxes:						
Property taxes, levied for general purposes	24,996,219	25,126,278	-	-	24,996,219	25,126,278
Other Taxes	39,587,975	37,534,705	-	-	39,587,975	37,534,705
Grants and contributions not restricted to specific programs	812,475	896,708	-	-	812,475	896,708
Other	16,220,333	12,254,308	(27,303)	82,554	16,193,030	12,336,862
Total Revenues	150,947,230	132,933,489	26,503,528	13,524,747	177,450,758	146,458,236
General government	47,048,462	32,116,335	-	-	47,048,462	32,116,335
Public safety	21,280,904	17,912,704	-	-	21,280,904	17,912,704
Public works	25,799,166	26,758,527	-	-	25,799,166	26,758,527
Parks and recreation	11,281,552	27,835,763	-	-	11,281,552	27,835,763
Community development	11,547,650	13,831,341	-	-	11,547,650	13,831,341
Unallocated infrastructure depreciation	16,392,901	15,545,626	-	-	16,392,901	15,545,626
Interest on long term debt	4,650,566	5,476,918	-	-	4,650,566	5,476,918
Transit	-	-	24,127,043	23,348,708	24,127,043	23,348,708
Total Expenses	138,001,201	139,477,214	24,127,043	23,348,708	162,128,244	162,825,922
Increase/Decrease in Net Assets before transfers	12,946,029	(6,543,725)	2,376,485	(9,823,961)	15,322,514	(16,367,686)
Transfers	(5,808,300)	(7,477,547)	5,808,300	7,477,547	-	-
Increase/Decrease In Net Assets	(7,137,789)	(14,021,272)	8,184,785	(2,346,414)	15,322,514	(16,367,686)
Net Assets - Beginning of Year	811,527,464	825,548,736	67,735,529	70,081,943	879,262,993	895,630,679
Net Assets - End of Year	\$ 818,665,253	\$ 811,527,464	\$ 75,920,314	\$ 67,735,529	\$ 894,585,567	\$ 879,262,993

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## THE CITY AS A WHOLE (CONTINUED)

### Business-Type Activities

Business-type activities increased the City's net assets by \$8.1 million for the current year. Business-type activities revenues increased by \$12.9 million during the year for a total of \$26.5 million in revenues, not including the \$5.8 million of transfers in from other governmental activities. This was largely due to an increase of \$13 million in capital grants and contributions. The majority of this increase is due to funding from the American Recovery and Reinvestment Act. Related transit activity expenses increased by \$811,156.

## THE CITY'S FUNDS

The governmental funds reported a combined fund balance at the end of the current fiscal year of \$100 million, a decrease of \$40 million over the prior year. Approximately \$33.6 million is restricted and already committed for specific restricted purposes, and approximately \$67.9 million 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 \$83.6 million, an increase of \$5.9 million over the prior year. The general fund is the chief operating fund of the City of Santa Clarita. Of the total fund balance of \$83.6 million, the City has set aside \$12,356,339 in order to meet retiree health benefits obligation as set forth by GASB 45. The unassigned general fund balance of \$46.9 million is available for spending at the City's discretion. More detailed information about the City's classification of fund balances are presented in Note 10 to the financial statements.

### Other major fund balance changes are noted below:

- The bridge and thoroughfare fund balance has realized a decrease of \$14.6 million 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 \$2.3 million. This is due primarily to an increase in deferred revenues from developers.
- The Open Space Preservation District fund realized a decrease of \$6.6 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 \$10.8 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 \$16.6 million and \$184,595 for the capital projects fund - redevelopment agency.

## THE CITY'S FUNDS (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 increase of \$5.6 million.

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 \$10.6 million or 15.7%. This \$10.6 million increase was primarily due to the decrease in total liabilities. The unrestricted portion of the business-type activities net assets increased by \$3.1 million from prior year. The Internal Service funds net assets increased by \$15.5 million or 85.7%. The ending fund balance for Internal Service funds is \$28.8 million, of which \$20.6 million is unrestricted.

### General Fund Budgetary Highlights

Comparison of the fiscal year 2010-11 original (adopted) general fund budgeted expenditures and transfers of \$78.5 million to the final budgeted expenditures of \$92.4 million results in a net increase of \$13.8 million.

Included in this net increase is \$438,130 in committed purchase orders and contracts from the prior June 30 balance, as well as \$348,468 of prior fiscal year operating and capital improvement projects approved for carryover into fiscal year 2010-11. The resulting beginning budget balance was equal to \$79.3 million.

<b>Original Budget +</b>	<b>Cont. Appropriations +</b>	<b>Encumbrances =</b>	<b>Beg. Balance +</b>	<b>Supplemental Changes =</b>	<b>Final Budget</b>
\$78,585,983 +	\$348,468 +	\$438,130 =	\$79,372,581+	\$13,104,556=	\$92,477,137

Comparing the beginning budget of \$78.5 million with the final budget of \$92.4 million indicates the general fund had supplemental budgetary appropriations of \$13,104,556 during the fiscal year. Included in the supplemental appropriations are the results of this year's budget review.

During the mid-year budget review, budgeted general fund revenue had a net increase of \$1,477,984. Included in the net increase is \$865,000 in Sales Tax and \$200,000 in Transient Occupancy Tax.

At year end, the City's actual revenues are \$3.4 million more than the final budgetary estimates. Actual expenditures were less than the final budgetary estimates by over \$5.6 million.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City had \$851.6 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	
	2011	2010	2011	2010	2011	2010
Land	\$ 123,614,634	\$ 101,976,048	\$ 15,087,880	\$ 15,087,880	\$ 138,702,514	\$ 117,063,928
Construction in progress	6,477,297	1,387,798	6,957,970	1,744,885	13,435,267	3,132,683
Infrastructure, net	588,536,627	574,110,439	-	-	588,536,627	574,110,439
Depreciable site improvements, net	21,024,498	21,951,041	1,465,214	1,536,390	22,489,712	23,487,431
Depreciable buildings and improvements, net	34,381,092	35,381,200	34,858,148	35,741,494	69,239,240	71,122,694
Depreciable equipment, net	2,187,930	2,361,344	17,047,657	14,049,380	19,235,587	16,410,724
<b>TOTALS</b>	<b>\$ 776,222,078</b>	<b>\$ 737,167,870</b>	<b>\$ 75,416,869</b>	<b>\$ 68,160,029</b>	<b>\$ 851,638,947</b>	<b>\$ 805,327,899</b>

Major capital asset events during the year included:

- **Public Library Acquisitions.** The City recently integrated and assumed operations for the libraries located in Newhall, Canyon Country, and Valencia. The Valencia library includes a building and a parking lot consisting of about 71,000 square feet and was valued at \$4,720,000. The Newhall library is located on a 13,500 square foot lot and was valued at \$580,000.
- **On-going construction of the Old Town Newhall Library.** The Old Town Newhall Library is currently in construction and will be opening in 2012.
- **Open Space Preservation -** The City's Open Space Preservation District is charged with acquisition, preservation, improvement, servicing, financing, and maintenance of the City's open space land. For FY2010-11, the District contributed \$7.5 million in order to purchase the Wildwood, Haskell, and Elsmere properties.

Additional information on the City of Santa Clarita's capital assets can be located in Note 4 to the financial statements on pages 57 through 59.

## CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

### Debt Administration

At year-end, the City's total debt amounted to \$82 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	
	2011	2010	2011	2010	2011	2010
Refunding Certificates of						
Participation, net	\$ 12,394,795	\$ 13,422,653	\$ -	\$ -	\$ 12,394,795	\$ 13,422,653
Tax Allocation Bonds	37,495,684	38,035,154	-	-	37,495,684	38,035,154
Certificates of						
Participation	15,525,000	15,525,000	-	-	15,525,000	15,525,000
Lease Revenue Bonds	12,898,596	13,172,254	-	-	12,898,596	13,172,254
Contract and Leases						
Payable	1,413,786	2,016,628	-	248,304	1,413,786	2,264,932
Compensated Absences	2,625,890	2,529,495	-	-	2,625,890	2,529,495
Claims Payable	40,000	50,000	-	-	40,000	50,000
<b>TOTALS</b>	<b>\$ 82,393,751</b>	<b>\$ 84,751,184</b>	<b>\$ -</b>	<b>\$ 248,304</b>	<b>\$ 82,393,751</b>	<b>\$ 84,999,488</b>

The City's governmental activities had \$82.4 million in debt at year-end. Governmental Activities long-term debt decreased overall by \$2.4 million during the year.

The City's business-type activities debt was completely eliminated during FY2010-2011. 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, 2011, the City was able to meet its current year debt obligation in a timely manner. State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The debt limitation for the City as of June 30, 2011, was \$3,228,957,739.

Additional information on the City of Santa Clarita's debt can be located in Note 5 to the financial statements, on pages 60 through 67.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City's budget continues to be faced with threats of takeaways from the State. Our long history of conservative and strategic budget practices has allowed the City to roll with the punches and maintain a balanced budget during every year of the Great Recession without layoffs or drastic cuts in services. Revenues have stabilized and we are seeing some increases.

- General fund sales tax revenue continues to be the largest revenue source to operate general governmental functions, accounting for 34.1% or \$26.5 million. This is 5.4% higher than what was budgeted in FY 2010-11.
- Property tax revenues accounts for 31.8% or \$24.7 million in 2011-12. This is a slight increase of 1.3%. The County Assessor's office makes changes to the City's property tax roll daily to reflect transfers in ownership, new construction, assessment appeals, parcel splits and other dynamic changes.

Budgeted general fund revenues for fiscal year 2011-12 is \$72.3 million, 2.1% higher than the budget revenues of the prior year. The City's general fund operating and capital expenditures for the coming year are budgeted at \$72.3 million, a 6.3% increase from prior year. Operational expenditures increased by 2.8% or \$1,924,000 and capital expenditures increased from \$106,000 to \$674,600 or 536.4%. The City's 2011-12 operating budget for ALL funds increased by 5.9% or \$7.2 million.

The City remains dedicated to service excellence, teamwork and creativity. Instead of layoffs, the City implemented a hiring freeze which resulted in 43 full-time vacant or eliminated positions. This represents an 11% decrease in the City's workforce. Despite the budget cuts, City staff continues to do more with less, find creative ways to maintain services revered by our community, and provide award winning programs. The 2011-12 budget remains to be a reflection of the City's commitment to the residents of Santa Clarita. This is consistent with the City's long tradition of ensuring that programming for Santa Clarita's youth and children is a priority to help promote growth and curb teen crimes. A copy of the City's 2011-12 budget can be obtained by contacting the City Finance Division or visit the web at [santa-clarita.com/cityhall/departments/cmo/citybudget](http://santa-clarita.com/cityhall/departments/cmo/citybudget).



## **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**City of Santa Clarita**  
**Statement of Net Assets**  
**June 30, 2011**

<b>ASSETS</b>	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and investments	\$ 184,610,505	\$ -	\$ 184,610,505
Cash and investments with fiscal agent	1,165,418	-	1,165,418
Receivables:			
Accounts	886,263	-	886,263
Interest	840,170	-	840,170
Taxes	7,929,747	-	7,929,747
Prepaid costs	595,875	-	595,875
Due from other governments	5,548,838	8,057,296	13,606,134
Loans receivable	2,143,653	-	2,143,653
Due from fiduciary funds	80,632	-	80,632
Internal balances	4,905,468	(4,905,468)	-
Non-current assets:			
Deferred charges	2,479,201	-	2,479,201
Deposits	3,200	-	3,200
Capital assets:			
Nondepreciable assets	130,091,931	22,045,849	152,137,780
Depreciable assets, net	646,130,148	53,371,019	699,501,167
Total capital assets, net	776,222,079	75,416,868	851,638,947
<b>Total assets</b>	<b>987,411,049</b>	<b>78,568,696</b>	<b>1,065,979,745</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	15,872,844	2,602,653	18,475,497
Unearned revenue	13,293,483	-	13,293,483
Due to other governments	426,428	-	426,428
Deposits payable	43,584,180	-	43,584,180
Interest payable	980,935	-	980,935
Compensated absences payable	271,468	45,729	317,197
Noncurrent liabilities:			
Compensated absences payable	2,354,422	-	2,354,422
Other postemployment benefits payable	12,194,175	-	12,194,175
Due within one year	2,338,786	-	2,338,786
Due in more than one year	77,429,075	-	77,429,075
<b>Total liabilities</b>	<b>168,745,796</b>	<b>2,648,382</b>	<b>171,394,178</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	717,613,095	75,416,868	793,029,963
Restricted for:			
Capital improvements	3,452,815	-	3,452,815
Special revenues	5,151,207	-	5,151,207
Redevelopment projects	184,595	-	184,595
Low and moderate income housing	9,169,821	-	9,169,821
Special assessments	15,696,032	-	15,696,032
Total restricted assets	33,654,470	-	33,654,470
Unrestricted	67,397,688	503,446	67,901,134
<b>Total net assets</b>	<b>\$ 818,665,253</b>	<b>\$ 75,920,314</b>	<b>\$ 894,585,567</b>

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, 2011**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 47,048,462	\$ 398,181	\$ 45,864	\$ -
Public safety	21,280,904	2,305,608	62,039	-
Public works	25,799,166	4,929,602	11,074,198	25,263,073
Parks and recreation	11,281,552	4,220,977	140,362	821,663
Community development	11,547,650	12,059,509	2,768,223	5,240,989
Unallocated infrastructure depreciation	16,392,901	-	-	-
Interest and fiscal charges	4,650,566	-	-	-
Total governmental activities	138,001,201	23,913,877	14,090,686	31,325,725
<b>Business-type activities:</b>				
Transit	24,127,043	6,573,879	6,913,534	13,043,418
<b>Total</b>	<b>\$ 162,128,244</b>	<b>\$ 30,487,756</b>	<b>\$ 21,004,220</b>	<b>\$ 44,369,143</b>

**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
- Business license
- Unrestricted investment earnings
- Miscellaneous revenue
- Transfers

**Total general revenues and transfers**

**Changes in net assets**

**Net assets - beginning of year**

**Net assets - end of year**

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (46,604,417)	\$ -	\$ (46,604,417)
(18,913,257)	-	(18,913,257)
15,467,707	-	15,467,707
(6,098,550)	-	(6,098,550)
8,521,071	-	8,521,071
(16,392,901)	-	(16,392,901)
(4,650,566)	-	(4,650,566)
(68,670,913)	-	(68,670,913)
-	2,403,788	2,403,788
(68,670,913)	2,403,788	(66,267,125)
27,701,757	-	27,701,757
24,996,219	-	24,996,219
6,697,241	-	6,697,241
2,106,521	-	2,106,521
3,082,456	-	3,082,456
3,006,922	-	3,006,922
812,475	-	812,475
309,136	-	309,136
3,756,112	(27,303)	3,728,809
9,148,163	-	9,148,163
(5,808,300)	5,808,300	-
75,808,702	5,780,997	81,589,699
7,137,789	8,184,785	15,322,574
811,527,464	67,735,529	879,262,993
\$ 818,665,253	\$ 75,920,314	\$ 894,585,567





## **FUND FINANCIAL STATEMENTS**

**City of Santa Clarita**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds			
	General	Bridge and Thoroughfare	Developer Fees	Open Space Preservation District
<b>ASSETS</b>				
Cash and investments	\$ 64,178,073	\$ 16,215,640	\$ 8,444,019	\$ 10,735,195
Cash and investments with fiscal agents	-	-	-	-
Receivable:				
Accounts	553,813	300	1,008	6,537
Interest	349,963	92,938	48,425	25,816
Taxes	6,800,671	-	-	71,859
Prepaid costs	595,875	-	-	-
Due from other funds	8,191,168	-	-	-
Due from other governments	344,971	-	-	-
Deposits	200	-	-	3,000
Notes and loans receivable	-	-	-	-
Advances to other funds	23,249,986	23,008,021	5,805,131	-
<b>Total assets</b>	<b>\$ 104,264,720</b>	<b>\$ 39,316,899</b>	<b>\$ 14,298,583</b>	<b>\$ 10,842,407</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 5,575,314	\$ 106,669	\$ 3,431,259	\$ 1,624
Deferred revenue	7,549,489	79,445	12,360,764	22,068
Due to other governments	-	-	-	-
Deposits payable	7,449,698	36,125,044	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	24,550,522	-	-
<b>Total liabilities</b>	<b>20,574,501</b>	<b>60,861,680</b>	<b>15,792,023</b>	<b>23,692</b>
<b>Fund Balances:</b>				
Nonspendable	23,845,861	23,008,021	5,805,131	-
Restricted	-	-	-	10,818,715
Committed	12,356,339	-	-	-
Assigned	572,781	-	-	-
Unassigned	46,915,238	(44,552,802)	(7,298,571)	-
<b>Total fund balances (deficit)</b>	<b>83,690,219</b>	<b>(21,544,781)</b>	<b>(1,493,440)</b>	<b>10,818,715</b>
<b>Total liabilities and fund balances</b>	<b>\$ 104,264,720</b>	<b>\$ 39,316,899</b>	<b>\$ 14,298,583</b>	<b>\$ 10,842,407</b>

See accompanying Notes to Basic Financial Statements.

Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Redevelopment Agency	Redevelopment Agency		
\$ 28,323	\$ 756,645	\$ 64,366,166	\$ 164,724,061
896,539	-	268,879	1,165,418
-	82,621	240,351	884,630
-	4,339	234,452	755,933
-	5,018	1,052,199	7,929,747
-	-	-	595,875
-	-	-	8,191,168
-	-	5,203,867	5,548,838
-	-	-	3,200
-	-	2,143,653	2,143,653
-	-	-	52,063,138
<u>\$ 924,862</u>	<u>\$ 848,623</u>	<u>\$ 73,509,567</u>	<u>\$ 244,005,661</u>
\$ -	\$ 233,891	\$ 6,623,292	\$ 15,972,049
-	3,709	7,176,012	27,191,487
-	426,428	-	426,428
-	-	9,438	43,584,180
-	-	3,205,068	3,205,068
17,616,138	-	10,806,376	52,973,036
<u>17,616,138</u>	<u>664,028</u>	<u>27,820,186</u>	<u>143,352,248</u>
-	-	-	52,659,013
924,862	-	45,461,495	57,205,072
-	-	-	12,356,339
-	184,595	3,452,815	4,210,191
(17,616,138)	-	(3,224,929)	(25,777,202)
<u>(16,691,276)</u>	<u>184,595</u>	<u>45,689,381</u>	<u>100,653,413</u>
<u>\$ 924,862</u>	<u>\$ 848,623</u>	<u>\$ 73,509,567</u>	<u>\$ 244,005,661</u>



**City of Santa Clarita**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2011**

**Total Fund Balances - Total Governmental Funds** \$ 100,653,413

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:			
Non-depreciable	\$ 130,091,931	\$ 7,669,393	
Depreciable, net of accumulated depreciation	646,130,148	534,431	
Total capital assets	\$ 776,222,079	\$ 8,203,824	768,018,255

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 2,479,201

Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, these revenues are included in the government-wide statements.

Change in deferred revenue and unearned revenue 13,898,004

OPEB obligations are not a current liability. Therefore are not included in the governmental fund financials.

(12,194,175)

	Government- Wide Statement of Net Assets	Less Internal Service Funds	
Liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds:			
Loans payable - current	\$ (373,786)	\$ -	
Long-term debt - due within one year	(1,965,000)	-	
Compensated absences - noncurrent	(2,354,422)	-	
Loans payable - noncurrent	(1,040,000)	-	
Long-term debt - noncurrent	(76,710,000)	-	
Deferred discount/premiums	360,925	-	
Claims payable	(40,000)	(40,000)	
	\$ (82,122,283)	\$ (40,000)	(82,082,283)

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.

(980,935)

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.

28,873,773

**Net assets of governmental activities** \$ 818,665,253

**City of Santa Clarita**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**

	Special Revenue Funds			
	General	Bridge and Thoroughfare	Developer Fees	Open Space Preservation District
<b>REVENUES:</b>				
Taxes	\$ 62,853,088	\$ -	\$ -	\$ 1,748,211
Licenses and permits	3,675,424	-	-	-
Developer fees	-	53,110	182,593	-
Investment income	2,199,220	607,838	126,982	80,777
Revenue from other agencies	295,052	-	-	-
Fines and forfeitures	499,227	-	-	-
Service charges	6,640,459	-	-	2,000
Other revenue	108,997	835,184	-	-
Overhead reimbursement	3,398,704	-	-	-
<b>Total revenues</b>	<b>79,670,171</b>	<b>1,496,132</b>	<b>309,575</b>	<b>1,830,988</b>
<b>EXPENDITURES:</b>				
Current:				
General government	11,479,882	-	-	7,772,528
Public safety	18,384,968	-	2,464,946	-
Public works	12,915,033	14,324,789	-	-
Parks and recreation	18,928,383	-	-	-
Community development	5,379,024	-	-	-
Capital outlay	-	1,854,691	224,547	-
Debt service:				
Bond issuance costs	-	-	-	-
Principal retirement	230,746	-	-	-
Interest and fiscal charges	4,200	-	-	-
<b>Total expenditures</b>	<b>67,322,236</b>	<b>16,179,480</b>	<b>2,689,493</b>	<b>7,772,528</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>12,347,935</b>	<b>(14,683,348)</b>	<b>(2,379,918)</b>	<b>(5,941,540)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	13,939,098	2,000,000	-	-
Transfers out	(20,354,337)	(2,000,000)	(18,499)	(713,661)
<b>Total other financing sources (uses)</b>	<b>(6,415,239)</b>	<b>-</b>	<b>(18,499)</b>	<b>(713,661)</b>
<b>Net change in fund balances</b>	<b>5,932,696</b>	<b>(14,683,348)</b>	<b>(2,398,417)</b>	<b>(6,655,201)</b>
<b>FUND BALANCES:</b>				
Beginning of year	77,757,523	(6,861,433)	904,977	17,473,916
End of year	\$ 83,690,219	\$ (21,544,781)	\$ (1,493,440)	\$ 10,818,715

See accompanying Notes to Basic Financial Statements.

Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Redevelopment Agency	Redevelopment Agency		
\$ -	\$ 2,031,618	\$ 5,841,965	\$ 72,474,882
-	-	-	3,675,424
-	-	47,073	282,776
113	221,938	561,630	3,798,498
-	-	19,485,648	19,780,700
-	-	1,392,273	1,891,500
-	2,000	16,963,813	23,608,272
-	-	3,342,256	4,286,437
-	-	-	3,398,704
113	2,255,556	47,634,658	133,197,193
-	29,393	22,931,794	42,213,597
-	-	380,680	21,230,594
-	-	6,970,505	34,210,327
-	-	2,924,936	21,853,319
1,751	2,600,907	3,593,683	11,575,365
-	4,291,193	14,941,454	21,311,885
-	-	1,037,665	1,037,665
420,000	-	1,595,472	2,246,218
2,630,923	-	1,123,907	3,759,030
3,052,674	6,921,493	55,500,096	159,438,000
(3,052,561)	(4,665,937)	(7,865,438)	(26,240,807)
9,485,498	63,811	25,381,445	50,869,852
-	(29,702,246)	(11,925,633)	(64,714,376)
9,485,498	(29,638,435)	13,455,812	(13,844,524)
6,432,937	(34,304,372)	5,590,374	(40,085,331)
(23,124,213)	34,488,967	40,099,007	140,738,744
\$ (16,691,276)	\$ 184,595	\$ 45,689,381	\$ 100,653,413

# 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, 2011

Net change in fund balance - total governmental funds: \$ (40,085,331)

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. This amount does not include internal service fund activity of \$178,588. The following was the amount of capital assets recorded in the current period:

Capital outlay 41,221,265

Developer contributions that were made during the year in the form of land dedication and donations did not constitute revenues that were available and were not recorded in the governmental funds. They were recorded in the Government-Wide Statement of Activities and Changes in Net Assets as Capital Contributions:

34,067,386

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 \$19,502,651 and the depreciation expense of the internal service funds in the amount of \$301,810.

(19,200,841)

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 deferred charges (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.

Principal payments on bonds, COP's, loans and capital leases 2,480,630

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 175,073  
 Accrued interest 14,496  
 Other post employment benefits (4,680,000)

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.

(17,080,725)

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.

10,328,615

**Change in net assets of governmental activities** **\$ 7,137,789**

See accompanying Notes to Basic Financial Statements.



**PROPRIETARY FUND FINANCIAL STATEMENTS**



**City of Santa Clarita**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	Business-Type Activity	Government Activities
	Transit Enterprise	Internal Service Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ -	\$ 19,886,444
Receivables:		
Accounts	-	1,633
Interest	-	84,237
Due from other governments	8,057,296	-
Advances to other fund	-	909,898
Total current assets	<u>8,057,296</u>	<u>20,882,212</u>
Noncurrent assets:		
Capital assets:		
Land	15,087,880	7,669,393
Construction in progress	6,957,969	-
Site improvements, net of accumulated depreciation	1,465,214	-
Building, net of accumulated depreciation	34,858,147	-
Equipment, net of accumulated depreciation	17,047,658	534,431
Total noncurrent assets	<u>75,416,868</u>	<u>8,203,824</u>
<b>Total assets</b>	<u><u>83,474,164</u></u>	<u><u>29,086,036</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	2,602,653	172,263
Due to other funds	4,905,468	-
Compensated absences payable	45,729	-
Total current liabilities	<u>7,553,850</u>	<u>172,263</u>
Noncurrent liabilities:		
Claims payable	-	40,000
Total noncurrent liabilities	<u>-</u>	<u>40,000</u>
<b>Total liabilities</b>	<u><u>7,553,850</u></u>	<u><u>212,263</u></u>
<b>NET ASSETS</b>		
Invested in capital assets	75,416,868	8,203,824
Unrestricted	503,446	20,669,949
<b>Total net assets</b>	<u><u>\$ 75,920,314</u></u>	<u><u>\$ 28,873,773</u></u>

**City of Santa Clarita**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

	Business-Type Activity	Government Activities
	Transit Enterprise	Internal Service Fund
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 3,958,415	\$ 2,793,778
Other revenues	2,615,464	1,620,488
<b>Total operating revenue</b>	<b>6,573,879</b>	<b>4,414,266</b>
<b>OPERATING EXPENSES:</b>		
Administrative and personnel services	1,912,182	239,943
Transportation services	16,622,555	-
Service and supplies	1,778,575	1,754,511
Depreciation	3,813,731	301,810
<b>Total operating expenses</b>	<b>24,127,043</b>	<b>2,296,264</b>
<b>OPERATION INCOME (LOSS)</b>	<b>(17,553,164)</b>	<b>2,118,002</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Intergovernmental grants	6,913,534	-
Investment income	(27,303)	174,389
<b>Total nonoperating revenues (expenses)</b>	<b>6,886,231</b>	<b>174,389</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(10,666,933)</b>	<b>2,292,391</b>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>		
Transfers in	5,971,230	8,036,224
Transfers out	(162,930)	-
Capital contributions	13,043,418	-
<b>Total transfers and capital contributions</b>	<b>18,851,718</b>	<b>8,036,224</b>
<b>Changes in net assets</b>	<b>8,184,785</b>	<b>10,328,615</b>
<b>NET ASSETS:</b>		
Beginning of the year	67,735,529	18,545,158
End of the year	<b>\$ 75,920,314</b>	<b>\$ 28,873,773</b>

See accompanying Notes to Basic Financial Statements.

**City of Santa Clarita**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

	Business-Type Activity	Government Activities
	Transit	Internal
	Enterprise	Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and users	\$ 4,010,678	\$ 2,793,778
Other operating expenses or operating receipts	2,224,437	1,620,488
Payment to suppliers	(22,808,424)	(8,856,415)
Payments to employees	(1,866,453)	(239,943)
<b>Net cash provided by (used for) operating activities</b>	<b>(18,439,762)</b>	<b>(4,682,092)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Cash contributed by other governments	6,913,534	-
Cash received from other funds	5,971,230	8,017,230
Cash paid to other funds	(162,930)	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>12,721,834</b>	<b>8,017,230</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of capital assets	1,972,848	(100,992)
Principal payments on financed debt	(248,304)	-
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>1,724,544</b>	<b>(100,992)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	4,816	222,746
<b>Net cash provided by (used for) by investing activities</b>	<b>4,816</b>	<b>222,746</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,988,568)</b>	<b>3,456,892</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	3,988,568	16,429,552
End of year	\$ -	\$ 19,886,444
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (17,553,164)	\$ 2,118,002
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation expense	3,813,731	301,810
Change in assets and liabilities:		
Increase (decrease) in accounts receivable	52,263	-
Increase (decrease) in due from other governments	(5,282,086)	-
Increase (decrease) in prepaid expenses	-	542,541
Increase (decrease) in accounts payable and accrued liabilities	(4,407,294)	(7,634,445)
Increase (decrease) in due to other funds	4,905,468	-
Increase (decrease) in claims payable	-	(10,000)
Increase (decrease) in compensated absences	45,729	-
Increase (decrease) in deferred revenues	(14,409)	-
<b>Net cash provided (used) by operating activities</b>	<b>(18,439,762)</b>	<b>(4,682,092)</b>

See accompanying Notes to Basic Financial Statements.



**FIDUCIARY FUND FINANCIAL STATEMENTS**





**City of Santa Clarita**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Fund**  
**June 30, 2011**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 106,031
Cash and investments with fiscal agent	1,794,031
Taxes receivable	6,490
Interest receivable	<u>522</u>
<b>Total assets</b>	<b>\$ 1,907,074</b>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 7,193
Due to other funds	80,632
Deferred revenues	447
Due to bondholders	<u>1,818,802</u>
<b>Total liabilities</b>	<b>\$ 1,907,074</b>



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# NOTES TO BASIC FINANCIAL STATEMENTS

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**City of Santa Clarita**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2011**

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**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 powers 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, 2011**

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**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, 2011**

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**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, for the government-wide and proprietary fund financial statements, 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 present 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, 2011**

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**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, 2011**

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**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. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid 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.

Investments are presented at fair value except as noted below. The fair value of participants' position in the investment pools is the same as the value of the investment pools' shares and investment income, which includes changes in fair value (i.e., realized and unrealized gains or losses). Money market funds (such as short-term, highly liquid debt instruments including bankers' acceptances and securities (notes, bills, and bonds of the U.S. government and its agencies), and participating interest-earnings investment contracts (such as negotiable certificates of deposit, certificates of deposit, and repurchase agreements) that have a remaining maturity at the time of purchase of one year or less, are carried at amortized cost which approximates market value.

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



**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**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.

**F. 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 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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**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.

**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 and proprietary 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 after 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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**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."

**Fund Financial Statements** - In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

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

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

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

Assigned - Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the Deputy City Manager for that purpose.

Unassigned - This category is for any balances that have no restrictions placed upon them.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***M. Spending Policy***

*Government-Wide Financial Statements and the Proprietary Fund Financial Statements*

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.

*Governmental Fund Financial Statements*

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

- Restricted
- Committed
- Assigned
- Unassigned

***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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**2. CASH AND INVESTMENTS**

**A. Cash and Investments**

Cash and investments at June 30, 2011, 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	\$ 184,610,505	\$ -	\$ 184,610,505	\$ 106,031	\$ 184,716,536
Cash and investments with fiscal agent	1,165,418	-	1,165,418	1,794,031	2,959,449
<b>Total</b>	<b>\$ 185,775,923</b>	<b>\$ -</b>	<b>\$ 185,775,923</b>	<b>\$ 1,900,062</b>	<b>\$ 187,675,985</b>

Cash and investments consisted of the following at June 30, 2011:

Cash and cash equivalents:	
Cash on hand	\$ 3,950
Deposits with financial institutions	(35,232)
<b>Total cash and cash equivalents</b>	<b>(31,282)</b>
Investments:	
US Treasury Securities	23,240,482
Federal Agencies	108,589,011
Money Markets	9,956,374
Certificates of Deposit	1,010,215
Corporate Securities	34,646,453
Local Agency Investment Fund	5,833,890
L.A. County Pool (LACPIF)	1,471,393
<b>Total investments</b>	<b>184,747,818</b>
<b>Total cash and investments</b>	<b>\$ 184,716,536</b>

The carrying amounts of the City's demand deposits were \$(35,232) at June 30, 2011. Bank balances before reconciling items were \$308,053 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name. The overdraft of demand deposits is due to timing differences.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**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
Los Angeles County Pooled Investment Fund (LACPIF)	Not Applicable	None	None
Local Agency Investment Fund (LAIF)	Not Applicable	\$ 50 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, 2011**

**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	\$ 50 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, 2011, 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	\$ 23,240,482	\$ 12,240,486	\$ 1,075,386	\$ 1,598,438	\$ 1,612,853	\$ 6,713,319
Federal Agencies	108,589,011	64,414,215	19,164,737	14,271,453	5,157,949	5,580,657
Money Market	9,956,374	9,956,374	-	-	-	-
Certificates of Deposit	1,010,215	1,010,215	-	-	-	-
Corporate Securities	34,646,453	11,628,600	4,334,578	10,268,306	7,222,870	1,192,099
Local Agency Investment Fund	5,833,890	5,833,890	-	-	-	-
L.A. County Pool (LACPIF)	1,471,393	1,471,393	-	-	-	-
<b>Total</b>	<b>\$ 184,747,818</b>	<b>\$ 106,555,173</b>	<b>\$ 24,574,701</b>	<b>\$ 26,138,197</b>	<b>\$ 13,993,672</b>	<b>\$ 13,486,075</b>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**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	Sub- Total	% of Investments with Interest Rate Risk
US Treasury Securities	AAA	AAA	-	12.58%
Federal Agencies	AAA	AAA	-	58.78%
Money Market	Not Rated	Not Rated	-	5.39%
Certificates of Deposit	Not Rated	Not Rated	-	0.55%
Local Agency Investment Fund	Not Rated	Not Rated	-	3.16%
L.A. County Pool (LACPIF)	Not Rated	Not Rated	-	0.79%
Corporate Securities:				
Bank of America	AAA	AAA	4.71%	-
Bank of New York	AA3	A+	3.42%	-
Blackrock Inc.	A1	A+	2.92%	-
Berkshire Hathaway	AA2	AA+	3.43%	-
Cheveron Corp.	AA1	AA	3.42%	-
John Deere Capital Corp.	A2	A	0.58%	-
Walt Disney Company	A2	A	2.46%	-
Ebay Inc.	A2	A	3.44%	-
General Electric	AA2	AA+	19.54%	-
Goldman Sachs	AAA	AAA	4.67%	-
Hewlette-Packard Company	A2	A	2.25%	-
HSBC USA Inc.	AAA	AAA	0.73%	-
IBM Corp.	AA3	A+	2.28%	-
JP Morgan Chase	A1	A	9.77%	-
Lehman Brothers	Not Rated	Not Rated	1.50%	-
Morgan Stanley	A2	A	3.74%	-
Northern Trust Corp.	A1	AA-	2.66%	-
Pepsico Inc.	AA3	A-	3.48%	-
Pfizer	A1	AA	2.57%	-
US Bankcorp	AAA	AAA	8.15%	-
Wachovia	A1	AA-	5.85%	-
Wal-Mart	AA2	AA	4.57%	-
Wells Fargo Company	AA3	AA-	3.84%	-
Subtotal				18.75%
<b>Total</b>				<b>100.00%</b>



**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**2. CASH AND INVESTMENTS, Continued**

***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	\$ 22,216,588	14.79%
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	30,454,868	20.27%
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	22,754,028	15.15%
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	13,428,651	8.94%

***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, 2011, the City deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California Law.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**2. CASH AND INVESTMENTS, Continued**

**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 \$50,000,000 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, 2011, 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, 2011, the City had \$5,833,890 invested in LAIF, which had invested 5.42% of the pool investment funds in Structured Notes and Asset-Backed securities. The LAIF fair value factor of 1.001576470 was used to calculate the fair value of the investments in LAIF from their amortized cost basis.

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

**I. 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.

As of June 30, 2011, the City had \$1,471,393 invested in LACPIF. The LACPIF fair value factor of 1.000423588 was used to calculate the fair value of the investments in LACPIF from their amortized cost basis.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**3. 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 \$2,143,653 at June 30, 2011, has been offset by deferred revenue in other governmental funds, since these loans are not available to finance current expenditures.

**4. CAPITAL ASSETS**

**A. Government-Wide Financial Statements**

At June 30, 2011, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
<b>Non-depreciable assets:</b>			
Land	\$ 123,614,634	\$ 15,087,880	\$ 138,702,514
Construction-in-progress	6,477,297	6,957,970	13,435,267
Total non-depreciable assets	<u>130,091,931</u>	<u>22,045,850</u>	<u>152,137,781</u>
<b>Depreciable assets:</b>			
Site improvements	29,141,818	1,894,765	31,036,583
Building and improvements	46,537,031	41,483,799	88,020,830
Equipment	11,427,789	41,065,856	52,493,645
Infrastructure	821,903,999	-	821,903,999
Total depreciable assets	<u>909,010,637</u>	<u>84,444,420</u>	<u>993,455,057</u>
<b>Less accumulated depreciation:</b>			
Site improvements	(8,117,320)	(429,551)	(8,546,871)
Building and improvements	(12,155,939)	(6,625,651)	(18,781,590)
Equipment	(9,239,858)	(24,018,200)	(33,258,058)
Infrastructure	(233,367,372)	-	(233,367,372)
Total accumulated depreciation	<u>(262,880,489)</u>	<u>(31,073,402)</u>	<u>(293,953,891)</u>
Total depreciable assets, net	<u>646,130,148</u>	<u>53,371,018</u>	<u>699,501,166</u>
<b>Total capital assets, net</b>	<u><u>\$ 776,222,079</u></u>	<u><u>\$ 75,416,868</u></u>	<u><u>\$ 851,638,947</u></u>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**4. 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	Additions	Deletions	Balance
	July 1, 2010			June 30, 2011
<b>Non-depreciable assets:</b>				
Land	\$ 101,976,048	\$ 21,638,586	\$ -	\$ 123,614,634
Construction-in-progress	1,387,798	5,089,499	-	6,477,297
Total non-depreciable assets	103,363,846	26,728,085	-	130,091,931
<b>Depreciable assets:</b>				
Site improvements	28,903,244	238,574	-	29,141,818
Building and improvements	46,537,031	-	-	46,537,031
Equipment	10,656,677	771,112	-	11,427,789
Infrastructure	791,084,910	30,819,089	-	821,903,999
Total depreciable assets	877,181,862	31,828,775	-	909,010,637
<b>Less accumulated depreciation:</b>				
Site improvements	(6,952,203)	(1,165,117)	-	(8,117,320)
Building and improvements	(11,155,831)	(1,000,108)	-	(12,155,939)
Equipment	(8,295,333)	(944,525)	-	(9,239,858)
Infrastructure	(216,974,471)	(16,392,901)	-	(233,367,372)
Total accumulated depreciation	(243,377,838)	(19,502,651)	-	(262,880,489)
Total depreciable assets, net	633,804,024	12,326,124	-	646,130,148
<b>Governmental activities capital assets, net</b>	<b>\$ 737,167,870</b>	<b>\$ 39,054,209</b>	<b>\$ -</b>	<b>\$ 776,222,079</b>

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2011 as follows:

<b>Governmental Activities</b>	
General government	\$ 526,321
Public safety	50,310
Public works	294,360
Parks and recreation	1,922,718
Community development	14,231
Internal service funds depreciation charged to programs	301,810
Allocated depreciation	3,109,750
Unallocated infrastructure depreciation	16,392,901
Total depreciation expense - governmental activities	<b>\$ 19,502,651</b>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**4. 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, 2011
	Balance July 1, 2010	Additions	Deletions	
<b>Non-depreciable assets:</b>				
Land	\$ 15,087,880	\$ -	\$ -	\$ 15,087,880
Construction-in-progress	1,744,885	5,213,085	-	6,957,970
Total non-depreciable assets	16,832,765	5,213,085	-	22,045,850
<b>Depreciable assets:</b>				
Site improvements	1,894,765	-	-	1,894,765
Building and improvements	41,483,799	-	-	41,483,799
Equipment	35,208,371	5,857,485	-	41,065,856
Total depreciable assets	78,586,935	5,857,485	-	84,444,420
<b>Less accumulated depreciation:</b>				
Site improvements	(358,375)	(71,176)	-	(429,551)
Building and improvements	(5,742,305)	(883,346)	-	(6,625,651)
Equipment	(21,158,991)	(2,859,209)	-	(24,018,200)
Total accumulated depreciation	(27,259,671)	(3,813,731)	-	(31,073,402)
Total depreciable assets, net	51,327,264	2,043,754	-	53,371,018
<b>Business-type activities capital assets, net</b>	<b>\$ 68,160,029</b>	<b>\$ 7,256,839</b>	<b>\$ -</b>	<b>\$ 75,416,868</b>

Depreciation expense for business-type activities for the fiscal year ended June 30, 2011 was charged as follows:

Transit	\$ 3,813,731
<b>Total depreciation expense</b>	<b>\$ 3,813,731</b>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**5. LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Classification	
					Due Within One Year	Due More Than One Year
<b>Governmental Activities:</b>						
Lease Revenue Bonds:						
Series 2007	\$ 13,075,000	\$ -	\$ (270,000)	\$ 12,805,000	\$ 280,000	\$ 12,525,000
Plus deferred amount for issuance premium	97,254	-	(3,658)	93,596	-	93,596
Total Lease Revenue Bonds	13,172,254	-	(273,658)	12,898,596	280,000	12,618,596
Certificates of Participation:						
Refunding, Series 2005	13,760,000	-	(1,060,000)	12,700,000	1,090,000	11,610,000
Series 2007	15,525,000	-	-	15,525,000	35,000	15,490,000
Less deferred amounts:						
For issuance discounts	(337,347)	-	32,142	(305,205)	-	(305,205)
Total Certificates of Participation	28,947,653	-	(1,027,858)	27,919,795	1,125,000	26,794,795
Tax Allocation Bonds:						
Series 2008	29,460,000	-	(420,000)	29,040,000	435,000	28,605,000
Housing Set-Aside	8,730,000	-	(125,000)	8,605,000	125,000	8,480,000
Less deferred amounts:						
For issuance discounts	(154,846)	-	5,530	(149,316)	-	(149,316)
Total Tax Allocation Bonds	38,035,154	-	(539,470)	37,495,684	560,000	36,935,684
Capital leases payable	1,624	-	(1,624)	-	-	-
Loans payable	2,015,004	-	(601,218)	1,413,786	373,786	1,040,000
Compensated absences	2,529,495	1,478,679	(1,382,284)	2,625,890	271,468	2,354,422
Claims payable	50,000	-	(10,000)	40,000	-	40,000
<b>Total</b>	<b>\$ 84,751,184</b>	<b>\$ 1,478,679</b>	<b>\$ (3,836,112)</b>	<b>\$ 82,393,751</b>	<b>\$ 2,610,254</b>	<b>\$ 79,783,497</b>

**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 of each year.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**5. LONG-TERM DEBT, Continued**

**Governmental Activities, Continued**

**Lease Revenue Bonds - Series 2007, Continued**

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 \$21,148,259 as of June 30, 2011. For the current year, principal and interest paid on the Bonds was \$825,304 and property tax increment net revenues were \$24,996,219. The Bonds required 3.3% of net revenues. The outstanding balance of the Bonds was \$12,805,000 at June 30, 2011.

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

Year Ending June 30,	Principal	Interest	Total
2012	\$ 280,000	\$ 541,804	\$ 821,804
2013	295,000	527,804	822,804
2014	310,000	513,054	823,054
2015	325,000	500,654	825,654
2016	335,000	243,827	578,827
2017-2021	1,890,000	2,225,869	4,115,869
2022-2026	2,295,000	1,816,075	4,111,075
2027-2031	2,810,000	1,299,051	4,109,051
2032-2036	3,475,000	640,558	4,115,558
2037	790,000	34,563	824,563
<b>Total</b>	<b>\$ 12,805,000</b>	<b>\$ 8,343,259</b>	<b>\$ 21,148,259</b>

The following is a summary of the unamortized premiums and discounts outstanding at June 30, 2011:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
\$ 97,254	\$ -	\$ (3,658)	\$ 93,596

Amortization expense was \$3,658 for June 30, 2011.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**5. LONG-TERM DEBT, Continued**

**Governmental Activities, Continued**

**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
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	1,195,000	329,359	1,524,359
2016	1,235,000	287,581	1,522,581
2017-2021	6,895,000	698,434	7,593,434
<b>Total</b>	<b>\$ 12,700,000</b>	<b>\$ 2,525,833</b>	<b>\$ 15,225,833</b>

**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 \$80,479, 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, 2011**

**5. LONG-TERM DEBT, Continued**

**Governmental Activities, Continued**

**Certificates of Participation – Series 2007, Continued**

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

Year Ending June 30,	Principal	Interest	Total
2012	\$ 35,000	\$ 712,951	\$ 747,951
2013	60,000	711,051	771,051
2014	90,000	708,051	798,051
2015	120,000	703,851	823,851
2016	150,000	698,451	848,451
2017-2021	1,280,000	3,363,450	4,643,450
2022-2026	2,290,000	2,991,331	5,281,331
2027-2031	3,585,000	2,328,473	5,913,473
2032-2036	5,255,000	1,291,406	6,546,406
2037-2038	2,660,000	128,488	2,788,488
<b>Total</b>	<b>\$ 15,525,000</b>	<b>\$ 13,637,503</b>	<b>\$ 29,162,503</b>

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, 2011 for both, the Series 2005 and 2007 Certificates:

Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
\$ (337,347)	\$ -	\$ 32,142	\$ (305,205)

Amortization expense was \$32,142 for June 30, 2011.

**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 reporting purposes. This bond issue is comprised of \$12,065,000 serial bonds maturing annually commencing October 1, 2011 through 2028, and three term bonds (totaling \$17,795,000) maturing on October 1, 2032, October 1, 2037, and October 1, 2043 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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**5. LONG-TERM DEBT, Continued**

**Governmental Activities, Continued**

**Tax Allocation Bonds - Series 2008, Continued**

The total principal and interest remaining to be paid on the Bonds is \$56,617,118 as of June 30, 2011. For the current year, principal and interest paid on the Bonds was \$1,783,748 and property tax increment net revenues were \$2,031,618. The Bonds required 88% of net property tax increment revenues. The outstanding balance of the Bonds was \$29,040,000 at June 30, 2011.

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

Year Ending June 30,	Principal	Interest	Total
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	490,000	1,291,348	1,781,348
2016	510,000	1,271,348	1,781,348
2017-2021	2,870,000	6,027,350	8,897,350
2022-2026	3,510,000	5,360,143	8,870,143
2027-2031	4,390,000	4,454,894	8,844,894
2032-2036	5,545,000	3,274,450	8,819,450
2037-2041	7,040,000	1,742,941	8,782,941
2042-2043	3,330,000	168,500	3,498,500
<b>Total</b>	<b>\$ 29,040,000</b>	<b>\$ 27,577,118</b>	<b>\$ 56,617,118</b>

**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, 2043 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 \$16,928,746 as of June 30, 2011. For the current year, principal and interest paid on the Bonds was \$535,256 and property tax increment net revenues were \$507,905. The Bonds required 105% of net property tax increment revenues. The outstanding balance of the Bonds was \$8,605,000 at June 30, 2011.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**5. LONG-TERM DEBT, Continued**

**Governmental Activities, Continued**

**Tax Allocation Bonds – Housing Set-Aside, Continued**

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

Year Ending June 30,	Principal	Interest	Total
2012	\$ 125,000	\$ 405,256	\$ 530,256
2013	135,000	400,056	535,056
2014	140,000	394,556	534,556
2015	145,000	388,856	533,856
2016	150,000	382,956	532,956
2017-2021	840,000	1,818,269	2,658,269
2022-2026	1,030,000	1,622,322	2,652,322
2027-2031	1,295,000	1,352,350	2,647,350
2032-2036	1,650,000	987,500	2,637,500
2037-2041	2,100,000	521,250	2,621,250
2042-2043	995,000	50,375	1,045,375
<b>Total</b>	<b>\$ 8,605,000</b>	<b>\$ 8,323,746</b>	<b>\$ 16,928,746</b>

The following is a summary of the unamortized discount outstanding at June 30, 2011 for both, the Series 2008 and the Housing set-Aside Tax Allocation Bonds:

Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
\$ (154,846)	\$ -	\$ 5,530	\$ (149,316)

Amortization expense was \$5,530 for June 30, 2011.

**Loans Payable**

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due within one year	Due in more than one year
HUD Loans						
1999 West Newhall	\$ 700,000	\$ -	\$ (130,000)	\$ 570,000	\$ 130,000	\$ 440,000
Boys and Girls Club	611,000	-	(77,000)	534,000	77,000	457,000
Scherzinger Lane	189,000	-	(23,000)	166,000	23,000	143,000
<b>Total HUD Loans</b>	<b>1,500,000</b>	<b>-</b>	<b>(230,000)</b>	<b>1,270,000</b>	<b>230,000</b>	<b>1,040,000</b>
2002 City Parkng Lot	284,258	-	(140,472)	143,786	143,786	-
2003 Costco	230,746	-	(230,746)	-	-	-
<b>Total</b>	<b>\$ 2,015,004</b>	<b>\$ -</b>	<b>\$ (601,218)</b>	<b>\$ 1,413,786</b>	<b>\$ 373,786</b>	<b>\$ 1,040,000</b>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**5. LONG-TERM DEBT, Continued**

**Governmental Activities, Continued**

**Loans Payable, Continued**

*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 at 7.49%. The amount outstanding at June 30, 2011 is \$570,000.

In August 2002, the City entered into a loan agreement with the Secretary of Housing and Urban Development in the amount of \$1,150,000. The purpose of this loan was to provide financing for the construction of improvements to Scherzinger Lane. Payments are due semi-annually, commencing on February 1, 2003, and continuing through August 1, 2017. Future CDBG grant funding will be used to repay the loan. The interest rate on this loan is fixed at .56%. The amount outstanding at June 30, 2011 is \$534,000.

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 at .56%. The amount outstanding at June 30, 2011 is \$166,000.

Future loan payment requirements for the HUD loans are combined as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 230,000	\$ 73,949	\$ 303,949
2013	230,000	59,184	289,184
2014	230,000	44,056	274,056
2015	280,000	26,697	306,697
2016	100,000	14,220	114,220
2017-2018	200,000	11,496	211,496
<b>Total</b>	<b>\$ 1,270,000</b>	<b>\$ 229,602</b>	<b>\$ 1,499,602</b>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**5. LONG-TERM DEBT, Continued**

**Governmental Activities, Continued**

**Loans Payable, Continued**

*2002 City Parking Lot 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). The amount outstanding at June 30, 2011 is \$143,786.

Future payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 143,786	\$ 5,307	\$ 149,093
<b>Total</b>	<b>\$ 143,786</b>	<b>\$ 5,307</b>	<b>\$ 149,093</b>

*2003 Costco 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%. The loan was paid off during the year ended June 30, 2011.

**Compensated absences**

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

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**6. INTERFUND TRANSACTIONS**

**Due To/Due From** - At June 30, 2011, the City had the following short-term interfund receivables and payables.

		<b>Due From Other Funds</b>	
		<u>General</u>	<u>Total</u>
<b>Due To Other Funds</b>	Non-Major Governmental Funds	\$ 3,285,699	\$ 3,285,699
	Transit - Enterprise Fund	4,905,469	4,905,469
	Fiduciary Fund	80,632	80,632
	<b>Total</b>	<u>\$ 8,191,168</u>	<u>\$ 8,191,168</u>

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, 2011, the City had the following interfund long-term advances:

		<b>Advances To Other Funds</b>					
		<u>Major Funds</u>			<u>Internal Service</u>		<u>Total</u>
		<u>General</u>	<u>Bridge and Thoroughfare</u>	<u>Developer Fees</u>	<u>Self Insurance</u>		
<b>Advances From Other Funds</b>	Governmental Funds:						
	Bridge and Thoroughfare	\$ 518,987	\$ 23,008,023	\$ 113,614	\$ 909,898	\$ 24,550,522	
	RDA Debt Service	11,924,620	-	5,691,518	-	17,616,138	
	Public Library - NonMajor	10,806,376	-	-	-	10,806,376	
	<b>Total</b>	<u>\$ 23,249,983</u>	<u>\$ 23,008,023</u>	<u>\$ 5,805,132</u>	<u>\$ 909,898</u>	<u>\$ 52,973,036</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, 2011**

**6. INTERFUND TRANSACTIONS, Continued**

**Transfers** - At June 30, 2011, the City had the following transfers:

Transfers Out								
Transfers In	General Fund	Developer Fees	Open Space Preservation District	Bridge & Thoroughfare	Redevelopment Agency Capital Projects Fund	Other Governmental Funds	Transit Enterprise Fund	Total
General Fund	\$ 9,535,577	\$ 18,499	\$ -	\$ -	\$ 763,436	\$ 3,471,586	\$ 150,000	\$ 13,939,098
Bridge and Thoroughfare	-	-	-	2,000,000	-	-	-	2,000,000
Redevelopment Agency Debt Service Fund	-	-	-	-	9,485,498	-	-	9,485,498
Redevelopment Agency Capital Projects Fund	-	-	-	-	-	63,811	-	63,811
Other Governmental Funds	2,782,536	-	713,661	-	19,453,312	2,419,004	12,930	25,381,443
Transit Enterprise	-	-	-	-	-	5,971,232	-	5,971,232
Internal Service Funds	8,036,224	-	-	-	-	-	-	8,036,224
<b>Total</b>	<b>\$ 20,354,337</b>	<b>\$ 18,499</b>	<b>\$ 713,661</b>	<b>\$ 2,000,000</b>	<b>\$ 29,702,246</b>	<b>\$ 11,925,633</b>	<b>\$ 162,930</b>	<b>\$ 64,877,306</b>

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, 2011, are as follows:

Fund	Deficit Fund Balance
<b>Major Funds:</b>	
Bridge and Thoroughfare	\$ (21,544,781)
Developer fee	(1,493,440)
Redevelopment Agency Debt Service Fund	(16,691,276)
<b>Other Governmental Funds:</b>	
State Park	(879,033)
Miscellaneous Grants	(564,353)
Federal Aid Urban	(10,507)
Federal Grants	(1,771,036)

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, 2011**

**7. INDIVIDUAL FUND DISCLOSURES, Continued**

**B. Expenditures In Excess Of Appropriations**

For the year ended June 30, 2011, expenditures exceeded appropriations in the following programs/functions (legal level of budgetary control) of the respective funds:

<u>Funds</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures over Appropriations</u>
<b>General Fund</b>			
Community Development	\$ 4,329,634	\$ 4,615,588	\$ 285,954
<b>Bridge and Thoroughfare Special Revenue</b>			
Public Works	591,195	14,388,284	13,797,089
<b>Developer Fees</b>			
Community Development	-	2,464,946	2,464,946
<b>Non-Major Governmental Funds:</b>			
<b>Special Assessment Special Revenue</b>			
Capital Outlay	402,046	498,388	96,342
<b>Stormwater Utility Special Revenue</b>			
General Government	12,000	42,783	30,783
<b>BJA Law Enforcement Special Revenue</b>			
Public Safety	-	113,115	113,115
<b>Public Library Special Revenue</b>			
Capital Outlay	-	3,142,427	3,142,427

**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 hired before April 9, 2011 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. Participants hired on or after April 9, 2011 are required to contribute 7% of their annual covered salary. The employee makes the contributions required for their account. The City is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2011, was 11.65% 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, 2011**

**8. DEFINED BENEFIT PENSION PLAN, Continued**

**Annual Pension Cost:**

For 2011, the City's annual pension cost of \$4,922,978 for CalPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2007, 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 twenty-two 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 fifteen-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
6/30/2009	\$ 5,060,293	100%	\$ -
6/30/2010	5,036,747	100%	-
6/30/2011	4,922,978	100%	-

**Funded Status and Funding Progress:**

As of June 30, 2010, the most recent actuarial valuation date available, the plan was 81.4% funded. The actuarial accrued liability for benefits was \$90.2 million, and the actuarial value of assets was \$73.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$16.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$25.5 million, and the ratio of the UAAL to the covered payroll was 65.5%.

Additional plan trend information for the prior two years is provided in tabular format in the Required Supplementary Information section.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**9. POST EMPLOYMENT HEALTH BENEFITS**

*Plan Description.* City retirees, spouses 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. A separate financial report is not issued.

*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, 2010</u>	<u>Total</u>
Active employees	359
Retirees	<u>44</u>
Total	<u>403</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 2011, the City contributed \$384,000 to the plan.

For fiscal year 2010-2011, the City contributed, on an individual basis, for employees and retirees up to the following amounts:

	<u>Retirees</u>	<u>Employees</u>
Unrepresented	\$ 12,199	\$ 13,128
SEIU Local 347	\$ 12,199	\$ 13,128

*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	\$ 5,329,000
Interest on net OPEB obligation	311,000
Adjustment to annual required contribution	<u>(576,000)</u>
Annual OPEB cost (expense)	5,064,000
Contributions made	<u>(384,000)</u>
Increase in net OPEB obligation	4,680,000
Net OPEB obligation - beginning of year	<u>7,514,175</u>
Net OPEB obligation - end of year	<u>\$ 12,194,175</u>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**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 2011 was as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Annual Contribution</b>	<b>% of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2010	\$ 4,141,291	\$ 328,089	7.9%	\$ 7,514,175
6/30/2011	5,064,000	384,000	7.6%	12,194,175

**Funded Status and Funding Progress.** As of July 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$41,425,000, and the actuarial value of assets was \$0, resulting in an UAAL of \$41,425,000. The covered payroll (annual payroll of active employees covered by the plan) was \$25,094,000 and the ratio of UAAL to the covered payroll was 165.08%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the Actuarial Accrued Liabilities for benefits.

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 rate. 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.

**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, 2010, 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 5.0% thereafter. The actuarial assumption for inflation was 3.00%, and the aggregate payroll increase was 3.25% used in the actuarial valuation. 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, 2010, was 28 years.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**10. CLASSIFICATION OF FUND BALANCES**

The City has adopted the provisions of GASB Statement No. 54 Fund Balance and Governmental Fund Type Definitions. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification as presented below.

	General Fund	Bridge and Thoroughfare	Developer Fees	Open Space Preservation District	Debt Service Redevelopment Agency	Capital Projects Redevelopment Agency	Non-Major Governmental Funds	Total
<b>Nonspendable</b>								
Prepaid items	\$ 595,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595,875
Advances to other funds	23,249,986	23,008,021	5,805,131	-	-	-	-	52,063,138
<b>Total nonspendable</b>	<b>23,845,861</b>	<b>23,008,021</b>	<b>5,805,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,659,013</b>
<b>Restricted</b>								
Open space preservation	-	-	-	10,818,715	-	-	-	10,818,715
Air quality	-	-	-	-	-	-	50,298	50,298
Special assessments	-	-	-	-	-	-	4,877,317	4,877,317
Drainage	-	-	-	-	-	-	6,084,830	6,084,830
Landscape maintenance	-	-	-	-	-	-	18,574,260	18,574,260
Public library	-	-	-	-	-	-	2,821,114	2,821,114
Tourism marketing	-	-	-	-	-	-	238,680	238,680
Debt service	-	-	-	-	924,862	-	278,151	1,203,013
Affordable housing	-	-	-	-	-	-	8,891,670	8,891,670
Other purposes	-	-	-	-	-	-	3,645,175	3,645,175
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,818,715</b>	<b>924,862</b>	<b>-</b>	<b>45,461,495</b>	<b>57,205,072</b>
<b>Committed</b>								
OPEB	12,356,339	-	-	-	-	-	-	12,356,339
<b>Total committed</b>	<b>12,356,339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,356,339</b>
<b>Assigned</b>								
Other purposes	572,781	-	-	-	-	184,595	-	757,376
Public financing	-	-	-	-	-	-	457,292	457,292
Capital projects	-	-	-	-	-	-	2,995,523	2,995,523
<b>Total assigned</b>	<b>572,781</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,595</b>	<b>3,452,815</b>	<b>4,210,191</b>
<b>Unassigned</b>								
	46,915,238	(44,552,802)	(7,298,571)	-	(17,616,138)	-	(3,224,929)	(25,777,202)
<b>Total fund balances</b>	<b>\$ 83,690,219</b>	<b>\$ (21,544,781)</b>	<b>\$ (1,493,440)</b>	<b>\$ 10,818,715</b>	<b>\$ (16,691,276)</b>	<b>\$ 184,595</b>	<b>\$ 45,689,381</b>	<b>\$ 100,653,413</b>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**11. 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, 2011, there were 922 participants in the plans. The City contributions totaled \$189,533, and employees' contributions totaled \$1,979,818.

**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, 2011, \$40,000 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 on 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.

The annual member contribution is \$542,541 for the Property/Liability Program and \$382,953 for the Workers' Compensation Program (based on estimated wages). Members are subject to dividends and assessments but no such dividends have been declared, nor have any assessments been levied for the year ended June 30, 2011. Additionally, there are no known refunds or credits due to SDRMA.

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, 2011.

Changes in the reported claims liability since June 30, 2009 resulted in the following:

Liability as of June 30, 2009	\$ 50,000
Claims and changes in estimates during the year ended June 30, 2010	-
Claims and payments during the year ended June 30, 2010	-
Liability as of June 30, 2010	\$ 50,000
Claims and changes in estimates during the year ended June 30, 2011	(10,000)
Claims and payments during the year ended June 30, 2011	-
Liability as of June 30, 2011	<u>\$ 40,000</u>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**12. SELF INSURANCE, Continued**

SDRMA has published its own financial report for the year ended June 30, 2011, which can be obtained from SDRMA, 1112 I Street, Suite 300, Sacramento, California 95814. Summary information on SDRMA is as follows:

	<u>Year ended</u> <u>June 30, 2011</u>
Total Revenues	\$ 42,293,914
Total Expenses	\$ 36,497,656
Total Assets	\$ 98,259,108
Total Liabilities	\$ 47,375,526
Total Equity	\$ 50,882,582

**13. 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, 2011, was \$455,000.
- 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, 2011, was \$535,000.

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, 2011, was \$16,830,000.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**14. 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.

The City performs administrative functions for the Watershed Authority, and may, at the Authority's request, make annual contributions. For the year ended June 30, 2011, the City did not make any contributions. Financial statements of the Watershed Authority may be obtained at the City's administrative offices. Condensed financial information as of June 30, 2011 is presented below:

	<b>Year ended June 30, 2011</b>
Total Revenues	\$ 141
Total Expenditures	\$ 13,584
Total Assets	\$ 5,642,932
Total Liabilities	\$ -
Total Equity	\$ 5,642,932

**15. COMMITMENTS AND CONTINGENCIES**

The City has active construction projects as of June 30, 2011. At year-end, the City's commitments with contractors for infrastructure projects are as follows:

<b>Project</b>	<b>Commitment</b>
Roads	\$ 366,557
Bridges	1,121,058
Signals	763,134
Medians	21,530
Total commitments	\$ 2,272,279

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

In 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, 2011, 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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**16. SUBSEQUENT EVENTS**

*Soledad Transit Center and Metrolink Commuter Rail Station Sites*

The case involving the Soledad Transit Center and Metrolink Commuter Rail Station sites was settled in fiscal year 2010-2011. The total cost of the parking rights was paid by the City but a grant award has since been approved and now received in the amount of \$2,449,600 from the Federal Transit Administration to help mitigate the cost of the parking rights acquisition.

*Recent Changes in Legislation Affecting California Redevelopment Agencies*

On December 29, 2011, the Supreme Court of the State of California upheld the enforceability of legislation that provides for the dissolution of California redevelopment agencies, but struck down the Assembly Bill X1 27 which would have provided a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program.

Assembly Bill X1 26 signed into law as part of the State's budget package on June 29, 2011, requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets, prepare for the impending dissolution of the agency, and transfer all of its assets to a successor agency that is governed by an oversight board representing the various taxing jurisdictions in the community.

Assembly Bill X1 26 also required each agency to adopt an Enforceable Obligation Payment Schedule and draft a Recognized Obligation Payment Schedule prior to September 30, 2011. Enforceable obligations include bonds, loans and payments required by the federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in Assembly Bill X1 26. Only the amount of tax revenues necessary to fund the payments reflected on the Enforceable Obligation Payment Schedule will be allocated to the successor agencies.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency as defined in Assembly Bill X1 26.

The full impacts of this most recent development and its impact on other funds of the City are not known at this time. The financial statements do not reflect any adjustments that might result from the outcome of this uncertainty.



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**REQUIRED SUPPLEMENTARY  
INFORMATION  
(Unaudited)**

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**City of Santa Clarita**  
**Required Supplementary Information (Unaudited)**  
**For the year ended June 30, 2011**

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**1. BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States for all governmental funds. All annual appropriations lapse at fiscal year end.

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

The appropriated budget is prepared by fund, function, and department. The City's department heads, with approval of the City Manager, may make transfers of appropriations within a department and between functions 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, 2011**

**1. BUDGETARY INFORMATION, Continued**

*Budget Comparison Schedule - General Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Fund balance, July 1, 2010</b>	\$ 77,757,523	\$ 77,757,523	\$ 77,757,523	\$ -
Resources (inflows):				
Taxes	59,344,666	60,360,201	62,853,088	2,492,887
Licenses and permits	3,296,318	3,272,818	3,675,424	402,606
Use of money and property	1,484,200	1,550,000	2,199,220	649,220
Revenue from other agencies	274,894	301,318	295,052	(6,266)
Fines and forfeitures	1,170,535	1,157,785	499,227	(658,558)
Service charges	5,183,990	5,599,391	6,640,459	1,041,068
Other revenue	37,060	56,060	108,997	52,937
Overhead reimbursement	3,350,731	3,350,731	3,398,704	47,973
Transfers in	4,699,530	13,288,249	13,939,098	650,849
Amount available for appropriation	<u>156,599,447</u>	<u>166,694,076</u>	<u>171,366,792</u>	<u>4,672,716</u>
Charges to appropriations (outflows):				
Current:				
General government	14,139,050	14,251,147	11,479,882	2,771,265
Public safety	19,391,462	19,391,416	18,384,968	1,006,448
Public works	13,614,384	13,859,316	12,915,033	944,283
Parks and recreation	19,361,939	19,769,341	18,928,383	840,958
Community development	4,155,074	4,329,634	5,379,024	(1,049,390)
Debt service:				
Principal retirement	230,746	230,746	230,746	-
Interest and fiscal charges	4,200	4,200	4,200	-
Transfers out	6,818,410	20,651,337	20,354,337	297,000
Total charges to appropriations	<u>77,715,265</u>	<u>92,487,137</u>	<u>87,676,573</u>	<u>4,810,564</u>
<b>Fund balance, June 30, 2011</b>	<u>\$ 78,884,182</u>	<u>\$ 74,206,939</u>	<u>\$ 83,690,219</u>	<u>\$ 9,483,280</u>

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2011**

**1. BUDGETARY INFORMATION, Continued**

*Budget Comparison Schedule – Bridge and Thoroughfare Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive / (Negative)
	Original	Final		
<b>Fund balance, July 1, 2010</b>	\$ (6,861,433)	\$ (6,861,433)	\$ (6,861,433)	\$ -
Resources (inflows):				
Developer fees	475,000	145,000	53,110	(91,890)
Investment income	766,750	710,750	607,838	(102,912)
Other revenue	1,573,118	1,573,118	835,184	(737,934)
Transfers in	-	2,000,000	2,000,000	-
Amount available for appropriation	<u>(4,046,565)</u>	<u>(2,432,565)</u>	<u>(3,365,301)</u>	<u>(932,736)</u>
Charges to appropriations (outflows):				
Current:				
Public works	209,659	591,195	14,324,789	(13,733,594)
Capital outlay	3,562,780	6,599,281	1,854,691	4,744,590
Transfers out	-	2,000,000	2,000,000	-
Total charges to appropriations	<u>3,772,439</u>	<u>9,190,476</u>	<u>18,179,480</u>	<u>(8,989,004)</u>
<b>Fund balance, June 30, 2011, deficit</b>	<u>\$ (7,819,004)</u>	<u>\$ (11,623,041)</u>	<u>\$ (21,544,781)</u>	<u>\$ (9,921,740)</u>

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2011**

**1. BUDGETARY INFORMATION, Continued**

*Budget Comparison Schedule – Developer Fees Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Fund balance, July 1, 2010</b>	\$ 904,977	\$ 904,977	\$ 904,977	\$ -
Resources (inflows):				
Developer fees	121,000	157,615	182,593	24,978
Investment income	225,000	175,000	126,982	(48,018)
Amount available for appropriation	<u>1,250,977</u>	<u>1,237,592</u>	<u>1,214,552</u>	<u>(23,040)</u>
Charges to appropriations (outflows):				
Current:				
Community development	-	-	2,464,946	(2,464,946)
Capital outlay	860,768	907,511	224,547	682,964
Transfers out	-	18,499	18,499	-
Total charges to appropriations	<u>860,768</u>	<u>926,010</u>	<u>2,707,992</u>	<u>(1,781,982)</u>
<b>Fund balance, June 30, 2011, deficit</b>	<u>\$ 390,209</u>	<u>\$ 311,582</u>	<u>\$ (1,493,440)</u>	<u>\$ (1,805,022)</u>

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2011**

**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)
<b>Fund balance, July 1, 2010</b>	\$ 17,473,916	\$ 17,473,916	\$ 17,473,916	\$ -
Resources (inflows):				
Taxes	1,681,500	1,681,500	1,748,211	66,711
Investment income	81,000	84,000	80,777	(3,223)
Service charges	-	-	2,000	2,000
Amount available for appropriation	<u>19,236,416</u>	<u>19,239,416</u>	<u>19,304,904</u>	<u>65,488</u>
Charges to appropriations (outflows):				
Current:				
General government	239,337	7,969,314	7,772,528	196,786
Transfers out	<u>713,652</u>	<u>713,652</u>	<u>713,661</u>	<u>(9)</u>
Total charges to appropriations	<u>952,989</u>	<u>8,682,966</u>	<u>8,486,189</u>	<u>196,777</u>
<b>Fund balance, June 30, 2011</b>	<u>\$ 18,283,427</u>	<u>\$ 10,556,450</u>	<u>\$ 10,818,715</u>	<u>\$ 262,265</u>

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2011**

**2. DEFINED BENEFIT PENSION PLAN**

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

*Miscellaneous Employees*

	(A)	(B)	(C)	(D)	(E)	(F)
		Entry Age	(Unfunded)			(Unfunded)
Actuarial	Actuarial	Actuarial	Actuarial	Funded	Annual	Actuarial
Valuation	Value of	Accrued	Liability	Ratio	Covered	Liability as
Date*	Assets (AVA)	Liability	[(B)-(A)]	[(A)/(B)]	Payroll	Percentage of
						Covered Payroll
						[(C)/(E)]
6/30/2008	\$ 58,058	\$ 68,977	\$ 10,919	84.17%	\$ 24,725	44.16%
6/30/2009	65,525	81,604	16,079	80.30%	25,835	62.24%
6/30/2010	73,450	90,181	16,731	81.45%	25,461	65.71%

\* Based on most recent actuarial valuation

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2011**

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**3. OTHER POST EMPLOYMENT BENEFITS**

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

Actuarial Valuation Date*	Actuarial Asset Value	Actuarial Accrued Liability Entry Age	(Unfunded) Actuarial Accrued Liability [(B)-(A)]	Funded Ratio [(A)/(B)]	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll [(C)/(E)]
7/1/2006	\$ -	\$ 24,046,000	\$ (24,046,000)	0.0%	\$ 21,200,000	-113.42%
7/1/2010	-	41,425,000	(41,425,000)	0.0%	25,094,000	165.08%

\* Only two valuation dates are available.



**SUPPLEMENTARY INFORMATION**

**City of Santa Clarita**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds				
	Bikeway	Gas Tax	Proposition A	Park Dedication	Special Assessment
<b>ASSETS</b>					
Cash and investments	\$ 94,972	\$ 1,172,621	\$ 985,889	\$ 1,128,813	\$ 5,069,614
Cash and investments with fiscal agents	-	-	-	-	-
Receivables:					
Accounts	-	11,734	-	-	44,383
Interest	545	6,725	5,962	6,474	29,074
Taxes	-	-	-	-	169,557
Due from other governments	3,626	-	-	-	-
Due from other funds	-	-	-	-	-
Notes and loans receivable	-	-	-	-	-
<b>Total assets</b>	<b>\$ 99,143</b>	<b>\$ 1,191,080</b>	<b>\$ 991,851</b>	<b>\$ 1,135,287</b>	<b>\$ 5,312,628</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 6,800	\$ 156,579	\$ 1,744	\$ 52,845	\$ 410,458
Deferred revenue	76,113	5,748	5,096	5,534	24,853
Deposits payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>82,913</b>	<b>162,327</b>	<b>6,840</b>	<b>58,379</b>	<b>435,311</b>
Fund Balances (Deficit):					
Restricted	16,230	1,028,753	985,011	1,076,908	4,877,317
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>16,230</b>	<b>1,028,753</b>	<b>985,011</b>	<b>1,076,908</b>	<b>4,877,317</b>
<b>Total liabilities and fund balances</b>	<b>\$ 99,143</b>	<b>\$ 1,191,080</b>	<b>\$ 991,851</b>	<b>\$ 1,135,287</b>	<b>\$ 5,312,628</b>

Special Revenue Funds

State Park	TDA	Traffic Safety	CDBG	AQMD	Landscape Maintenance District #1	Stormwater Utility	Miscellaneous Grants	Federal Aid Urban
\$ 53,688	\$ 586,462	\$ -	\$ -	\$ 2,931	\$ 19,210,993	\$ 6,062,783	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	498	-	41,177	112,146	-	-
-	3,363	-	-	17	110,171	34,769	-	-
-	-	100,399	-	-	677,345	-	-	-
904,452	413,025	-	101,952	50,800	-	-	369,206	10,507
-	-	-	-	-	-	-	-	-
-	-	-	143,853	-	-	-	-	-
<u>\$ 958,140</u>	<u>\$ 1,002,850</u>	<u>\$ 100,399</u>	<u>\$ 246,303</u>	<u>\$ 53,748</u>	<u>\$ 20,039,686</u>	<u>\$ 6,209,698</u>	<u>\$ 369,206</u>	<u>\$ 10,507</u>
\$ 20,739	\$ 973,042	\$ -	\$ 65,377	\$ 3,435	\$ 1,371,249	\$ 95,147	\$ 117,234	\$ -
904,452	29,808	-	143,853	15	94,177	29,721	590,551	10,507
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
911,982	-	100,399	37,073	-	-	-	225,774	10,507
-	-	-	-	-	-	-	-	-
<u>1,837,173</u>	<u>1,002,850</u>	<u>100,399</u>	<u>246,303</u>	<u>3,450</u>	<u>1,465,426</u>	<u>124,868</u>	<u>933,559</u>	<u>21,014</u>
-	-	-	-	50,298	18,574,260	6,084,830	-	-
-	-	-	-	-	-	-	-	-
(879,033)	-	-	-	-	-	-	(564,353)	(10,507)
<u>(879,033)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,298</u>	<u>18,574,260</u>	<u>6,084,830</u>	<u>(564,353)</u>	<u>(10,507)</u>
<u>\$ 958,140</u>	<u>\$ 1,002,850</u>	<u>\$ 100,399</u>	<u>\$ 246,303</u>	<u>\$ 53,748</u>	<u>\$ 20,039,686</u>	<u>\$ 6,209,698</u>	<u>\$ 369,206</u>	<u>\$ 10,507</u>

**City of Santa Clarita**  
**Combining Balance Sheet, Continued**  
**Non-Major Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds				
	BJA Law Enforcement	Supplemental Law Grant	HOME	Library Facilities Fees	Public Education and Government
<b>ASSETS</b>					
Cash and investments	\$ 25,650	\$ -	\$ -	\$ -	\$ 447,113
Cash and investments with fiscal agents	-	-	-	-	-
Receivables:					
Accounts	-	-	-	1,224	-
Interest	155	-	-	-	2,564
Taxes	-	-	-	-	64,623
Due from other governments	31,147	10,682	-	-	-
Due from other funds	-	-	-	-	-
Notes and loans receivable	-	-	1,999,800	-	-
<b>Total assets</b>	<b>\$ 56,952</b>	<b>\$ 10,682</b>	<b>\$ 1,999,800</b>	<b>\$ 1,224</b>	<b>\$ 514,300</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 4,215	\$ -	\$ -	\$ -	\$ 1,193
Deferred revenue	26,616	-	1,999,800	-	2,192
Deposits payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	10,682	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>30,831</b>	<b>10,682</b>	<b>1,999,800</b>	<b>-</b>	<b>3,385</b>
Fund Balances (Deficit):					
Restricted	26,121	-	-	1,224	510,915
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>26,121</b>	<b>-</b>	<b>-</b>	<b>1,224</b>	<b>510,915</b>
<b>Total liabilities and fund balances</b>	<b>\$ 56,952</b>	<b>\$ 10,682</b>	<b>\$ 1,999,800</b>	<b>\$ 1,224</b>	<b>\$ 514,300</b>

Special Revenue Funds						Debt Service Funds		
Proposition C	Federal Grants	Measure R	Public Library	Tourism Marketing District	Total	Redevelopment Agency Low/Mod	Public Financing Authority	Total
\$ 466,208	\$ -	\$ -	\$ 16,465,622	\$ 213,446	\$ 51,986,805	\$ 9,272	\$ 457,292	\$ 466,564
-	-	-	-	-	-	268,879	-	268,879
-	-	-	1,404	-	212,566	-	-	-
2,674	-	-	8,876	1,224	212,593	-	-	-
-	-	-	-	40,275	1,052,199	-	-	-
896,649	2,411,821	-	-	-	5,203,867	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,143,653	-	-	-
<u>\$ 1,365,531</u>	<u>\$ 2,411,821</u>	<u>\$ -</u>	<u>\$ 16,475,902</u>	<u>\$ 254,945</u>	<u>\$ 60,811,683</u>	<u>\$ 278,151</u>	<u>\$ 457,292</u>	<u>\$ 735,443</u>
\$ 343,106	\$ 96,960	\$ -	\$ 2,840,825	\$ 15,219	\$ 6,576,167	\$ -	\$ -	\$ -
1,022,412	2,177,246	-	7,587	1,046	7,157,327	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1,908,651	-	-	-	3,205,068	-	-	-
-	-	-	10,806,376	-	10,806,376	-	-	-
<u>1,365,518</u>	<u>4,182,857</u>	<u>-</u>	<u>13,654,788</u>	<u>16,265</u>	<u>27,744,938</u>	<u>-</u>	<u>-</u>	<u>-</u>
13	-	-	2,821,114	238,680	36,291,674	278,151	-	278,151
-	-	-	-	-	-	-	457,292	457,292
-	(1,771,036)	-	-	-	(3,224,929)	-	-	-
<u>13</u>	<u>(1,771,036)</u>	<u>-</u>	<u>2,821,114</u>	<u>238,680</u>	<u>33,066,745</u>	<u>278,151</u>	<u>457,292</u>	<u>735,443</u>
<u>\$ 1,365,531</u>	<u>\$ 2,411,821</u>	<u>\$ -</u>	<u>\$ 16,475,902</u>	<u>\$ 254,945</u>	<u>\$ 60,811,683</u>	<u>\$ 278,151</u>	<u>\$ 457,292</u>	<u>\$ 735,443</u>

**City of Santa Clarita**  
**Combining Balance Sheet, Continued**  
**Non-Major Governmental Funds**  
**June 30, 2011**

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Redevelopment Agency Low/Mod	Public Financing Authority	Total	
<b>ASSETS</b>					
Cash and investments	\$ 3,027,098	\$ 8,885,504	\$ 195	\$ 11,912,797	\$ 64,366,166
Cash and investments with fiscal agents	-	-	-	-	268,879
Receivables:					
Accounts	-	27,785	-	27,785	240,351
Interest	-	21,859	-	21,859	234,452
Taxes	-	-	-	-	1,052,199
Due from other governments	-	-	-	-	5,203,867
Due from other funds	-	-	-	-	-
Notes and loans receivable	-	-	-	-	2,143,653
<b>Total assets</b>	<b>\$ 3,027,098</b>	<b>\$ 8,935,148</b>	<b>\$ 195</b>	<b>\$ 11,962,441</b>	<b>\$ 73,509,567</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 31,770	\$ 15,355	\$ -	\$ 47,125	\$ 6,623,292
Deferred revenue	-	18,685	-	18,685	7,176,012
Deposits payable	-	9,438	-	9,438	9,438
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	3,205,068
Advances from other funds	-	-	-	-	10,806,376
<b>Total liabilities</b>	<b>31,770</b>	<b>43,478</b>	<b>-</b>	<b>75,248</b>	<b>27,820,186</b>
Fund Balances (Deficit):					
Restricted	-	8,891,670	-	8,891,670	45,461,495
Assigned	2,995,328	-	195	2,995,523	3,452,815
Unassigned	-	-	-	-	(3,224,929)
<b>Total fund balances (deficit)</b>	<b>2,995,328</b>	<b>8,891,670</b>	<b>195</b>	<b>11,887,193</b>	<b>45,689,381</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,027,098</b>	<b>\$ 8,935,148</b>	<b>\$ 195</b>	<b>\$ 11,962,441</b>	<b>\$ 73,509,567</b>



**City of Santa Clarita**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2011**

	Special Revenue Funds				
	Bikeway	Gas Tax	Proposition A	Park Dedication	Special Assessment
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,801,847
Developer fees	-	-	-	-	-
Investment income	391	(81)	3,134	19,791	85,172
Revenue from other agencies	3,955	5,031,375	2,435,782	-	-
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	-	65,769	257,237
Other revenue	-	10,056	-	1,029	75,835
<b>Total revenues</b>	<b>4,346</b>	<b>5,041,350</b>	<b>2,438,916</b>	<b>86,589</b>	<b>4,220,091</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	3,045,584
Public safety	-	-	-	-	-
Public works	-	3,466,124	40,774	-	973,019
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	16,084	1,138,820	55,416	318,555	498,388
Debt service:					
Bond issuance costs	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>16,084</b>	<b>4,604,944</b>	<b>96,190</b>	<b>318,555</b>	<b>4,516,991</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(11,738)</b>	<b>436,406</b>	<b>2,342,726</b>	<b>(231,966)</b>	<b>(296,900)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	220,930	-	-	1,200,010
Transfers out	-	(305,240)	(1,359,086)	-	(1,227,550)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(84,310)</b>	<b>(1,359,086)</b>	<b>-</b>	<b>(27,540)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(11,738)</b>	<b>352,096</b>	<b>983,640</b>	<b>(231,966)</b>	<b>(324,440)</b>
<b>FUND BALANCE:</b>					
Beginning of year	27,968	676,657	1,371	1,308,874	5,201,757
End of year	\$ 16,230	\$ 1,028,753	\$ 985,011	\$ 1,076,908	\$ 4,877,317



Special Revenue Funds

State Park	TDA	Traffic Safety	CDBG	AQMD	Landscape Maintenance District #1	Stormwater Utility	Miscellaneous Grants	Federal Aid Urban
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 760,489	\$ 81,967	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	(11,465)	7,114	-	15	295,549	88,389	-	-
904,359	1,876,181	-	25,467	206,695	-	-	450,482	-
-	-	1,392,273	-	-	-	-	-	-
-	-	-	-	-	13,539,847	2,728,030	-	309,986
-	-	-	1,437,273	-	5,741	7,308	1,738,994	-
904,359	1,864,716	1,399,387	1,462,740	206,710	14,601,626	2,905,694	2,189,476	309,986
-	-	-	-	-	8,832,915	42,783	-	-
-	-	-	-	-	-	-	66,283	-
-	3,984	-	-	55,023	-	2,141,651	40,882	-
1,004,948	-	-	-	-	-	-	1,919,988	-
-	-	-	1,462,557	-	-	-	-	-
105,422	413,026	-	-	-	4,064,066	174,695	461,357	(170,339)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,110,370	417,010	-	1,462,557	55,023	12,896,981	2,359,129	2,488,510	(170,339)
(206,011)	1,447,706	1,399,387	183	151,687	1,704,645	546,565	(299,034)	480,325
-	-	-	-	-	-	32,660	-	-
-	(1,447,706)	(1,399,387)	-	(108,889)	(1,717,098)	(13,370)	-	-
-	(1,447,706)	(1,399,387)	-	(108,889)	(1,717,098)	19,290	-	-
(206,011)	-	-	183	42,798	(12,453)	565,855	(299,034)	480,325
(673,022)	-	-	(183)	7,500	18,586,713	5,518,975	(265,319)	(490,832)
\$ (879,033)	\$ -	\$ -	\$ -	\$ 50,298	\$ 18,574,260	\$ 6,084,830	\$ (564,353)	\$ (10,507)

**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, 2011**

	Special Revenue Funds				
	BJA Law	Supplemental	HOME	Library	Public
	Enforcement	Law Grant		Facilities	Education and
			Fees	Government	
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 313,195
Developer fees	-	-	-	47,073	-
Investment income	1,475	2,024	-	448	6,313
Revenue from other agencies	137,761	199,257	474,621	-	-
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	-	-	-
Other revenue	-	-	-	-	-
<b>Total revenues</b>	<b>139,236</b>	<b>201,281</b>	<b>474,621</b>	<b>47,521</b>	<b>319,508</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	190,343
Public safety	113,115	201,282	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	455,335	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Bond issuance costs	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>113,115</b>	<b>201,282</b>	<b>455,335</b>	<b>-</b>	<b>190,343</b>
<b>REVENUES OVER</b>					
<b>(UNDER) EXPENDITURES</b>	<b>26,121</b>	<b>(1)</b>	<b>19,286</b>	<b>47,521</b>	<b>129,165</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	2,078	-	-	-	-
Transfers out	-	-	-	(41,099)	-
<b>Total other financing sources (uses)</b>	<b>2,078</b>	<b>-</b>	<b>-</b>	<b>(41,099)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>28,199</b>	<b>(1)</b>	<b>19,286</b>	<b>6,422</b>	<b>129,165</b>
<b>FUND BALANCE:</b>					
Beginning of year	(2,078)	1	(19,286)	(5,198)	381,750
End of year	\$ 26,121	\$ -	\$ -	\$ 1,224	\$ 510,915

Special Revenue Funds						Debt Service Funds		
Proposition C	Federal Grants	Measure R	Public Library	Tourism Marketing District	Total	Redevelopment Agency Low/Mod	Public Financing Authority	Total
\$ -	\$ -	\$ -	\$ -	\$ 376,562	\$ 5,334,060	\$ -	\$ -	\$ -
-	-	-	-	-	47,073	-	-	-
(5,329)	-	688	10,396	3,293	507,317	37	1	38
3,899,043	2,355,187	1,485,483	-	-	19,485,648	-	-	-
-	-	-	-	-	1,392,273	-	-	-
-	-	-	-	-	16,900,869	-	-	-
-	45,000	-	-	-	3,321,236	-	-	-
3,893,714	2,400,187	1,486,171	10,396	379,855	46,988,476	37	1	38
-	-	-	10,650,167	141,175	22,902,967	-	-	-
-	-	-	-	-	380,680	-	-	-
3,030	246,018	-	-	-	6,970,505	-	-	-
-	-	-	-	-	2,924,936	-	-	-
-	1,070,353	-	-	-	2,988,245	1,750	-	1,750
2,331,120	2,204,984	-	3,142,427	-	14,754,021	-	-	-
-	-	-	-	-	-	-	1,037,665	1,037,665
-	-	-	-	-	-	125,000	1,470,472	1,595,472
-	-	-	-	-	-	410,256	713,651	1,123,907
2,334,150	3,521,355	-	13,792,594	141,175	50,921,354	537,006	3,221,788	3,758,794
1,559,564	(1,121,168)	1,486,171	(13,782,198)	238,680	(3,932,878)	(536,969)	(3,221,787)	(3,758,756)
-	-	-	16,603,312	-	18,058,990	537,006	3,221,788	3,758,794
(1,569,380)	-	(1,486,171)	-	-	(10,674,976)	-	-	-
(1,569,380)	-	(1,486,171)	16,603,312	-	7,384,014	537,006	3,221,788	3,758,794
(9,816)	(1,121,168)	-	2,821,114	238,680	3,451,136	37	1	38
9,829	(649,868)	-	-	-	29,615,609	278,114	457,291	735,405
\$ 13	\$ (1,771,036)	\$ -	\$ 2,821,114	\$ 238,680	\$ 33,066,745	\$ 278,151	\$ 457,292	\$ 735,443

**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, 2011**

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Redevelopment Agency Low/Mod	Public Financing Authority	Total	
<b>REVENUES:</b>					
Taxes	\$ -	\$ 507,905	\$ -	\$ 507,905	\$ 5,841,965
Developer fees	-	-	-	-	47,073
Investment income	-	54,265	10	54,275	561,630
Revenue from other agencies	-	-	-	-	19,485,648
Fines and forfeitures	-	-	-	-	1,392,273
Service charges	1,575	61,369	-	62,944	16,963,813
Other revenue	-	21,020	-	21,020	3,342,256
<b>Total revenues</b>	<b>1,575</b>	<b>644,559</b>	<b>10</b>	<b>646,144</b>	<b>47,634,658</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	28,817	10	28,827	22,931,794
Public safety	-	-	-	-	380,680
Public works	-	-	-	-	6,970,505
Parks and recreation	-	-	-	-	2,924,936
Community development	-	603,688	-	603,688	3,593,683
Capital outlay	187,433	-	-	187,433	14,941,454
Debt service:					
Bond issuance costs	-	-	-	-	1,037,665
Principal retirement	-	-	-	-	1,595,472
Interest and fiscal charges	-	-	-	-	1,123,907
<b>Total expenditures</b>	<b>187,433</b>	<b>632,505</b>	<b>10</b>	<b>819,948</b>	<b>55,500,096</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(185,858)</b>	<b>12,054</b>	<b>-</b>	<b>(173,804)</b>	<b>(7,865,438)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	2,850,000	713,661	3,563,661	25,381,445
Transfers out	-	(537,006)	(713,651)	(1,250,657)	(11,925,633)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,312,994</b>	<b>10</b>	<b>2,313,004</b>	<b>13,455,812</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(185,858)</b>	<b>2,325,048</b>	<b>10</b>	<b>2,139,200</b>	<b>5,590,374</b>
<b>FUND BALANCE:</b>					
Beginning of year	3,181,186	6,566,622	185	9,747,993	40,099,007
End of year	\$ 2,995,328	\$ 8,891,670	\$ 195	\$ 11,887,193	\$ 45,689,381

## 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.

*Measure R* - To account for the 1/2 cent sales tax revenues that Los Angeles County voters approved in November 2008 to meet the transportation needs of Los Angeles County.

*Public Library* - To account for receipts and disbursements associated with the City of Santa Clarita Public Library.

*Tourism Marketing District* - To account for receipts and disbursements associated with promoting local businesses and tourism in the City of Santa Clarita through the Tourism Marketing District.

**The 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

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

### Bikeway Special Revenue Fund

For the Year Ended June 30, 2011

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	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 3,000	\$ 1,500	\$ 391	\$ (1,109)
Revenue from other agencies	106,824	106,824	3,955	(102,869)
<b>Total revenues</b>	<u>109,824</u>	<u>108,324</u>	<u>4,346</u>	<u>(103,978)</u>
<b>EXPENDITURES:</b>				
Capital outlay	121,824	131,856	16,084	115,772
<b>Total expenditures</b>	<u>121,824</u>	<u>131,856</u>	<u>16,084</u>	<u>115,772</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (12,000)</u>	<u>\$ (23,532)</u>	<u>(11,738)</u>	<u>\$ 11,794</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>27,968</u>	
End of year			<u>\$ 16,230</u>	

**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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 37,500	\$ 30,000	\$ (81)	\$ (30,081)
Revenue from other agencies	4,519,497	5,448,916	5,031,375	(417,541)
Other revenue	-	-	10,056	10,056
<b>Total revenues</b>	<u>4,556,997</u>	<u>5,478,916</u>	<u>5,041,350</u>	<u>(437,566)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	3,933,508	3,979,850	3,466,124	513,726
Capital outlay	1,360,000	2,188,333	1,138,820	1,049,513
<b>Total expenditures</b>	<u>5,293,508</u>	<u>6,168,183</u>	<u>4,604,944</u>	<u>1,563,239</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(736,511)	(689,267)	436,406	1,125,673
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	220,930	220,930	220,930	-
Transfers out	(305,650)	(305,650)	(305,240)	410
<b>Total other financing sources (uses)</b>	<u>(84,720)</u>	<u>(84,720)</u>	<u>(84,310)</u>	<u>410</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (821,231)</u>	<u>\$ (773,987)</u>	352,096	<u>\$ 1,126,083</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>676,657</u>	
End of year			<u>\$ 1,028,753</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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 3,000	\$ 2,250	\$ 3,134	\$ 884
Revenue from other agencies	2,387,608	2,427,481	2,435,782	8,301
<b>Total revenues</b>	<b>2,390,608</b>	<b>2,429,731</b>	<b>2,438,916</b>	<b>9,185</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	41,910	41,910	40,774	1,136
Capital outlay	1,590,000	1,638,352	55,416	1,582,936
<b>Total expenditures</b>	<b>1,631,910</b>	<b>1,680,262</b>	<b>96,190</b>	<b>1,584,072</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>758,698</b>	<b>749,469</b>	<b>2,342,726</b>	<b>1,593,257</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(758,698)	(1,096,037)	(1,359,086)	(263,049)
<b>Total other financing sources (uses)</b>	<b>(758,698)</b>	<b>(1,096,037)</b>	<b>(1,359,086)</b>	<b>(263,049)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (346,568)</b>	<b>983,640</b>	<b>\$ 1,330,208</b>
<b>FUND BALANCE:</b>				
Beginning of year			1,371	
End of year			<b>\$ 985,011</b>	

**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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 30,000	\$ 25,000	\$ 19,791	\$ (5,209)
Service charges	-	-	65,769	65,769
Other revenue	-	-	1,029	1,029
<b>Total revenues</b>	<u>30,000</u>	<u>25,000</u>	<u>86,589</u>	<u>61,589</u>
<b>EXPENDITURES:</b>				
Capital outlay	449,000	673,472	318,555	354,917
<b>Total expenditures</b>	<u>449,000</u>	<u>673,472</u>	<u>318,555</u>	<u>354,917</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(419,000)</u>	<u>(648,472)</u>	<u>(231,966)</u>	<u>416,506</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(231,966)</u>	<u>\$ (231,966)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,308,874</u>	
End of year			<u>\$ 1,076,908</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, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Taxes	\$ 3,573,911	\$ 3,573,911	\$ 3,801,847	\$ 227,936
Investment income	113,100	95,600	85,172	(10,428)
Service charges	286,320	246,320	257,237	10,917
Other revenue	-	-	75,835	75,835
<b>Total revenues</b>	<u>3,973,331</u>	<u>3,915,831</u>	<u>4,220,091</u>	<u>304,260</u>
<b>EXPENDITURES:</b>				
Current:				
General government	3,639,058	3,644,008	3,045,584	598,424
Public works	1,246,900	1,308,900	973,019	335,881
Capital outlay	678,902	402,046	498,388	(96,342)
<b>Total expenditures</b>	<u>5,564,860</u>	<u>5,354,954</u>	<u>4,516,991</u>	<u>837,963</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,591,529)	(1,439,123)	(296,900)	1,142,223
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,858,283	1,754,142	1,200,010	554,132
Transfers out	(1,886,390)	(1,781,683)	(1,227,550)	554,133
<b>Total other financing sources (uses)</b>	<u>(28,107)</u>	<u>(27,541)</u>	<u>(27,540)</u>	<u>1,108,265</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,619,636)</u>	<u>\$ (1,466,664)</u>	<u>(324,440)</u>	<u>\$ 1,142,224</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,201,757</u>	
End of year			<u>\$ 4,877,317</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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Revenue from other agencies	\$ 415,080	\$ 1,974,576	\$ 904,359	\$ (1,070,217)
<b>Total revenues</b>	<u>415,080</u>	<u>1,974,576</u>	<u>904,359</u>	<u>(1,070,217)</u>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation	265,080	1,016,020	1,004,948	11,072
Capital outlay	150,000	285,315	105,422	179,893
<b>Total expenditures</b>	<u>415,080</u>	<u>1,301,335</u>	<u>1,110,370</u>	<u>190,965</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	673,241	(206,011)	(879,252)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 673,241</u>	(206,011)	<u>\$ (879,252)</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(673,022)</u>	
End of year			<u>\$ (879,033)</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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 300	\$ -	\$ (11,465)	\$ (11,465)
Revenue from other agencies	11,024,311	8,734,713	1,876,181	(6,858,532)
<b>Total revenues</b>	<b>11,024,611</b>	<b>8,734,713</b>	<b>1,864,716</b>	<b>(6,869,997)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	3,985	3,985	3,984	1
Capital outlay	5,815,867	5,906,343	413,026	5,493,317
<b>Total expenditures</b>	<b>5,819,852</b>	<b>5,910,328</b>	<b>417,010</b>	<b>5,493,318</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,204,759</b>	<b>2,824,385</b>	<b>1,447,706</b>	<b>(1,376,679)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	(5,204,729)	(1,583,937)	(1,447,706)	136,231
<b>Total other financing sources (uses)</b>	<b>(5,204,729)</b>	<b>(1,583,937)</b>	<b>(1,447,706)</b>	<b>136,231</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 30</b>	<b>\$ 1,240,448</b>	<b>-</b>	<b>\$ (1,240,448)</b>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			\$ -	

**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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 15,000	\$ 10,000	\$ 7,114	\$ (2,886)
Fines and forfeitures	1,500,000	1,500,000	1,392,273	(107,727)
<b>Total revenues</b>	<u>1,515,000</u>	<u>1,510,000</u>	<u>1,399,387</u>	<u>(110,613)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,515,000)	(1,514,260)	(1,399,387)	114,873
<b>Total other financing sources (uses)</b>	<u>(1,515,000)</u>	<u>(1,514,260)</u>	<u>(1,399,387)</u>	<u>114,873</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (4,260)</u>	-	<u>\$ 4,260</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Revenue from other agencies	128,635	292,763	25,467	(267,296)
Other revenue	1,430,435	1,465,354	1,437,273	(28,081)
<b>Total revenues</b>	<u>1,559,070</u>	<u>1,758,117</u>	<u>1,462,740</u>	<u>(295,377)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,454,526	1,788,089	1,462,557	325,532
<b>Total expenditures</b>	<u>1,454,526</u>	<u>1,788,089</u>	<u>1,462,557</u>	<u>325,532</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 104,544</u>	<u>\$ (29,972)</u>	183	<u>\$ 30,155</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(183)</u>	
End of year			<u>\$ -</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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 150	\$ 100	\$ 15	\$ (85)
Revenue from other agencies	202,900	206,367	206,695	328
<b>Total revenues</b>	<b>203,050</b>	<b>206,467</b>	<b>206,710</b>	<b>243</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	32,639	106,545	55,023	51,522
<b>Total expenditures</b>	<b>32,639</b>	<b>106,545</b>	<b>55,023</b>	<b>51,522</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>170,411</b>	<b>99,922</b>	<b>151,687</b>	<b>51,765</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(170,411)	(109,822)	(108,889)	933
<b>Total other financing sources (uses)</b>	<b>(170,411)</b>	<b>(109,822)</b>	<b>(108,889)</b>	<b>933</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (9,900)</b>	<b>42,798</b>	<b>\$ 52,698</b>
<b>FUND BALANCE:</b>				
Beginning of year			7,500	
End of year			<b>\$ 50,298</b>	



# 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, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Taxes	\$ 711,532	\$ 711,532	\$ 760,489	\$ 48,957
Investment income	300,000	300,000	295,549	(4,451)
Service charges	13,210,141	13,242,181	13,539,847	297,666
Other revenue	-	-	5,741	5,741
<b>Total revenues</b>	<u>14,221,673</u>	<u>14,253,713</u>	<u>14,601,626</u>	<u>347,913</u>
<b>EXPENDITURES:</b>				
Current:				
General government	10,983,630	11,031,271	8,832,915	2,198,356
Capital outlay	5,410,833	6,579,401	4,064,066	2,515,335
<b>Total expenditures</b>	<u>16,394,463</u>	<u>17,610,672</u>	<u>12,896,981</u>	<u>4,713,691</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(2,172,790)	(3,356,959)	1,704,645	5,061,604
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,717,098)	(1,717,098)	(1,717,098)	-
<b>Total other financing sources (uses)</b>	<u>(1,717,098)</u>	<u>(1,717,098)</u>	<u>(1,717,098)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (3,889,888)</u>	<u>\$ (5,074,057)</u>	(12,453)	<u>\$ 5,061,604</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>18,586,713</u>	
End of year			<u>\$ 18,574,260</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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Taxes	\$ 75,320	\$ 75,320	\$ 81,967	\$ 6,647
Investment income	75,000	80,000	88,389	8,389
Service charges	2,623,500	2,623,500	2,728,030	104,530
Other revenues	-	-	7,308	7,308
<b>Total revenues</b>	<u>2,773,820</u>	<u>2,778,820</u>	<u>2,905,694</u>	<u>126,874</u>
<b>EXPENDITURES:</b>				
Current:				
General government	12,000	12,000	42,783	(30,783)
Public works	2,401,838	2,436,656	2,141,651	295,005
Capital outlay	75,000	177,550	174,695	2,855
<b>Total expenditures</b>	<u>2,488,838</u>	<u>2,626,206</u>	<u>2,359,129</u>	<u>267,077</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	284,982	152,614	546,565	393,951
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	32,660	32,660	32,660	-
Transfers out	(16,390)	(14,320)	(13,370)	950
<b>Total other financing sources (uses)</b>	<u>16,270</u>	<u>18,340</u>	<u>19,290</u>	<u>950</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 301,252</u>	<u>\$ 170,954</u>	565,855	<u>\$ 394,901</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,518,975</u>	
End of year			<u>\$ 6,084,830</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, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Revenues from other agencies	\$ 583,964	\$ 1,263,750	\$ 450,482	\$ (813,268)
Other revenue	1,016,048	2,697,962	1,738,994	(958,968)
<b>Total revenues</b>	<b>1,600,012</b>	<b>3,961,712</b>	<b>2,189,476</b>	<b>(1,772,236)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	111,029	66,283	44,746
Public works	45,000	164,432	40,882	123,550
Parks and recreation	165,850	1,939,798	1,919,988	19,810
Capital outlay	1,389,908	1,671,737	461,357	1,210,380
<b>Total expenditures</b>	<b>1,600,758</b>	<b>3,886,996</b>	<b>2,488,510</b>	<b>1,398,486</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(746)</b>	<b>74,716</b>	<b>(299,034)</b>	<b>(373,750)</b>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(265,319)	
End of year			\$ (564,353)	

**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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Service charges	\$ 1,822,495	\$ 1,822,495	\$ 309,986	\$ (1,512,509)
<b>Total revenues</b>	<u>1,822,495</u>	<u>1,822,495</u>	<u>309,986</u>	<u>(1,512,509)</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	1,822,495	1,822,495	(170,339)	1,992,834
<b>Total expenditures</b>	<u>1,822,495</u>	<u>1,822,495</u>	<u>(170,339)</u>	<u>1,992,834</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	480,325	<u>\$ 480,325</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(490,832)</u>	
End of year			<u>\$ (10,507)</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, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 1,475	\$ 1,475
Revenues from other agencies	-	189,101	137,761	(51,340)
<b>Total revenues</b>	<b>-</b>	<b>189,101</b>	<b>139,236</b>	<b>(49,865)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	113,115	(113,115)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>113,115</b>	<b>(113,115)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>189,101</b>	<b>26,121</b>	<b>63,250</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	2,078	2,078	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,078</b>	<b>2,078</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 191,179</b>	<b>28,199</b>	<b>\$ 63,250</b>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(2,078)	
End of year			\$ 26,121	

# 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, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ 1,000	\$ 2,024	\$ 1,024
Revenues from other agencies	-	322,116	199,257	(122,859)
<b>Total revenues</b>	<b>-</b>	<b>323,116</b>	<b>201,281</b>	<b>(121,835)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	314,902	201,282	113,620
<b>Total expenditures</b>	<b>-</b>	<b>314,902</b>	<b>201,282</b>	<b>113,620</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>8,214</b>	<b>(1)</b>	<b>(235,455)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 8,214</b>	<b>(1)</b>	<b>\$ (235,455)</b>
<b>FUND BALANCE:</b>				
Beginning of year			1	
End of year			\$ -	

**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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Revenues from other agencies	\$ -	\$ 531,980	\$ 474,621	\$ (57,359)
<b>Total revenues</b>	<b>-</b>	<b>531,980</b>	<b>474,621</b>	<b>(57,359)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	512,693	455,335	57,358
<b>Total expenditures</b>	<b>-</b>	<b>512,693</b>	<b>455,335</b>	<b>57,358</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 19,287</b>	<b>19,286</b>	<b>\$ (1)</b>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(19,286)	
End of year			\$ -	

**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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Developer fees	\$ -	\$ -	\$ 47,073	\$ 47,073
Investment income	1,500	1,000	448	(552)
<b>Total revenues</b>	<u>1,500</u>	<u>1,000</u>	<u>47,521</u>	<u>46,521</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(35,173)	(41,099)	(5,926)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(35,173)</u>	<u>(41,099)</u>	<u>(5,926)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,500</u>	<u>\$ (34,173)</u>	6,422	<u>\$ 40,595</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(5,198)</u>	
End of year			<u>\$ 1,224</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, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Taxes	\$ 350,000	\$ 350,000	\$ 313,195	\$ (36,805)
Investment income	4,500	5,000	6,313	1,313
<b>Total revenues</b>	<u>354,500</u>	<u>355,000</u>	<u>319,508</u>	<u>(35,492)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	173,065	253,065	190,343	62,722
<b>Total expenditures</b>	<u>173,065</u>	<u>253,065</u>	<u>190,343</u>	<u>62,722</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 181,435</u>	<u>\$ 101,935</u>	129,165	<u>\$ (98,214)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>381,750</u>	
End of year			<u>\$ 510,915</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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 3,000	\$ 1,500	\$ (5,329)	\$ (6,829)
Revenue from other agencies	2,931,350	6,408,827	3,899,043	(2,509,784)
<b>Total revenues</b>	<u>2,934,350</u>	<u>6,410,327</u>	<u>3,893,714</u>	<u>(2,516,613)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	3,030	33,030	3,030	30,000
Capital outlay	1,028,392	3,729,041	2,331,120	1,397,921
<b>Total expenditures</b>	<u>1,031,422</u>	<u>3,762,071</u>	<u>2,334,150</u>	<u>1,427,921</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	1,902,928	2,648,256	1,559,564	(1,088,692)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,878,928)	(2,686,584)	(1,569,380)	(1,117,204)
<b>Total other financing sources (uses)</b>	<u>(1,878,928)</u>	<u>(2,686,584)</u>	<u>(1,569,380)</u>	<u>(1,117,204)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 24,000</u>	<u>\$ (38,328)</u>	(9,816)	<u>\$ 28,512</u>
<b>FUND BALANCE:</b>				
Beginning of year			9,829	
End of year			<u>\$ 13</u>	

**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, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Revenues from other agencies	\$ 1,476,208	\$ 4,723,173	\$ 2,355,187	\$ (2,367,986)
Service charges	133,000	133,000	-	(133,000)
Other revenue	-	81,154	45,000	(36,154)
<b>Total revenues</b>	<u>1,609,208</u>	<u>4,937,327</u>	<u>2,400,187</u>	<u>(2,537,140)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	375,023	246,018	129,005
Community development	77,896	1,070,678	1,070,353	325
Capital outlay	1,609,208	2,844,579	2,204,984	639,595
<b>Total expenditures</b>	<u>1,687,104</u>	<u>4,290,280</u>	<u>3,521,355</u>	<u>768,925</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (77,896)</u>	<u>\$ 647,047</u>	(1,121,168)	<u>\$ (1,768,215)</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(649,868)</u>	
End of year			<u>\$ (1,771,036)</u>	

**City of Santa Clarita**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Measure R Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 7,500	\$ 500	\$ 688	\$ 188
Revenues from other agencies	1,485,344	1,485,344	1,485,483	139
<b>Total revenues</b>	<b>1,492,844</b>	<b>1,485,844</b>	<b>1,486,171</b>	<b>327</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,492,844)	(1,485,804)	(1,486,171)	367
<b>Total other financing sources (uses)</b>	<b>(1,492,844)</b>	<b>(1,485,804)</b>	<b>(1,486,171)</b>	<b>367</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 40</b>	<b>-</b>	<b>\$ 694</b>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			\$ -	

**City of Santa Clarita**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Library Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 10,396	\$ 10,396
Revenue from other agencies	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>10,396</u>	<u>10,396</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	10,773,559	10,650,167	123,392
Capital outlay	-	-	3,142,427	(3,142,427)
<b>Total expenditures</b>	<u>-</u>	<u>10,773,559</u>	<u>13,792,594</u>	<u>(3,019,035)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	(10,773,559)	(13,782,198)	(3,008,639)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	16,603,312	16,603,312	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>16,603,312</u>	<u>16,603,312</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 5,829,753</u>	2,821,114	<u>\$ (3,008,639)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 2,821,114</u>	

# City of Santa Clarita

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

### Tourism Marketing District Special Revenue Fund

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Taxes	\$ 400,000	\$ 400,000	\$ 376,562	\$ (23,438)
Investment income	-	3,000	3,293	293
<b>Total revenues</b>	<u>400,000</u>	<u>403,000</u>	<u>379,855</u>	<u>(23,145)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	400,000	400,000	141,175	258,825
<b>Total expenditures</b>	<u>400,000</u>	<u>400,000</u>	<u>141,175</u>	<u>258,825</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 3,000</u>	238,680	<u>\$ (281,970)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 238,680</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, 2011**

	Self-Insurance	Computer Replacement	Vehicle Replacement	Public Facilities Replacement	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 5,197,615	\$ 1,718,813	\$ 3,930,073	\$ 9,039,943	\$ 19,886,444
Receivables:					
Accounts	1,633	-	-	-	1,633
Interest	-	9,857	22,538	51,842	84,237
Advances to other fund	909,898	-	-	-	909,898
<b>Total current assets</b>	<b>6,109,146</b>	<b>1,728,670</b>	<b>3,952,611</b>	<b>9,091,785</b>	<b>20,882,212</b>
Noncurrent assets:					
Capital assets:					
Land	5,000,000	-	-	2,669,393	7,669,393
Equipment, net of accumulated depreciation	17,313	191,789	325,329	-	534,431
<b>Total noncurrent assets</b>	<b>5,017,313</b>	<b>191,789</b>	<b>325,329</b>	<b>2,669,393</b>	<b>8,203,824</b>
<b>Total assets</b>	<b>11,126,459</b>	<b>1,920,459</b>	<b>4,277,940</b>	<b>11,761,178</b>	<b>29,086,036</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	116,285	11,601	-	44,377	172,263
<b>Total current liabilities</b>	<b>116,285</b>	<b>11,601</b>	<b>-</b>	<b>44,377</b>	<b>172,263</b>
Noncurrent liabilities:					
Claims payable	40,000	-	-	-	40,000
<b>Total noncurrent liabilities</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,000</b>
<b>Total liabilities</b>	<b>156,285</b>	<b>11,601</b>	<b>-</b>	<b>44,377</b>	<b>212,263</b>
<b>NET ASSETS</b>					
Invested in capital assets	5,017,313	191,789	325,329	2,669,393	8,203,824
Unrestricted	5,952,861	1,717,069	3,952,611	9,047,408	20,669,949
<b>Total net assets</b>	<b>\$ 10,970,174</b>	<b>\$ 1,908,858</b>	<b>\$ 4,277,940</b>	<b>\$ 11,716,801</b>	<b>\$ 28,873,773</b>



**City of Santa Clarita**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**Internal Service Funds**  
**For the Year Ended June 30, 2011**

	Self-Insurance	Computer Replacement	Vehicle Replacement	Public Facilities Replacement	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 2,039,610	\$ 408,168	\$ 346,000	\$ -	\$ 2,793,778
Other revenues	-	-	-	1,620,488	1,620,488
<b>Total operating revenues</b>	<b>2,039,610</b>	<b>408,168</b>	<b>346,000</b>	<b>1,620,488</b>	<b>4,414,266</b>
<b>OPERATING EXPENSES:</b>					
Administrative and personnel services	223,721	-	-	16,222	239,943
Services and supplies	1,610,342	90,545	6,349	47,275	1,754,511
Depreciation	6,702	154,388	140,720	-	301,810
<b>Total operating expenses</b>	<b>1,840,765</b>	<b>244,933</b>	<b>147,069</b>	<b>63,497</b>	<b>2,296,264</b>
<b>OPERATING INCOME</b>	<b>198,845</b>	<b>163,235</b>	<b>198,931</b>	<b>1,556,991</b>	<b>2,118,002</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income	18,505	26,385	66,959	62,540	174,389
<b>Total nonoperating revenues (expenses)</b>	<b>18,505</b>	<b>26,385</b>	<b>66,959</b>	<b>62,540</b>	<b>174,389</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>217,350</b>	<b>189,620</b>	<b>265,890</b>	<b>1,619,531</b>	<b>2,292,391</b>
<b>TRANSFERS:</b>					
Transfers in	5,036,224	-	-	3,000,000	8,036,224
<b>Total other financing sources (uses)</b>	<b>5,036,224</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>8,036,224</b>
<b>CHANGE IN NET ASSETS</b>	<b>5,253,574</b>	<b>189,620</b>	<b>265,890</b>	<b>4,619,531</b>	<b>10,328,615</b>
<b>NET ASSETS:</b>					
Beginning of year	5,716,600	1,719,238	4,012,050	7,097,270	18,545,158
End of year	\$ 10,970,174	\$ 1,908,858	\$ 4,277,940	\$ 11,716,801	\$ 28,873,773

**City of Santa Clarita**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2011**

	Self-Insurance	Computer Replacement	Vehicle Replacement	Public Facilities Replacement	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from interfund services provided	\$ 2,039,610	\$ 408,168	\$ 346,000	\$ -	\$ 2,793,778
Receipts from other services provided	-	-	-	1,620,488	1,620,488
Payments to employees	(223,721)	-	-	(16,222)	(239,943)
Payments to suppliers	(5,987,223)	(171,232)	(6,349)	(2,691,611)	(8,856,415)
<b>Net cash provided by (used for) operating activities</b>	<b>(4,171,334)</b>	<b>236,936</b>	<b>339,651</b>	<b>(1,087,345)</b>	<b>(4,682,092)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash received from other funds	5,017,230	-	-	3,000,000	8,017,230
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>5,017,230</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>8,017,230</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	-	(38,756)	(62,236)	-	(100,992)
<b>Net cash provided (used for) by capital and related financing activities</b>	<b>-</b>	<b>(38,756)</b>	<b>(62,236)</b>	<b>-</b>	<b>(100,992)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	53,193	28,571	73,312	67,670	222,746
<b>Net cash provided (used for) by investing activities</b>	<b>53,193</b>	<b>28,571</b>	<b>73,312</b>	<b>67,670</b>	<b>222,746</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>899,089</b>	<b>226,751</b>	<b>350,727</b>	<b>1,980,325</b>	<b>3,456,892</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	4,298,526	1,492,062	3,579,346	7,059,618	16,429,552
End of year	\$ 5,197,615	\$ 1,718,813	\$ 3,930,073	\$ 9,039,943	\$ 19,886,444
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 198,845	\$ 163,235	\$ 198,931	\$ 1,556,991	\$ 2,118,002
Adjustments to reconcile operating income to (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	6,702	154,388	140,720	-	301,810
Change in assets and liabilities:					
Increase (decrease) in prepaid expenses	542,541	-	-	-	542,541
Increase (decrease) in account payable and accrued liabilities	(4,909,422)	(80,687)	-	(2,644,336)	(7,634,445)
Increase (decrease) in claims payable	(10,000)	-	-	-	(10,000)
<b>Total adjustments</b>	<b>(4,370,179)</b>	<b>73,701</b>	<b>140,720</b>	<b>(2,644,336)</b>	<b>(6,800,094)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (4,171,334)</b>	<b>\$ 236,936</b>	<b>\$ 339,651</b>	<b>\$ (1,087,345)</b>	<b>\$ (4,682,092)</b>

## 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, 2011**

	Assessment District No. 92-2	Assessment District No. 99-1	Community Facilities District No. 2002-1	Total
<b>ASSETS</b>				
Cash and investments	\$ 57,873	\$ 33,158	\$ 15,000	\$ 106,031
Cash and investments with fiscal agent	63,900	60,225	1,669,906	1,794,031
Receivables:				
Accounts	3,435	3,055	-	6,490
Interest	332	190	-	522
<b>Total assets</b>	<b>\$ 125,540</b>	<b>\$ 96,628</b>	<b>\$ 1,684,906</b>	<b>\$ 1,907,074</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 51	\$ 7,142	\$ -	\$ 7,193
Due to other funds	-	-	80,632	80,632
Deferred revenues	284	163	-	447
Due to bondholders	125,205	89,323	1,604,274	1,818,802
<b>Total liabilities</b>	<b>\$ 125,540</b>	<b>\$ 96,628</b>	<b>\$ 1,684,906</b>	<b>\$ 1,907,074</b>

**City of Santa Clarita**  
**Schedule of Changes in Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2011**

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
<b>ASSESSMENT DISTRICT NO. 92-2</b>				
<b>ASSETS</b>				
Cash and investments	\$ 106,667	\$ -	\$ 48,794	\$ 57,873
Cash and investments with fiscal agent	63,900	-	-	63,900
Receivables:				
Accounts	5,729	-	2,294	3,435
Interest	861	-	529	332
<b>Total assets</b>	<b>\$ 177,157</b>	<b>\$ -</b>	<b>\$ 51,617</b>	<b>\$ 125,540</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 104	\$ -	\$ 53	\$ 51
Deferred revenues	-	284	-	284
Due to bondholders	177,053	-	51,848	125,205
<b>Total liabilities</b>	<b>\$ 177,157</b>	<b>\$ 284</b>	<b>\$ 51,901</b>	<b>\$ 125,540</b>
 <b>ASSESSMENT DISTRICT NO. 99-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 82,817	\$ -	\$ 49,659	\$ 33,158
Cash and investments with fiscal agent	60,225	-	-	60,225
Receivables:				
Accounts	6,615	-	3,560	3,055
Interest	668	-	478	190
<b>Total assets</b>	<b>\$ 150,325</b>	<b>\$ -</b>	<b>\$ 53,697</b>	<b>\$ 96,628</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 9,314	\$ -	\$ 2,172	\$ 7,142
Due to other funds	300	-	300	-
Deferred revenues	-	163	-	163
Due to bondholders	140,711	-	51,388	89,323
<b>Total liabilities</b>	<b>\$ 150,325</b>	<b>\$ 163</b>	<b>\$ 53,860</b>	<b>\$ 96,628</b>

**City of Santa Clarita**  
**Schedule of Changes in Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2011**

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
<b>COMMUNITY FACILITIES</b>				
<b>DISTRICT NO. 2002-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 92,903	\$ -	\$ 77,903	\$ 15,000
Cash and investments with fiscal agent	1,669,419	487	-	1,669,906
Receivables:				
Interest	693	-	693	-
<b>Total assets</b>	<b>\$ 1,763,015</b>	<b>\$ 487</b>	<b>\$ 78,596</b>	<b>\$ 1,684,906</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	311	80,321	-	80,632
Due to bondholders	1,762,704	-	158,430	1,604,274
<b>Total liabilities</b>	<b>\$ 1,763,015</b>	<b>\$ 80,321</b>	<b>\$ 158,430</b>	<b>\$ 1,684,906</b>
 <b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 282,387	\$ -	\$ 176,356	\$ 106,031
Cash and investments with fiscal agent	1,793,544	487	-	1,794,031
Receivables:				
Accounts	12,344	-	5,854	6,490
Interest	2,222	-	1,700	522
<b>Total assets</b>	<b>\$ 2,090,497</b>	<b>\$ 487</b>	<b>\$ 183,910</b>	<b>\$ 1,907,074</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 9,418	\$ -	\$ 2,225	\$ 7,193
Due to other funds	611	80,321	300	80,632
Deferred revenues	-	447	-	447
Due to bondholders	2,080,468	-	261,666	1,818,802
<b>Total liabilities</b>	<b>\$ 2,090,497</b>	<b>\$ 80,768</b>	<b>\$ 264,191</b>	<b>\$ 1,907,074</b>

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**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS**

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Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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, 2011, and have issued our report thereon dated February 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Honorable Mayor and Members of the City Council  
of the City of Santa Clarita  
Santa Clarita, California  
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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Caporicci & Larson, Inc.*

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
Irvine, California  
February 7, 2012



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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.

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### 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.

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### 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.

153-157

### 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.

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### 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.

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### 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.

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### Key Data and Ratios Ranking

These tables present various municipalities within the State of California and are ranked in order using key data and ratios. The key data and ratios are essential operating indicators used to determine a municipality's overall financial health and credit worthiness.

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**City of Santa Clarita**  
**Net Assets by Component (1)**  
**Last Six Years Ended June 30, 2011**  
**(accrual basis of accounting)**

	FISCAL YEAR					As Restated
	10-11	09-10	08-09	07-08	05-06 <sup>(2)</sup>	
<b>Governmental Activities</b>						
Investment in capital assets, net of related debt	\$ 717,613,095	\$ 657,644,168	\$ 629,621,722	\$ 672,306,820	\$ 661,210,117	\$ 614,300,517
Restricted for:						
Capital Projects	3,452,815	4,769,573	4,769,573	45,993,804	18,134,924	32,030,928
Debt Service	-	-	-	632,680	-	174,028
Specific Projects and Programs	30,201,655	85,895,468	92,894,739	61,018,399	34,441,539	30,547,345
Total Restricted	33,654,470	90,665,041	97,664,312	107,644,883	52,576,463	62,752,301
Unrestricted	67,397,688	63,218,255	96,469,866	66,249,901	87,737,817	71,001,423
<b>Total governmental activities net assets</b>	<b>\$ 818,665,253</b>	<b>\$ 811,527,464</b>	<b>\$ 823,755,900</b>	<b>\$ 846,201,604</b>	<b>\$ 801,524,397</b>	<b>\$ 748,054,241</b>
<b>Business-type Activities</b>						
Investment in capital assets, net of related debt	\$ 75,416,868	\$ 67,911,725	\$ 66,963,851	\$ 63,526,242	\$ 62,246,621	\$ 63,741,429
Restricted for:						
Debt Service	-	-	-	-	-	-
Unrestricted	2,953,046	(176,196)	3,118,092	2,957,611	1,553,088	(406,224)
<b>Total business-type activities net assets</b>	<b>\$ 78,369,914</b>	<b>\$ 67,735,529</b>	<b>\$ 70,081,943</b>	<b>\$ 66,483,853</b>	<b>\$ 63,799,709</b>	<b>\$ 63,335,205</b>
<b>Primary Government</b>						
Investment in capital assets, net of related debt	793,029,963	725,555,893	696,585,573	735,833,062	723,456,738	678,041,946
Restricted	33,654,470	90,665,041	97,664,312	107,644,883	52,576,463	62,752,301
Unrestricted	70,350,734	63,042,059	99,587,958	69,207,512	89,290,905	70,595,199
<b>Total Primary Government Net Assets</b>	<b>\$ 897,035,167</b>	<b>\$ 879,262,993</b>	<b>\$ 893,837,843</b>	<b>\$ 912,685,457</b>	<b>\$ 865,324,106</b>	<b>\$ 811,389,446</b>

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.

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

**City of Santa Clarita**  
**Changes in Net Assets**  
**Last Six Fiscal Years Ended June 30, 2011 <sup>(1)</sup>**  
**(accrual basis of accounting)**

	FISCAL YEAR					
	10-11	09-10	08-09	07-08	06-07	05-06
<b>Expenses</b>						
<b>Governmental Activities</b>						
General government	\$ 39,934,727	\$ 32,116,335	\$ 32,279,630	\$ 27,488,731	\$ 26,029,070	\$ 24,225,414
Public safety	13,992,096	17,912,704	17,489,870	16,482,917	14,398,408	13,821,626
Public works	27,069,631	26,758,527	48,514,645	30,549,888	19,273,980	6,417,841
Parks and recreation	14,642,911	27,835,763	32,747,618	21,817,251	20,573,077	20,988,533
Community development	3,495,405	13,831,341	9,761,681	9,257,881	8,985,449	16,939,976
Unallocated infrastructure depreciation	16,392,901	15,545,626	14,405,047	13,128,617	12,920,310	1,268,939
Interest on long-term debt	4,650,566	5,476,918	5,725,201	3,127,998	2,087,949	1,669,701
Total governmental activities expenses:	120,178,237	139,477,214	160,923,692	121,853,283	104,268,243	85,332,030
<b>Business-type Activities</b>						
Transit	24,107,603	23,348,708	22,299,379	21,506,317	18,315,106	16,508,457
Total business-type activities expenses:	24,107,603	23,348,708	22,299,379	21,506,317	18,315,106	16,508,457
Total primary government expenses:	\$ 144,285,840	\$ 162,825,922	\$ 183,223,071	\$ 143,359,600	\$ 122,583,349	\$ 101,840,487
<b>Program Revenues</b>						
<b>Governmental Activities</b>						
Charges for services:						
General government	\$ 398,181	\$ 396,651	\$ 621,624	\$ 2,737,355	\$ 302,075	\$ 186,171
Public safety	2,305,608	2,194,038	1,898,022	2,291,100	2,131,060	2,032,652
Public works	4,353,454	3,162,052	260,524	355,817	3,575,546	2,512,093
Parks and recreation	4,220,977	3,956,933	3,849,699	3,875,539	3,895,422	3,794,662
Community development	21,629,411	15,937,913	35,138,334	26,341,684	20,182,722	19,068,982
Operating grants and contributions	17,948,333	16,224,269	25,079,906	22,600,793	26,641,145	23,465,852
Capital grants and contributions	13,327,687	15,249,634	23,636,779	39,003,536	24,770,306	60,971,404
Total governmental activities program revenues:	64,183,651	57,121,490	90,484,888	97,205,824	81,498,276	112,031,816
<b>Business-type Activities</b>						
Charges for services:						
Transit	5,868,119	3,181,614	3,299,263	3,216,239	5,827,778	4,950,584
Operating grants and contributions	20,695,533	10,260,579	13,653,177	11,876,720	12,616,641	3,351,941
Capital grants and contributions	-	-	-	617,421	750,200	-
Total business-type activities program revenues:	26,563,652	13,442,193	16,952,440	15,710,380	19,194,619	8,302,525
Total primary government revenues:	\$ 90,747,303	\$ 70,563,683	\$ 107,437,328	\$ 112,916,204	\$ 100,692,895	\$ 120,334,341

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

## Changes in Net Assets

Last Six Fiscal Years Ended June 30, 2011 <sup>(1)</sup>

(accrual basis of accounting)

	FISCAL YEAR					
	10-11	09-10	08-09	07-08	06-07	05-06
<b>Net Revenues (expenses):</b>						
Governmental activities	\$ (55,994,586)	\$ (82,355,724)	\$ (70,438,804)	\$ (24,647,459)	\$ (22,769,967)	\$ 26,699,786
Business-type activities	2,456,049	(9,906,515)	(5,346,939)	(5,795,937)	879,513	(8,205,932)
Total net revenues (expenses):	\$ (53,538,537)	\$ (92,262,239)	\$ (75,785,743)	\$ (30,443,396)	\$ (21,890,454)	\$ 18,493,854
<b>General Revenue and Other Changes in Net Assets</b>						
Governmental activities						
Taxes:						
Sales taxes	\$ 27,701,757	\$ 24,511,238	\$ 27,751,506	\$ 29,076,388	\$ 23,790,825	\$ 22,204,192
Property taxes, levied for general purposes	24,996,219	25,126,278	27,212,480	24,482,930	27,891,202	23,106,806
Franchise taxes	6,697,241	6,407,923	6,704,074	6,028,903	6,248,912	5,560,153
Real property transfer taxes	3,082,456	4,564,687	4,816,638	836,824	1,073,774	1,544,534
Transient occupancy taxes	2,106,521	2,050,857	2,260,708	2,433,651	1,804,923	1,824,394
Unrestricted revenue in lieu of motor vehicle taxes	-	-	1,015,413	-	-	603,990
Unrestricted revenue in lieu of sales taxes	18,605,462	7,383,175	6,215,803	8,490,865	8,156,017	6,965,521
Grants and contributions not restricted						
to specific programs	812,475	896,708	-	1,252,281	1,862,901	223,241
Unrestricted investment earnings	3,756,112	4,871,133	6,020,940	4,566,884	4,970,193	1,891,292
Transfers	(5,808,300)	(7,477,547)	(8,006,128)	(8,431,120)	441,376	(12,054,795)
Total governmental activities	81,949,943	68,334,452	73,991,434	68,737,606	76,240,123	51,869,328
Business-type activities						
Grants and contributions not restricted						
to specific programs	-	-	-	-	-	883,615
Unrestricted investment earnings	(27,303)	82,554	48,961	48,961	26,367	1,050
Transfers	5,808,302	7,477,547	8,006,128	8,431,120	(441,376)	12,054,795
Total business-type activities:	5,780,999	7,560,101	8,055,089	8,480,081	(415,009)	12,939,460
Total primary government:	\$ 87,730,942	\$ 75,894,553	\$ 82,046,523	\$ 77,217,687	\$ 75,825,114	\$ 64,808,788
<b>Change in Net Assets</b>						
Governmental activities	\$ 25,955,357	\$ (14,021,272)	\$ 3,552,630	\$ 44,090,147	\$ 53,470,156	\$ 78,569,114
Business-type activities	8,237,048	(2,346,414)	2,708,150	2,684,144	464,504	4,733,528
Total primary government:	\$ 34,192,405	\$ (16,367,686)	\$ 6,260,780	\$ 46,774,291	\$ 53,934,660	\$ 83,302,642

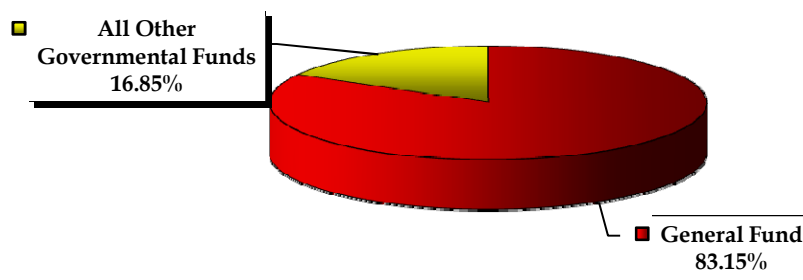
Note: (1) City of Santa Clarita implemented GASB 34 reporting module for the fiscal year ended June 30, 2003.

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, 2011**  
**(modified accrual basis of accounting)**

	FISCAL YEAR			
	10-11	09-10	08-09	07-08
<b>General Fund</b>				
Reserved	\$	19,546,015	\$ 32,617,139	\$ 34,920,547
Unreserved		58,211,508	41,674,470	31,153,879
Nonspendable	\$	23,845,861		
Restricted				
Committed		12,356,339		
Assigned		572,781		
Unassigned		46,915,238		
<b>Total general fund</b>	<b>\$</b>	<b>83,690,219</b>	<b>\$ 77,757,523</b>	<b>\$ 74,291,609</b>
<b>All Other Governmental Funds</b>				
Reserved	\$	51,195,454	\$ 70,667,494	\$ 51,972,970
Unreserved:				
Special revenue funds		2,109,198	(7,048,095)	28,377,796
Debt service fund		(24,048,962)	(17,004,471)	(15,873,835)
Capital projects fund		33,725,531	34,502,270	38,050,255
Nonspendable				
Restricted	\$	57,205,072		
Committed				
Assigned		3,637,410		
Unassigned		(43,879,288)		
<b>Total all other governmental funds</b>	<b>\$</b>	<b>16,963,194</b>	<b>\$ 62,981,221</b>	<b>\$ 81,117,198</b>

**FUND BALANCES**  
**Fiscal Year Ended June 30, 2011**



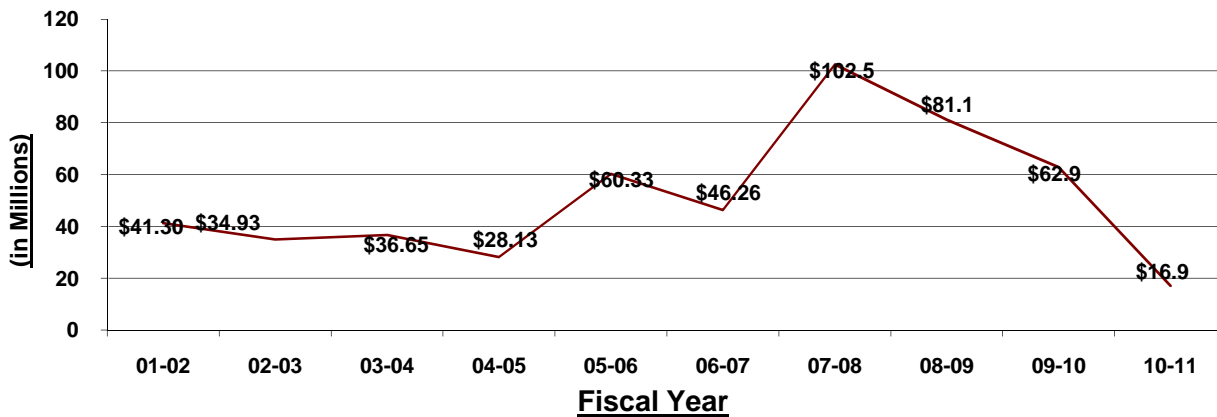
Note: (1) Balance as restated, see Notes to Basic Financial Statements #16B.

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



FISCAL YEAR						
06-07	05-06 <sup>(1)</sup>	04-05	03-04	02-03	01-02	
	As Restated					
\$ 34,699,034	\$ 20,786,040	\$ 15,638,513	\$ 12,042,182	\$ 14,034,615	\$ 21,368,003	
28,500,824	18,232,779	30,780,939	23,109,773	12,927,211	3,168,903	
\$ 63,199,858	\$ 39,018,819	\$ 46,419,452	\$ 35,151,955	\$ 26,961,826	\$ 24,536,906	
\$ 48,303,588	\$ 80,399,389	\$ 30,388,825	\$ 41,563,581	\$ 9,203,674	\$ 10,852,416	
3,827,570	(7,159,062)	2,843,589	(867,508)	30,014,266	34,078,558	
(10,461,382)	(4,743,697)	(4,402,225)	(3,944,409)	(4,082,126)	(4,066,749)	
4,592,332	(249,111)	(698,632)	(100,527)	(196,889)	437,307	
\$ 36,151,718	\$ 68,247,519	\$ 28,131,557	\$ 36,651,137	\$ 34,938,925	\$ 41,301,532	

**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, 2011**  
**(modified accrual basis of accounting)**

	FISCAL YEAR			
	2011	2010	2009	2008
<b>Revenues:</b>				
Taxes	\$ 72,474,882	\$ 80,714,829	\$ 87,659,599	\$ 88,088,786
Licenses and permits	3,675,424	4,093,250	3,697,218	5,256,748
Developer fees	282,776	3,053,363	15,763,070	22,290,808
Investment income	3,798,498	5,485,925	10,749,728	8,287,441
Revenue from other agencies	19,780,700	33,881,145	28,882,884	24,247,611
Fines and forfeitures	1,891,500	1,936,318	1,759,371	2,121,570
Service charges	23,608,272	10,812,521	8,375,771	9,931,041
Other revenues	7,685,141	7,234,923	5,077,400	3,368,879
<b>Total Revenues</b>	<b>133,197,193</b>	<b>147,212,274</b>	<b>161,965,041</b>	<b>163,592,884</b>
<b>Expenditures:</b>				
Current:				
General government	42,213,597	27,951,510	27,250,056	25,965,196
Public safety	21,230,594	17,862,129	17,439,295	16,342,979
Public works	34,210,327	20,594,575	42,937,168	25,977,763
Parks and recreation	21,853,319	20,048,430	20,126,412	20,156,343
Community development	11,575,365	10,849,942	7,095,386	7,583,236
Capital outlays	21,311,885	46,183,268	41,826,511	44,906,802
Debt service:				
Principal	2,246,218	2,611,372	2,072,341	1,927,198
Interest, professional services, and fiscal charges	4,796,695	5,411,152	5,279,549	4,632,979
<b>Total Expenditures</b>	<b>159,438,000</b>	<b>151,512,378</b>	<b>164,026,718</b>	<b>147,492,496</b>
Excess of Revenues over (under) Expenditures	(26,240,807)	(4,300,104)	(2,061,677)	16,100,388
<b>Other Financing Sources (Uses)</b>				
Revenue bonds issued/issuance premium	-	-	-	-
Proceeds of long-term debt	-	-	-	54,235,000
Escrow payment, costs of bonds issuance, and others	-	-	-	(226,682)
Transfers-in	50,869,852	18,953,115	12,150,426	43,112,541
Transfers-out	(64,714,376)	(28,930,662)	(23,281,554)	(54,668,661)
<b>Total Other Financing Sources (Uses)</b>	<b>(13,844,524)</b>	<b>(9,977,547)</b>	<b>(11,131,128)</b>	<b>42,452,198</b>
Net change in fund balances	(40,085,331)	(14,277,651)	(13,192,805)	58,552,586
Fund balances (deficit) - Beginning of Year, as restated	140,738,744	155,016,395	168,601,612	110,049,026
Fund balances (deficit) - End of Year	\$ 100,653,413	\$ 140,738,744	\$ 155,408,807	\$ 168,601,612
Debt service as percentage of non capital expenditures	5.10%	7.62%	6.02%	6.39%

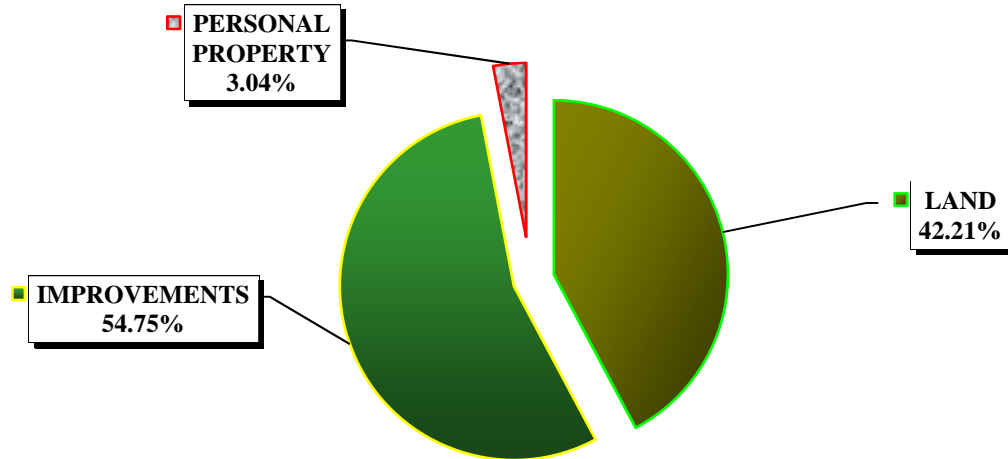
FISCAL YEAR						
	2007	2006	2005	2004	2003	2002
\$	70,576,755	\$ 66,164,485	\$ 53,763,779	\$ 43,940,454	\$ 39,813,089	\$ 35,589,227
	4,203,933	6,907,826	5,127,705	5,303,309	3,512,857	
	6,747,767	28,028,933	11,963,054	7,570,352	7,857,087	17,016,274
	7,926,763	2,881,133	3,148,731	919,858	3,788,121	4,165,144
	37,300,213	38,526,364	33,089,887	36,119,851	31,157,062	30,209,371
	1,918,954	1,904,273	1,803,686	1,051,371	1,041,945	1,008,466
	13,463,673	13,081,649	13,339,462	12,580,933	18,095,424	17,089,401
	4,356,961	12,651,674	2,408,463	3,767,800	2,309,846	1,948,808
	146,495,019	170,146,337	124,644,767	111,253,928	107,575,431	107,026,691
	23,411,750	24,668,150	11,217,783	12,436,244	9,282,089	9,778,478
	14,347,833	13,658,723	12,429,192	12,102,441	12,124,427	11,264,808
	19,511,097	6,802,081	8,901,359	8,692,908	8,823,785	8,112,935
	18,943,146	17,376,609	15,964,949	14,226,090	11,546,673	10,492,037
	9,051,652	17,164,505	22,531,795	21,039,274	23,900,882	16,450,228
	57,926,955	49,435,744	35,096,683	19,251,357	33,179,578	46,917,311
	2,374,870	1,367,359	2,060,319	4,332,159	1,496,087	533,279
	2,298,974	2,878,536	1,570,581	1,760,134	1,958,388	1,598,807
	147,866,277	133,351,707	109,772,661	93,840,607	102,311,909	105,147,883
	(1,371,258)	36,794,630	14,872,106	17,413,321	5,263,522	1,878,808
	13,894,752	-	-	-	1,558,097	4,400,000
-		17,700,000	-	-	1,558,097	4,400,000
-		(17,225,304)	-	2,590,955	-	
	27,468,089	7,865,612	8,157,999	8,278,692	7,662,207	9,550,514
	(29,881,193)	(19,409,716)	(20,282,188)	(18,380,627)	(18,421,513)	(18,120,682)
	11,481,648	(11,069,408)	(12,124,189)	(7,510,980)	(7,643,112)	229,832
	10,110,390	25,725,222	2,747,917	9,902,341	(2,379,590)	2,108,640
	99,351,576	74,551,009	71,803,092	61,900,751	65,838,438	64,722,707
\$	109,461,966	\$ 100,276,231	\$ 74,551,009	\$ 71,803,092	\$ 63,458,848	\$ 66,831,347
	5.20%	5.04%	4.73%	8.24%	4.21%	3.66%

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
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
2009-10	1,750,395	2,264,780	-	4,015,175	9,160,567,699	11,280,024,994	112,335,544	(330,372,395)	20,222,555,302
2010-11	1,431,971	2,264,780	-	3,696,751	9,097,382,703	11,485,773,659	107,089,927	(372,583,638)	20,317,662,651

**ASSESSED VALUATION by CATEGORIES**  
 (Total Secured and Unsecured)  
 Fiscal Year Ended June 30, 2011

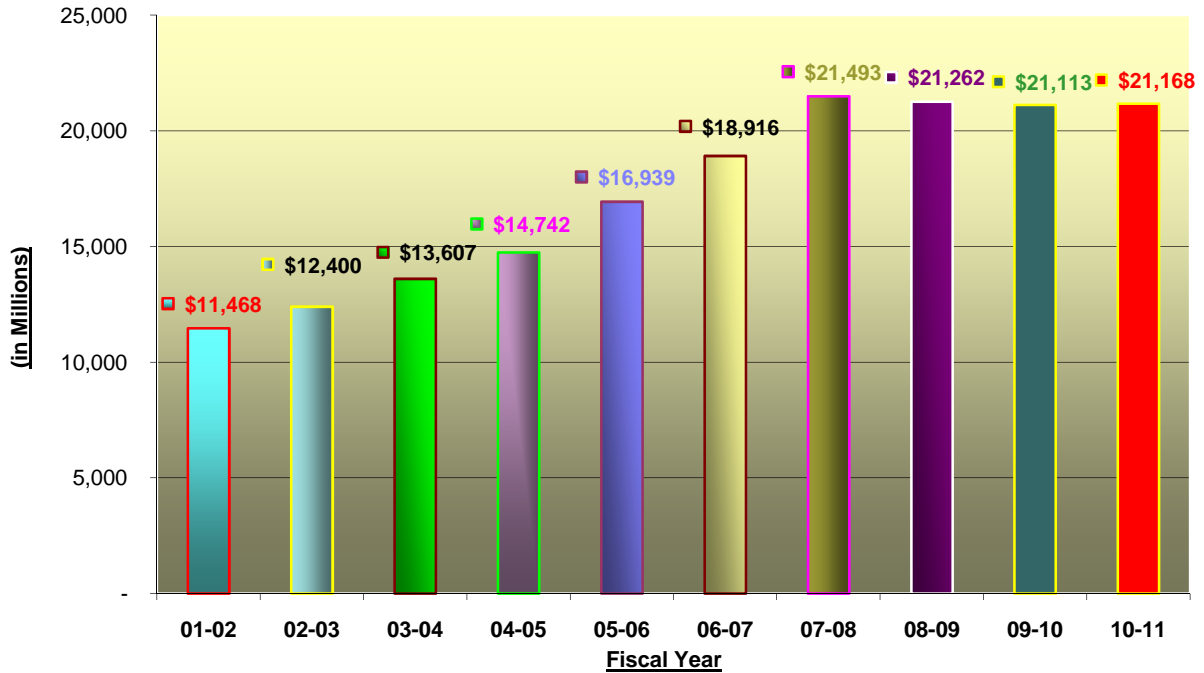


Note:

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

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					
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
346,874,191	553,829,644	(13,331,377)	887,372,458	21,457,647,247	21,113,942,935	-0.70%	0.07432%	223,277,279
314,286,482	548,430,090	(15,137,342)	847,579,230	21,526,384,928	21,168,938,632	0.26%	0.07392%	220,496,294

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



(2) Direct Rate includes Redevelopment Agency areas.

# City of Santa Clarita

## Redevelopment Agency <sup>(1)</sup>

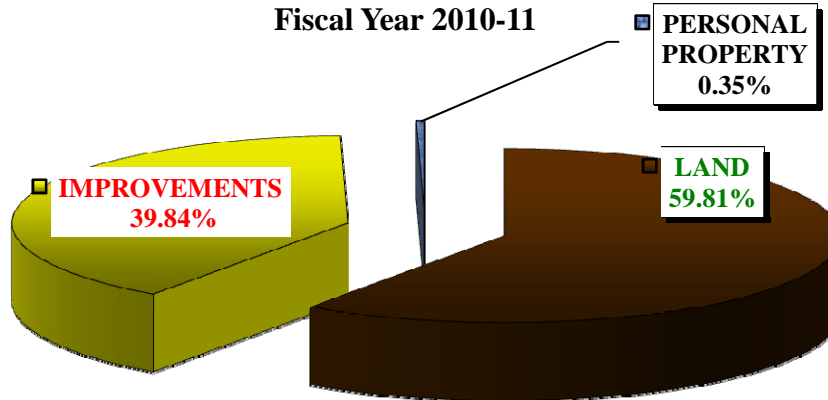
### Assessed Valuation (2) and Actual Value of Taxable Property Last Ten Fiscal Years

FISCAL YEAR	STATE ASSESSED				LOCALLY ASSESSED			
	SECURED (UTILITY)				SECURED			
	LAND	IMPROVEMENTS	PERSONAL PROPERTY	TOTAL	LAND	IMPROVEMENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS
2001-02	47,672	35,789	20,489	103,950	142,657,899	145,596,895	3,810,222	(2,524,574)
2002-03	45,897	34,458	19,726	100,081	149,325,297	149,506,716	5,028,543	(2,575,054)
2003-04	52,416	39,351	22,527	114,294	161,106,889	159,691,365	3,806,986	(4,148,124)
2004-05	65,404	49,101	28,109	142,614	180,810,905	166,935,237	2,314,234	(5,083,826)
2005-06	61,007	45,801	26,219	133,027	273,260,130	176,564,344	2,435,378	(4,859,824)
2006-07	50,158	37,657	21,558	109,373	295,792,467	185,299,271	2,545,972	(5,085,710)
2007-08	-	-	-	-	335,974,647	205,086,767	2,346,546	(4,630,171)
2008-09	-	-	-	-	348,100,511	217,393,278	2,064,527	(3,754,719)
2009-10	-	-	-	-	343,043,150	214,695,279	1,775,246	(3,779,814)
2010-11	-	-	-	-	319,869,014	213,093,295	1,850,279	(3,196,475)

### SECURED ASSESSED VALUATION

(before other exemptions)

Fiscal Year 2010-11

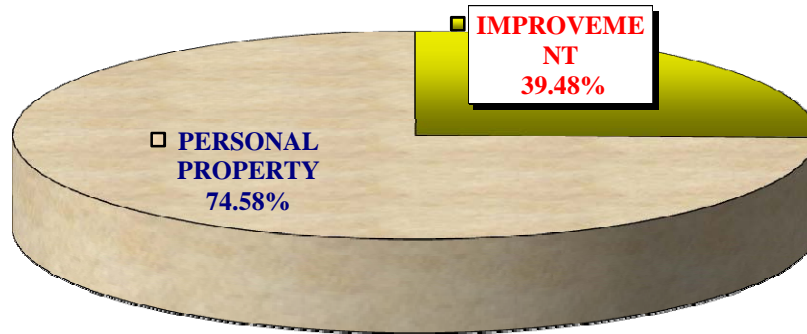


(1) -The Redevelopment Agency of the City of Santa Clarita was established on November 28, 1989, pursuant to the State of California Health and Safety Code, Section 33000. However, the Agency was not active until fiscal year 1998-99 and the Base Year was calculated in fiscal year 1996-97, which included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

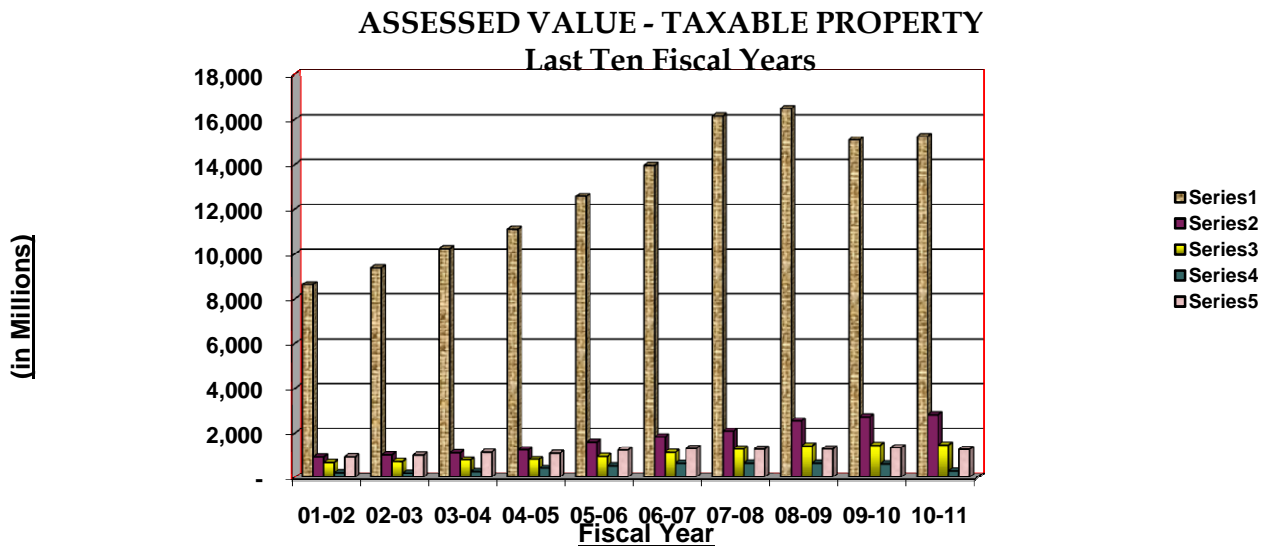
LOCALLY ASSESSED					TOTALS				
UNSECURED					TOTALS BEFORE BASE YEAR	BASE YEAR	TAXABLE ASSESSED VALUE	VALUE GROWTH	HOME- OWNER PROPERTY TAX RELIEF
TOTAL	IMPROVE- MENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL					
289,540,442	4,515,557	14,923,310	(15,000)	19,423,867	309,068,259	(266,351,517)	42,716,742	20,385,556	1,918,000
301,285,502	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
320,457,116	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
344,976,550	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
447,400,028	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
478,552,000	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
538,777,789	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
563,803,597	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
555,733,861	34,102,838	46,361,945	(84,500)	80,380,283	636,114,144	(266,351,517)	369,762,627	(15,821,204)	1,921,661
531,616,113	21,240,432	62,307,206	(84,500)	83,463,138	615,079,251	(266,351,517)	348,727,734	(21,034,893)	1,871,456

**UNSECURED ASSESSED VALUATION  
(before other Exemption)  
Fiscal Year 2010-11**



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

CATEGORY	FISCAL YEAR				
	10-11	09-10	08-09	07-08	06-07
Residential	\$ 15,239,936,469	\$ 15,093,632,637	\$ 16,491,425,500	\$ 16,165,919,271	\$ 13,962,275,972
Commercial	2,820,296,027	2,729,669,423	2,541,908,257	2,081,576,763	1,836,340,797
Industrial	1,463,696,151	1,451,053,867	1,420,480,569	1,293,080,539	1,148,469,489
Irrigated	3,004,749	3,630,743	3,559,558	3,489,768	29,374,674
Dry farm				-	49,088,244
Recreational	121,791,852	121,511,353	119,459,165	114,868,032	90,435,287
Institutional	127,363,481	125,868,861	136,418,924	130,907,129	94,705,673
Government	205,173	206,850	201,629	197,676	194,922
Miscellaneous	841,034	843,038		810,312	795,449
Vacant land	308,820,538	636,182,476	664,562,300	664,792,342	656,660,955
SBE Nonunitary	3,573,175	3,573,175	1,073,171	8,243,171	10,666,005
Possessory Int.	136,599,828	150,671,347	158,723,783	239,115,623	222,654,730
Unsecured	887,372,458	944,836,476	871,039,834	790,596,511	730,697,804
Unknown					83,525,492
<b>TOTALS:</b>	<b>\$ 21,113,500,935</b>	<b>\$ 21,261,680,246</b>	<b>\$ 22,408,852,690</b>	<b>\$ 21,493,597,137</b>	<b>\$ 18,915,885,493</b>



Source: HdL Coren & Cone, Los Angeles County Assessor 2010/11 Combined Tax Rolls.



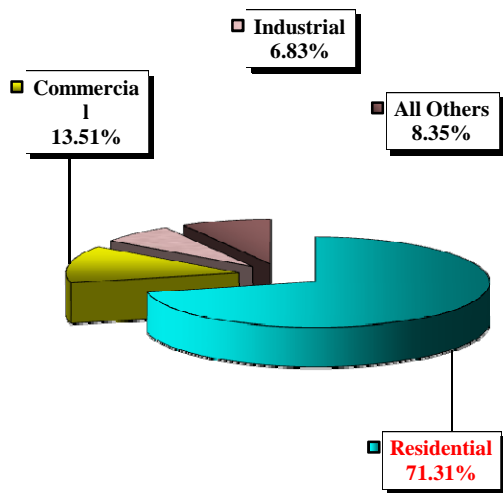
FISCAL YEAR					
05-06	04-05	03-04	02-03	01-02	
\$ 12,569,640,999	\$ 11,097,987,787	\$ 10,221,634,945	\$ 9,373,657,630	\$ 8,630,320,972	
1,588,835,810	1,258,389,787	1,132,585,601	1,043,922,879	955,529,671	
980,395,598	833,455,573	817,508,597	735,063,812	693,214,978	
28,272,540	4,351,050	3,962,743	3,933,315	5,798,245	
48,512,253	45,145,241	43,542,990	29,655,961	34,074,195	
94,916,719	84,727,948	94,694,674	60,212,317	46,322,531	
91,312,643	80,606,769	113,908,577	102,142,853	82,619,342	
190,000	-	493,814	484,173	474,673	
779,859	764,577	667,091	7,591,441	2,697,123	
554,551,820	440,215,418	280,744,871	212,233,528	228,265,224	
13,172,185	16,768,755	49,476,597	3,238,345	3,273,698	
205,526,182	201,323,600	153,302,360	109,259,714	75,116,757	
659,990,996	641,526,760	664,760,834	703,858,024	679,574,673	
103,303,882	36,994,610	29,585,002	14,846,193	30,278,643	
<b>\$ 16,939,401,486</b>	<b>\$ 14,742,257,875</b>	<b>\$ 13,606,868,696</b>	<b>\$ 12,400,100,185</b>	<b>\$ 11,467,560,725</b>	

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.

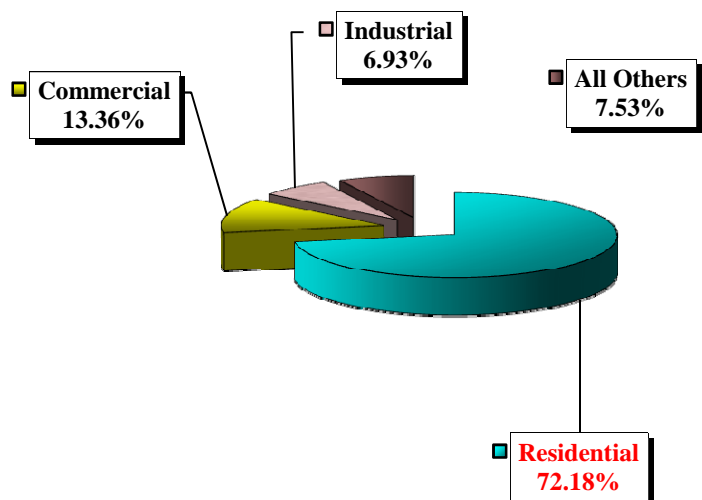
**City of Santa Clarita**  
**Assessed Value- Use Category Summary**  
**Fiscal Year 2010-11**

CATEGORY	PARCELS	ASSESSED			NET TAXABLE		
		VALUE	PERCENT	EXEMPTIONS	VALUE	PERCENT	
Residential	51,487	\$ 15,300,624,219	71.31%	\$ 60,687,750	\$ 15,239,936,469	72.181%	
Commercial	906	2,897,981,195	13.51%	77,685,168	2,820,296,027	13.358%	
Industrial	688	1,466,312,197	6.83%	2,616,046	1,463,696,151	6.933%	
Irrigated	6	3,004,749	0.01%	-	3,004,749	0.014%	
Recreational	34	124,589,872	0.58%	2,798,020	121,791,852	0.577%	
Institutional	89	312,458,712	1.46%	185,095,231	127,363,481	0.603%	
Government	5	206,358	0.001%	1,185	205,173	0.001%	
Miscellaneous	10	841,034	0.004%	-	841,034	0.004%	
Vacant land	782	308,827,730	1.44%	7,192	308,820,538	1.463%	
SBE Nonunitary	(12)	3,573,175	0.02%	-	3,573,175	0.017%	
Possessory Int.	(2,134)	138,082,171	0.64%	1,482,343	136,599,828	0.647%	
Unsecured	(6,593)	900,703,835	4.20%	13,331,377	887,372,458	4.203%	
Unknown							
<b>TOTALS:</b>	<b>54,007</b>	<b>\$ 21,457,205,247</b>	<b>100.00%</b>	<b>\$ 343,704,312</b>	<b>\$ 21,113,500,935</b>	<b>100.000%</b>	

**ASSESSED VALUE by USE CATEGORY**  
**Fiscal Year 2010-11**



**NET TAXABLE VALUE by USE CATEGORY**  
**Fiscal Year 2010-11**

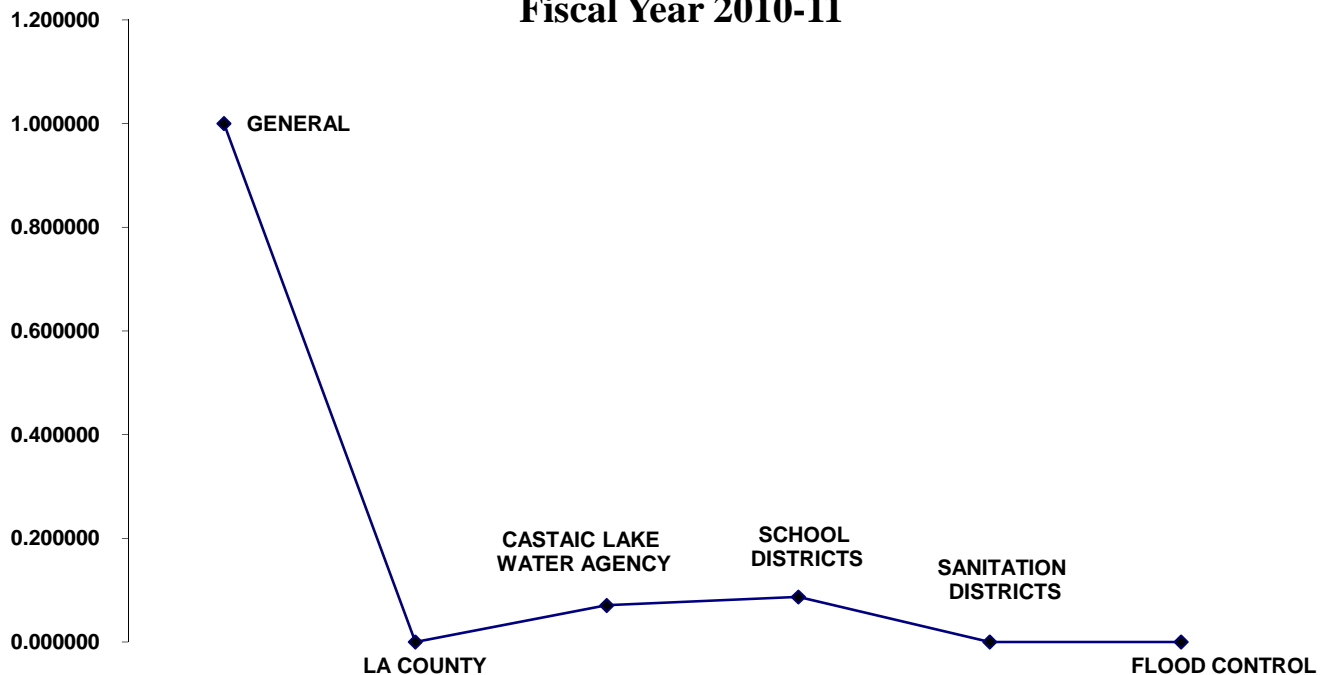


Source: HdL Coren & Cone, Los Angeles County Assessor 2010/11 Combined Tax Rolls.

**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
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
2009-10	1.000000	0.000000	0.060750	0.089815	0.000000	0.000000	1.150565
2010-11	1.000000	0.000000	0.070600	0.086830	0.000000	0.000000	1.157430

**DIRECT and OVERLAPPING PROPERTY TAX RATES**  
**Fiscal Year 2010-11**



**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
	City Share of 1%			Prop. 13 plus applicable voter approved debt	
Roll Year	per Prop. 13	Debt Rates	Total City Rates		
2010-11	0.099110	0.000000	0.099110	1.07060%	0.07392%

Agency	2010-11
City of Santa Clarita Tax District 1 (249.01)	0.05730
Castaic Lake Water Agency (302.01)	0.05780
Children's Institutional Tuition Fund (400.21)	0.00283
Consolidated Fire Protection District of LA Co. (007.30)	0.16340
County School Service Fund Newhall (581.06)	0.00801
County School Service Hart William S. Hart (757.06)	0.00034
County School Services (400.15)	0.00143
Development Center Handicapped Minor Newhall (581.07)	0.00088
Educational Augmentation Fund Impound (400.01)	0.13380
Educational Revenue Augmentation Fund(ERAF) (400.00)	0.08260
Greater LA Co. Vector Control (061.80)	0.00032
LA County Library (003.01)	0.02360
LA County Fire - Ffw (007.31)	0.00323
LA County Flood Control Improvement District (030.10)	0.00176
LA County Flood Control Maintenance (030.70)	0.00996
LA County General (001.05)	0.14050
LA County Accum Cap Outlay (001.20)	0.00009
Newhall Scholl District (581.01)	0.08350
Santa Clarita Community College (814.04)	0.03740
Santa Clarita Street Light Maintenance #2 (249.32)	0.02250
Santa Clarita Valley Sanitation Dist. La Co.	0.02500
Valencia Areawide Landscape T1A S.C.	0.01924
William S. Hart Elementary School Fund (757.07)	0.04290
William S. Hart Union High (757.02)	0.08150
<b>Total Prop. 13 Rate:</b>	<b>1.00000</b>

**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)	0.07060
William S. Hart Un.Hsd Debt Services (757.51)	0.01126
Newhall Elementary School District Debt Services 1999 Ser. B (581.53)	0.02019
Newhall Elementary School District Debt Services 1999 Ser. A (581.52)	0.01357
Santa Clarita Community College Debt Services 2001 Ser. 2005 (814.54)	0.00648
Santa Clarita Community College Debt Services 2006 Ser. 2007 (814.55)	0.00675
Santa Clarita Community College Debt Services 2005 Refunding Bonds (814.53)	0.00421
Santa Clarita Community College Debt Services 2001 Ser. 2003 (814.52)	0.00292
Santa Clarita Community College Debt Services 2001 Ser. 2002 (814.51)	0.00080
William S. Hart Unified Debt Services 2001 Ser. B (757.52)	0.01545
William S. Hart Unified Debt Services 2008 Ser. A (757.53)	0.00521
<b>Total Tax Rate</b>	<b>0.15743</b>

Source: HdL Coren & Cone, Los Angeles County Assessor 2010/11 Tax Rate Table

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

OWNER/TAXPAYER	FISCAL YEAR 2010-11			FISCAL YEAR 2009-10		
	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	19	\$ 311,406,350	1.47 %	34	\$ 305,092,765	1.45 %
VTC Business Center	10	152,985,350	0.72	10	152,997,448	0.72
EQR Valencia LLC	218	94,754,176	0.45	218	94,981,666	0.45
Casden Santa Clarita LLC	25	80,989,935	0.38	25	81,182,347	0.38
Walmart Real Estate Business Trust	9	75,681,373	0.36	9	76,315,398	0.36
Rreef America Reit II Corporation	2	75,552,864	0.36	2	75,547,858	0.36
Prado Town Center West LLC	263	72,078,250	0.34	264	72,547,938	0.34
Time Warner NY Cable LLC	12	72,006,584	0.34			
DSEA River Oaks LLC	7	54,889,561	0.26			
ERP Operating LP	3	54,459,300	0.26			
C-Native Exchange I LLC Time Warner			0.00	12	79,450,107	0.38
Gateway Village			0.00	1	62,100,000	0.29
PK I Granary Square LP			0.00	3	60,740,698	0.29
<b>Total</b>	<b>568</b>	<b>1,044,803,743</b>	<b>4.95 %</b>		<b>1,060,956,225</b>	<b>5.03 %</b>
<b>All Others</b>		<b>20,068,697,192</b>	<b>95.05</b>		<b>21,348,722,978</b>	<b>95.27</b>
<b>Total Assessed Valuation</b>		<b>\$ 21,113,500,935</b>	<b>100.00 %</b>		<b>\$ 22,409,679,203</b>	<b>100.29 %</b>

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.

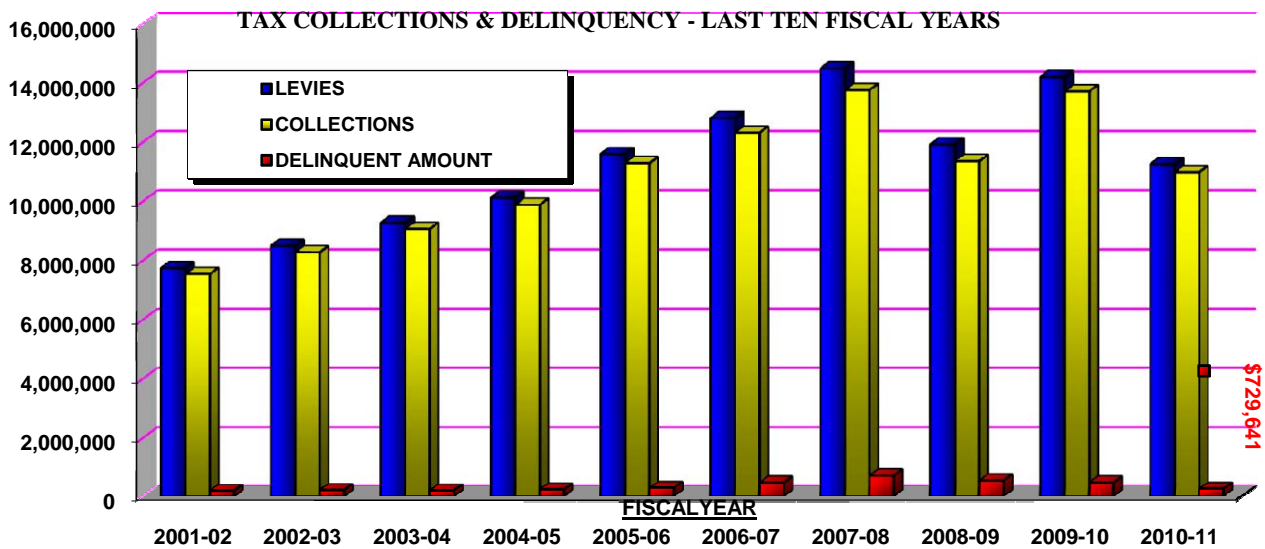


# City of Santa Clarita

## Property Tax Levies, Tax Collections, and Delinquency

### Last Ten Fiscal Years

FISCAL YEAR	TAXES LEVIED	COLLECTIONS	DELINQUENT AMOUNT	PERCENT DELINQUENCY
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%
2009-10	14,202,626	13,711,940	490,686	3.45%
2010-11	11,254,346	10,982,028	272,318	2.42%



NOTES:

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

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	BONDS (2)	TAX ALLOCATION		CAPITAL	
	OF PARTICIPATION (1)	(3)	LOANS			BONDS (4) (5)		LEASES	TOTAL
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
2009-10	13,760,000	15,525,000	2,017,793	-	13,075,000	29,460,000	8,730,000	1,624	82,569,417
2010-11	12,700,000	15,525,000	1,413,786	-	12,805,000	29,040,000	8,605,000	-	80,088,786

NOTES:

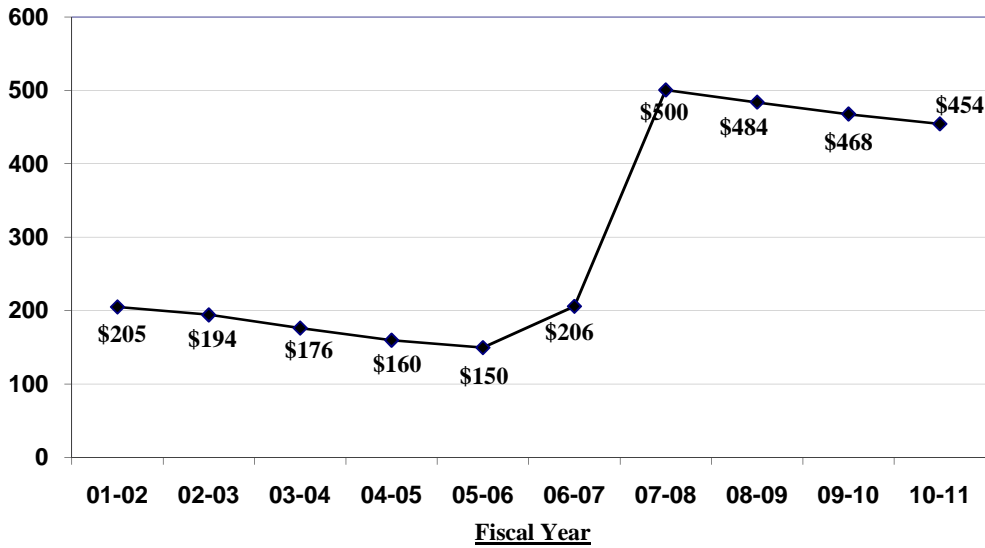
- (1) In 1991 the Santa Clarita Public Financing Authority issued \$22,940,000 aggregate principal amount of Local Agency (Redevelopment) Revenue Bonds Series 1991. Simultaneously with the receipt of the Bond proceeds, the Authority acquired \$22,940,000 Certificates of Participation issued by the Santa 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				
-	3,897,133	3,897,133	32,440,035	0.28%	204.94	4%
-	3,088,996	3,088,996	31,634,189	0.26%	194.22	4%
-	2,236,624	2,236,624	29,048,727	0.21%	176.14	3%
-	1,919,312	1,919,312	26,671,302	0.18%	159.75	3%
-	1,586,319	1,586,319	25,037,643	0.15%	149.56	2%
-	1,236,869	1,236,869	36,146,477	0.19%	205.76	3%
-	870,149	870,149	88,087,559	0.41%	500.41	6%
-	485,304	485,304	85,675,581	0.40%	483.63	5%
-	248,304	248,304	82,817,721	0.39%	467.50	5%
-	-	-	80,088,786	0.38%	454.22	5%

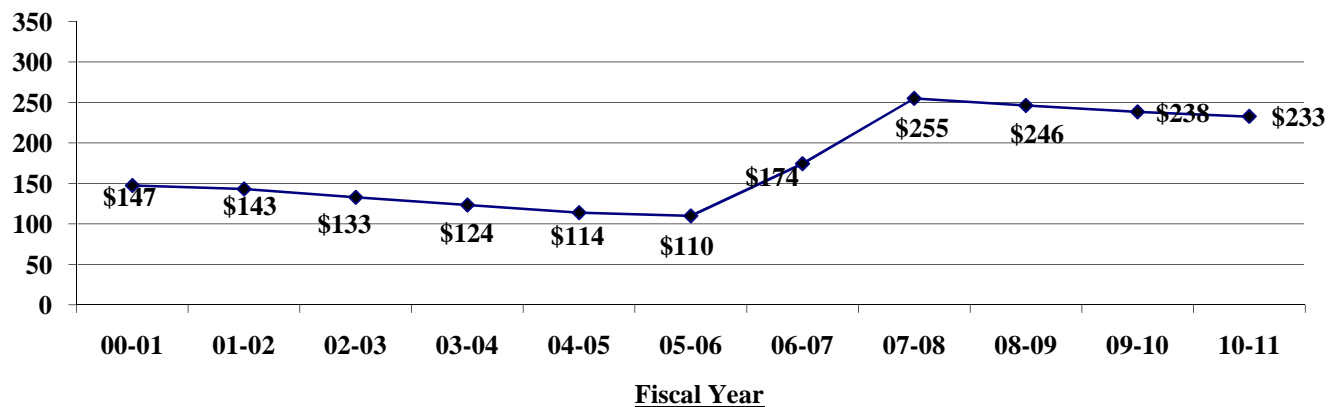
**OUTSTANDING DEBT per CAPITA  
Last Ten Fiscal Years**



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

FISCAL YEAR	POPULATION (1)	REVENUE BONDS	CERTIFICATES of PARTICIPATION	TOTAL	PERCENTAGE of TAXABLE ASSESSED DEBT PER CAPITA	
					VALUE	CAPITA
2000-01	155,124	-	22,870,000	22,870,000	0.23%	147
2001-02	158,289	-	22,675,000	22,675,000	0.21%	143
2002-03	162,875	-	21,640,000	21,640,000	0.19%	133
2003-04	164,916	-	20,375,000	20,375,000	0.16%	124
2004-05	166,958	-	19,030,000	19,030,000	0.14%	114
2005-06	167,412	-	18,410,000	18,410,000	0.12%	110
2006-07	175,676	13,893,228	16,760,000	30,653,228	0.18%	174
2007-08	176,030	13,575,000	31,315,000	44,890,000	0.24%	255
2008-09	177,150	13,330,000	30,315,000	43,645,000	0.20%	246
2009-10	177,641	13,075,000	29,285,000	42,360,000	0.20%	238
2010-11	176,320	12,805,000	28,225,000	41,030,000	0.19%	233

**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, 2011

2010-11 Assessed Valuation: \$21,113,942,935 (Net of Redevelopment Agency

Incremental Value of \$370,540,995

2010-11 Population: 176,320

	Total Debt 06/30/2011	Percent Applicable To City (1)	City's Share of Debt 06/30/2011
<b>OVERLAPPING TAX AND OVERLAPPING BONDED DEBT:</b>			
Los Angeles County Flood Control District	\$ 53,795,000	2.282 %	\$ 1,227,602
Santa Clarita Community College District	143,643,269	62.086	89,182,360
William S. Hart Union High School District	245,090,872	62.076	152,142,610
William S. Hart Union High School District - Community Facilities District No. 87-1	1,915,000	100.000	1,915,000
William S. Hart Union High School District - Community Facilities District No. 89-1	590,000	100.000	590,000
William S. Hart Union High School District - Community Facilities District No. 90-1	645,000	100.000	645,000
Los Angeles County Community College and Unified School Districts	15,132,995,000	0.00002	3,026
Castaic Union School District	8,501,013	26.786	2,277,081
Newhall School District	27,255,000	57.511	15,674,623
Saugus Union School District	49,006,256	73.921	36,225,914
Saugus Union School District Community Facilities District No. 2006-2, Improvement Area No. 1	7,785,000	100.000	7,785,000
Sulphur Springs Union School District	7,418,941	71.863	5,331,474
<b>City of Santa Clarita Open Space and Parkland Assessment District</b>	<b>15,525,000</b>	<b>100.000</b>	<b>15,525,000</b>
City of Santa Clarita Community Facilities District No. 2002-1	16,830,000	100.000	16,830,000
City of Santa Clarita 1915 Act Bonds	985,000	100.000	985,000
Los Angeles County Regional Park and Open Space Assessment District	197,285,000	2.269	4,476,397
Total Overlapping Tax and Assessment Debt			<u>350,816,087</u>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Los Angeles County General Fund Obligations	1,496,977,755	2.269 %	33,966,425
Los Angeles County Superintendent of Schools - Certificates of Participation	12,204,890	2.269	276,929
Los Angeles County Sanitation District No. 23 Authority	3,641,568	0.164	5,972
Los Angeles County Sanitation District No. 32 Authority	32,741,598	64.320	21,059,396
Santa Clarita Community College District - Certificates of Participation	34,555,000	62.086	21,453,817
William S. Hart Union High School District - Certificates of Participation	6,000,000	62.076	3,724,560
Castaic Union School District - Certificates of Participation	4,180,000	26.786	1,119,655
Newhall School District - Certificates of Participation	3,840,000	57.511	2,208,422
Saugus Union School District - Certificates of Participation	29,015,000	73.921	21,448,178
Sulphur Springs Union School District - Certificates of Participation	24,427,492	71.863	17,554,329
Los Angeles Unified School District - Certificates of Participation	492,042,567	0.00002	98
Total Overlapping General Fund Debt			<u>122,817,781</u>
<b>City of Santa Clarita - Certificates of Participation</b>	<b>25,505,000</b>	<b>100.000</b>	<b>25,505,000</b>
Total Direct General Fund Debt			<u>25,505,000</u>
Total Direct and Overlapping General Fund Debt			148,322,781
Less: Los Angeles County General Fund Obligations supported by landfill revenues			404,005
<b>COMBINED GROSS TOTAL DEBT</b>			<u><b>\$ 498,734,863 (2)</b></u>

- (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 2010-11 Assessed Valuation</u>		<u>Per Capita</u>
Total Overlapping Tax and Assessment Debt.....	1.66%	\$1,989.66
<u>Ratios to Adjusted 2010-11 Assessed Valuation</u>		
Combined Direct Debt (\$41,030,000).....	0.20%	232.70
Combined Gross Total Debt.....	2.40%	\$2,828.58

**STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/2011: \$0**

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

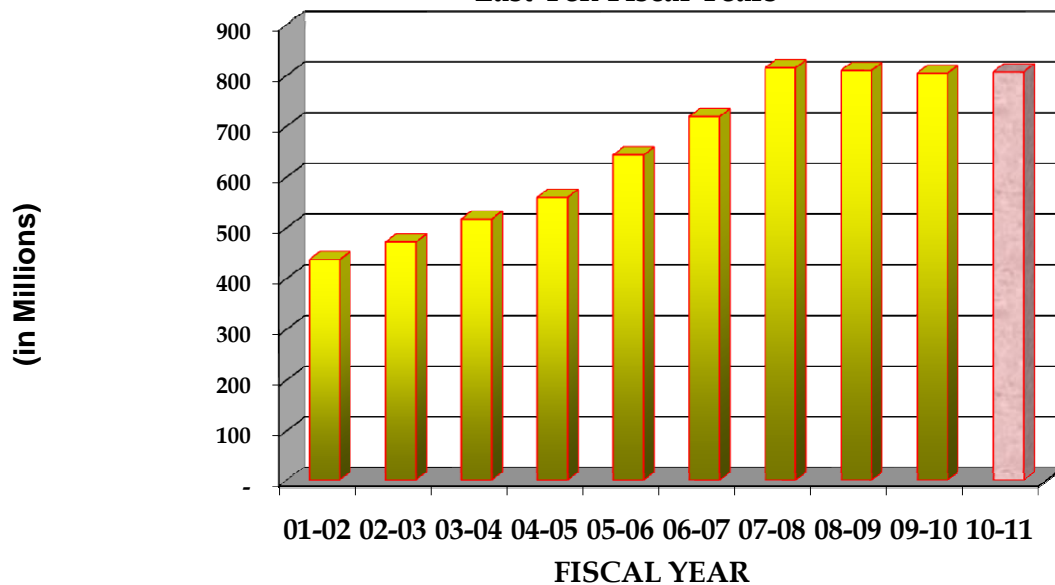
	FISCAL YEAR			
	10-11	09-10	08-09	07-08
Assessed valuation	\$ 21,526,384,928	\$ 21,457,647,247	\$ 21,600,880,848	\$ 21,740,884,855
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	5,381,596,232	5,364,411,812	5,400,220,212	5,435,221,214
Debt limit percentage	15%	15%	15%	15%
Debt limit	807,239,435	804,661,772	810,033,032	815,283,182
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	\$ 807,239,435	\$ 804,661,772	\$ 810,033,032	\$ 815,283,182
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					
06-07	05-06	04-05	03-04	02-03	01-02
\$ 19,177,131,442	\$ 17,160,386,817	\$ 14,937,115,985	\$ 13,795,632,501	\$ 12,583,305,723	\$ 11,656,956,307
25%	25%	25%	25%	25%	25%
4,794,282,861	4,290,096,704	3,734,278,996	3,448,908,125	3,145,826,431	2,914,239,077
15%	15%	15%	15%	15%	15%
719,142,429	643,514,506	560,141,849	517,336,219	471,873,965	437,135,862
-	-	-	-	-	-
\$ 719,142,429	\$ 643,514,506	\$ 560,141,849	\$ 517,336,219	\$ 471,873,965	\$ 437,135,862
0%	0%	0%	0%	0%	0%

### LEGAL DEBT MARGIN Last Ten Fiscal Years



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

Fiscal Year	TRANSIT					
	TRANSIT REVENUES (1)	LESS OPERATING EXPENSES (2)	NET AVAILABLE REVENUES	DEBT SERVICE		COVERAGE
				Principal	Interest	
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%
2009-10	21,179,438	23,525,855	(2,346,417)	236,999	23,149	1.23%
2010-11	32,507,582	24,270,533	8,237,048	248,304	11,844	0.80%

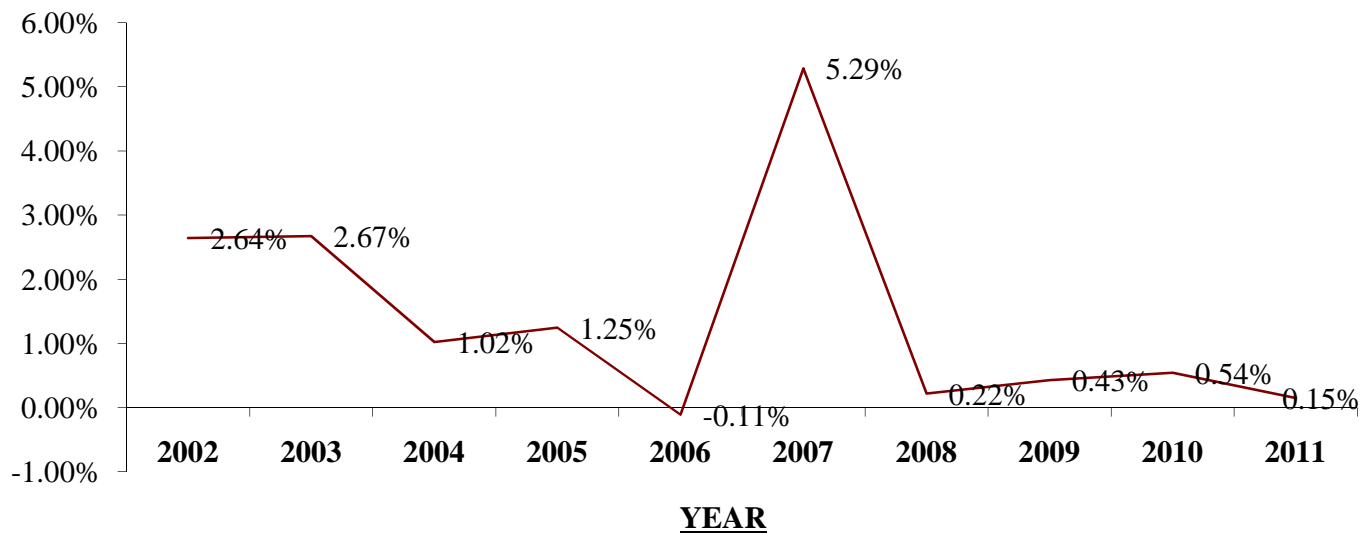
NOTE: (1) Includes Other revenues, Transfers-in, and Capital contributions  
(2) Includes Transfers-out and Other expenses

# City of Santa Clarita

## Demographic and Economic Statistics

### Last Ten Calendar Years

YEAR	CITY OF SANTA CLARITA POPULATION (1)	AVERAGE ANNUAL PERCENTAGE INCREASE	LOS ANGELES COUNTY POPULATION (1)	AVERAGE ANNUAL PERCENTAGE INCREASE	PER CAPITA PERSONAL INCOME (2)	TOTAL PERSONAL INCOME (2)	UNEMPLOYMENT RATE (3)
2002	157,536	2.64%	9,679,212	0.93%	30,828	311,367,020	6.80%
2003	161,744	2.67%	9,756,914	0.80%	31,452	322,272,131	7.00%
2004	163,396	1.02%	9,806,944	0.51%	33,179	338,209,805	6.50%
2005	165,431	1.25%	9,816,153	0.09%	35,188	357,193,633	5.30%
2006	165,243	-0.11%	9,798,609	-0.18%	36,917	385,732,651	4.20%
2007	173,979	5.29%	9,780,808	-0.18%	39,066	402,107,608	2.70%
2008	174,355	0.22%	9,785,474	0.05%	44,727	567,707,000	4.70%
2009	175,103	0.43%	9,801,096	0.16%	43,119	550,832,000	7.70%
2010	176,056	0.54%	9,822,121	0.21%	43,999	565,365,000	7.70%
2011	176,320	0.15%	9,818,605	-0.04%	N/A	N/A	7.60%



Sources: (1) State of California, Finance Department, as of 4/1/2010

(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)

**City of Santa Clarita**  
**Principal Employers <sup>(1)</sup>**  
**Current Fiscal Year and Three Fiscal Years Ago**

EMPLOYER	2011*		2008	
	NUMBER of EMPLOYEES	PERCENT of TOTAL EMPLOYMENT	NUMBER of EMPLOYEES	PERCENT of TOTAL EMPLOYMENT
Six Flag Magic Mountain	2,230	9.16%	3,689	13.34%
Princess Cruises	1,625	6.67%	2,100	7.60%
Henry Mayo Newhall Memorial Hospital	1,356	5.57%	1,212	4.38%
Quest Diagnostics (formerly Speciality Laboratories)	850	3.49%	725	2.62%
The Master's College	841	3.45%	755	2.73%
Woodward HRT (formerly HR Textron)	740	3.04%	845	3.06%
Walmart	592	2.43%	n/a	n/a
California Institute of Arts	525	2.16%	500	n/a
Pharmavite	480	1.97%	n/a	n/a
Aerospace Dynamics	470	1.93%	450	1.63%
<b>Total</b>	<b>9,709</b>	<b>39.87%</b>	<b>10,276</b>	<b>35.36%</b>
<b>All Others</b>	<b>14,644</b>	<b>60.13%</b>	<b>17,371</b>	<b>62.83%</b>
<b>(1) Largest firms</b>	<b>24,353</b>	<b>100.00%</b>	<b>27,647</b>	<b>98.19%</b>

\* As of April 2011

NOTE: (1) Non-governmental employers

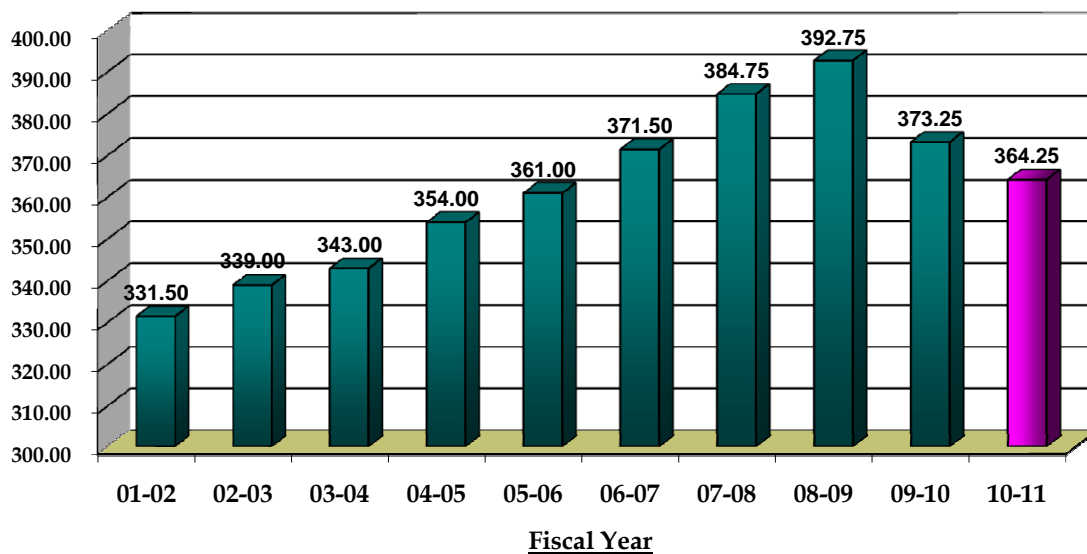
Source: 2011 Santa Clarita Valley - Real Estate and Economic Outlook



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

Function	FISCAL YEAR									
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
General government	85.75	89.75	95.75	91.75	86.00	96.00	79.00	78.00	78.00	75.00
Public safety (1)	-	-	-	-	-	-	-	-	-	-
Public works	127.00	128.00	135.50	136.50	133.50	115.00	146.00	138.00	150.00	150.50
Community development	33.00	33.00	36.00	35.00	33.00	36.00	20.00	20.00	20.00	19.00
Parks and Recreation	106.50	110.50	111.50	110.50	108.00	106.00	101.00	99.00	84.00	80.00
Transit	12.00	12.00	14.00	11.00	11.00	8.00	8.00	8.00	7.00	7.00
<b>Totals</b>	<b>364.25</b>	<b>373.25</b>	<b>392.75</b>	<b>384.75</b>	<b>371.50</b>	<b>361.00</b>	<b>354.00</b>	<b>343.00</b>	<b>339.00</b>	<b>331.50</b>

**CITY OF SANTA CLARITA - EMPLOYEES**  
**Last Ten Fiscal Years**



(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									
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
Police:										
Parking citation issued (1)	6,577	5,114	4,126	5,257	4,587	6,042	5,960	5,040	3,893	3,674
Parking revenue collected	\$ 323,408	\$ 238,478	\$ 235,634	\$ 288,076	\$ 334,927	\$ 27,257	\$ 10,427	\$ 10,324	\$ 7,011	\$ 6,239
Public works:										
Street resurfacing (miles)	24.0	33.8	14.0	15.4	15.4	16.5	12.5	7.5	6.5	6.5
Parks and Recreation:										
Number of recreation classes	2,080	2,447	2,284	2,393	2,535	2,357	2,443	2,469	2,267	1,929
Number of facility rentals (times)	10,754	10,239	9,801	9,767	19,645	19,435	17,739	15,005	12,765	11,505
Transit:										
Number of customers served (2)	3,724,490	3,922,052	4,210,842	3,821,299	3,733,299	3,718,640	3,527,000	3,429,913	3,006,739	2,991,605

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									
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
Public works:										
Streets (miles)	496	496	496	496	496	496	462	462	452	452
Street lights (1)	14,963	14,939	14,739	14,429	14,000	13,200	13,000	12,000	12,000	11,647
Traffic signals (City Jurisdiction)	170	166	172	176	166	167	165	158	151	141
Traffic signals (Joint-Jurisdiction)	1	6	5	4	4	5	5	4	2	2
Parks and recreation:										
Number of parks	23	20	20	20	19	18	17	16	16	15
Community centers	1	1	1	1	1	1	-	-	-	-
Transit:										
Stations	4	4	4	4	4	4	4	4	4	4

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 (762) 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.

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

**City of Santa Clarita**  
**Ranking on Effective Buying Income (EBI)**  
**Based on Household EBI, Per Capital EBI, and Total Market Value**

Rank	City	Household EBI	Rank	City	Per Capita EBI	Rank	City	Total Market Value
1	Saratoga	285	1	Malibu	296	1	San Jose	124,288,184
2	Manhattan Beach	225	2	Saratoga	291	2	Sunnyvale	24,725,257
3	Malibu	219	3	Manhattan Beach	290	3	Carlsbad	24,400,000
4	Lafayette	216	4	Mill Vy	287	4	Santa Clarita	21,768,416
5	San Ramon	209	5	Del Mar	285	5	Santa Monica	21,122,724
6	Yorba Linda	202	6	Beverly Hills	277	6	Palo Alto	18,922,488
7	Mill Valley	200	7	Laguna Beach	261	7	Pasadena	18,812,937
8	Del Mar	192	8	Lafayette	250	8	Beverly Hills	18,198,107
9	Palo Alto	190	9	Palo Alto	245	9	San Ramon	14,992,249
10	Mission Viejo	179	10	Santa Monica	212	10	Mountain View	14,216,170
11	Laguna Beach	173	11	San Ramon	201	11	Mission Viejo	13,246,125
12	Beverly Hills	170	12	West Hollywood	191	12	Yorba Linda	10,904,681
13	Carlsbad	164	13	Carlsbad	179	13	Manhattan Beach	10,861,361
14	Sunnyvale	164	14	Mountain View	173	14	Camarillo	9,964,062
15	Fountain Valley	163	15	Yorba Linda	168	15	Laguna Beach	9,752,455
16	Cerritos	162	16	Sunnyvale	161	16	Malibu	9,295,365
17	Santa Clarita	159	17	Mission Viejo	153	17	Saratoga	8,755,510
18	San Jose	152	18	Campbell	150	18	West Hollywood	7,245,875
19	Mountain View	151	19	Camarillo	142	19	Cerritos	6,824,297
20	Camarillo	149	20	Pasadena	132	20	Fountain Valley	6,594,781
21	Campbell	147	21	Santa Clarita	128	21	Campbell	5,983,519
22	Santa Monica	123	22	Fountain Valley	122	22	Lafayette	5,373,902
23	Pasadena	112	23	San Jose	117	23	Mill Vy	3,579,870
24	West Hollywood	101	24	Cerritos	114	24	Del Mar	2,332,913

Note: Santa Clarita Standard & Poor's credit rating = AA+, all other municipalities rated AAA.

Source: Standard & Poor's 2009 AAA Municipalities

**City of Santa Clarita**  
**Ranking on Per Capita Market Value**  
**General Fund Balance %, & Unreserved Fund Balance%**

Rank	City	Per Capita Market Value	Rank	City	Gen Fund Bal %	Rank	City	Unreserved Fund Bal %
1	Malibu	681,878	1	Cerritos	235.40	1	Lafayette	176.00
2	Beverly Hills	508,284	2	Lafayette	176.00	2	Yorba Linda	132.20
3	Del Mar	464,664	3	Yorba Linda	168.10	3	West Hollywood	131.30
4	Laguna Beach	383,764	4	West Hollywood	151.80	4	Fountain Valley	118.70
5	Palo Alto	298,617	5	Camarillo	150.90	5	Cerritos	107.10
6	Manhattan Beach	286,451	6	Mountain View	123.20	6	Malibu	105.00
7	Saratoga	271,001	7	Fountain Valley	120.00	7	Camarillo	101.40
8	Mill Vy	265,746	8	Carlsbad	119.10	8	San Ramon	101.20
9	San Ramon	244,821	9	Malibu	106.20	9	Mountain View	95.40
10	Carlsbad	235,043	10	San Ramon	103.00	10	Campbell	81.40
11	Santa Monica	233,171	11	Sunnyvale	100.70	11	Sunnyvale	75.10
12	Lafayette	215,154	12	<b>Santa Clarita</b>	<b>94.52</b>	12	Carlsbad	63.50
13	West Hollywood	194,714	13	Campbell	85.00	13	Saratoga	60.10
14	Mountain View	192,287	14	Beverly Hills	64.10	14	Beverly Hills	51.30
15	Sunnyvale	179,770	15	Santa Monica	62.00	15	Mission Viejo	48.40
16	Yorba Linda	161,097	16	Saratoga	60.60	16	<b>Santa Clarita</b>	<b>44.56</b>
17	Campbell	154,617	17	Mission Viejo	58.60	17	Laguna Beach	40.90
18	Camarillo	154,573	18	Laguna Beach	54.20	18	Mill Vy	33.30
19	Mission Viejo	138,003	19	San Jose	39.60	19	Pasadena	32.90
20	Cerritos	130,995	20	Pasadena	36.90	20	San Jose	32.70
21	Pasadena	126,657	21	Palo Alto	36.70	21	Manhattan Beach	30.60
22	San Jose	126,142	22	Mill Vy	35.90	22	Santa Monica	28.20
23	<b>Santa Clarita</b>	<b>125,359</b>	23	Manhattan Beach	34.00	23	Palo Alto	27.10
24	Fountain Valley	116,150	24	Del Mar	25.10	24	Del Mar	24.10

Note: Santa Clarita Standard & Poor's credit rating = AA+, all other municipalities rated AAA.

Source: Standard & Poor's 2009 AAA Municipalities

# City of Santa Clarita

## Ranking on Total Direct Debt, Overall Debt %, & Overall Debt Per Capita

Rank	City	Total Direct Debt (Mil. \$)	Rank	City	Overall Debt % Market Value	Rank	City	Overall Debt Per Capita
1	Del Mar	4,493	1	Laguna Beach	0.10	1	Laguna Beach	258
2	Laguna Beach	6,130	2	Mill Vy	0.50	2	Mill Vy	1,185
3	Saratoga	13,890	3	Del Mar	0.60	3	Mission Viejo	1,859
4	Mill Vy	15,957	4	Manhattan Beach	0.70	4	Manhattan Beach	1,960
5	Malibu	18,271	5	Mission Viejo	1.40	5	Camarillo	2,110
6	Carlsbad	18,540	6	Camarillo	1.40	6	Fountain Valley	2,264
7	West Hollywood	20,725	7	Carlsbad	1.70	7	Del Mar	2,874
8	Lafayette	26,160	8	Lafayette	1.90	8	<b>Santa Clarita</b>	<b>3,064</b>
9	Sunnyvale	44,745	9	Malibu	1.90	9	Lafayette	3,824
10	Manhattan Beach	45,120	10	Fountain Valley	2.00	10	San Jose	3,959
11	Fountain Valley	45,628	11	Palo Alto	2.00	11	Campbell	3,984
12	Campbell	46,985	12	Santa Monica	2.20	12	Carlsbad	4,092
13	Palo Alto	55,768	13	Saratoga	2.40	13	Yorba Linda	4,132
14	Mission Viejo	56,112	14	<b>Santa Clarita</b>	<b>2.48</b>	14	Cerritos	4,343
15	Mountain View	80,255	15	Mountain View	2.50	15	Sunnyvale	4,580
16	Camarillo	80,513	16	San Ramon	2.50	16	Mountain View	4,836
17	Yorba Linda	80,939	17	Campbell	2.60	17	Santa Monica	5,028
18	<b>Santa Clarita</b>	<b>88,088</b>	18	Yorba Linda	2.60	18	West Hollywood	5,134
19	San Ramon	103,262	19	Sunnyvale	2.60	19	Pasadena	5,857
20	Cerritos	182,300	20	West Hollywood	2.60	20	Palo Alto	5,976
21	Santa Monica	198,233	21	Beverly Hills	2.80	21	San Ramon	6,052
22	Beverly Hills	283,830	22	San Jose	3.10	22	Saratoga	6,520
23	Pasadena	649,776	23	Cerritos	3.30	23	Malibu	12,881
24	San Jose	1,334,232	24	Pasadena	4.60	24	Beverly Hills	14,147

Note: Santa Clarita Standard & Poor's credit rating = AA+, all other municipalities rated AAA.

Source: Standard & Poor's 2009 AAA Municipalities



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