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*City of SANTA CLARITA, California  
Comprehensive Annual Financial Report  
Fiscal Year 2011-2012*



**CITY OF SANTA CLARITA  
(CALIFORNIA)**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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, 2012**

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City of  
**SANTA CLARITA**

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

January 11, 2013

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, 2012 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, 2012.

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. Marcum LLP, 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, 2012. 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 on the fair presentation of the financial statements, and 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 Reports.

## **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 61.81 square miles. With a population of 203,000, the City is the 18<sup>th</sup> largest city in the State of California, and the third largest in Los Angeles County. Santa Clarita residents enjoy an expansive year-round parks and recreation network, featuring 29 beautiful park facilities totaling more than 332 acres, over 7,200 acres of City owned open space, and more than 95 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.

In recent years, Santa Clarita has attracted regional and national sports events like the Amgen Tour of California, Pac-12 Cross Country Championships, Tributefest, Southern California Sectionals Swim Meet, LA Underwater Hockey Nationals, and a variety of youth and adult sporting events. 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 by the Councilmembers. The City Council is responsible, among other things, for passing ordinances, adopting the budget, setting policy, and appointing committees. The City Council appoints the City Manager, who is responsible for implementing the policies of the Council, overseeing the day-to-day operations of City government, and for appointing and managing the various 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 libraries, public works, parks and recreation, community development, and cultural events. The City also provides services through the Santa Clarita Public Financing Authority (PFA) and the Santa Clarita Redevelopment Agency (RDA), which are blended component units of the City of Santa Clarita. The financial activities of these entities are included in this report as their activities are under the control of the City. The activities of the RDA are reported through its dissolution date of February 1, 2012. A separate component unit report for the Santa Clarita PFA is 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 2011-2012 was successful and stable for the City due to prudent fiscal planning.

Santa Clarita boasts one of the lowest unemployment rates in Los Angeles County at 6.2 percent, compared to 10.2 percent for Los Angeles County as of September 2012. Targeted employment sectors in Santa Clarita include aerospace, manufacturing, biomedical, entertainment, and technology. This past year we welcomed several new retailers to the 180,000 square foot expansion of Westfield Valencia Town Center at The Patios including, Lucille's Smokehouse BAR·B·QUE and Larsen's Steakhouse. Several new companies either expanded within or relocated to Santa Clarita, including a large accounting firm, King, King, Alleman & Jensen Accounting Corporation that relocated from Burbank to Santa Clarita.

Retail vacancy rates continue to hold at a low six to seven percent, while industrial vacancies remain around five percent. The largest area of potential growth in the City is in the area of office space, with Santa Clarita at an 18 percent vacancy rate in 3<sup>rd</sup> Quarter 2011 compared to a 15 percent vacancy rate in 3<sup>rd</sup> Quarter 2012 (however several leases for available space are currently underway and that number may decrease further by early 2013).

The City's entertainment industry was strong in Fiscal Year 2011-2012 with an economic impact of \$21.1 million to local businesses from location filming. Santa Clarita is home to more than 20 sound stages, 10 movie ranches and hundreds of film related businesses. Network television shows including CBS's "NCIS" and "Vegas," ABC Family's "Switched at Birth," and "Jane by Design," FX's "Justified," TBS's "The Wedding Band," and TNT's "Franklin and Bash" are based in Santa Clarita and regularly film on location within the City.

Tourism continues to be one of the City of Santa Clarita's largest economic generators contributing more than \$2.3 million to the general fund from Transient Occupancy Tax (TOT) in Fiscal Year 11-12. The second year of the Tourism Marketing District (TMD), a collaborative assessment program and partnership between the City and five local hotels, grew upon the successes of the initial year, over \$427,000 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 translates to dollars spent in the community and at local businesses. The following events are just a few that were attracted as part of the City's increased event attraction efforts: SCV Magic Soccer Tournament, California Superstates Chess Championship, LAVA Volleyball Foothill Invitational, Triple Crown Softball, the Mustang Challenge cross country event, and the Pac-12 Cross Country Championships.

The City of Santa Clarita continues to use business attraction and retention programs like the Santa Clarita Valley Enterprise Zone Program to support business by providing tax incentives to companies located within the zone. In January 2011, the Enterprise Zone was expanded to include businesses in unincorporated Los Angeles County. This new expanded Zone provides the opportunity for tax savings to the more than 6,000 businesses in Santa Clarita Valley. The resulted savings generated for the more than 400 Santa Clarita businesses that have taken advantage of the program since 2007 is more than \$238 million.

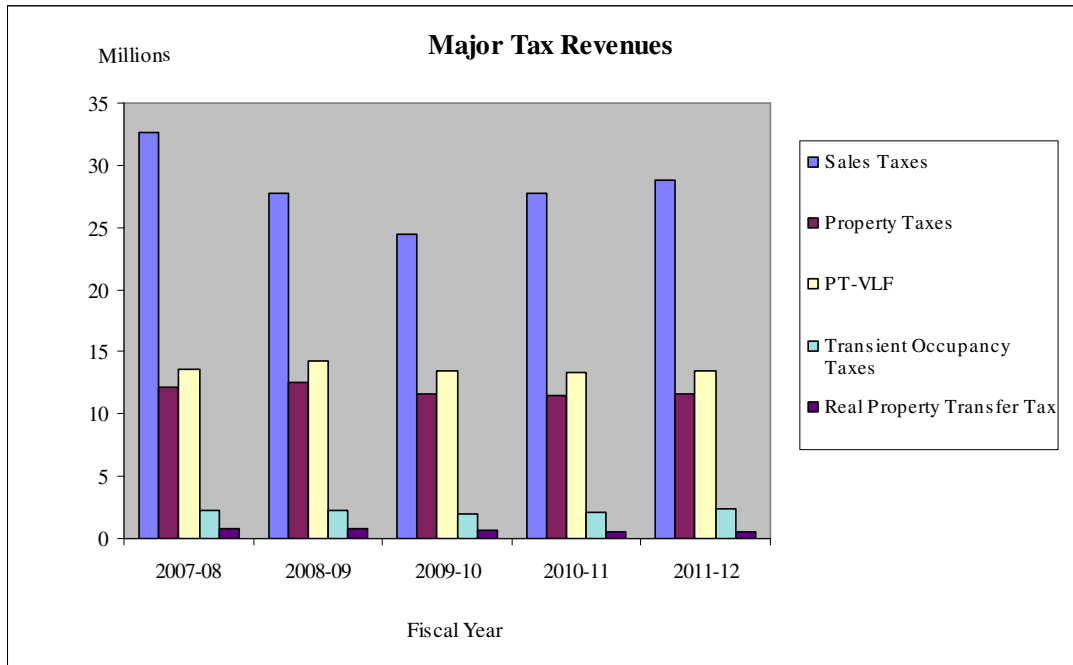
Santa Clarita recognizes the important role education plays in the success of the community. The City is home to three premier colleges, including California Institute of the Arts (CalArts), College of the Canyons, and The Masters College. These colleges offer world-class instruction and programming 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. 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. Since 2007, 1,226 people have been hired into jobs at local businesses through the Enterprise Zone program. The City of Santa Clarita is focused on retaining existing companies and encouraging their growth within the City while working to attract new business, thereby creating new jobs for residents. Santa Clarita has set an aggressive goal of creating two jobs for every household whereby providing an increased opportunity for residents to work close to home.

The slight recovery in our economy has directly affected the City's revenue growth producing increases in sales tax and TOT. Property tax, property tax in-lieu of Vehicle License Fee (PT-VLF), and real property transfer tax have remained relatively flat for Fiscal Year 2011-2012.



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 financial times, the City is well prepared for times when revenue projections do not include growth. In response to the City's proactive budgetary management, allowing it to maintain stable operations and improved available general fund reserves despite challenging economic circumstances, Standard & Poor's Ratings Services raised the City's issuer credit rating from AA+ to AAA in September 2012.

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 2011-2012**

- ❖ In September 2012, Standard & Poor's Ratings Services (S&P) raised the City's issuer credit rating from AA+ to AAA. S&P also raised its rating on the City's certificates of participation and lease revenue bonds from AA to AA+. S&P's outlook on the ratings is stable based on the City's proactive budgeting approach and its ability to maintain consistent operations supported by very strong available general fund reserves. Additional rating stability is provided by the City's good financial management practices.
- ❖ On September 29, 2012, the City of Santa Clarita opened the new 30,000 square foot Old Town Newhall Library on Main Street. The Leadership in Energy and Environment Design (LEED) certified building features a children's library, teen area, ample meeting space and community rooms, laptops for use in the Library, an indoor fire-side reading area with art and photographs that pay tribute to Newhall's history. Thousands of residents came out in support of the Library's first day of operation, and since opening, the Library continues to attract more than a thousand visitors each day.
- ❖ In 2011 the City of Santa Clarita had its lowest crime rate in the city's history with a 14 percent drop in violent crimes. For 2011, the City's crime rate dropped by 7.81 percent compared to 2010, according to figures released in February 2012 by the Los Angeles County Sheriff's Department. In 2011, there were 2,833 reported incidents within the City, a decline from the 3,073 reported crimes in 2010, the data shows.
- ❖ In August 2011 the City launched an outreach campaign, *Heroin Kills: The High is a Lie*, in response to a spike in heroin related deaths and arrests in the Santa Clarita Valley. The public awareness campaign was meant to inform residents that heroin was in Santa Clarita and devastating families. The second year of the campaign included a second symposium in August 2012, attended by hundreds of local teens and their families. The City continues to work with non-profit partners to bring awareness to the issue and resources to those in need.
- ❖ In October 2012, the City celebrated the completion of the Old Town Newhall Building Improvement Grant program. The program was developed in 2010 to assist property owners in the Old Town Newhall area to make improvements to their buildings' exterior, or come into compliance with City code violations. Five property owners received \$55,000 each in grant funds through the American Recovery and Reinvestment Act, and on October 24, 2012, the City hosted a

- ribbon-cutting ceremony on Main Street to commemorate the completion of the program.
- ❖ The City's Film Office celebrated another record year in Fiscal Year 2011-2012, with an eight percent increase in film permits over last year. Film days are also up a record four percent. The City's film friendly permitting system, a responsive film staff and the City's film incentive programs contribute to these successes. Over the past year, filming contributed an estimated \$21 million dollars in economic impact to the community through jobs and business sales. In March, the City Council approved a three year extension of the City's Film Incentive Program, which is dedicated to retaining and increasing feature and television production by reducing the costs of safety personnel and subsidizing permit fees and location fees for city-owned properties.
  - ❖ In November, 2012 Santa Clarita became the first City in the 30-Mile Zone to approve a new zoning designation that supports filming at local movie ranches. The Movie Ranch Overlay Zone (MOZ) designation assigns certain areas where location filming and related facilities, including soundstages, are permitted by right.
  - ❖ Installation of On the Go Real Time Bus Information placards began in June, 2012 at all of the City's 750 bus stops. The program allows transit riders to track their bus location in real time in variety of ways using their mobile devices.
  - ❖ The City's Arts Commission, in conjunction with staff from the Parks, Recreation and Community Services Department, completed the Arts Blueprint, which is intended to serve as a guiding document for the next three years for five art subject areas.
  - ❖ The City's Parks, Recreation, and Community Services Department won a California Parks and Recreation Society Award of Excellence recognizing environmental stewardship for the City's Open Space Preservation program. In Fiscal Year 2011-2012, the City passed the 7,200 acre mark for open space acquisitions.
  - ❖ The City annexed three new communities into the City in the last year, including Copperstone, Jake's Way, and Fair Oaks Ranch, in addition to assuming control of maintenance and programming for three parks within City limits: Chesebrough Park, Northbridge Park, and an undeveloped park property at the corner McBean Parkway and Summerhill Lane. The most recent annexation was of the North Copper Hill community that occurred in November 2012.
  - ❖ Acquiring open space through the Open Space Preservation District and construction of new trails throughout the community continued to be priorities for the City. In June 2012, the City hosted a dedication for the new Iron Horse Trail,

and in July 2012, the City hosted another dedication event celebrating the acquisition of more than 800 acres of land in Elsmere Canyon.

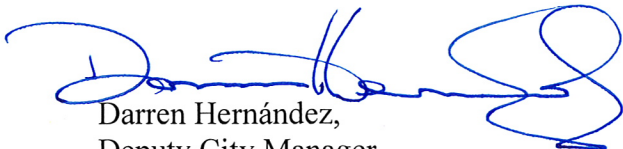
### **AWARDS AND ACKNOWLEDGMENTS**

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, 2011. This was the twenty-third 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, Finance Manager Carmen Magana, and Financial Analysts Clint Osorio, Susan Crowsigt, Mary Ann Ruprecht, Jan Downey, Eric Herrera, and Paul Chung. I would like to express my appreciation to all members of the Division who assisted and contributed to its preparation. I would also like to thank the Mayor, Mayor Pro Tem, Councilmembers, City Manager Ken Striplin, Director of Public Works & Interim Director of Community Development Robert Newman, and Director of Parks, Recreation and Community Services Rick Gould 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, 2011

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.



*Christopher P. Moynell*

President

*Jeffrey R. Emer*

Executive Director

**OFFICIALS OF THE CITY OF SANTA CLARITA  
As of June 30, 2012**

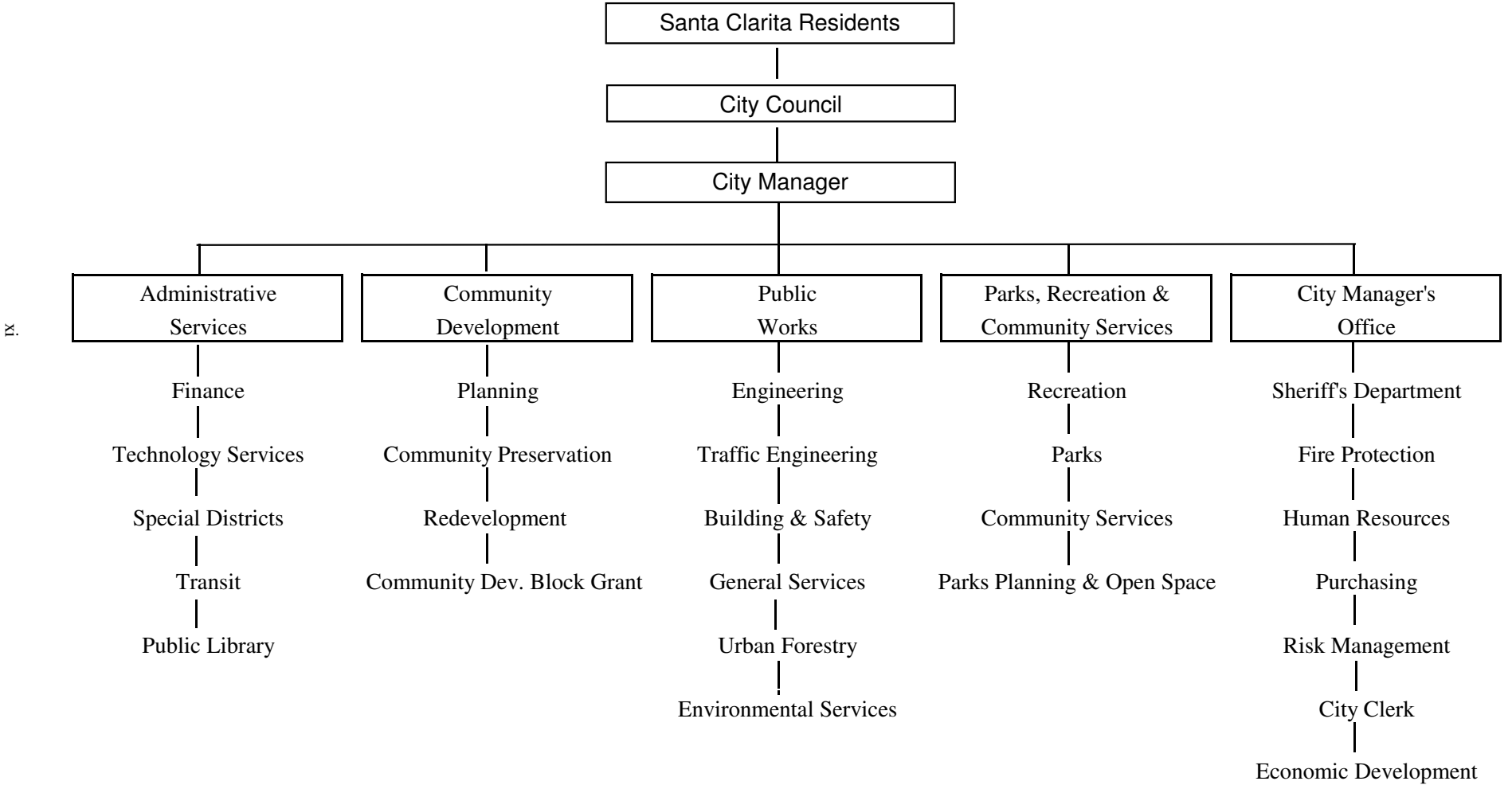
**City Council**

Frank Ferry	MAYOR
Bob Kellar	MAYOR PRO TEM
Marsha McLean	COUNCILMEMBER
TimBen Boydston	COUNCILMEMBER
Laurene Weste	COUNCILMEMBER

**City Officials**

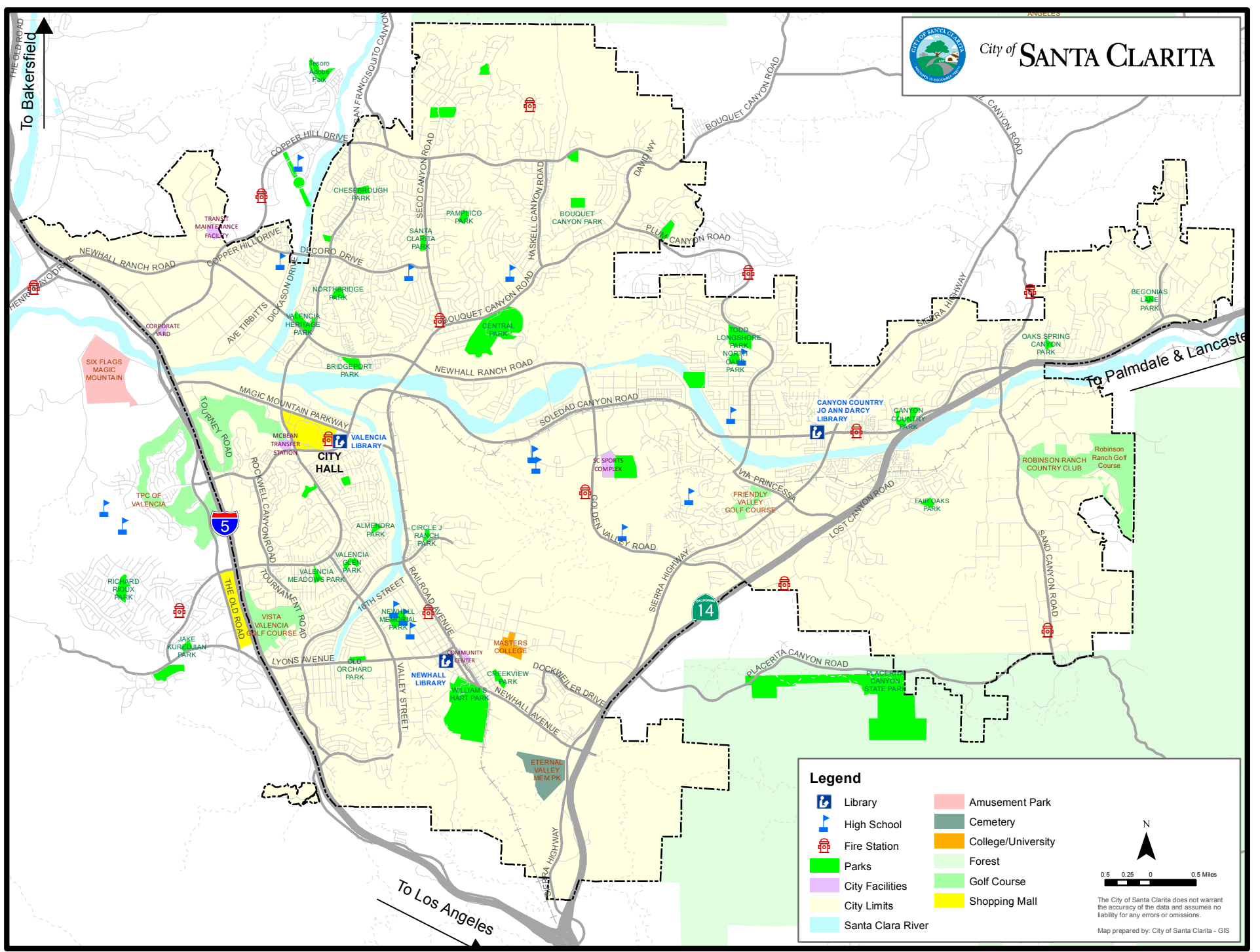
Ken Pulskamp	CITY MANAGER
Ken Striplin	ASSISTANT CITY MANAGER
Darren Hernández	DEPUTY CITY MANAGER
Joseph Montes	CITY ATTORNEY
Robert Newman	INTERIM DIRECTOR OF COMMUNITY DEVELOPMENT
Richard Gould	DIRECTOR OF PARKS, RECREATION & COMMUNITY SERVICES
Robert Newman	DIRECTOR OF PUBLIC WORKS/CITY ENGINEER

**City of Santa Clarita**  
**ORGANIZATION CHART**  
**As of June 30, 2012**





# City of SANTA CLARITA



**Legend**

	Library		Amusement Park
	High School		Cemetery
	Fire Station		College/University
	Parks		Forest
	City Facilities		Golf Course
	City Limits		Shopping Mall
	Santa Clara River		

0.5 0.25 0 0.5 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 (the "City") as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Clarita as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained further in Note 18 to the basic financial statements, the California State Legislation enacted Assembly Bill X1 26 (the "Bill") that dissolved the City's redevelopment agency as of January 31, 2012. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (Private-purpose trust fund). The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) to the Successor Agency is reported in the private-purpose trust fund as an extraordinary loss.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 considered in assessing 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 and comparison schedules on pages 5 through 17, 86 through 91 and 108 to 130 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. The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements is fairly stated in all material respects in relation to the financial statements as a whole.

To the Honorable Mayor and Members of the City Council  
of the City of Santa Clarita  
Santa Clarita, California  
Page 3

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

*Marcum LLP*

Irvine, California  
January 11, 2013





# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended June 30, 2012

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, 2012. 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 \$949.4 million. Of this amount, \$82.2 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 6.1%, primarily due to the decrease in long term debt as a result of the transfer of the long-term debt of the City's former Redevelopment Agency to a Private Purpose Trust. This transfer was due to the dissolution of redevelopment agencies in the State of California. Additional information on the dissolution of the City's redevelopment agency can be located in Note 18 to the financial statements on page 82. Net assets of the business-type activities increased by \$957,745, or 1.2%, and net assets of the governmental activities increased by \$53.9 million, or 6.6%.
- The capital assets of the City's governmental activities increased by \$899,510, or 0.12% over last fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$92.3 million. This represents a decrease of \$8.3 million as compared to the prior year. The decrease is due in part to the establishment of an irrevocable trust for post employment benefits in fiscal year 2011-12. The City contributed \$20.3 million to the trust during the fiscal year.
- Within Governmental Funds, the General Fund reported a fund balance of \$69.9 million, a decrease of \$13.7 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:

See independent auditors report.

## USING THIS ANNUAL REPORT (CONTINUED)

### 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).

### 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.

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

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.

**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. The financial activity for the Santa Clarita Redevelopment Agency is reported through January 31, 2012. Redevelopment agencies were dissolved in the state of California effective February 1, 2012.

## 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.

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

The City reports governmental fund financial information within 35 governmental funds. The general fund, bridge and thoroughfare fund, developer fees fund, public library fund, and landscape maintenance district 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.

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.

California Assembly Bill 1X 26 (AB 1X 26) dissolved redevelopment agencies in the State of California effective February 1, 2012. The City elected to serve as the Successor Agency to its former Redevelopment Agency. All assets and liabilities of the former redevelopment agency were transferred to a private purpose trust which is reported as a fiduciary fund. Also, see Note 18 to the basic financial statements.

## **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 86-92 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 94-139 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 \$54.9 million, increasing from \$894.5 million to \$949.4 million.

THE CITY AS A WHOLE (CONTINUED)

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<u>ASSETS:</u>						
Current and Other Assets	\$ 196,388,056	\$ 211,188,970	\$ 6,109,016	\$ 3,151,828	\$ 202,497,072	\$ 214,340,798
Capital assets	777,121,589	776,222,079	73,778,640	75,416,868	850,900,229	851,638,947
<b>TOTAL ASSETS</b>	<b>973,509,645</b>	<b>987,411,049</b>	<b>79,887,656</b>	<b>78,568,696</b>	<b>1,053,397,301</b>	<b>1,065,979,745</b>
<u>LIABILITIES:</u>						
Long Term Liabilities	41,433,845	77,429,075	-	-	41,433,845	77,429,075
Other Liabilities	59,461,754	91,316,721	3,009,597	2,648,382	62,471,351	93,965,103
<b>TOTAL LIABILITIES</b>	<b>100,895,599</b>	<b>168,745,796</b>	<b>3,009,597</b>	<b>2,648,382</b>	<b>103,905,196</b>	<b>171,394,178</b>
<u>NET ASSETS:</u>						
Invested in capital assets, net of related debt	743,281,558	717,613,095	73,778,640	75,416,868	817,060,198	793,029,963
Restricted	50,191,277	33,654,470	-	-	50,191,277	33,654,470
Unrestricted	79,141,211	67,397,688	3,099,419	503,446	82,240,630	67,901,134
<b>TOTAL NET ASSETS</b>	<b>\$ 872,614,046</b>	<b>\$ 818,665,253</b>	<b>\$ 76,878,059</b>	<b>\$ 75,920,314</b>	<b>\$ 949,492,105</b>	<b>\$ 894,585,567</b>

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, 2012, assets exceeded liabilities by \$949.4 million. The largest component of the City's net assets, 86%, is represented by its \$817 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 2011-2012 was for infrastructure in the amount of \$17.5 million. Another large addition to the City's capital assets was \$11.9 million in construction-in-progress, of which \$8.9 million was for the Old Town Newhall Public Library. 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, 5.3%, represents resources subject to external restrictions on how they may be used. The remaining 8.7% of unrestricted net assets, \$82.2 million may be used to meet the City's ongoing obligations to citizens and creditors.

## THE CITY AS A WHOLE (CONTINUED)

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 \$53.9 million over the prior year, \$36 million of which is represented by a decrease in long term liabilities. The majority of this decrease is due to the transfer of the former Redevelopment Agency's long term debt to a private purpose trust fund as a result of the dissolution of redevelopment agencies in the State of California. The unrestricted portion of the business-type activities increased by \$2.5 million.

### **Governmental Activities**

Revenues from governmental activities were up by \$6.5 million, or 4.3%. The cost of all governmental activities this year was \$137 million, a decrease of .66% over the past year. As shown in the Statement of Activities, the governmental activities expenditures were ultimately financed in part by the taxpayers, as \$32.3 million in revenues were generated by service revenues received from the performance of these activities; another \$16 million was received from government agencies and other organizations that subsidized certain programs with operating grants and contributions; and another \$28.6 million in revenues was generated from capital grants and contributions. Public Works and Community Development programs generated net revenues of \$1.6 million and \$2 million, respectively. Overall, the City's governmental program and general revenues amounted to \$157.4 million, which funded the expenditures and resulted in a \$53.9 million increase in net assets. Part of the \$157 million program and general revenue is other non-program governmental revenue amounting to \$80.5 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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program Revenues:						
Charges for services	\$ 32,316,820	\$ 23,913,877	\$ 6,616,778	\$ 6,573,879	\$ 38,933,598	\$ 30,487,756
Operating grants and contributions	16,032,433	14,090,686	7,385,264	6,913,534	23,417,697	21,004,220
Capital grants and contributions	28,616,388	31,325,725	5,041,992	13,043,418	33,658,380	44,369,143
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	34,818,426	24,996,219	-	-	34,818,426	24,996,219
Other Taxes	38,719,404	39,587,975	-	-	38,719,404	39,587,975
Grants and contributions not restricted to specific programs	87,883	812,475	-	-	87,883	812,475
Other	6,882,091	16,220,333	147	(27,303)	6,882,238	16,193,030
Total Revenues	157,473,445	150,947,290	19,044,181	26,503,528	176,517,626	177,450,818
General government	33,664,470	47,048,462	-	-	33,664,470	47,048,462
Public safety	27,391,075	21,280,904	-	-	27,391,075	21,280,904
Public works	30,623,718	25,799,166	-	-	30,623,718	25,799,166
Parks and recreation	19,282,538	11,281,552	-	-	19,282,538	11,281,552
Community development	5,896,640	11,547,650	-	-	5,896,640	11,547,650
Unallocated infrastructure depreciation	16,844,238	16,392,901	-	-	16,844,238	16,392,901
Interest on long term debt	3,391,058	4,650,566	-	-	3,391,058	4,650,566
Transit	-	-	24,930,635	24,127,043	24,930,635	24,127,043
Total Expenses	137,093,737	138,001,201	24,930,635	24,127,043	162,024,372	162,128,244
Increase/Decrease in Net Assets before transfers	20,379,708	12,946,089	(5,886,454)	2,376,485	14,493,254	15,322,574
Transfers	(6,844,199)	(5,808,300)	6,844,199	5,808,300	-	-
Increase/Decrease In Net Assets after transfers	13,535,509	7,137,789	957,745	8,184,785	14,493,254	15,322,574
Gain from dissolution of former Redevelopment Agency of the City of Santa Clarita (Note 18)	40,413,284	-	-	-	40,413,284	-
Changes in net assets	53,948,793	7,137,789	957,745	8,184,785	54,906,538	15,322,574
Net Assets - Beginning of Year	818,665,253	811,527,464	75,920,314	67,735,529	894,585,567	879,262,993
Net Assets - End of Year	\$ 872,614,046	\$ 818,665,253	\$ 76,878,059	\$ 75,920,314	\$ 949,492,105	\$ 894,585,567

See independent auditors report.



## THE CITY AS A WHOLE (CONTINUED)

### Business-Type Activities

Business-type activities increased the City's net assets by \$957,745 for the current year. Business-type activities revenues decreased by \$7.4 million during the year for a total of \$19 million in revenues, not including the \$6.8 million of transfers in from other governmental activities. The decrease was largely due to a decrease of \$8 million in capital grants and contributions. The majority of this decrease is due to the American Recovery and Reinvestment Act funding received in fiscal year 2010-11. Related transit activity expenses increased by \$803,592.

## THE CITY'S FUNDS

The governmental funds reported a combined fund balance at the end of the current fiscal year of \$92.3 million, a decrease of \$8.3 million over the prior year. Approximately \$46.9 million is restricted and already committed for specific restricted purposes.

The total governmental fund balance includes the general fund balance of \$69.9 million, a decrease of \$13.7 million over the prior year. The general fund is the chief operating fund of the City of Santa Clarita. The decrease is due in part to the establishment of an irrevocable trust for post-employment benefits in fiscal year 2011-12 to which the City contributed \$20.3 million. The unassigned general fund balance of \$50.6 million is available for spending at the City's discretion. More detailed information about the City's classification of fund balances are presented in Note 11 to the financial statements.

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

- The bridge and thoroughfare fund has realized a decrease of \$273,762 from the prior year.
- The developer fees fund balance increased \$614,612 in the current year.
- The public library fund has realized a decrease of \$7.5 million in its fund balance from the prior year. The majority of this decrease is due to the \$8.4 million spent on the construction of the Old Town Newhall Library which opened on September 29, 2012.
- The Landscape Maintenance District's fund balance increased \$1.4 million from the prior year.

In addition to the major funds, the fund balances for the other governmental funds experienced an aggregate increase of \$11.1 million. Of the \$11.1 million increase, \$8.3 million was due to the extraordinary gain from the dissolution of the City's redevelopment agency.

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 \$957,745 or 1.2%. The unrestricted portion of the business-type activities net assets increased by \$2.5 million from the prior year. The Internal Service funds net assets increased by \$7 million or 24.3%. The ending fund balance for Internal Service funds is \$35.9 million, of which \$27.3 million is unrestricted.

## THE CITY'S FUNDS (CONTINUED)

### General Fund Budgetary Highlights

Comparison of the fiscal year 2011-12 original (adopted) general fund budgeted expenditures and transfers of \$77.8 million to the final budgeted expenditures of \$89.7 million results in a net increase of \$11.9 million.

Included in this net increase is \$518,182 in committed purchase orders and contracts from the prior June 30 balance, as well as \$572,781 of prior fiscal year operating and capital improvement projects approved for carryover into fiscal year 2011-12. The resulting beginning budget balance was equal to \$78.9 million.

Original Budget +	Cont. Appropriations +	Encumbrances =	Beg. Balance +	Supplemental Changes =	Final Budget
\$77,890,753 +	\$572,781 +	\$518,182 =	\$78,981,716+	\$10,756,775=	\$89,738,491

Comparing the beginning budget of \$78.9 million with the final budget of \$89.7 million indicates the general fund had supplemental budgetary appropriations of \$10.7 million during the fiscal year. Included in the supplemental appropriations are the results of this year's budget review.

During the mid-year budget review, budgeted general fund revenue had a net increase of \$251,015. Included in the net increase are a \$1.2 million increase in Sales Tax and a \$900,000 decrease in Vehicle License Fee revenue due to the passage of SB89 which diverted this revenue from cities.

At year end, the City's actual revenues are \$3.4 million more than the final budgetary estimates. Actual expenditures were more than the final budgetary estimates by \$13.6 million. The majority of this variance was due to the \$20.3 million contributed to the irrevocable post-employment benefit trust.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City had \$850.9 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	
	2012	2011	2012	2011	2012	2011
Land	\$122,169,150	\$ 123,614,634	\$15,087,880	\$ 15,087,880	\$137,257,030	\$ 138,702,514
Construction in progress	13,594,441	6,477,297	2,875,593	6,957,970	16,470,034	13,435,267
Infrastructure, net	584,748,522	588,536,627	-	-	584,748,522	588,536,627
Depreciable site improvements, net	20,258,460	21,024,498	6,492,671	1,465,214	26,751,131	22,489,712
Depreciable buildings and improvements, net	34,267,401	34,381,092	33,974,800	34,858,148	68,242,201	69,239,240
Depreciable equipment, net	2,083,615	2,187,930	15,347,696	17,047,657	17,431,311	19,235,587
<b>TOTALS</b>	<b>\$ 777,121,589</b>	<b>\$ 776,222,078</b>	<b>\$ 73,778,640</b>	<b>\$ 75,416,869</b>	<b>\$ 850,900,229</b>	<b>\$ 851,638,947</b>

Major capital asset events during the year included:

- On-going construction of the Old Town Newhall Library accounted for the majority of the increase in construction in progress. The library was opened to the public on September 29, 2012.
- A transfer of \$3.6 million in construction in progress was made to the private purpose trust fund established for the former redevelopment agency.
- Land purchases totaled \$1.4 million. A reclassification of land to construction-in-progress and improvements of \$2.9 million resulted in the net decrease to land of \$1.4 million.

Additional information on the City of Santa Clarita's capital assets can be located in Note 4 to the financial statements on pages 61 through 63.

## CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

### Debt Administration

At year-end, the City's total debt amounted to \$43 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	
	2012	2011	2012	2011	2012	2011
Refunding Certificates of						
Participation, net	\$11,336,937	\$ 12,394,795	\$ -	\$ -	\$11,336,937	\$ 12,394,795
Tax Allocation Bonds	\$0.00	37,495,684	-	-	\$0.00	37,495,684
Certificates of						
Participation	15,490,000	15,525,000	-	-	15,490,000	15,525,000
Lease Revenue Bonds	12,614,938	12,898,596	-	-	12,614,938	12,898,596
Contract and Leases	242,417				242,417	
Payable	1,040,000	1,413,786	-	-	1,040,000	1,413,786
Compensated Absences	2,685,537	2,625,890	-	-	2,685,537	2,625,890
Claims Payable	50,000	40,000	-	-	50,000	40,000
<b>TOTALS</b>	<b>\$ 43,459,829</b>	<b>\$ 82,393,751</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,459,829</b>	<b>\$ 82,393,751</b>

The City's governmental activities had \$43 million in debt at year-end. Governmental Activities long-term debt decreased overall by \$38.9 million during the year. This decrease was largely in part due to the transfer of the former Redevelopment Agency's Tax Allocation Bonds to a private purpose trust fund as part of the redevelopment agency's dissolution.

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, 2012, 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, 2012, was \$3,209,877,204.

Additional information on the City of Santa Clarita's debt can be located in Note 5 to the financial statements, on pages 64 through 71.

## 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 37.4% or \$30.3 million. This is 14.6% higher than what was budgeted in FY 2011-12.
- Property tax revenues account for 30% or \$24.3 million in 2012-13. This is a slight decrease of 1.5%. 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 2012-13 is \$75.6 million, 4.7% 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 \$72.7 million, a 2.1% increase from prior year. Operational expenditures increased by 1.5% or \$1,097,000, and capital expenditures decreased from \$674,600 to \$0. The City's 2012-13 operating budget for all funds increased by 2.3% or \$3 million.

The City remains dedicated to service excellence, teamwork and creativity. Instead of layoffs, the City implemented a hiring freeze which originally resulted in 43 full-time vacant or eliminated positions. Six of those positions were filled in fiscal year 2011-12 for a current total of 37 full-time vacant or eliminated positions. 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 2012-13 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 2012-13 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, 2012**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 156,811,544	\$ 2,571,906	\$ 159,383,450
Receivables:			
Accounts	900,242	14,223	914,465
Interest	724,760	-	724,760
Taxes	9,397,826	-	9,397,826
Prepaid costs	26,476	188,795	215,271
Due from other governments	5,565,678	3,334,092	8,899,770
Loans receivable	2,201,118	-	2,201,118
Due from fiduciary funds	638,993	-	638,993
<b>Total current assets</b>	<b>176,266,637</b>	<b>6,109,016</b>	<b>182,375,653</b>
Non-current assets:			
Deferred charges	1,212,384	-	1,212,384
Advances to trust fund	13,318,896	-	13,318,896
Other postemployment benefits asset	5,169,937	-	5,169,937
Deposits	420,202	-	420,202
Capital assets:			
Nondepreciable assets	135,763,591	17,963,474	153,727,065
Depreciable assets, net	641,357,998	55,815,166	697,173,164
<b>Total noncurrent assets</b>	<b>797,243,008</b>	<b>73,778,640</b>	<b>871,021,648</b>
<b>Total assets</b>	<b>973,509,645</b>	<b>79,887,656</b>	<b>1,053,397,301</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	17,312,040	2,944,863	20,256,903
Unearned revenue	588,348	12,370	600,718
Deposits payable	38,990,896	-	38,990,896
Interest payable	544,486	-	544,486
Compensated absences payable	271,414	52,364	323,778
Due within one year	1,754,570	-	1,754,570
<b>Total current liabilities</b>	<b>59,461,754</b>	<b>3,009,597</b>	<b>62,471,351</b>
Noncurrent liabilities:			
Compensated absences payable	2,414,123	-	2,414,123
Due in more than one year	39,019,722	-	39,019,722
<b>Total noncurrent liabilities</b>	<b>41,433,845</b>	<b>-</b>	<b>41,433,845</b>
<b>Total liabilities</b>	<b>100,895,599</b>	<b>3,009,597</b>	<b>103,905,196</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	743,281,558	73,778,640	817,060,198
Restricted for:			
Capital improvements	3,275,312	-	3,275,312
Special revenues	30,692,775	-	30,692,775
Special assessments	16,223,190	-	16,223,190
<b>Total restricted assets</b>	<b>50,191,277</b>	<b>-</b>	<b>50,191,277</b>
Unrestricted	79,141,211	3,099,419	82,240,630
<b>Total net assets</b>	<b>\$ 872,614,046</b>	<b>\$ 76,878,059</b>	<b>\$ 949,492,105</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, 2012**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 33,664,470	\$ 13,719,117	\$ 2,543,014	\$ -
Public safety	27,391,075	2,079,109	5,802,300	7,124,968
Public works	30,623,718	7,209,724	5,874,163	19,204,458
Parks and recreation	19,282,538	4,156,386	727,800	566,000
Community development	5,896,640	5,152,484	1,085,156	1,720,962
Unallocated infrastructure depreciation	16,844,238	-	-	-
Interest and fiscal charges	3,391,058	-	-	-
Total governmental activities	137,093,737	32,316,820	16,032,433	28,616,388
<b>Business-type activities:</b>				
Transit	24,930,635	6,616,778	7,385,264	5,041,992
<b>Total</b>	<b>\$ 162,024,372</b>	<b>\$ 38,933,598</b>	<b>\$ 23,417,697</b>	<b>\$ 33,658,380</b>

**General Revenues:**

Taxes:

Property taxes

Sales taxes

Franchise taxes

Transient occupancy taxes

Property transfer tax

Grant and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous revenue

Transfers

**Total general revenues and transfers**

**Extraordinary item:**

Gain from dissolution of former Redevelopment

Agency of the City of Santa Clarita (Note 18)

**Changes in net assets**

**Net assets - beginning of year**

**Net assets - end of year**

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (17,402,339)	\$ -	\$ (17,402,339)
(12,384,698)	-	(12,384,698)
1,664,627	-	1,664,627
(13,832,352)	-	(13,832,352)
2,061,962	-	2,061,962
(16,844,238)	-	(16,844,238)
(3,391,058)	-	(3,391,058)
(60,128,096)	-	(60,128,096)
-	(5,886,601)	(5,886,601)
(60,128,096)	(5,886,601)	(66,014,697)
34,818,426	-	34,818,426
28,828,139	-	28,828,139
6,920,244	-	6,920,244
2,380,547	-	2,380,547
590,474	-	590,474
87,883	-	87,883
1,509,201	147	1,509,348
5,372,890	-	5,372,890
(6,844,199)	6,844,199	-
73,663,605	6,844,346	80,507,951
40,413,284	-	40,413,284
53,948,793	957,745	54,906,538
818,665,253	75,920,314	894,585,567
\$ 872,614,046	\$ 76,878,059	\$ 949,492,105



## **FUND FINANCIAL STATEMENTS**

**City of Santa Clarita**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

	Special Revenue Funds			
	General Fund	Bridge and Thoroughfare	Developer Fees	Public Library
<b>ASSETS</b>				
Cash and investments	\$ 52,818,149	\$ 14,999,021	\$ 6,385,468	\$ 6,184,033
Receivable:				
Accounts	675,910	325	1,008	-
Interest	350,921	67,272	28,659	1,464
Taxes	7,046,661	-	-	434,189
Prepaid costs	26,476	-	-	-
Due from other funds	3,690,254	-	-	-
Due from other governments	123,469	-	-	-
Deposits	200	-	-	-
Notes and loans receivable	-	-	-	-
Advances to other funds	18,875,874	23,311,323	5,574,660	-
<b>Total assets</b>	<b>\$ 83,607,914</b>	<b>\$ 38,377,941</b>	<b>\$ 11,989,795</b>	<b>\$ 6,619,686</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 6,642,866	\$ 234,441	\$ 6,506,620	\$ 887,390
Deferred revenue	3,055,862	58,508	6,362,003	1,273
Deposits payable	3,967,163	35,023,733	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	24,879,802	-	10,488,382
<b>Total liabilities</b>	<b>13,665,891</b>	<b>60,196,484</b>	<b>12,868,623</b>	<b>11,377,045</b>
<b>Fund Balances:</b>				
Nonspendable	18,902,350	23,311,323	5,574,660	-
Restricted	-	-	-	-
Committed	66,257	-	-	-
Assigned	309,078	-	-	-
Unassigned	50,664,338	(45,129,866)	(6,453,488)	(4,757,359)
<b>Total fund balances (deficit)</b>	<b>69,942,023</b>	<b>(21,818,543)</b>	<b>(878,828)</b>	<b>(4,757,359)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 83,607,914</b>	<b>\$ 38,377,941</b>	<b>\$ 11,989,795</b>	<b>\$ 6,619,686</b>

See accompanying Notes to Basic Financial Statements.



<u>Special Revenue</u>		
<u>Landscape</u>	<u>Nonmajor</u>	<u>Total</u>
<u>Maintenance</u>	<u>Governmental</u>	<u>Governmental</u>
<u>District #1</u>	<u>Funds</u>	<u>Funds</u>
\$ 20,221,933	\$ 28,947,362	\$ 129,555,966
41,944	179,422	898,609
90,985	90,301	629,602
1,029,729	887,247	9,397,826
-	-	26,476
-	-	3,690,254
-	5,442,209	5,565,678
-	420,002	420,202
-	2,201,118	2,201,118
-	-	47,761,857
<u>\$ 21,384,591</u>	<u>\$ 38,167,661</u>	<u>\$ 200,147,588</u>

\$ 1,285,067	\$ 1,659,763	\$ 17,216,147
79,133	3,663,557	13,220,336
-	-	38,990,896
-	3,051,261	3,051,261
-	-	35,368,184
<u>1,364,200</u>	<u>8,374,581</u>	<u>107,846,824</u>

-	-	47,788,333
20,020,391	26,895,574	46,915,965
-	-	66,257
-	3,275,312	3,584,390
-	(377,806)	(6,054,181)
<u>20,020,391</u>	<u>29,793,080</u>	<u>92,300,764</u>
<u>\$ 21,384,591</u>	<u>\$ 38,167,661</u>	<u>\$ 200,147,588</u>



**City of Santa Clarita**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2012**

**Total Fund Balances - Total Governmental Funds - Page 29** \$ 92,300,764

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	\$ 135,763,591	\$ 7,669,393	
Depreciable, net of accumulated depreciation	641,357,998	462,065	
Total capital assets	\$ 777,121,589	\$ 8,131,458	768,990,131

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 1,212,384

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 12,714,750

OPEB asset is not a current asset. Therefore it is not included in the governmental fund financial statements.

5,169,937

	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	\$ (230,000)	\$ -	
Long-term debt - due within one year	(1,480,000)	-	
Compensated absences - noncurrent	(2,414,123)	-	
Loans payable - noncurrent	(810,000)	-	
Long-term debt - noncurrent	(38,342,847)	-	
Deferred discount/premiums	183,125	-	
Claims payable	(50,000)	(50,000)	
	\$ (43,188,415)	\$ (50,000)	(43,138,415)

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.

(544,486)

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.

35,908,981

**Net assets of governmental activities - Page 23** \$ 872,614,046

**City of Santa Clarita**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2012**

	Special Revenue Funds			
	General Fund	Bridge and Thoroughfare	Developer Fees	Public Library
<b>REVENUES:</b>				
Taxes	\$ 63,389,240	\$ -	\$ -	\$ 4,649,762
Licenses and permits	4,097,709	-	-	-
Developer fees	-	-	7,124,968	-
Investment income	1,205,900	615,626	137,985	13,465
Revenue from other agencies	487,798	-	-	-
Fines and forfeitures	560,384	-	-	-
Service charges	6,776,268	-	-	-
Other revenue	234,739	1,751,831	3,681	95,333
Overhead reimbursement	3,496,092	-	-	-
<b>Total revenues</b>	<b>80,248,130</b>	<b>2,367,457</b>	<b>7,266,634</b>	<b>4,758,560</b>
<b>EXPENDITURES:</b>				
Current:				
General government	32,145,979	-	-	3,929,402
Public safety	18,286,194	-	6,500,920	-
Public works	13,047,920	888,012	-	-
Parks and recreation	19,254,122	-	-	-
Community development	3,947,307	-	-	-
Capital outlay	-	1,416,791	145,519	8,737,933
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	329,280	-	182,006
<b>Total expenditures</b>	<b>86,681,522</b>	<b>2,634,083</b>	<b>6,646,439</b>	<b>12,849,341</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,433,392)</b>	<b>(266,626)</b>	<b>620,195</b>	<b>(8,090,781)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from capital lease	-	-	-	252,068
Transfers in	9,377,734	-	-	260,240
Transfers out	(16,692,538)	(7,136)	(5,583)	-
<b>Total other financing sources (uses)</b>	<b>(7,314,804)</b>	<b>(7,136)</b>	<b>(5,583)</b>	<b>512,308</b>
<b>EXTRAORDINARY ITEM:</b>				
Gain from dissolution of Santa Clarita Redevelopment Agency	-	-	-	-
<b>Net change in fund balances</b>	<b>(13,748,196)</b>	<b>(273,762)</b>	<b>614,612</b>	<b>(7,578,473)</b>
<b>FUND BALANCES:</b>				
Beginning of year	83,690,219	(21,544,781)	(1,493,440)	2,821,114
End of year	\$ 69,942,023	\$ (21,818,543)	\$ (878,828)	\$ (4,757,359)

See accompanying Notes to Basic Financial Statements.

<u>Special Revenue</u>		
<u>Landscape Maintenance District #1</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 791,698	\$ 4,795,013	\$ 73,625,713
-	-	4,097,709
-	57,018	7,181,986
320,266	446,552	2,739,794
-	27,887,344	28,375,142
-	1,113,701	1,674,085
13,876,810	7,491,934	28,145,012
-	844,116	2,929,700
-	-	3,496,092
<u>14,988,774</u>	<u>42,635,678</u>	<u>152,265,233</u>
9,837,909	4,903,159	50,816,449
-	625,306	25,412,420
-	6,817,675	20,753,607
-	269,462	19,523,584
-	1,976,565	5,923,872
3,603,888	13,499,308	27,403,439
-	2,338,787	2,338,787
-	3,231,848	3,743,134
<u>13,441,797</u>	<u>33,662,110</u>	<u>155,915,292</u>
<u>1,546,977</u>	<u>8,973,568</u>	<u>(3,650,059)</u>
-	-	252,068
50,000	6,850,700	16,538,674
<u>(150,846)</u>	<u>(12,954,345)</u>	<u>(29,810,448)</u>
<u>(100,846)</u>	<u>(6,103,645)</u>	<u>(13,019,706)</u>
-	8,317,116	8,317,116
1,446,131	11,187,039	(8,352,649)
<u>18,574,260</u>	<u>18,606,041</u>	<u>100,653,413</u>
<u>\$ 20,020,391</u>	<u>\$ 29,793,080</u>	<u>\$ 92,300,764</u>

# 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, 2012

Net change in fund balance - total governmental funds - Page 33

\$ (8,352,649)

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 \$252,211. The following was the amount of capital assets activity recorded in the current period:

Capital outlay	17,769,322
Disposal of capital assets	(192,456)

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:

6,662,934

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 \$19,922,259 and the depreciation expense of the internal service funds in the amount of \$282,922.

(19,639,337)

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	(31,710)
Amortization of deferred charges	(52,662)

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

Issuance of debt	(252,068)
Principal payments on bonds, COP's, loans and capital leases	2,348,437

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	211,767
Accrued interest	436,449
Other post employment benefits	17,364,112

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.

(1,454,722)

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.

7,035,208

Extraordinary gain in the Statement of Activities resulted from the increase or decrease of long-term assets and liabilities, which were not reported in the governmental funds. This was caused by the dissolution of the City of Santa Clarita Redevelopment Agency (see Note 18).

32,096,168

Change in net assets of governmental activities - Page 25

\$ 53,948,793

See accompanying Notes to Basic Financial Statements.

**PROPRIETARY FUND FINANCIAL STATEMENTS**





**City of Santa Clarita**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	Business-Type Activity	Government Activities
	Transit Enterprise	Internal Service Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 2,571,906	\$ 27,255,578
Receivables:		
Accounts	-	1,633
Interest	14,223	95,158
Prepaid items	188,795	-
Due from other governments	3,334,092	-
Advances to other fund	-	925,223
Total current assets	<u>6,109,016</u>	<u>28,277,592</u>
Noncurrent assets:		
Capital assets:		
Land	15,087,880	7,669,393
Construction in progress	2,875,594	-
Site improvements, net of accumulated depreciation	6,492,671	-
Building, net of accumulated depreciation	33,974,801	-
Equipment, net of accumulated depreciation	15,347,694	462,065
Total noncurrent assets	<u>73,778,640</u>	<u>8,131,458</u>
<b>Total assets</b>	<u>79,887,656</u>	<u>36,409,050</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	2,944,863	364,128
Deferred revenue	12,370	82,762
Compensated absences payable	52,364	3,179
Total current liabilities	<u>3,009,597</u>	<u>450,069</u>
Noncurrent liabilities:		
Claims payable	-	50,000
Total noncurrent liabilities	<u>-</u>	<u>50,000</u>
<b>Total liabilities</b>	<u>3,009,597</u>	<u>500,069</u>
<b>NET ASSETS</b>		
Invested in capital assets	73,778,640	8,131,458
Restricted	-	395,732
Unrestricted	3,099,419	27,381,791
<b>Total net assets</b>	<u>\$ 76,878,059</u>	<u>\$ 35,908,981</u>

See accompanying Notes to Basic Financial Statements.

**City of Santa Clarita**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	Business-Type Activity <u>Transit Enterprise</u>	Government Activities <u>Internal Service Fund</u>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 4,075,660	\$ 2,796,390
Other revenues	2,541,118	-
<b>Total operating revenue</b>	<u>6,616,778</u>	<u>2,796,390</u>
<b>OPERATING EXPENSES:</b>		
Administrative and personnel services	1,963,957	222,758
Transportation services	17,138,206	-
Service and supplies	1,741,362	2,035,078
Depreciation	4,087,110	282,922
<b>Total operating expenses</b>	<u>24,930,635</u>	<u>2,540,758</u>
<b>OPERATION INCOME (LOSS)</b>	<u>(18,313,857)</u>	<u>255,632</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Intergovernmental grants	7,385,264	-
Investment income	147	352,001
<b>Total nonoperating revenues (expenses)</b>	<u>7,385,411</u>	<u>352,001</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(10,928,446)</u>	<u>607,633</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>		
Transfers in	7,089,253	6,443,678
Transfers out	(245,054)	(16,103)
Capital contributions	5,041,992	-
<b>Total transfers and capital contributions</b>	<u>11,886,191</u>	<u>6,427,575</u>
<b>Changes in net assets</b>	957,745	7,035,208
<b>NET ASSETS:</b>		
Beginning of the year	75,920,314	28,873,773
End of the year	<u>\$ 76,878,059</u>	<u>\$ 35,908,981</u>

See accompanying Notes to Basic Financial Statements.

**City of Santa Clarita**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	Business-Type Activity <u>Transit Enterprise</u>	Government Activities <u>Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and users	\$ 4,061,437	\$ 2,796,390
Other operating expenses or operating receipts	2,371,224	82,762
Payment to suppliers	(18,726,153)	(1,833,213)
Payments to employees	(1,957,322)	(219,579)
<b>Net cash provided by (used for) operating activities</b>	<u>(14,250,814)</u>	<u>826,360</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Cash contributed by other governments	7,385,264	-
Cash received from other funds	7,089,253	6,412,250
Cash paid to other funds	(245,054)	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<u>14,229,463</u>	<u>6,412,250</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of capital assets	2,593,110	(210,556)
<b>Net cash provided by (used for) capital and related financing activities</b>	<u>2,593,110</u>	<u>(210,556)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	147	341,080
<b>Net cash provided by (used for) by investing activities</b>	<u>147</u>	<u>341,080</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	2,571,906	7,369,134
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	-	19,886,444
End of year	<u>\$ 2,571,906</u>	<u>\$ 27,255,578</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (18,313,857)	\$ 255,632
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation expense	4,087,110	282,922
Change in assets and liabilities:		
Increase (decrease) in due from other governments	4,723,204	-
Increase (decrease) in interest receivable	(14,223)	-
Increase (decrease) in prepaid expenses	(188,795)	-
Increase (decrease) in accounts payable and accrued liabilities	342,210	191,865
Increase (decrease) in due to other funds	(4,905,468)	-
Increase (decrease) in claims payable	-	10,000
Increase (decrease) in compensated absences	6,635	3,179
Increase (decrease) in deferred revenues	12,370	82,762
<b>Net cash provided (used) by operating activities</b>	<u>\$ (14,250,814)</u>	<u>\$ 826,360</u>

See accompanying Notes to Basic Financial Statements.



**FIDUCIARY FUND FINANCIAL STATEMENTS**

**City of Santa Clarita**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	RDA Successor Agency Private Purpose Trust Fund	Agency Funds	Total
<b>ASSETS</b>			
Cash and investments	\$ 8,833,529	\$ 145,727	\$ 8,979,256
Cash and investments with fiscal agent	1,165,418	1,793,342	2,958,760
Accounts receivable	-	600,227	600,227
Interest receivable	16,796	655	17,451
Cost of issuance of bonds	1,198,052	-	1,198,052
Capital assets	3,628,587	-	3,628,587
<b>Total assets</b>	<b>\$ 14,842,382</b>	<b>\$ 2,539,951</b>	<b>\$ 17,382,333</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 564,454	\$ 1,787	\$ 566,241
Interest payable	435,176	-	435,176
Due to other funds	-	638,993	638,993
Deferred revenues	14,608	569	15,177
Due to other agencies	569,923	-	569,923
Advances from City of Santa Clarita	13,318,896	-	13,318,896
Due to bondholders	36,938,910	1,898,602	38,837,512
<b>Total liabilities</b>	<b>51,841,967</b>	<b>\$ 2,539,951</b>	<b>\$ 54,381,918</b>
<b>Net Assets (Deficits)</b>			
Held in trust for the retirement of obligations of the former City of Santa Clarita Redevelopment Agency	\$ (36,999,585)		\$ (36,999,585)

See accompanying Notes to Basic Financial Statements.

**City of Santa Clarita**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Fund**  
**For the period February 1 through June 30, 2012**

	RDA Successor Agency Private Purpose Trust Fund
<b>Additions</b>	
Property taxes	\$ 67,392
Investment income	13,067
<b>Total additions</b>	<u>80,459</u>
<b>Deductions</b>	
Enforceable obligations	770,443
Administration	205,693
Amortization of bond issuance costs	38,647
<b>Total deductions</b>	<u>1,014,783</u>
<b>Change in Net Assets</b>	(934,324)
<b>Transfer of Net Deficit in Operations from the dissolved City of Santa Clarita Redevelopment Agency (Note 18)</b>	<u>(36,065,261)</u>
<b>Net Assets (Deficit):</b>	
Beginning of period	<u>-</u>
End of period	<u>\$ (36,999,585)</u>

See accompanying Notes to Basic Financial Statements.





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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, 2012**

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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 and financial information can be obtained at the City's administrative offices. The Agency was dissolved on February 1, 2012. See Note 18 for further discussion.

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, 2012**

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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, 2012**

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

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

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) 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, 2012**

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

**B. Basis of Accounting and Measurement Focus, Continued**

Proprietary Fund Financial Statements, 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 and a Statement of Changes in Net Assets. The City's fiduciary funds represent a private-purpose trust fund and 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 RDA Successor Agency Private Purpose Trust Fund is used to account for monies received from the L.A. County Auditor Controller for the repayment of the enforceable obligations of the former Santa Clarita Redevelopment Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule (ROPS).

The City reports the following within its 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).

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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

**B. Basis of Accounting and Measurement Focus, Continued**

Fund Types reported by the City, Continued

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.

**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, 2012**

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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. Prepays**

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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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

**G. 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.

**H. 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.

**I. 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.

**J. 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 and Public Library Funds.



**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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

**K. 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, advances, which are long-term interfund borrowings, and items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

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

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 through Council Resolution, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City.

Assigned - Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City 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, 2012**

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

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

- Restricted
- Committed
- Assigned
- Unassigned

**M. 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.

**N. 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, 2012**

**2. CASH AND INVESTMENTS**

**A. Cash and Investments**

Cash and investments at June 30, 2012, 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	\$ 156,811,544	\$ 2,571,906	\$ 159,383,450	\$ 8,979,256	\$ 168,362,706
Cash and investments with fiscal agent	-	-	-	2,958,760	2,958,760
<b>Total</b>	<b>\$ 156,811,544</b>	<b>\$ 2,571,906</b>	<b>\$ 159,383,450</b>	<b>\$ 11,938,016</b>	<b>\$ 171,321,466</b>

Cash and investments consisted of the following at June 30, 2012:

Cash and cash equivalents:	
Cash on hand	\$ 4,398
Deposits with financial institutions	322,769
<b>Total cash and cash equivalents</b>	<b>327,167</b>
Investments:	
US Treasury Securities	22,042,809
Federal Agencies	60,371,968
Money Markets	7,787,746
Certificates of Deposit	1,017,593
Corporate Securities	30,489,682
Local Agency Investment Fund	44,839,640
L.A. County Pool (LACPIF)	1,486,101
<b>Total investments</b>	<b>168,035,539</b>
<b>Total cash and investments</b>	<b>\$ 168,362,706</b>

The carrying amounts of the City's demand deposits were \$322,769 at June 30, 2012. Bank balances before reconciling items were \$576,650 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, 2012**

**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, 2012**

**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, 2012, 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	\$ 22,042,809	\$ 6,499,370	\$ -	\$ 5,309,467	\$ 8,567,604	\$ 1,666,368
Federal Agencies	60,371,968	19,387,852	6,580,998	8,966,625	14,361,542	11,074,951
Money Market	7,787,746	7,787,746	-	-	-	-
Certificates of Deposit	1,017,593	1,017,593	-	-	-	-
Corporate Securities	30,489,682	10,140,736	8,091,425	10,922,375	1,248,341	86,805
Local Agency Investment Fund	44,839,640	44,839,640	-	-	-	-
L.A. County Pool (LACPIF)	1,486,101	1,486,101	-	-	-	-
<b>Total</b>	<b>\$ 168,035,539</b>	<b>\$ 91,159,038</b>	<b>\$ 14,672,423</b>	<b>\$ 25,198,467</b>	<b>\$ 24,177,487</b>	<b>\$ 12,828,124</b>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**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	AA+	-	13.12%
Federal Agencies	AAA	AA+	-	35.93%
Money Market	AAA	AAA	-	4.63%
Certificates of Deposit	Not Rated	Not Rated	-	0.61%
Local Agency Investment Fund	Not Rated	Not Rated	-	26.68%
L.A. County Pool (LACPIF)	AAA	AAA	-	0.88%
Corporate Securities:				
Bank of New York	A1	A	0.70%	-
Bank of Nova Scotia	P-1	A-1	1.16%	-
Blackrock Inc.	A1	A+	0.61%	-
Berkshire Hathaway	AA2	AA+	0.93%	-
Chevron Corp.	AA1	AA	0.69%	-
Coca Cola	AA3	A+	0.75%	-
Ebay Inc.	A2	A	0.74%	-
General Electric	A1	AA+	2.87%	-
HSBC USA Inc.	A2	A+	0.54%	-
IBM Corp.	AA3	AA-	0.88%	-
John Deere Capital Corp.	A2	A	0.12%	-
JP Morgan	A2	A	0.93%	-
Lehman Brothers	Not Rated	Not Rated	0.27%	-
Northern Trust Corp.	A1	A+	0.54%	-
Pepsico Inc.	AA3	A-	0.72%	-
Pfizer	A1	AA	0.50%	-
United tech Corp.	A2	A	0.05%	-
US Bankcorp	AA3	A	0.72%	-
Wal-Mart	AA2	AA	0.93%	-
Walt Disney Company	A2	A	0.49%	-
Wells Fargo Company	A1	A+	0.79%	-
Subtotal			18.15%	
<b>Total</b>				100.00%

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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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:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of Total Investments</u>
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 19,362,077	10.29%
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 11,324,490	6.02%
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	\$ 13,366,515	7.11%
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 11,271,682	5.99%

***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, 2012, 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, 2012**

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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, 2012, 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, 2012, the City had \$44,839,640 invested in LAIF, which had invested 3.47% of the pool investment funds in Structured Notes and Asset-Backed securities. The LAIF fair value factor of 1.001219643 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 any time 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, 2012, the City had \$1,486,101 invested in LACPIF. The LACPIF fair value factor of 1.003065187 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, 2012**

**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 \$2,201,117 at June 30, 2012, 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, 2012, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
<b>Non-depreciable assets:</b>			
Land	\$ 122,169,150	\$ 15,087,880	\$ 137,257,030
Construction-in-progress	13,594,441	2,875,594	16,470,035
Total non-depreciable assets	<u>135,763,591</u>	<u>17,963,474</u>	<u>153,727,065</u>
<b>Depreciable assets:</b>			
Site improvements	29,556,368	7,261,748	36,818,116
Building and improvements	47,486,762	41,483,799	88,970,561
Equipment	12,157,484	42,230,131	54,387,615
Infrastructure	834,960,132	-	834,960,132
Total depreciable assets	<u>924,160,746</u>	<u>90,975,678</u>	<u>1,015,136,424</u>
<b>Less accumulated depreciation:</b>			
Site improvements	(9,297,908)	(769,076)	(10,066,984)
Building and improvements	(13,219,361)	(7,508,999)	(20,728,360)
Equipment	(10,073,869)	(26,882,437)	(36,956,306)
Infrastructure	(250,211,610)	-	(250,211,610)
Total accumulated depreciation	<u>(282,802,748)</u>	<u>(35,160,512)</u>	<u>(317,963,260)</u>
Total depreciable assets, net	<u>641,357,998</u>	<u>55,815,166</u>	<u>697,173,164</u>
<b>Total capital assets, net</b>	<u><u>\$ 777,121,589</u></u>	<u><u>\$ 73,778,640</u></u>	<u><u>\$ 850,900,229</u></u>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**4. CAPITAL ASSETS, Continued**

**B. Governmental Activities**

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

	Governmental Activities					Balance June 30, 2012
	Balance July 1, 2011	Additions	Deletions	Reclasses	Transferred to Successor Trust	
<b>Governmental activities:</b>						
<b>Non-depreciable assets:</b>						
Land	\$ 123,614,634	\$ 1,472,077	\$ -	\$ (2,917,561)	\$ -	\$ 122,169,150
Construction-in-progress	6,477,297	8,982,919	-	1,762,812	(3,628,587)	13,594,441
Total non-depreciable assets	130,091,931	10,454,996	-	(1,154,749)	(3,628,587)	135,763,591
<b>Depreciable assets:</b>						
Site improvements	29,141,818	249,532	-	165,018	-	29,556,368
Building and improvements	46,537,031	-	-	949,731	-	47,486,762
Equipment	11,427,789	729,695	-	-	-	12,157,484
Infrastructure	821,903,999	13,208,588	(192,455)	40,000	-	834,960,132
Total depreciable assets	909,010,637	14,187,815	(192,455)	1,154,749	-	924,160,746
<b>Less accumulated depreciation:</b>						
Site improvements	(8,117,320)	(1,180,588)	-	-	-	(9,297,908)
Building and improvements	(12,155,939)	(1,063,422)	-	-	-	(13,219,361)
Equipment	(9,239,858)	(834,011)	-	-	-	(10,073,869)
Infrastructure	(233,367,372)	(16,844,238)	-	-	-	(250,211,610)
Total accumulated depreciation	(262,880,489)	(19,922,259)	-	-	-	(282,802,748)
Total depreciable assets, net	646,130,148	(5,734,444)	(192,455)	1,154,749	-	641,357,998
<b>Total capital assets, net</b>	<b>\$ 776,222,079</b>	<b>\$ 4,720,552</b>	<b>\$ (192,455)</b>	<b>\$ -</b>	<b>\$ (3,628,587)</b>	<b>\$ 777,121,589</b>

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2012 as follows:

Governmental Activities	
General government	\$ 512,186
Public safety	1,980,729
Public works	247,716
Parks and recreation	48,140
Community development	6,328
Internal service funds depreciation charged to programs	282,922
Allocated depreciation	3,078,021
Unallocated infrastructure depreciation	16,844,238
Total depreciation expense	<u>\$ 19,922,259</u>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**4. CAPITAL ASSETS, Continued**

**C. Business-Type Activities**

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, 2012
	Balance July 1, 2011	Additions	Deletions	Reclasses	
<b>Business-type activities:</b>					
<b>Non-depreciable assets:</b>					
Land	\$ 15,087,880	\$ -	\$ -	\$ -	\$ 15,087,880
Construction-in-progress	6,957,970	418,313	-	(4,500,689)	2,875,594
Total non-depreciable assets	22,045,850	418,313	-	(4,500,689)	17,963,474
<b>Depreciable assets:</b>					
Site improvements	1,894,765	866,294	-	4,500,689	7,261,748
Building and improvements	41,483,799	-	-	-	41,483,799
Equipment	41,065,856	1,164,275	-	-	42,230,131
Total depreciable assets	84,444,420	2,030,569	-	4,500,689	90,975,678
<b>Less accumulated depreciation:</b>					
Site improvements	(429,551)	(339,525)	-	-	(769,076)
Building and improvements	(6,625,651)	(883,348)	-	-	(7,508,999)
Equipment	(24,018,200)	(2,864,237)	-	-	(26,882,437)
Total accumulated depreciation	(31,073,402)	(4,087,110)	-	-	(35,160,512)
Total depreciable assets, net	53,371,018	(2,056,541)	-	4,500,689	55,815,166
<b>Capital assets, net</b>	<b>\$ 75,416,868</b>	<b>\$ (1,638,228)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,778,640</b>

Depreciation expense for business-type activities for the fiscal year ended June 30, 2012 was charged as follows:

Transit	\$ 4,087,110
<b>Total depreciation expense</b>	<b>\$ 4,087,110</b>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**5. LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Transferred to Successor Trust	Balance June 30, 2012	Classification	
						Due Within One Year	Due More Than One Year
<b>Governmental Activities:</b>							
Lease Revenue Bonds:							
Series 2007	\$ 12,805,000	\$ -	\$ (280,000)	\$ -	\$ 12,525,000	\$ 295,000	\$ 12,230,000
Plus deferred amount for issuance premium	93,596	-	(3,658)	-	89,938	-	89,938
<b>Total Lease Revenue Bonds</b>	<b>12,898,596</b>	<b>-</b>	<b>(283,658)</b>	<b>-</b>	<b>12,614,938</b>	<b>295,000</b>	<b>12,319,938</b>
Certificates of Participation:							
Refunding, Series 2005	12,700,000	-	(1,090,000)	-	11,610,000	1,125,000	10,485,000
Series 2007	15,525,000	-	(35,000)	-	15,490,000	60,000	15,430,000
Less deferred amounts:							
For issuance discounts	(305,205)	-	32,142	-	(273,063)	-	(273,063)
<b>Total Certificates of Participation</b>	<b>27,919,795</b>	<b>-</b>	<b>(1,092,858)</b>	<b>-</b>	<b>26,826,937</b>	<b>1,185,000</b>	<b>25,641,937</b>
Tax Allocation Bonds:							
Series 2008	29,040,000	-	(435,000)	(28,605,000)	-	-	-
Housing Set-Aside	8,605,000	-	(125,000)	(8,480,000)	-	-	-
Less deferred amounts:							
For issuance discounts	(149,316)	-	3,226	146,090	-	-	-
<b>Total Tax Allocation Bonds</b>	<b>37,495,684</b>	<b>-</b>	<b>(556,774)</b>	<b>(36,938,910)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital leases payable	-	252,068	(9,651)	-	242,417	44,570	197,847
Loans payable	1,413,786	-	(373,786)	-	1,040,000	230,000	810,000
Compensated absences	2,625,890	1,697,330	(1,637,683)	-	2,685,537	271,414	2,414,123
Claims payable	40,000	10,000	-	-	50,000	-	50,000
<b>Total</b>	<b>\$ 82,393,751</b>	<b>\$ 1,959,398</b>	<b>\$ (3,954,410)</b>	<b>\$ (36,938,910)</b>	<b>\$ 43,459,829</b>	<b>\$ 2,025,984</b>	<b>\$ 41,433,845</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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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

**Governmental Activities, Continued**

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

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.

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 \$20,470,282 as of June 30, 2012. For the current year, principal and interest paid on the Bonds was \$821,804 and property tax increment net revenues were \$29,649,284. The Bonds required 2.8% of net revenues. The outstanding balance of the Bonds was \$12,525,000 at June 30, 2012.

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

Year Ending June 30,	Principal	Interest	Total
2013	\$ 295,000	\$ 527,804	\$ 822,804
2014	310,000	513,054	823,054
2015	325,000	500,654	825,654
2016	335,000	487,654	822,654
2017	350,000	474,254	824,254
2018-2022	1,965,000	2,050,270	4,015,270
2023-2027	2,385,000	1,723,064	4,108,064
2028-2032	2,930,000	1,179,028	4,109,028
2033-2037	3,630,000	489,500	4,119,500
<b>Total</b>	<b>\$ 12,525,000</b>	<b>\$ 7,945,282</b>	<b>\$ 20,470,282</b>

The following is a summary of the unamortized premiums and discounts outstanding at June 30, 2012:

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
\$ 93,596	\$ -	\$ (3,658)	\$ 89,938

Amortization expense was \$3,658 for June 30, 2012.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**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
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	1,280,000	242,768	1,522,768
2018-2021	5,615,000	455,666	6,070,666
<b>Total</b>	<b>\$ 11,610,000</b>	<b>\$ 2,087,682</b>	<b>\$ 13,697,682</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, 2012**

**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
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	185,000	691,752	876,752
2018-2022	1,465,000	3,307,769	4,772,769
2023-2027	2,525,000	2,884,634	5,409,634
2028-2032	3,885,000	2,153,571	6,038,571
2033-2037	5,635,000	1,032,770	6,667,770
2038	1,375,000	32,656	1,407,656
<b>Total</b>	<b>\$ 15,490,000</b>	<b>\$ 12,924,556</b>	<b>\$ 28,414,556</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, 2012 for both, the Series 2005 and 2007 Certificates:

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
\$ (305,205)	\$ -	\$ 32,142	\$ (273,063)

Amortization expense was \$32,142 for June 30, 2012.

**Tax Allocation Bonds – Series 2008**

On June 12, 2008, the Redevelopment 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, 2012**

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

**Governmental Activities, Continued**

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

Effective January 31, 2012, the Redevelopment Agency was dissolved by the State and the Tax Allocation Bonds, Series 2008 outstanding principal of \$28,605,000 and interest of \$26,899,444 on that date became the responsibility of the Successor Agency for continued payments according to the existing maturity schedule.

During the current year, principal and interest paid on the Bonds by the City was \$435,000 and \$677,674, respectively and property tax increment net revenues were \$1,745,075.

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

On June 2008, the Redevelopment 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 were 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.

Effective January 31, 2012, the Redevelopment Agency was dissolved by the State and the Tax Allocation Bonds, Series 2008 outstanding principal of \$8,480,000 and interest of \$8,527,624 on that date became the responsibility of the Successor Agency for continued payments according to the existing maturity schedule.

During the current year, principal and interest paid on the Bonds by the City was \$125,000 and \$203,878, respectively and property tax increment net revenues were \$408,269.

Both the Series 2008 and Housing Set-Aside tax allocation bonds had an unamortized discount outstanding at January 31, 2012 of \$146,090, which was transferred to the Successor Agency, after amortization in the current year of \$3,226 as follows:

Balance July 1, 2011	Additions	Deletions	Transferred to Successor Trust	Balance June 30, 2012
\$ (149,316)	\$ -	\$ 3,226	\$ 146,090	\$ -



**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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

**Governmental Activities, Continued**

Amortization expense was \$5,530 for June 30, 2012.

**Loans Payable**

	Balance			Balance	Due within	Due in more
	July 1, 2011	Additions	Deletions	June 30, 2012	one year	than one year
HUD Loans						
1999 West Newhall	\$ 570,000	\$ -	\$ (130,000)	\$ 440,000	\$ 130,000	\$ 310,000
Boys and Girls Club	534,000	-	(77,000)	457,000	77,000	380,000
Scherzinger Lane	166,000	-	(23,000)	143,000	23,000	120,000
<b>Total HUD Loans</b>	<b>1,270,000</b>	<b>-</b>	<b>(230,000)</b>	<b>1,040,000</b>	<b>230,000</b>	<b>810,000</b>
2002 City Parking Lot	143,786	-	(143,786)	-	-	-
<b>Total loans</b>	<b>\$ 1,413,786</b>	<b>\$ -</b>	<b>\$ (373,786)</b>	<b>\$ 1,040,000</b>	<b>\$ 230,000</b>	<b>\$ 810,000</b>

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, 2012 is \$440,000.

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, 2012 is \$457,000.

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, 2012 is \$143,000.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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

**Governmental Activities, Continued**

**Loans Payable, Continued**

*HUD Loans*

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

Year Ending June 30,	Principal	Interest	Total
2013	\$ 230,000	\$ 35,756	\$ 265,756
2014	230,000	29,186	259,186
2015	280,000	21,335	301,335
2016	100,000	14,220	114,220
2017	100,000	8,605	108,605
2018	100,000	2,891	102,891
<b>Total</b>	<b>\$ 1,040,000</b>	<b>\$ 111,993</b>	<b>\$ 1,151,993</b>

*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 loan was paid off during the year ended June 30, 2012.

*Capital Lease*

On February 28, 2012, the City Council approved a lease-purchase agreement with One Source Financial Corp for two seven-bin sorters for the Canyon Country and Valencia library branches in the amount of \$252,068. The lease agreement has sixty monthly payments of \$4,825.30 with an interest rate of 6%. The final payment is due May 15, 2017. The lease was assigned by One Source Financial Corp. to the Bank of the West.

The assets acquired through the capital lease are as follows:

Equipment	\$ 252,068
Less: Accumulated depreciation	(8,402)
Total	<u>\$ 243,666</u>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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

**Governmental Activities, Continued**

**Capital Lease, Continued**

Year Ending June 30,	Principal	Interest	Total
2013	\$ 44,570	\$ 13,333	\$ 57,903
2014	47,320	10,584	57,904
2015	50,238	7,665	57,903
2016	53,337	4,567	57,904
2017	46,952	1,301	48,253
<b>Total</b>	<b>\$ 242,417</b>	<b>\$ 37,450</b>	<b>\$ 279,867</b>

**Compensated absences**

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

**6. DEPOSITS PAYABLE**

The City collects deposits from developers for improvements within the City. The deposits can be in the form of donated improvements or cash-in-lieu payments. Major infrastructure improvements, such as bridges and thoroughfares, are donated to the City. After acceptance of the project by the City, developers receive a credit if the cost of the improvements exceeds the district fee obligation. The developers may use the credits to offset other future district fee obligations and the credits remain a liability of the City until they are drawn down. The balance of deposits payable at June 30, 2012 is \$38,990,896.

**7. INTERFUND TRANSACTIONS**

**Due To/Due From** - At June 30, 2012, the City had the following short-term interfund receivables and payables.

Due To Other Funds	Due From Other Funds	
	General	Total
Non-Major Governmental Funds	\$ 3,051,261	\$ 3,051,261
Fiduciary Fund	638,993	638,993
<b>Total</b>	<b>\$ 3,690,254</b>	<b>\$ 3,690,254</b>

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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**7. INTERFUND TRANSACTIONS, Continued**

**Long-Term Advances** - At June 30, 2012, the City had the following interfund long-term advances:

		Advances To Other Funds					
		Major Funds			Internal Service		
		General	Bridge and Thoroughfare	Developer Fees	Self Insurance		
					Fund		
						Total	
Advances From Other Funds	Governmental Funds:						
	Bridge and Thoroughfare	\$ 527,729	\$ 23,311,323	\$ 115,527	\$ 925,223		\$ 24,879,802
	Public Library	10,488,382	-	-	-		10,488,382
	RDA Successor Agency Trust	7,859,763	-	5,459,133	-		13,318,896
	<b>Total</b>	<b>\$ 18,875,874</b>	<b>\$ 23,311,323</b>	<b>\$ 5,574,660</b>	<b>\$ 925,223</b>		<b>\$ 48,687,080</b>

Advances between funds are to fund capital projects. Repayments will be funded through future developer fees and property taxes.

**Transfers** - At June 30, 2012, the City had the following transfers:

		Transfers Out						
		Major Funds				Other Governmental Funds	Transit Enterprise Fund	Internal Service Funds
Transfers In		General Fund	Bridge & Thoroughfare	Developer Fees	Landscape Maint. District #1			
General Fund	\$ 7,350,000	\$ 7,136	\$ 5,583	\$ 86,766	\$ 1,680,022	\$ 232,124	\$ 16,103	\$ 9,377,734
Public Library	-	-	-	-	260,240	-	-	260,240
Landscape Maint. District #1	50,000	-	-	-	-	-	-	50,000
Other Governmental Funds	2,848,860	-	-	64,080	3,924,830	12,930	-	6,850,700
Transit Enterprise	-	-	-	-	7,089,253	-	-	7,089,253
Internal Service Funds	6,443,678	-	-	-	-	-	-	6,443,678
<b>Total</b>	<b>\$ 16,692,538</b>	<b>\$ 7,136</b>	<b>\$ 5,583</b>	<b>\$ 150,846</b>	<b>\$ 12,954,345</b>	<b>\$ 245,054</b>	<b>\$ 16,103</b>	<b>\$ 30,071,605</b>

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

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**8. INDIVIDUAL FUND DISCLOSURES**

**A. Deficit Fund Balances**

Funds which have a deficit fund balance at June 30, 2012, are as follows:

Fund	Deficit Fund Balance
<b>Major Funds:</b>	
Bridge and Thoroughfare	\$ (21,818,543)
Developer Fee	(878,828)
Public Library	(4,757,359)
<b>Other Governmental Funds:</b>	
State Park	(85,937)
Miscellaneous Grants	(291,869)
<b>Fiduciary Fund:</b>	
RDA Successor Agency Private Purpose Trust	(36,999,585)

The City plans to remove these deficits through transfers from the General Fund, receipt of developer fees and receipt of deferred grant revenues. The RDA Successor Agency Private Purpose Trust deficit will be reduced with receipt of property tax increment and potential asset sales.

**B. Expenditures In Excess Of Appropriations**

For the year ended June 30, 2012, expenditures exceeded appropriations in the following programs/functions (legal level of budgetary control) of the respective funds:

Funds	Appropriations	Expenditures	Excess Expenditures over Appropriations
<b>Bridge and Thoroughfare Special Revenue</b>			
Public Works	\$ 751,427	\$ 888,011	\$ 136,584
<b>Public Library Special Revenue</b>			
Interest and fiscal charges	150,000	182,006	32,006
<b>Non-Major Governmental Funds:</b>			
<b>Federal Grants Special Revenue</b>			
Public works	5,690	5,768	78

**9. 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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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

**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, 2012, was 12.98% for non-safety employees. The contribution requirements of plan members and the City are established and maybe amended by CalPERS.

**Annual Pension Cost:**

For 2012, the City's annual pension cost of \$5,186,634 for CalPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2010, 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-one 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 3.55% 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	Pension Cost (APC)	of APC Contributed	Net Pension Obligation
6/30/2010	\$ 5,036,747	100%	\$ -
6/30/2011	4,922,978	100%	-
6/30/2012	5,186,634	100%	-

**Funded Status and Funding Progress:**

As of June 30, 2011, the most recent actuarial valuation date available, the plan was 82.8% funded. The actuarial accrued liability for benefits was \$99.4 million, and the actuarial value of assets was \$82.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$17.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$25.4 million, and the ratio of the UAAL to the covered payroll was 67.2%.

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, 2012**

**10. 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, 2011</u>	<u>Total</u>
Active employees	351
Retirees	43
Total	<u>394</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. During fiscal year 2011-12, the City contributed a total of \$20,343,105 comprised of \$418,623 in cash subsidies (current year pay-as-you-go amount) plus \$19,924,482 to a OPEB Trust fund.

The City conducted an actuarial valuation to determine the City's obligation to fund Other Post-Employment Benefits (OPEB) and determined that it served the City's interests to prefund those benefits. In December 2011, the City Council approved Resolution 11-89 adopting the Public Agencies Post-Retirement Health Care Plan Document and Trust Agreement. The OPEB Trust is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB as described in GASB Statement 45. The Plan Trustee is Union Bank of California, N.A., and Public Agencies Retirement Services (PARS) is the Trust Administrator. The City elected a discretionary investment approach with a moderate investment objective strategy. The primary objective is to maximize total Plan return, subject to the risk and quality constraints established. The Plan's targeted rate of return is 7.0%. The asset allocation ranges for this objective are 0-20% Cash, 40-60% Fixed Income, and 40-60% Equity.

For fiscal year 2011-2012, 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	\$ 14,082
SEIU Local 347	\$ 12,199	\$ 14,082

*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.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**10. POST EMPLOYMENT HEALTH BENEFITS, Continued**

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 Asset for the Plan:

	<u>Total</u>
Annual required contribution	\$ 2,126,000
Interest on net OPEB obligation	853,593
Adjustment to annual required contribution	<u>(600)</u>
Annual OPEB cost (expense)	2,978,993
Contributions made outside of a trust	418,623
Contributions to irrevocable trust	<u>19,924,482</u>
Decrease in net OPEB obligation	17,364,112
Net OPEB obligation - beginning of year	<u>(12,194,175)</u>
Net OPEB asset - end of year	<u><u>\$ 5,169,937</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for 2012 was as follows:

<u>Year Ended</u>	<u>OPEB Cost</u>	<u>Annual Contribution</u>	<u>OPEB Cost Contributed</u>	<u>OPEB Asset (Obligation)</u>
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)
6/30/2012	2,978,993	20,343,105	682.9%	5,169,937

**Funded Status and Funding Progress.** As of most recent actuarial valuation date on July 1, 2010, 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.



**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**10. POST EMPLOYMENT HEALTH BENEFITS, Continued**

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.

**11. 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.

	Special Revenue Funds						Total
	General Fund	Bridge and Thoroughfare	Developer Fees	Public Library	Landscape Maintenance District #1	Non-Major Governmental Funds	
<b>Nonspendable</b>							
Prepaid items	\$ 26,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,476
Advances to other funds	18,875,874	23,311,323	5,574,660	-	-	-	47,761,857
<b>Total nonspendable</b>	<b>18,902,350</b>	<b>23,311,323</b>	<b>5,574,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,788,333</b>
<b>Restricted</b>							
Open space preservation	-	-	-	-	-	11,506,330	11,506,330
Air quality	-	-	-	-	-	42,798	42,798
Special assessments	-	-	-	-	-	4,716,860	4,716,860
Drainage	-	-	-	-	-	6,751,657	6,751,657
Landscape maintenance	-	-	-	-	20,020,391	-	20,020,391
Public library	-	-	-	-	-	1,519	1,519
Tourism marketing	-	-	-	-	-	126,698	126,698
Other purposes	-	-	-	-	-	3,749,712	3,749,712
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,020,391</b>	<b>26,895,574</b>	<b>46,915,965</b>
<b>Committed</b>							
OPEB	66,257	-	-	-	-	-	66,257
<b>Total committed</b>	<b>66,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,257</b>
<b>Assigned</b>							
Other purposes	309,078	-	-	-	-	-	309,078
Public financing	-	-	-	-	-	457,487	457,487
Capital projects	-	-	-	-	-	2,817,825	2,817,825
<b>Total assigned</b>	<b>309,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,275,312</b>	<b>3,584,390</b>
<b>Unassigned</b>							
	50,664,338	(45,129,866)	(6,453,488)	(4,757,359)	-	(377,806)	(6,054,181)
<b>Total fund balances</b>	<b>\$ 69,942,023</b>	<b>\$ (21,818,543)</b>	<b>\$ (878,828)</b>	<b>\$ (4,757,359)</b>	<b>\$ 20,020,391</b>	<b>\$ 29,793,080</b>	<b>\$ 92,300,764</b>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**12. 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 \$17,000 per participant per year. Employee contributions to certain plans are voluntary. During the year ended June 30, 2012, there were 852 participants in the plans. The City contributions totaled \$184,450, and employees' contributions totaled \$1,748,344.

**13. 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, 2012, \$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 \$520,125 for the Property/Liability Program and \$435,092 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, 2012. 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, 2012.

Changes in the reported claims liability since June 30, 2010 resulted in the following:

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	\$	40,000
Claims and changes in estimates during the year ended June 30, 2012		10,000
Claims and payments during the year ended June 30, 2012		-
Liability as of June 30, 2012	\$	50,000

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**13. SELF INSURANCE, Continued**

SDRMA has published its own financial report for the year ended June 30, 2012, which can be obtained from SDRMA, 1112 I Street, Suite 300, Sacramento, California 95814. Summary information on SDRMA is as follows:

	<b>Year ended June 30, 2012</b>
Total Revenues	\$ 46,647,444
Total Expenses	\$ 38,734,846
Total Assets	\$ 102,675,963
Total Liabilities	\$ 43,880,783
Total Equity	\$ 58,795,180

**14. NO COMMITMENT DEBT**

1915 Act Limited Obligation Improvements Bonds

- A. On September 2, 1992, \$879,432 of 1915 Act Limited Obligation Improvement Bonds (1915 Golden Valley Road Bonds) for the Golden Valley Road Improvement Assessment District (Assessment District) were issued. The 1915 Golden Valley Road Bonds are not a general obligation of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. The source of the debt service is from the property assessments within the Assessment District. The principal amount of debt outstanding at June 30, 2012, was \$435,000.
- 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, 2012, was \$510,000.

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, 2012, was \$16,650,000.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**15. SANTA CLARITA WATERSHED RECREATION AND CONSERVANCY AUTHORITY**

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

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, 2012, 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, 2012 is presented below:

	<b>Year ended June 30, 2012</b>
Total Revenues	\$ 138
Total Expenditures	\$ 5,925
Total Assets	\$ 5,637,145
Total Liabilities	\$ -
Total Equity	\$ 5,637,145

**16. SANTA CLARITA PUBLIC TELEVISION AUTHORITY**

In July 2009, the City entered into a joint powers agreement with the William S. Hart School District (District) to create the Santa Clarita Public Television Authority (the SCPTA). The purpose of the SCPTA is to provide a forum for public, educational and governmental television programs by the members and by individuals and organizations in the community. The governing board consists of one representative from the District and one from the City.

The City performs administrative functions for the SCPTA, and may, at the SCPTA's request, make annual contributions. For the year ended June 30, 2012, the City contributed \$107,398. Financial statements of the SCPTA may be obtained at the City's administrative offices.

Condensed financial information as of June 30, 2012 is presented below:

	<b>Year ended June 30, 2012</b>
Total Revenues	\$ 107,240
Total Expenditures	\$ 107,511
Total Assets	\$ -
Total Liabilities	\$ -
Total Equity	\$ -

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**17. COMMITMENTS AND CONTINGENCIES**

The City has active construction projects as of June 30, 2012. At year-end, the City's commitments with contractors for infrastructure projects are as follows:

<u>Project</u>	<u>Commitment</u>
Roads	\$ 3,922
Bridges	489,446
Signals	50
Medians	245,690
Total commitments	<u>\$ 739,108</u>

***Encumbrances***

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

GASB Statement No. 54 provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the governmental funds are classified as either nonspendable, committed, restricted or assigned and are included in the respective functional categories. These encumbrances are not separately classified in the financial statements, and are summarized at June 30, 2012 as follows:

	<u>Amount</u>
General Fund	\$ 309,078
Other governmental funds	13,742,910

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, 2012, 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, 2012**

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**18. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 27 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 12-3.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

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

The Bill 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 by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City in the amount of \$13,318,896 are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continues to be reported in the governmental funds of the City. After the date of the dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (RDA Successor Agency Private Purpose Trust Fund) in the financial statements of the City.

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**18. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as of January 31, 2012) from governmental funds of the City to the fiduciary funds was reported in the governmental funds as an extraordinary gain in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the RDA Successor Agency Private Purpose Trust Fund as an extraordinary loss.

As part of the dissolution of the Agency, the outstanding Advances from the City to the Agency, including accrued interest thereon, which were transferred to the RDA Successor Agency Private Purpose Trust Fund were required to be revalued using LAIF interest rates during the periods the Advances were outstanding. Accordingly, on January 31, 2012 the Agency recorded a \$4,348,023 extraordinary gain due to the write down on the Advances payable to the City's General Fund.

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary gain recognized in the governmental funds was not the same amount as the extraordinary loss that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary gains recognized in the fund financial statements and the extraordinary loss recognized in the fiduciary fund financial statement is reconciled as follows:

Total extraordinary gain reported in governmental funds - decrease to net assets of the RDA Successor Agency Private Purpose Trust Fund	\$ (8,317,116)
Capital assets recorded in the government-wide financial statements - increase to net assets of the RDA Successor Agency Private Purpose Trust Fund	3,628,587
Deferred Charges (bond issuance costs) recorded in the government-wide financial statements - increase to net assets of the RDA Successor Agency Private Purpose Trust Fund	1,214,155
Long-term debt reported in the government-wide financial statements - decrease to net assets of the RDA Successor Agency Private Purpose Trust Fund:	
Tax Allocation Bond - Series 2008	(28,605,000)
Tax Allocation Bond - Housing Set-Aside	(8,480,000)
Unamortized bond discount	<u>146,090</u>
Net decrease to net assets of the RDA Successor Agency Private Purpose Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	(40,413,284)
Less extraordinary gain reported in the governmental funds for the write down on accrued interest on City Advances	<u>4,348,023</u>
Amount transferred to RDA Successor Agency Private Purpose Trust Fund	<u><u>\$ (36,065,261)</u></u>

**City of Santa Clarita**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**19. SUBSEQUENT EVENTS**

On October 10, 2012, the Successor Agency submitted the Low and Moderate Income Housing Fund ("LMIHF") Due Diligence Review ("DDR") to the California Department of Finance pursuant to Health and Safety Code Section 34179.6(c). The purpose of the review was to determine the amount of cash and cash equivalents available for distributing to the affected taxing entities. At the time the report was approved by the Oversight Board and submitted to the Department of Finance, it was projected that the Successor Agency had \$402,766 to be distributed to taxing entities. The Department of Finance issued a letter to the City dated November 9, 2012 determining that the Successor Agency had \$5,855,293 in unencumbered LMIHF cash and cash equivalents that is subject to distribution to the taxing entities. The Successor Agency disagreed with the adjustment made by the Department of Finance and a meet and confer was held on November 30, 2012. On December 15, 2012, the Successor Agency was notified that the Department of Finance believes the Successor Agency has \$3,005,293 available for distribution to taxing entities. On January 11, 2013, the Department of Finance notified the Successor Agency that the amount due for distribution to taxing entities has been revised to \$451,742.



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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, 2012**

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**1. BUDGETARY INFORMATION**

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

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

The appropriated budget is prepared by fund, function, and department. 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 the major special revenue fund.

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2012**

**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, 2011</b>	\$ 83,690,219	\$ 83,690,219	\$ 83,690,219	\$ -
Resources (inflows):				
Taxes	60,941,257	61,727,000	63,389,240	1,662,240
Licenses and permits	3,461,150	3,651,150	4,097,709	446,559
Use of money and property	1,093,000	1,093,000	1,205,900	112,900
Revenue from other agencies	399,862	311,513	487,798	176,285
Fines and forfeitures	495,250	508,000	560,384	52,384
Service charges	5,873,664	5,821,535	6,776,268	954,733
Other revenue	41,000	139,078	234,739	95,661
Overhead reimbursement	3,470,933	3,470,933	3,496,092	25,159
Transfers in	4,754,370	9,440,361	9,377,734	(62,627)
Amount available for appropriation	<u>164,220,705</u>	<u>169,852,789</u>	<u>173,316,083</u>	<u>3,463,294</u>
Charges to appropriations (outflows):				
Current:				
General government	14,540,536	15,436,541	32,145,979	(16,709,438)
Public safety	20,332,471	19,268,462	18,286,194	982,268
Public works	14,021,399	14,030,044	13,047,920	982,124
Parks and recreation	19,841,466	20,365,628	19,254,122	1,111,506
Community development	3,923,607	4,337,523	3,947,307	390,216
Transfers out	5,231,274	16,300,293	16,692,538	(392,245)
Total charges to appropriations	<u>77,890,753</u>	<u>89,738,491</u>	<u>103,374,060</u>	<u>(13,635,569)</u>
<b>Fund balance, June 30, 2012</b>	<u>\$ 86,329,952</u>	<u>\$ 80,114,298</u>	<u>\$ 69,942,023</u>	<u>\$ (10,172,275)</u>

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2012**

**1. BUDGETARY INFORMATION, Continued**

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive / (Negative)
<b>Fund balance, July 1, 2011, deficit</b>	\$ (21,544,781)	\$ (21,544,781)	\$ (21,544,781)	\$ -
Resources (inflows):				
Investment income	605,030	609,330	615,626	6,296
Other revenue	1,095,000	426,400	1,751,831	1,325,431
Amount available for appropriation	<u>(19,844,751)</u>	<u>(20,509,051)</u>	<u>(19,177,324)</u>	<u>1,331,727</u>
Charges to appropriations (outflows):				
Current:				
Public works	176,445	751,427	888,012	(136,585)
Capital outlay	1,398,576	3,715,505	1,416,791	2,298,714
Debt service:				
Interest and fiscal charges	387,100	387,100	329,280	57,820
Transfers out	7,892	7,136	7,136	-
Total charges to appropriations	<u>1,970,013</u>	<u>4,861,168</u>	<u>2,641,219</u>	<u>2,219,949</u>
<b>Fund balance, June 30, 2012, deficit</b>	<u>\$ (21,814,764)</u>	<u>\$ (25,370,219)</u>	<u>\$ (21,818,543)</u>	<u>\$ 3,551,676</u>

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2012**

**1. BUDGETARY INFORMATION, Continued**

*Budget Comparison Schedule – Developer Fees Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive / (Negative)
	Original	Final		
<b>Fund balance, July 1, 2011, deficit</b>	\$ (1,493,440)	\$ (1,493,440)	\$ (1,493,440)	\$ -
Resources (inflows):				
Developer fees	-	6,799,650	7,124,968	325,318
Investment income	121,370	105,370	137,985	32,615
Other revenue	-	-	3,681	3,681
Amount available for appropriation	<u>(1,372,070)</u>	<u>5,411,580</u>	<u>5,773,194</u>	<u>361,614</u>
Charges to appropriations (outflows):				
Current:				
Public safety	-	6,500,920	6,500,920	-
Capital outlay	25,000	230,468	145,519	84,949
Transfers out	5,000	5,583	5,583	-
Total charges to appropriations	<u>30,000</u>	<u>6,736,971</u>	<u>6,652,022</u>	<u>84,949</u>
<b>Fund balance, June 30, 2012, deficit</b>	<u>\$ (1,402,070)</u>	<u>\$ (1,325,391)</u>	<u>\$ (878,828)</u>	<u>\$ 446,563</u>

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2012**

**1. BUDGETARY INFORMATION, Continued**

*Budget Comparison Schedule – Public Library Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive / (Negative)
	Original	Final		
<b>Fund balance, July 1, 2011</b>	\$ 2,821,114	\$ 2,821,114	\$ 2,821,114	\$ -
Resources (inflows):				
Taxes	4,604,416	4,604,416	4,649,762	45,346
Investment income	18,140	8,140	13,465	5,325
Other revenue	180,000	187,500	95,333	(92,167)
Proceeds from capital lease	-	-	252,068	252,068
Transfers in	-	260,240	260,240	-
Amount available for appropriation	<u>7,623,670</u>	<u>7,881,410</u>	<u>8,091,982</u>	<u>210,572</u>
Charges to appropriations (outflows):				
Current:				
General government	3,696,918	4,120,866	3,929,402	191,464
Capital outlay	2,614,120	13,485,036	8,737,933	4,747,103
Debt service:				
Principal	350,000	350,000	-	350,000
Interest and fiscal charges	150,000	150,000	182,006	(32,006)
Total charges to appropriations	<u>6,811,038</u>	<u>18,105,902</u>	<u>12,849,341</u>	<u>5,256,561</u>
<b>Fund balance, June 30, 2012, deficit</b>	<u>\$ 812,632</u>	<u>\$ (10,224,492)</u>	<u>\$ (4,757,359)</u>	<u>\$ 5,467,133</u>

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2012**

**1. BUDGETARY INFORMATION, Continued**

*Budget Comparison Schedule – Landscape Maintenance District #1 Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive / (Negative)
	Original	Final		
<b>Fund balance, July 1, 2011</b>	\$ 18,574,260	\$ 18,574,260	\$ 18,574,260	\$ -
Resources (inflows):				
Taxes	727,498	727,498	791,698	64,200
Investment income	240,000	240,000	320,266	80,266
Service charges	13,471,542	13,471,542	13,876,810	405,268
Transfers in	50,000	50,000	50,000	-
Amount available for appropriation	<u>33,063,300</u>	<u>33,063,300</u>	<u>33,613,034</u>	<u>549,734</u>
Charges to appropriations (outflows):				
Current:				
General government	10,964,510	11,019,699	9,837,909	1,181,790
Capital outlay	2,723,365	5,871,923	3,603,888	2,268,035
Transfers out	90,810	150,846	150,846	-
Total charges to appropriations	<u>13,778,685</u>	<u>17,042,468</u>	<u>13,592,643</u>	<u>3,449,825</u>
<b>Fund balance, June 30, 2012</b>	<u>\$ 19,284,615</u>	<u>\$ 16,020,832</u>	<u>\$ 20,020,391</u>	<u>\$ 3,999,559</u>

**City of Santa Clarita**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2012**

**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)
			(Unfunded)			(Unfunded)
Actuarial Valuation Date*	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	Actuarial Accrued Liability [(B)-(A)]	Funded Ratio [(A)/(B)]	Annual Covered Payroll	Actuarial Liability as Percentage of Covered Payroll [(C)/(E)]
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%
6/30/2011	82,323	99,379	17,056	82.84%	25,381	67.20%

\* Based on most recent actuarial valuation

**3. OTHER POST EMPLOYMENT BENEFITS**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Funding Progress for the City's Plan**  
**(\$ Amount in Thousands)**

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

\* Only two valuation dates are available.



## **SUPPLEMENTARY INFORMATION**

## NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

***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.

***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.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds, Continued

*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.

*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.

*Open Space Preservation District* - 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 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 Debt Service Fund* - This fund was used to account for balances and revenues and expenditures on loans from the City to the Redevelopment Agency. The Fund's operations ceased on January 31, 2012 and all balances were transferred to the RDA Successor Agency Private Purpose Trust Fund.

*Redevelopment Agency Low/Mod Housing* - This fund was used to account for principal and interest payments on the Housing Set-Aside Tax Allocation Bonds, Series 2008. The Fund's operations ceased on January 31, 2012 and all balances were transferred to the RDA Successor Agency Private Purpose Trust Fund.

*Public Financing Authority* - To account for principal and interest payments 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 Capital Projects Fund* - This fund was 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. The Fund's operations ceased on January 31, 2012 and all balances were transferred to the RDA Successor Agency Private Purpose Trust Fund.

*Redevelopment Agency Low/Mod Housing* - 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. The Fund's operations ceased on January 31, 2012 and all balances were transferred to the RDA Successor Agency Private Purpose Trust Fund.

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

**City of Santa Clarita**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2012**

	Special Revenue				
	Bikeway	Gas Tax	Proposition A	Park Dedication	Special Assessment
<b>ASSETS</b>					
Cash and investments	\$ 76,502	\$ 1,698,996	\$ 397	\$ 729,607	\$ 4,659,638
Receivables:					
Accounts	-	16,676	-	-	42,320
Interest	343	8,005	2	3,154	24,332
Taxes	-	-	-	-	347,490
Due from other governments	21,472	-	-	-	-
Deposits	-	-	-	-	-
Notes and loans receivable	-	-	-	-	-
<b>Total assets</b>	<b>\$ 98,317</b>	<b>\$ 1,723,677</b>	<b>\$ 399</b>	<b>\$ 732,761</b>	<b>\$ 5,073,780</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 7,833	\$ 287,336	\$ 397	\$ -	\$ 335,758
Deferred revenue	75,945	6,962	2	2,743	21,162
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>83,778</b>	<b>294,298</b>	<b>399</b>	<b>2,743</b>	<b>356,920</b>
Fund Balances (Deficit):					
Restricted	14,539	1,429,379	-	730,018	4,716,860
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>14,539</b>	<b>1,429,379</b>	<b>-</b>	<b>730,018</b>	<b>4,716,860</b>
<b>Total liabilities and fund balances</b>	<b>\$ 98,317</b>	<b>\$ 1,723,677</b>	<b>\$ 399</b>	<b>\$ 732,761</b>	<b>\$ 5,073,780</b>

Special Revenue Funds

State Park	TDA	Traffic Safety	CDBG	AQMD	Stormwater Utility	Miscellaneous Grants	Federal Aid Urban
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,197,582	\$ -	\$ -
-	-	-	-	-	112,705	-	-
-	-	-	-	-	27,684	-	-
-	-	121,830	-	-	141,838	-	-
404,621	1,922,145	-	164,438	55,400	3,500	383,882	313,403
-	-	-	-	-	417,002	-	-
-	-	-	144,803	-	-	-	-
<u>\$ 404,621</u>	<u>\$ 1,922,145</u>	<u>\$ 121,830</u>	<u>\$ 309,241</u>	<u>\$ 55,400</u>	<u>\$ 6,900,311</u>	<u>\$ 383,882</u>	<u>\$ 313,403</u>
\$ 4,765	\$ 351,051	\$ -	\$ 112,992	\$ 3,402	\$ 124,576	\$ 148,751	\$ -
-	-	-	144,803	-	24,078	407,367	-
485,793	1,160,891	121,830	51,446	9,200	-	119,633	313,403
<u>490,558</u>	<u>1,511,942</u>	<u>121,830</u>	<u>309,241</u>	<u>12,602</u>	<u>148,654</u>	<u>675,751</u>	<u>313,403</u>
-	410,203	-	-	42,798	6,751,657	-	-
-	-	-	-	-	-	-	-
(85,937)	-	-	-	-	-	(291,869)	-
<u>(85,937)</u>	<u>410,203</u>	<u>-</u>	<u>-</u>	<u>42,798</u>	<u>6,751,657</u>	<u>(291,869)</u>	<u>-</u>
<u>\$ 404,621</u>	<u>\$ 1,922,145</u>	<u>\$ 121,830</u>	<u>\$ 309,241</u>	<u>\$ 55,400</u>	<u>\$ 6,900,311</u>	<u>\$ 383,882</u>	<u>\$ 313,403</u>

(Continued)

**City of Santa Clarita**  
**Combining Balance Sheet, Continued**  
**Non-Major Governmental Funds**  
**June 30, 2012**

	BJA Law Enforcement	Supplemental Law Grant	HOME	Library Facilities Fees	Public Education and Government
<b>ASSETS</b>					
Cash and investments	\$ (12)	\$ -	\$ 300	\$ 4,318	\$ 652,526
Receivables:					
Accounts	-	-	-	1,224	-
Interest	17	-	-	19	2,573
Taxes	-	-	-	-	108,145
Due from other governments	8,630	165,994	-	-	-
Deposits	-	-	-	-	-
Notes and loans receivable	-	-	2,056,315	-	-
<b>Total assets</b>	<b>\$ 8,635</b>	<b>\$ 165,994</b>	<b>\$ 2,056,615</b>	<b>\$ 5,561</b>	<b>\$ 763,244</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 6,311	\$ 59,914	\$ -	\$ 4,025	\$ 4,679
Deferred revenue	15	47,989	2,056,315	17	2,238
Due to other funds	372	45,480	-	-	-
<b>Total liabilities</b>	<b>6,698</b>	<b>153,383</b>	<b>2,056,315</b>	<b>4,042</b>	<b>6,917</b>
Fund Balances (Deficit):					
Restricted	1,937	12,611	300	1,519	756,327
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>1,937</b>	<b>12,611</b>	<b>300</b>	<b>1,519</b>	<b>756,327</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,635</b>	<b>\$ 165,994</b>	<b>\$ 2,056,615</b>	<b>\$ 5,561</b>	<b>\$ 763,244</b>

Special Revenue Funds

Proposition C	Federal Grants	Measure R	Tourism Marketing District	OSPD	Total
\$ 33,519	\$ -	\$ -	\$ 148,708	\$ 11,405,081	\$ 25,607,162
-	-	-	-	6,497	179,422
12	-	-	667	23,493	90,301
-	-	-	44,522	123,422	887,247
853,390	987,806	157,528	-	-	5,442,209
-	-	-	-	3,000	420,002
-	-	-	-	-	2,201,118
<u>\$ 886,921</u>	<u>\$ 987,806</u>	<u>\$ 157,528</u>	<u>\$ 193,897</u>	<u>\$ 11,561,493</u>	<u>\$ 34,827,461</u>
\$ 40,989	\$ 746	\$ -	\$ 66,619	\$ 34,731	\$ 1,594,875
845,932	6,977	-	580	20,432	3,663,557
-	585,685	157,528	-	-	3,051,261
<u>886,921</u>	<u>593,408</u>	<u>157,528</u>	<u>67,199</u>	<u>55,163</u>	<u>8,309,693</u>
-	394,398	-	126,698	11,506,330	26,895,574
-	-	-	-	-	-
-	-	-	-	-	(377,806)
<u>-</u>	<u>394,398</u>	<u>-</u>	<u>126,698</u>	<u>11,506,330</u>	<u>26,517,768</u>
<u>\$ 886,921</u>	<u>\$ 987,806</u>	<u>\$ 157,528</u>	<u>\$ 193,897</u>	<u>\$ 11,561,493</u>	<u>\$ 34,827,461</u>

(Continued)

**City of Santa Clarita**  
**Combining Balance Sheet, Continued**  
**Non-Major Governmental Funds**  
**June 30, 2012**

	Debt Service Funds			
	Redevelopment Agency (1)		Public	
		Low/Mod	Financing	
	Debt Service	Housing	Authority	Total
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 457,291	\$ 457,291
Receivables:				
Accounts	-	-	-	-
Interest	-	-	-	-
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Deposits	-	-	-	-
Notes and loans receivable	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 457,291</b>	<b>\$ 457,291</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances (Deficit):				
Restricted	-	-	-	-
Assigned	-	-	457,291	457,291
Unassigned	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>-</b>	<b>-</b>	<b>457,291</b>	<b>457,291</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 457,291</b>	<b>\$ 457,291</b>

(1) These funds were closed during the year. See Note 18.



Capital Projects Funds						
General Capital Projects	Redevelopment Agency (1) Capital Projects		Low/Mod Housing	Public Financing Authority	Total	Total Nonmajor Governmental Funds
\$ 2,882,713	\$ -	\$ -	\$ -	\$ 196	\$ 2,882,909	\$ 28,947,362
-	-	-	-	-	-	179,422
-	-	-	-	-	-	90,301
-	-	-	-	-	-	887,247
-	-	-	-	-	-	5,442,209
-	-	-	-	-	-	420,002
-	-	-	-	-	-	2,201,118
<u>\$ 2,882,713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196</u>	<u>\$ 2,882,909</u>	<u>\$ 38,167,661</u>
\$ 64,888	\$ -	\$ -	\$ -	\$ -	\$ 64,888	\$ 1,659,763
-	-	-	-	-	-	3,663,557
-	-	-	-	-	-	3,051,261
<u>64,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,888</u>	<u>8,374,581</u>
-	-	-	-	-	-	26,895,574
2,817,825	-	-	-	196	2,818,021	3,275,312
-	-	-	-	-	-	(377,806)
<u>2,817,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196</u>	<u>2,818,021</u>	<u>29,793,080</u>
<u>\$ 2,882,713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196</u>	<u>\$ 2,882,909</u>	<u>\$ 38,167,661</u>

**City of Santa Clarita**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2012**

	Special Revenue Funds				
	Bikeway	Gas Tax	Proposition A	Park Dedication	Special Assessment
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,224,099
Developer fees	-	-	-	-	-
Investment income	1,681	21,215	19,223	19,603	95,597
Revenue from other agencies	21,472	4,923,971	2,595,861	-	-
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	-	-	2,122,044
Other revenue	-	8,804	-	828	28,078
<b>Total revenues</b>	<b>23,153</b>	<b>4,953,990</b>	<b>2,615,084</b>	<b>20,431</b>	<b>4,469,818</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	3,313,677
Public safety	-	-	-	-	-
Public works	-	3,438,450	47,263	-	1,088,729
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	24,844	924,590	1,186,743	394,321	265,994
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>24,844</b>	<b>4,363,040</b>	<b>1,234,006</b>	<b>394,321</b>	<b>4,668,400</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,691)</b>	<b>590,950</b>	<b>1,381,078</b>	<b>(373,890)</b>	<b>(198,582)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	223,800	-	27,000	997,988
Transfers out	-	(414,124)	(2,366,089)	-	(959,863)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(190,324)</b>	<b>(2,366,089)</b>	<b>27,000</b>	<b>38,125</b>
<b>EXTRAORDINARY ITEM:</b>					
Gain (loss) from dissolution of Redevelopment Agency	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,691)</b>	<b>400,626</b>	<b>(985,011)</b>	<b>(346,890)</b>	<b>(160,457)</b>
<b>FUND BALANCE:</b>					
Beginning of year	16,230	1,028,753	985,011	1,076,908	4,877,317
End of year	\$ 14,539	\$ 1,429,379	\$ -	\$ 730,018	\$ 4,716,860

Special Revenue Funds

State Park	TDA	Traffic Safety	CDBG	AQMD	Stormwater Utility	Miscellaneous Grants	Federal Aid Urban
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	3,831	334	-	350	112,189	-	-
1,224,965	6,738,161	-	1,233,053	214,858	-	1,546,268	1,509,740
-	-	1,113,701	-	-	-	-	-
-	-	-	-	-	2,781,341	-	313,403
-	-	-	-	-	6,406	-	-
<u>1,224,965</u>	<u>6,741,992</u>	<u>1,114,035</u>	<u>1,233,053</u>	<u>215,208</u>	<u>2,899,936</u>	<u>1,546,268</u>	<u>1,823,143</u>
-	-	-	-	-	2,699	355,680	-
-	-	-	-	-	-	209,743	-
-	3,379	-	-	57,461	2,086,336	17,396	-
256,492	-	-	-	-	-	12,970	-
-	-	-	961,454	-	-	-	-
148,377	5,726,827	-	-	-	113,254	677,995	1,812,636
-	-	-	230,000	-	-	-	-
-	-	-	41,599	-	-	-	-
<u>404,869</u>	<u>5,730,206</u>	<u>-</u>	<u>1,233,053</u>	<u>57,461</u>	<u>2,202,289</u>	<u>1,273,784</u>	<u>1,812,636</u>
<u>820,096</u>	<u>1,011,786</u>	<u>1,114,035</u>	<u>-</u>	<u>157,747</u>	<u>697,647</u>	<u>272,484</u>	<u>10,507</u>
-	-	-	-	-	32,660	-	-
<u>(27,000)</u>	<u>(601,583)</u>	<u>(1,114,035)</u>	<u>-</u>	<u>(165,247)</u>	<u>(63,480)</u>	<u>-</u>	<u>-</u>
<u>(27,000)</u>	<u>(601,583)</u>	<u>(1,114,035)</u>	<u>-</u>	<u>(165,247)</u>	<u>(30,820)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
793,096	410,203	-	-	(7,500)	666,827	272,484	10,507
<u>(879,033)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,298</u>	<u>6,084,830</u>	<u>(564,353)</u>	<u>(10,507)</u>
<u>\$ (85,937)</u>	<u>\$ 410,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,798</u>	<u>\$ 6,751,657</u>	<u>\$ (291,869)</u>	<u>\$ -</u>

**City of Santa Clarita**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2012**

	Special Revenue Funds				
	BJA Law	Supplemental		Library	Public
	Enforcement	Law Grant	HOME	Facilities Fees	Education and Government
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 417,570
Developer fees	-	-	-	57,018	-
Investment income	479	905	-	295	8,557
Revenue from other agencies	31,416	371,190	-	-	-
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	300	-	-
Other revenue	-	-	-	-	-
<b>Total revenues</b>	<b>31,895</b>	<b>372,095</b>	<b>300</b>	<b>57,313</b>	<b>426,127</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	180,715
Public safety	56,079	359,484	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>56,079</b>	<b>359,484</b>	<b>-</b>	<b>-</b>	<b>180,715</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(24,184)</b>	<b>12,611</b>	<b>300</b>	<b>57,313</b>	<b>245,412</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(57,018)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(57,018)</b>	<b>-</b>
<b>EXTRAORDINARY ITEM:</b>					
Gain (loss) from dissolution of Redevelopment Agency	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(24,184)</b>	<b>12,611</b>	<b>300</b>	<b>295</b>	<b>245,412</b>
<b>FUND BALANCE:</b>					
Beginning of year	26,121	-	-	1,224	510,915
End of year	\$ 1,937	\$ 12,611	\$ 300	\$ 1,519	\$ 756,327

Special Revenue Funds					
Proposition C	Federal Grants	Measure R	Tourism Marketing District	OSPD	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,641,669
-	-	-	-	-	57,018
9,609	-	4,533	4,326	83,770	386,497
2,570,466	3,301,471	1,604,452	-	-	27,887,344
-	-	-	-	-	1,113,701
-	-	-	427,367	1,847,479	7,491,934
-	-	-	-	-	44,116
<u>2,580,075</u>	<u>3,301,471</u>	<u>1,608,985</u>	<u>431,693</u>	<u>1,931,249</u>	<u>39,622,279</u>
-	-	-	543,675	484,405	4,880,851
-	-	-	-	-	625,306
72,893	5,768	-	-	-	6,817,675
-	-	-	-	-	269,462
-	-	-	-	-	961,454
159,846	1,130,269	-	-	-	12,565,696
-	-	-	-	-	230,000
-	-	-	-	-	41,599
<u>232,739</u>	<u>1,136,037</u>	<u>-</u>	<u>543,675</u>	<u>484,405</u>	<u>26,392,043</u>
<u>2,347,336</u>	<u>2,165,434</u>	<u>1,608,985</u>	<u>(111,982)</u>	<u>1,446,844</u>	<u>13,230,236</u>
-	-	-	-	-	1,281,448
<u>(2,347,349)</u>	<u>-</u>	<u>(1,608,985)</u>	<u>-</u>	<u>(759,229)</u>	<u>(10,484,002)</u>
<u>(2,347,349)</u>	<u>-</u>	<u>(1,608,985)</u>	<u>-</u>	<u>(759,229)</u>	<u>(9,202,554)</u>
-	-	-	-	-	-
(13)	2,165,434	-	(111,982)	687,615	4,027,682
13	(1,771,036)	-	238,680	10,818,715	22,490,086
<u>\$ -</u>	<u>\$ 394,398</u>	<u>\$ -</u>	<u>\$ 126,698</u>	<u>\$ 11,506,330</u>	<u>\$ 26,517,768</u>

**City of Santa Clarita**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2012**

	Debt Service Funds			
	Redevelopment Agency (2)		Public	
	Debt	Low/Mod	Financing	Total
	Service	Housing	Authority	
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Developer fees	-	-	-	-
Investment income	45	-	-	45
Revenue from other agencies	-	-	-	-
Fines and forfeitures	-	-	-	-
Service charges	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<u>45</u>	<u>-</u>	<u>-</u>	<u>45</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,750	1,750	-	3,500
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	435,000	125,000	1,548,787	2,108,787
Interest and fiscal charges	1,288,308	203,878	1,698,063	3,190,249
<b>Total expenditures</b>	<u>1,725,058</u>	<u>330,628</u>	<u>3,246,850</u>	<u>5,302,536</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,725,013)</u>	<u>(330,628)</u>	<u>(3,246,850)</u>	<u>(5,302,491)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,112,674	328,878	3,246,849	4,688,401
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>1,112,674</u>	<u>328,878</u>	<u>3,246,849</u>	<u>4,688,401</u>
<b>EXTRAORDINARY ITEM:</b>				
Gain (loss) from dissolution of Redevelopment Agency	<u>17,303,615</u>	<u>(276,401)</u>	<u>-</u>	<u>17,027,214</u>
<b>NET CHANGE IN FUND BALANCE</b>	16,691,276	(278,151)	(1)	16,413,124
<b>FUND BALANCE:</b>				
Beginning of year	<u>(16,691,276)</u>	<u>278,151</u>	<u>457,292</u>	<u>(15,955,833)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 457,291</u>	<u>\$ 457,291</u>

(2) Period is for seven months from July 1, 2011 - January 31, 2012. See Note 18.

Capital Projects Funds						
General	Redevelopment Agency (2)		Public		Nonmajor	
Capital	Capital	Low/Mod	Financing			Governmental
Projects	Projects	Housing	Authority	Total		Funds
\$ -	\$ 1,745,075	\$ 408,269	\$ -	\$ 2,153,344	\$ -	\$ 4,795,013
-	-	-	-	-	-	57,018
-	4,278	55,731	1	60,010	-	446,552
-	-	-	-	-	-	27,887,344
-	-	-	-	-	-	1,113,701
-	-	-	-	-	-	7,491,934
800,000	-	-	-	800,000	-	844,116
800,000	1,749,353	464,000	1	3,013,354	-	42,635,678
-	12,432	6,376	-	18,808	-	4,903,159
-	-	-	-	-	-	625,306
-	-	-	-	-	-	6,817,675
-	-	-	-	-	-	269,462
-	880,866	134,245	-	1,015,111	-	1,976,565
812,763	120,849	-	-	933,612	-	13,499,308
-	-	-	-	-	-	2,338,787
-	-	-	-	-	-	3,231,848
812,763	1,014,147	140,621	-	1,967,531	-	33,662,110
(12,763)	735,206	323,379	1	1,045,823	-	8,973,568
95,500	37,400	-	747,951	880,851	-	6,850,700
(260,240)	(1,121,624)	(340,528)	(747,951)	(2,470,343)	-	(12,954,345)
(164,740)	(1,084,224)	(340,528)	-	(1,589,492)	-	(6,103,645)
-	164,423	(8,874,521)	-	(8,710,098)	-	8,317,116
(177,503)	(184,595)	(8,891,670)	1	(9,253,767)	-	11,187,039
2,995,328	184,595	8,891,670	195	12,071,788	-	18,606,041
\$ 2,817,825	\$ -	\$ -	\$ 196	\$ 2,818,021	\$ -	\$ 29,793,080

# 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, 2012

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	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 420	\$ 920	\$ 1,681	\$ 761
Revenue from other agencies	104,222	85,550	21,472	(64,078)
<b>Total revenues</b>	<u>104,642</u>	<u>86,470</u>	<u>23,153</u>	<u>(63,317)</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>107,222</u>	<u>192,540</u>	<u>24,844</u>	<u>167,696</u>
<b>Total expenditures</b>	<u>107,222</u>	<u>192,540</u>	<u>24,844</u>	<u>167,696</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,580)</u>	<u>\$ (106,070)</u>	<u>(1,691)</u>	<u>\$ 104,379</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>16,230</u>	
End of year			<u>\$ 14,539</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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 5,570	\$ 8,570	\$ 21,215	\$ 12,645
Revenue from other agencies	4,717,451	4,621,632	4,923,971	302,339
Other revenue	-	-	8,804	8,804
<b>Total revenues</b>	<u>4,723,021</u>	<u>4,630,202</u>	<u>4,953,990</u>	<u>323,788</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	4,007,516	4,002,091	3,438,450	563,641
Capital outlay	706,236	1,505,462	924,590	580,872
<b>Total expenditures</b>	<u>4,713,752</u>	<u>5,507,553</u>	<u>4,363,040</u>	<u>1,144,513</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	9,269	(877,351)	590,950	1,468,301
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	223,800	223,800	223,800	-
Transfers out	(418,860)	(415,614)	(414,124)	1,490
<b>Total other financing sources (uses)</b>	<u>(195,060)</u>	<u>(191,814)</u>	<u>(190,324)</u>	<u>1,490</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (185,791)</u>	<u>\$ (1,069,165)</u>	400,626	<u>\$ 1,469,791</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,028,753</u>	
End of year			<u>\$ 1,429,379</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, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ 6,500	\$ 19,223	\$ 12,723
Revenue from other agencies	2,427,481	2,445,055	2,595,861	150,806
<b>Total revenues</b>	<b>2,427,481</b>	<b>2,451,555</b>	<b>2,615,084</b>	<b>163,529</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	36,401	48,401	47,263	1,138
Capital outlay	212,000	1,428,384	1,186,743	241,641
<b>Total expenditures</b>	<b>248,401</b>	<b>1,476,785</b>	<b>1,234,006</b>	<b>242,779</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,179,080</b>	<b>974,770</b>	<b>1,381,078</b>	<b>406,308</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,051,080)	(1,959,782)	(2,366,089)	(406,307)
<b>Total other financing sources (uses)</b>	<b>(2,051,080)</b>	<b>(1,959,782)</b>	<b>(2,366,089)</b>	<b>(406,307)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 128,000</b>	<b>\$ (985,012)</b>	<b>(985,011)</b>	<b>\$ 1</b>
<b>FUND BALANCE:</b>				
Beginning of year			985,011	
End of year			\$ -	

**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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 19,250	\$ 19,250	\$ 19,603	\$ 353
Other revenue	-	-	828	828
<b>Total revenues</b>	<u>19,250</u>	<u>19,250</u>	<u>20,431</u>	<u>1,181</u>
<b>EXPENDITURES:</b>				
Capital outlay	359,300	499,554	394,321	105,233
<b>Total expenditures</b>	<u>359,300</u>	<u>499,554</u>	<u>394,321</u>	<u>105,233</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(340,050)</u>	<u>(480,304)</u>	<u>(373,890)</u>	<u>106,414</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	27,000	27,000	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 27,000</u>	<u>(346,890)</u>	<u>\$ (373,890)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,076,908</u>	
End of year			<u>\$ 730,018</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, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Taxes	\$ 2,122,871	\$ 2,122,871	\$ 2,224,099	\$ 101,228
Investment income	84,040	74,040	95,597	21,557
Service charges	2,007,784	2,007,784	2,122,044	114,260
Other revenue	-	-	28,078	28,078
<b>Total revenues</b>	<u>4,214,695</u>	<u>4,204,695</u>	<u>4,469,818</u>	<u>265,123</u>
<b>EXPENDITURES:</b>				
Current:				
General government	3,600,621	4,064,152	3,313,677	750,475
Public works	1,251,834	1,331,834	1,088,729	243,105
Capital outlay	302,000	341,298	265,994	75,304
<b>Total expenditures</b>	<u>5,154,455</u>	<u>5,737,284</u>	<u>4,668,400</u>	<u>1,068,884</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(939,760)	(1,532,589)	(198,582)	1,334,007
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,814,149	1,659,929	997,988	661,941
Transfers out	(1,862,705)	(1,621,804)	(959,863)	661,941
<b>Total other financing sources (uses)</b>	<u>(48,556)</u>	<u>38,125</u>	<u>38,125</u>	<u>1,323,882</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (988,316)</u>	<u>\$ (1,494,464)</u>	(160,457)	<u>\$ 1,334,007</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>4,877,317</u>	
End of year			<u>\$ 4,716,860</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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Revenue from other agencies	\$ 260,000	\$ 1,238,470	\$ 1,224,965	\$ (13,505)
<b>Total revenues</b>	<b>260,000</b>	<b>1,238,470</b>	<b>1,224,965</b>	<b>(13,505)</b>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation	266,498	267,027	256,492	10,535
Capital outlay	75,000	179,893	148,377	31,516
<b>Total expenditures</b>	<b>341,498</b>	<b>446,920</b>	<b>404,869</b>	<b>42,051</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(81,498)</b>	<b>791,550</b>	<b>820,096</b>	<b>28,546</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(27,000)	(27,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(27,000)</b>	<b>(27,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (81,498)</b>	<b>\$ 764,550</b>	<b>793,096</b>	<b>\$ 28,546</b>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(879,033)	
End of year			\$ (85,937)	

**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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ 2,400	\$ 3,831	\$ 1,431
Revenue from other agencies	8,564,970	13,743,170	6,738,161	(7,005,009)
<b>Total revenues</b>	<b>8,564,970</b>	<b>13,745,570</b>	<b>6,741,992</b>	<b>(7,003,578)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	3,379	3,379	3,379	-
Capital outlay	7,517,289	13,174,091	5,726,827	7,447,264
<b>Total expenditures</b>	<b>7,520,668</b>	<b>13,177,470</b>	<b>5,730,206</b>	<b>7,447,264</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,044,302</b>	<b>568,100</b>	<b>1,011,786</b>	<b>443,686</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,044,302)	(402,311)	(601,583)	(199,272)
<b>Total other financing sources (uses)</b>	<b>(1,044,302)</b>	<b>(402,311)</b>	<b>(601,583)</b>	<b>(199,272)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 165,789</b>	<b>410,203</b>	<b>\$ 244,414</b>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<b>\$ 410,203</b>	

**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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 930	\$ 930	\$ 334	\$ (596)
Fines and forfeitures	1,500,000	1,195,000	1,113,701	(81,299)
<b>Total revenues</b>	<u>1,500,930</u>	<u>1,195,930</u>	<u>1,114,035</u>	<u>(81,895)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,500,930)	(1,195,254)	(1,114,035)	81,219
<b>Total other financing sources (uses)</b>	<u>(1,500,930)</u>	<u>(1,195,254)</u>	<u>(1,114,035)</u>	<u>81,219</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 676</u>	<u>-</u>	<u>\$ (676)</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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Revenue from other agencies	\$ 1,023,763	\$ 1,326,566	\$ 1,233,053	\$ (93,513)
<b>Total revenues</b>	<u>1,023,763</u>	<u>1,326,566</u>	<u>1,233,053</u>	<u>(93,513)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	750,816	1,043,887	961,454	82,433
Debt service:				
Principal retirement	230,000	230,000	230,000	-
Interest and fiscal charges	41,599	41,599	41,599	-
<b>Total expenditures</b>	<u>1,022,415</u>	<u>1,315,486</u>	<u>1,233,053</u>	<u>82,433</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,348</u>	<u>\$ 11,080</u>	-	<u>\$ (11,080)</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**  
**AQMD Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 350	\$ 350
Revenue from other agencies	206,367	206,367	214,858	8,491
<b>Total revenues</b>	<b>206,367</b>	<b>206,367</b>	<b>215,208</b>	<b>8,841</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	31,874	74,672	57,461	17,211
<b>Total expenditures</b>	<b>31,874</b>	<b>74,672</b>	<b>57,461</b>	<b>17,211</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>174,493</b>	<b>131,695</b>	<b>157,747</b>	<b>26,052</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(174,493)	(181,994)	(165,247)	16,747
<b>Total other financing sources (uses)</b>	<b>(174,493)</b>	<b>(181,994)</b>	<b>(165,247)</b>	<b>16,747</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (50,299)</b>	<b>(7,500)</b>	<b>\$ 42,799</b>
<b>FUND BALANCE:</b>				
Beginning of year			50,298	
End of year			<b>\$ 42,798</b>	

# 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, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 86,010	\$ 86,010	\$ 112,189	\$ 26,179
Service charges	2,981,374	2,981,374	2,781,341	(200,033)
Other revenues	-	-	6,406	6,406
<b>Total revenues</b>	<u>3,067,384</u>	<u>3,067,384</u>	<u>2,899,936</u>	<u>(167,448)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	12,000	12,000	2,699	9,301
Public works	2,686,158	3,168,441	2,086,336	1,082,105
Capital outlay	150,000	150,000	113,254	36,746
<b>Total expenditures</b>	<u>2,848,158</u>	<u>3,330,441</u>	<u>2,202,289</u>	<u>1,128,152</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	219,226	(263,057)	697,647	960,704
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	32,660	32,660	32,660	-
Transfers out	(75,070)	(64,190)	(63,480)	710
<b>Total other financing sources (uses)</b>	<u>(42,410)</u>	<u>(31,530)</u>	<u>(30,820)</u>	<u>710</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 176,816</u>	<u>\$ (294,587)</u>	666,827	<u>\$ 961,414</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>6,084,830</u>	
End of year			<u>\$ 6,751,657</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, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Revenues from other agencies	\$ 859,407	\$ 1,480,015	\$ 1,546,268	\$ 66,253
Other revenue	632,147	1,867,897	-	(1,867,897)
<b>Total revenues</b>	<b>1,491,554</b>	<b>3,347,912</b>	<b>1,546,268</b>	<b>(1,801,644)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	381,421	358,264	355,680	2,584
Public safety	-	273,508	209,743	63,765
Public works	45,000	81,811	17,396	64,415
Parks and recreation	-	722,584	12,970	709,614
Capital outlay	1,064,367	1,452,135	677,995	774,140
<b>Total expenditures</b>	<b>1,490,788</b>	<b>2,888,302</b>	<b>1,273,784</b>	<b>1,614,518</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>766</b>	<b>459,610</b>	<b>272,484</b>	<b>(187,126)</b>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(564,353)	
End of year			\$ (291,869)	

**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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Revenue from other agencies	\$ 600,000	\$ 2,315,866	\$ 1,509,740	\$ (806,126)
Service charges	-	-	313,403	313,403
<b>Total revenues</b>	<u>600,000</u>	<u>2,315,866</u>	<u>1,823,143</u>	<u>(492,723)</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	600,000	2,422,495	1,812,636	609,859
<b>Total expenditures</b>	<u>600,000</u>	<u>2,422,495</u>	<u>1,812,636</u>	<u>609,859</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (106,629)</u>	10,507	<u>\$ 117,136</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(10,507)</u>	
End of year			<u>\$ -</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, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ 100	\$ 479	\$ 379
Revenues from other agencies	-	115,953	31,416	(84,537)
<b>Total revenues</b>	-	116,053	31,895	(84,158)
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	115,950	56,079	59,871
<b>Total expenditures</b>	-	115,950	56,079	59,871
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ 103	(24,184)	\$ (144,029)
<b>FUND BALANCE:</b>				
Beginning of year			26,121	
End of year			\$ 1,937	

# 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, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 930	\$ 930	\$ 905	\$ (25)
Revenues from other agencies	-	449,453	371,190	(78,263)
<b>Total revenues</b>	<b>930</b>	<b>450,383</b>	<b>372,095</b>	<b>(78,288)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	433,315	359,484	73,831
<b>Total expenditures</b>	<b>-</b>	<b>433,315</b>	<b>359,484</b>	<b>73,831</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 930</b>	<b>\$ 17,068</b>	<b>12,611</b>	<b>\$ (152,119)</b>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<b>\$ 12,611</b>	

**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, 2012**

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	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Service charges	\$ -	\$ -	\$ 300	\$ 300
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>300</u>	<u>300</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>300</u>	<u>\$ 300</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 300</u>	

**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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Developer fees	\$ -	\$ -	\$ 57,018	\$ 57,018
Investment income	-	-	295	295
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>57,313</u>	<u>57,313</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(36,225)	(57,018)	(20,793)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(36,225)</u>	<u>(57,018)</u>	<u>(20,793)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (36,225)</u>	295	<u>\$ 36,520</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,224</u>	
End of year			<u>\$ 1,519</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Taxes	\$ 350,000	\$ 350,000	\$ 417,570	\$ 67,570
Investment income	<u>4,970</u>	<u>6,970</u>	<u>8,557</u>	<u>1,587</u>
<b>Total revenues</b>	<u>354,970</u>	<u>356,970</u>	<u>426,127</u>	<u>69,157</u>
<b>EXPENDITURES:</b>				
Current:				
General government	<u>190,385</u>	<u>190,385</u>	<u>180,715</u>	<u>9,670</u>
<b>Total expenditures</b>	<u>190,385</u>	<u>190,385</u>	<u>180,715</u>	<u>9,670</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 164,585</u>	<u>\$ 166,585</u>	<u>245,412</u>	<u>\$ 59,487</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>510,915</u>	
End of year			<u>\$ 756,327</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, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ 1,800	\$ 9,609	\$ 7,809
Revenue from other agencies	2,587,470	3,792,154	2,570,466	(1,221,688)
<b>Total revenues</b>	<b>2,587,470</b>	<b>3,793,954</b>	<b>2,580,075</b>	<b>(1,213,879)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,684	95,383	72,893	22,490
Capital outlay	-	933,088	159,846	773,242
<b>Total expenditures</b>	<b>2,684</b>	<b>1,028,471</b>	<b>232,739</b>	<b>795,732</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,584,786</b>	<b>2,765,483</b>	<b>2,347,336</b>	<b>(418,147)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,560,786)	(2,954,572)	(2,347,349)	(607,223)
<b>Total other financing sources (uses)</b>	<b>(2,560,786)</b>	<b>(2,954,572)</b>	<b>(2,347,349)</b>	<b>(607,223)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 24,000</b>	<b>\$ (189,089)</b>	<b>(13)</b>	<b>\$ 189,076</b>
<b>FUND BALANCE:</b>				
Beginning of year			13	
End of year			\$ -	

**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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Revenues from other agencies	\$ 2,607,774	\$ 3,653,274	\$ 3,301,471	\$ (351,803)
Service charges	-	133,000	-	(133,000)
Other revenue	-	113,950	-	(113,950)
<b>Total revenues</b>	<u>2,607,774</u>	<u>3,900,224</u>	<u>3,301,471</u>	<u>(598,753)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	5,690	5,768	(78)
Capital outlay	1,982,774	3,300,871	1,130,269	2,170,602
<b>Total expenditures</b>	<u>1,982,774</u>	<u>3,306,561</u>	<u>1,136,037</u>	<u>2,170,524</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 625,000</u>	<u>\$ 593,663</u>	2,165,434	<u>\$ 1,571,771</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			<u>(1,771,036)</u>	
End of year			<u>\$ 394,398</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, 2012**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ 480	\$ 4,533	\$ 4,053
Revenues from other agencies	1,485,344	1,521,095	1,604,452	83,357
<b>Total revenues</b>	<u>1,485,344</u>	<u>1,521,575</u>	<u>1,608,985</u>	<u>87,410</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,485,344)	(1,521,575)	(1,608,985)	(87,410)
<b>Total other financing sources (uses)</b>	<u>(1,485,344)</u>	<u>(1,521,575)</u>	<u>(1,608,985)</u>	<u>(87,410)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</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

### Tourism Marketing District Special Revenue Fund

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 2,550	\$ 2,550	\$ 4,326	\$ 1,776
Service charges	400,000	400,000	427,367	27,367
<b>Total revenues</b>	<u>402,550</u>	<u>402,550</u>	<u>431,693</u>	<u>29,143</u>
<b>EXPENDITURES:</b>				
Current:				
General government	400,000	573,861	543,675	30,186
<b>Total expenditures</b>	<u>400,000</u>	<u>573,861</u>	<u>543,675</u>	<u>30,186</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 2,550</u>	<u>\$ (171,311)</u>	<u>(111,982)</u>	<u>\$ 59,329</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>238,680</u>	
End of year			<u>\$ 126,698</u>	

# City of Santa Clarita

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

### Open Space Preservation District Special Revenue Fund

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Investment income	\$ 63,000	\$ 69,000	\$ 83,770	\$ 14,770
Service charges	1,785,700	1,785,700	1,847,479	61,779
<b>Total revenues</b>	<b>1,848,700</b>	<b>1,854,700</b>	<b>1,931,249</b>	<b>76,549</b>
<b>EXPENDITURES:</b>				
Current:				
General government	293,660	1,901,163	484,405	1,416,758
<b>Total expenditures</b>	<b>293,660</b>	<b>1,901,163</b>	<b>484,405</b>	<b>1,416,758</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,555,040</b>	<b>(46,463)</b>	<b>1,446,844</b>	<b>1,493,307</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(760,751)	(759,229)	(759,229)	-
<b>Total other financing sources (uses)</b>	<b>(760,751)</b>	<b>(759,229)</b>	<b>(759,229)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 794,289</b>	<b>\$ (805,692)</b>	<b>687,615</b>	<b>\$ 1,493,307</b>
<b>FUND BALANCE:</b>				
Beginning of year			10,818,715	
End of year			<u>\$ 11,506,330</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, 2012**

	Self-Insurance	Computer Replacement	Vehicle Replacement	Public Facilities Replacement	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 6,914,065	\$ 1,877,263	\$ 4,301,968	\$ 14,162,282	\$ 27,255,578
Receivables:					
Accounts	1,633	-	-	-	1,633
Interest	26,302	8,426	19,308	41,122	95,158
Advances to other fund	925,223	-	-	-	925,223
<b>Total current assets</b>	<b>7,867,223</b>	<b>1,885,689</b>	<b>4,321,276</b>	<b>14,203,404</b>	<b>28,277,592</b>
Noncurrent assets:					
Capital assets:					
Land	5,000,000	-	-	2,669,393	7,669,393
Equipment, net of accumulated depreciation	10,611	211,405	240,049	-	462,065
<b>Total noncurrent assets</b>	<b>5,010,611</b>	<b>211,405</b>	<b>240,049</b>	<b>2,669,393</b>	<b>8,131,458</b>
<b>Total assets</b>	<b>12,877,834</b>	<b>2,097,094</b>	<b>4,561,325</b>	<b>16,872,797</b>	<b>36,409,050</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	202,631	99,590	-	61,907	364,128
Compensated absences	3,179	-	-	-	3,179
Deferred revenues	22,876	7,328	16,793	35,765	82,762
<b>Total current liabilities</b>	<b>228,686</b>	<b>106,918</b>	<b>16,793</b>	<b>97,672</b>	<b>450,069</b>
Noncurrent liabilities:					
Claims payable	50,000	-	-	-	50,000
<b>Total noncurrent liabilities</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
<b>Total liabilities</b>	<b>278,686</b>	<b>106,918</b>	<b>16,793</b>	<b>97,672</b>	<b>500,069</b>
<b>NET ASSETS</b>					
Invested in capital assets	5,010,611	211,405	240,049	2,669,393	8,131,458
Restricted	395,732	-	-	-	395,732
Unrestricted	7,192,805	1,778,771	4,304,483	14,105,732	27,381,791
<b>Total net assets</b>	<b>\$ 12,599,148</b>	<b>\$ 1,990,176</b>	<b>\$ 4,544,532</b>	<b>\$ 16,775,125</b>	<b>\$ 35,908,981</b>

**City of Santa Clarita**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**Internal Service Funds**  
**For the Year Ended June 30, 2012**

	Self-Insurance	Computer Replacement	Vehicle Replacement	Public Facilities Replacement	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 2,050,253	\$ 400,137	\$ 346,000	\$ -	\$ 2,796,390
<b>Total operating revenues</b>	<b>2,050,253</b>	<b>400,137</b>	<b>346,000</b>	<b>-</b>	<b>2,796,390</b>
<b>OPERATING EXPENSES:</b>					
Administrative and personnel services	220,515	-	-	2,243	222,758
Services and supplies	1,714,063	209,948	(3,988)	115,055	2,035,078
Depreciation	6,702	133,944	142,276	-	282,922
<b>Total operating expenses</b>	<b>1,941,280</b>	<b>343,892</b>	<b>138,288</b>	<b>117,298</b>	<b>2,540,758</b>
<b>OPERATING INCOME</b>	<b>108,973</b>	<b>56,245</b>	<b>207,712</b>	<b>(117,298)</b>	<b>255,632</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income	92,426	25,073	58,880	175,622	352,001
<b>Total nonoperating revenues (expenses)</b>	<b>92,426</b>	<b>25,073</b>	<b>58,880</b>	<b>175,622</b>	<b>352,001</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>201,399</b>	<b>81,318</b>	<b>266,592</b>	<b>58,324</b>	<b>607,633</b>
<b>TRANSFERS:</b>					
Transfers in	1,443,678	-	-	5,000,000	6,443,678
Transfers out	(16,103)	-	-	-	(16,103)
<b>Total other financing sources (uses)</b>	<b>1,427,575</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>6,427,575</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,628,974</b>	<b>81,318</b>	<b>266,592</b>	<b>5,058,324</b>	<b>7,035,208</b>
<b>NET ASSETS:</b>					
Beginning of year	10,970,174	1,908,858	4,277,940	11,716,801	28,873,773
End of year	\$ 12,599,148	\$ 1,990,176	\$ 4,544,532	\$ 16,775,125	\$ 35,908,981

**City of Santa Clarita**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2012**

	Self-Insurance	Computer Replacement	Vehicle Replacement	Public Facilities Replacement	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from interfund services provided	\$ 2,050,253	\$ 400,137	\$ 346,000	\$ -	\$ 2,796,390
Receipts from other services provided	22,876	7,328	16,793	35,765	82,762
Payments to employees	(217,336)	-	-	(2,243)	(219,579)
Payments to suppliers	(1,617,717)	(121,959)	3,988	(97,525)	(1,833,213)
<b>Net cash provided by (used for) operating activities</b>	<b>238,076</b>	<b>285,506</b>	<b>366,781</b>	<b>(64,003)</b>	<b>826,360</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash received from other funds	1,412,250	-	-	5,000,000	6,412,250
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>1,412,250</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>6,412,250</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	-	(153,560)	(56,996)	-	(210,556)
<b>Net cash provided (used for) by capital and related financing activities</b>	<b>-</b>	<b>(153,560)</b>	<b>(56,996)</b>	<b>-</b>	<b>(210,556)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	66,124	26,504	62,110	186,342	341,080
<b>Net cash provided (used for) by investing activities</b>	<b>66,124</b>	<b>26,504</b>	<b>62,110</b>	<b>186,342</b>	<b>341,080</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,716,450</b>	<b>158,450</b>	<b>371,895</b>	<b>5,122,339</b>	<b>7,369,134</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	5,197,615	1,718,813	3,930,073	9,039,943	19,886,444
End of year	\$ 6,914,065	\$ 1,877,263	\$ 4,301,968	\$ 14,162,282	\$ 27,255,578
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 108,973	\$ 56,245	\$ 207,712	\$ (117,298)	\$ 255,632
Adjustments to reconcile operating income to (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	6,702	133,944	142,276	-	282,922
Change in assets and liabilities:					
Increase (decrease) in account payable and accrued liabilities	86,346	87,989	-	17,530	191,865
Increase (decrease) in deferred revenues	22,876	7,328	16,793	35,765	82,762
Increase (decrease) in compensated absences	3,179	-	-	-	3,179
Increase (decrease) in claims payable	10,000	-	-	-	10,000
<b>Total adjustments</b>	<b>129,103</b>	<b>229,261</b>	<b>159,069</b>	<b>53,295</b>	<b>570,728</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 238,076</b>	<b>\$ 285,506</b>	<b>\$ 366,781</b>	<b>\$ (64,003)</b>	<b>\$ 826,360</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, 2012**

	Assessment District No. 92-2	Assessment District No. 99-1	Community Facilities District No. 2002-1	Total
<b>ASSETS</b>				
Cash and investments	\$ 78,850	\$ 66,877	\$ -	\$ 145,727
Cash and investments with fiscal agent	63,900	60,225	1,669,217	1,793,342
Receivables:				
Accounts	1,814	1,035	597,378	600,227
Interest	355	300	-	655
<b>Total assets</b>	<b>\$ 144,919</b>	<b>\$ 128,437</b>	<b>\$ 2,266,595</b>	<b>\$ 2,539,951</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 878	\$ 909	\$ -	\$ 1,787
Due to other funds	-	-	638,993	638,993
Deferred revenues	308	261	-	569
Due to bondholders	143,733	127,267	1,627,602	1,898,602
<b>Total liabilities</b>	<b>\$ 144,919</b>	<b>\$ 128,437</b>	<b>\$ 2,266,595</b>	<b>\$ 2,539,951</b>

**City of Santa Clarita**  
**Schedule of Changes in Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2012**

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
<b>ASSESSMENT DISTRICT NO. 92-2</b>				
<b>ASSETS</b>				
Cash and investments	\$ 57,873	\$ 20,977	\$ -	\$ 78,850
Cash and investments with fiscal agent	63,900	-	-	63,900
Receivables:				
Accounts	3,435	-	1,621	1,814
Interest	332	23	-	355
<b>Total assets</b>	<b>\$ 125,540</b>	<b>\$ 21,000</b>	<b>\$ 1,621</b>	<b>\$ 144,919</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 51	\$ 827	\$ -	\$ 878
Deferred revenues	284	24	-	308
Due to bondholders	125,205	18,528	-	143,733
<b>Total liabilities</b>	<b>\$ 125,540</b>	<b>\$ 19,379</b>	<b>\$ -</b>	<b>\$ 144,919</b>
 <b>ASSESSMENT DISTRICT NO. 99-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 33,158	\$ 33,719	\$ -	\$ 66,877
Cash and investments with fiscal agent	60,225	-	-	60,225
Receivables:				
Accounts	3,055	-	2,020	1,035
Interest	190	110	-	300
<b>Total assets</b>	<b>\$ 96,628</b>	<b>\$ 33,829</b>	<b>\$ 2,020</b>	<b>\$ 128,437</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 7,142	\$ -	\$ 6,233	\$ 909
Deferred revenues	163	98	-	261
Due to bondholders	89,323	37,944	-	127,267
<b>Total liabilities</b>	<b>\$ 96,628</b>	<b>\$ 38,042</b>	<b>\$ 6,233</b>	<b>\$ 128,437</b>

**City of Santa Clarita**  
**Schedule of Changes in Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2012**

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
<b>COMMUNITY FACILITIES</b>				
<b>DISTRICT NO. 2002-1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 15,000	\$ -	\$ 15,000	\$ -
Cash and investments with fiscal agent	1,669,906	-	689	1,669,217
Receivables:				
Accounts	-	597,378	-	597,378
<b>Total assets</b>	<b>\$ 1,684,906</b>	<b>\$ 597,378</b>	<b>\$ 15,689</b>	<b>\$ 2,266,595</b>
<b>LIABILITIES</b>				
Due to other funds	\$ 80,632	\$ 558,361	\$ -	\$ 638,993
Due to bondholders	1,604,274	23,328	-	1,627,602
<b>Total liabilities</b>	<b>\$ 1,684,906</b>	<b>\$ 581,689</b>	<b>\$ -</b>	<b>\$ 2,266,595</b>
 <b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 106,031	\$ 54,696	\$ 15,000	\$ 145,727
Cash and investments with fiscal agent	1,794,031	-	689	1,793,342
Receivables:				
Accounts	6,490	597,378	3,641	600,227
Interest	522	133	-	655
<b>Total assets</b>	<b>\$ 1,907,074</b>	<b>\$ 652,207</b>	<b>\$ 19,330</b>	<b>\$ 2,539,951</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 7,193	\$ 827	\$ 6,233	\$ 1,787
Due to other funds	80,632	558,361	-	638,993
Deferred revenues	447	122	-	569
Due to bondholders	1,818,802	79,800	-	1,898,602
<b>Total liabilities</b>	<b>\$ 1,907,074</b>	<b>\$ 639,110</b>	<b>\$ 6,233</b>	<b>\$ 2,539,951</b>





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

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**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 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 (the "City") as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 11, 2013. 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**

Management of the City is responsible for establishing and maintaining effective 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 previously.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 instances 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, others within the entity, 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.

*Marcum LLP*

Irvine, California  
January 11, 2013



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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.

147-152

### **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.

154-165

### **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.

166-172

### **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.

173-174

### **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.

175-177



**City of Santa Clarita**  
**Net Assets by Component (1)**  
**Last Six Fiscal Years Ended June 30, 2012**  
**(accrual basis of accounting)**

	FISCAL YEAR					
	11-12	10-11	09-10	08-09	07-08	06-07
<b>Governmental Activities</b>						
Investment in capital assets, net of related debt	\$ 743,281,558	\$ 717,613,095	\$ 657,644,168	\$ 629,621,720	\$ 672,306,820	\$ 661,210,117
Restricted for:						
Capital Projects	3,275,312	3,452,815	4,769,573	4,769,573	45,993,804	18,134,924
Debt Service	-	-	-	-	632,680	-
Specific Projects and Programs	46,915,965	30,201,655	85,895,468	92,644,739	61,018,399	34,441,539
Total Restricted	50,191,277	33,654,470	90,665,041	97,414,312	107,644,883	52,576,463
Unrestricted	79,141,211	67,397,688	63,218,255	98,512,704	66,249,901	87,737,817
<b>Total governmental activities net assets</b>	<b>\$ 872,614,046</b>	<b>\$ 818,665,253</b>	<b>\$ 811,527,464</b>	<b>\$ 825,548,736</b>	<b>\$ 846,201,604</b>	<b>\$ 801,524,397</b>
<b>Business-type Activities</b>						
Investment in capital assets, net of related debt	\$ 73,778,640	\$ 75,416,868	\$ 67,911,725	\$ 66,963,851	\$ 63,526,242	\$ 62,246,621
Restricted for:						
Debt Service	-	-	-	-	-	-
Unrestricted	3,099,419	503,446	(176,196)	3,118,092	2,957,611	1,553,088
<b>Total business-type activities net assets</b>	<b>\$ 76,878,059</b>	<b>\$ 75,920,314</b>	<b>\$ 67,735,529</b>	<b>\$ 70,081,943</b>	<b>\$ 66,483,853</b>	<b>\$ 63,799,709</b>
<b>Primary Government</b>						
Investment in capital assets, net of related debt	817,060,198	793,029,963	725,555,893	696,585,571	735,833,062	723,456,738
Restricted	50,191,277	33,654,470	90,665,041	97,414,312	107,644,883	52,576,463
Unrestricted	82,240,630	67,901,134	63,042,059	101,630,796	69,207,512	89,290,905
<b>Total Primary Government Net Assets</b>	<b>\$ 949,492,105</b>	<b>\$ 894,585,567</b>	<b>\$ 879,262,993</b>	<b>\$ 895,630,679</b>	<b>\$ 912,685,457</b>	<b>\$ 865,324,106</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.

**City of Santa Clarita**  
**Changes in Net Assets**  
**Last Six Fiscal Years Ended June 30, 2012 <sup>(1)</sup>**  
**(accrual basis of accounting)**

	FISCAL YEAR					
	11-12	10-11	09-10	08-09	07-08	06-07
<b>Expenses</b>						
<b>Governmental Activities</b>						
General government	\$ 33,664,470	\$ 47,048,462	\$ 32,116,335	\$ 30,094,380	\$ 27,488,731	\$ 26,029,070
Public safety	27,391,075	21,280,904	17,912,704	17,489,870	16,482,917	14,398,408
Public works	30,623,718	25,799,166	26,758,527	48,514,645	30,549,888	19,273,980
Parks and recreation	19,282,538	11,281,552	27,835,763	32,747,618	21,817,251	20,573,077
Community development	5,896,640	11,547,650	13,831,341	9,761,681	9,257,881	8,985,449
Unallocated infrastructure depreciation	16,844,238	16,392,901	15,545,626	14,405,047	13,128,617	12,920,310
Interest on long-term debt	3,391,058	4,650,566	5,476,918	5,786,174	3,127,998	2,087,949
<b>Total governmental activities expenses:</b>	<b>137,093,737</b>	<b>138,001,201</b>	<b>139,477,214</b>	<b>158,799,415</b>	<b>121,853,283</b>	<b>104,268,243</b>
<b>Business-type Activities</b>						
Transit	24,930,635	24,127,043	23,348,708	22,299,379	21,506,317	18,315,106
<b>Total business-type activities expenses:</b>	<b>24,930,635</b>	<b>24,127,043</b>	<b>23,348,708</b>	<b>22,299,379</b>	<b>21,506,317</b>	<b>18,315,106</b>
<b>Total primary government expenses:</b>	<b>\$ 162,024,372</b>	<b>\$ 162,128,244</b>	<b>\$ 162,825,922</b>	<b>\$ 181,098,794</b>	<b>\$ 143,359,600</b>	<b>\$ 122,583,349</b>
<b>Program Revenues</b>						
<b>Governmental Activities</b>						
Charges for services:						
General government	\$ 13,719,117	\$ 398,181	\$ 396,651	\$ 621,624	\$ 2,737,355	\$ 302,075
Public safety	2,079,109	2,305,608	2,194,038	1,898,022	2,291,100	2,131,060
Public works	7,209,724	4,929,602	3,162,052	260,524	355,817	3,575,546
Parks and recreation	4,156,386	4,220,977	3,956,933	3,849,699	3,875,539	3,895,422
Community development	5,152,484	12,059,509	15,937,913	35,138,334	26,341,684	20,182,722
Operating grants and contributions	16,032,433	14,090,686	16,224,269	25,079,906	22,600,793	26,641,145
Capital grants and contributions	28,616,388	31,325,725	15,249,634	23,636,779	39,003,536	24,770,306
<b>Total governmental activities program revenues:</b>	<b>76,965,641</b>	<b>69,330,288</b>	<b>57,121,490</b>	<b>90,484,888</b>	<b>97,205,824</b>	<b>81,498,276</b>
<b>Business-type Activities</b>						
Charges for services:						
Transit	6,616,778	6,573,879	3,181,614	3,299,263	3,216,239	5,827,778
Operating grants and contributions	7,385,264	6,913,534	10,260,579	13,653,177	11,876,720	12,616,641
Capital grants and contributions	5,041,992	13,043,418	-	-	617,421	750,200
<b>Total business-type activities program revenues:</b>	<b>19,044,034</b>	<b>26,530,831</b>	<b>13,442,193</b>	<b>16,952,440</b>	<b>15,710,380</b>	<b>19,194,619</b>
<b>Total primary government revenues:</b>	<b>\$ 96,009,675</b>	<b>\$ 95,861,119</b>	<b>\$ 70,563,683</b>	<b>\$ 107,437,328</b>	<b>\$ 112,916,204</b>	<b>\$ 100,692,895</b>

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, 2012 <sup>(1)</sup>

(accrual basis of accounting)

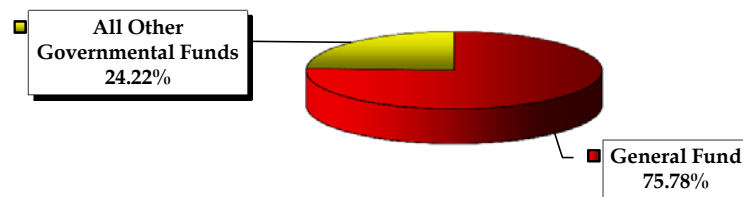
	FISCAL YEAR					
	11-12	10-11	09-10	08-09	07-08	06-07
<b>Net Revenues (expenses):</b>						
Governmental activities	\$ (60,128,096)	\$ (68,670,913)	\$ (82,355,724)	\$ (68,314,527)	\$ (24,647,459)	\$ (22,769,967)
Business-type activities	(5,886,601)	2,403,788	(9,906,515)	(5,346,939)	(5,795,937)	879,513
Total net revenues (expenses):	\$ (66,014,697)	\$ (66,267,125)	\$ (92,262,239)	\$ (73,661,466)	\$ (30,443,396)	\$ (21,890,454)
<b>General Revenue and Other Changes in Net Assets</b>						
Governmental activities						
Taxes:						
Sales taxes	\$ 28,828,139	\$ 27,701,757	\$ 24,511,238	\$ 27,751,506	\$ 29,076,388	\$ 23,790,825
Property taxes	34,818,426	24,996,219	25,126,278	26,820,068	24,482,930	27,891,202
Franchise taxes	6,920,244	6,697,241	6,407,923	6,704,074	6,028,903	6,248,912
Real property transfer taxes	590,474	3,082,456	4,564,687	4,816,638	836,824	1,073,774
Transient occupancy taxes	2,380,547	2,106,521	2,050,857	2,260,708	2,433,651	1,804,923
Unrestricted revenue in lieu of motor vehicle taxes	-	-	-	-	-	-
Unrestricted revenue in lieu of sales taxes	-	3,316,058	3,221,498	3,083,353	8,490,865	8,156,017
Grants and contributions not restricted						
to specific programs	87,883	812,475	896,708	1,015,413	1,252,281	1,862,901
Unrestricted investment earnings	1,509,201	3,756,112	4,871,133	6,020,940	4,566,884	4,970,193
Miscellaneous revenue	5,372,890	9,148,163	4,161,677	3,193,421		
Transfers	(6,844,199)	(5,808,300)	(7,477,547)	(8,006,128)	(8,431,120)	441,376
Total governmental activities	73,663,605	75,808,702	68,334,452	73,659,993	68,737,606	76,240,123
Business-type activities						
Grants and contributions not restricted						
to specific programs	-	-	-	-	-	-
Unrestricted investment earnings	147	(27,303)	82,554		48,961	26,367
Miscellaneous revenue				938,901		
Transfers	6,844,199	5,808,300	7,477,547	8,006,128	8,431,120	(441,376)
Total business-type activities:	6,844,346	5,780,997	7,560,101	8,945,029	8,480,081	(415,009)
Total primary government:	\$ 80,507,951	\$ 81,589,699	\$ 75,894,553	\$ 82,605,022	\$ 77,217,687	\$ 75,825,114
<b>Extraordinary Item:</b>						
Gain from dissolution of former redevelopment						
Agency of the City of Santa Clarita (Note 17)	40,413,284	-	-	-	-	-
<b>Change in Net Assets</b>						
Governmental activities	\$ 53,948,793	\$ 7,137,789	\$ (14,021,272)	\$ 5,345,466	\$ 44,090,147	\$ 53,470,156
Business-type activities	957,745	8,184,785	(2,346,414)	3,598,090	2,684,144	464,504
Total primary government:	\$ 54,906,538	\$ 15,322,574	\$ (16,367,686)	\$ 8,943,556	\$ 46,774,291	\$ 53,934,660

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

**City of Santa Clarita**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years Ended June 30, 2012**  
**(modified accrual basis of accounting)**

	FISCAL YEAR			
	11-12	10-11	09-10	08-09
General Fund				
Reserved			\$ 19,546,015	\$ 32,617,139
Unreserved			58,211,508	41,674,470
Nonspendable	\$ 18,902,350	\$ 23,845,861		
Restricted				
Committed	66,257	12,356,339		
Assigned	309,078	572,781		
Unassigned	50,664,338	46,915,238		
Total general fund	\$ 69,942,023	\$ 83,690,219	\$ 77,757,523	\$ 74,291,609
All Other Governmental Funds				
Reserved			\$ 51,195,454	\$ 70,667,494
Unreserved:				
Special revenue funds			2,109,198	(7,048,095)
Debt service fund			(24,048,962)	(17,004,471)
Capital projects fund			33,725,531	34,502,270
Nonspendable	28,885,983	28,813,152		
Restricted	46,915,965	57,205,072		
Committed				
Assigned	3,275,312	3,637,410		
Unassigned	(56,718,519)	(72,692,440)		
Total all other governmental funds	\$ 22,358,741	\$ 16,963,194	\$ 62,981,221	\$ 81,117,198

**FUND BALANCES**  
**Fiscal Year Ended June 30, 2012**

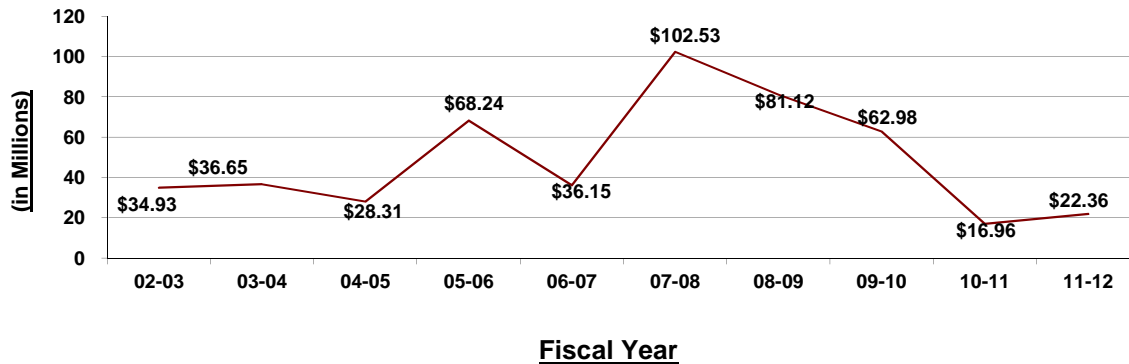


Note: (1) Balance as restated, see Notes to Basic Financial Statements #16B.

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

FISCAL YEAR						
05-06 <sup>(U)</sup>						
07-08	06-07	As Restated	04-05	03-04	02-03	
\$ 34,920,547	\$ 34,699,034	\$ 20,786,040	\$ 15,638,513	\$ 12,042,182	\$ 14,034,615	
31,153,879	28,500,824	18,232,779	30,780,939	23,109,773	12,927,211	
\$ 66,074,426	\$ 63,199,858	\$ 39,018,819	\$ 46,419,452	\$ 35,151,955	\$ 26,961,826	
\$ 51,972,970	\$ 48,303,588	\$ 80,399,389	\$ 30,388,825	\$ 41,563,581	\$ 9,203,674	
28,377,796	3,827,570	(7,159,062)	2,843,589	(867,508)	30,014,266	
(15,873,835)	(10,461,382)	(4,743,697)	(4,402,225)	(3,944,409)	(4,082,126)	
38,050,255	4,592,332	(249,111)	(698,632)	(100,527)	(196,889)	
\$ 102,527,186	\$ 36,151,718	\$ 68,247,519	\$ 28,131,557	\$ 36,651,137	\$ 34,938,925	

**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, 2012**  
**(modified accrual basis of accounting)**

	FISCAL YEAR			
	2012	2011	2010	2009
<b>Revenues:</b>				
Taxes	\$ 73,625,713	\$ 72,474,882	\$ 80,714,829	\$ 87,659,599
Licenses and permits	4,097,709	3,675,424	4,093,250	3,697,218
Developer fees	7,181,986	282,776	3,053,363	15,763,070
Investment income	2,739,794	3,798,498	5,485,925	10,749,728
Revenue from other agencies	28,375,142	19,780,700	33,881,145	28,882,884
Fines and forfeitures	1,674,085	1,891,500	1,936,318	1,759,371
Service charges	28,145,012	23,608,272	10,812,521	8,375,771
Other revenues	6,425,792	7,685,141	7,234,923	5,077,400
<b>Total Revenues</b>	<b>152,265,233</b>	<b>133,197,193</b>	<b>147,212,274</b>	<b>161,965,041</b>
<b>Expenditures:</b>				
Current:				
General government	50,816,449	42,213,597	27,951,510	27,250,056
Public safety	25,412,420	21,230,594	17,862,129	17,439,295
Public works	20,753,607	34,210,327	20,594,575	42,937,168
Parks and recreation	19,523,584	21,853,319	20,048,430	20,126,412
Community development	5,923,872	11,575,365	10,849,942	7,095,386
Capital outlay	27,403,439	21,311,885	46,183,268	41,826,511
Debt service:				
Principal	2,338,787	2,246,218	2,611,372	2,072,341
Interest, professional services, and fiscal charges	3,743,134	4,796,695	5,411,152	5,279,549
<b>Total Expenditures</b>	<b>155,915,292</b>	<b>159,438,000</b>	<b>151,512,378</b>	<b>164,026,718</b>
Excess of Revenues over (under) Expenditures	(3,650,059)	(26,240,807)	(4,300,104)	(2,061,677)
<b>Other Financing Sources (Uses)</b>				
Revenue bonds issued/issuance premium	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Escrow payment, costs of bonds issuance, and others	-	-	-	-
Proceeds from Capital lease	252,068	-	-	-
Transfers-in	16,538,674	50,869,852	18,953,115	12,150,426
Transfers-out	(29,810,448)	(64,714,376)	(28,930,662)	(23,281,554)
<b>Total Other Financing Sources (Uses)</b>	<b>(13,019,706)</b>	<b>(13,844,524)</b>	<b>(9,977,547)</b>	<b>(11,131,128)</b>
<b>Extraordinary Item:</b>				
Dissolution of Santa Clarita Redevelopment Agency	8,317,116			
<b>Net change in fund balances</b>	<b>(8,352,649)</b>	<b>(40,085,331)</b>	<b>(14,277,651)</b>	<b>(13,192,805)</b>
Fund balances (deficit) - Beginning of Year, as restated	100,653,413	140,738,744	155,016,395	168,601,612
Fund balances (deficit) - End of Year	\$ 92,300,764	\$ 100,653,413	\$ 140,738,744	\$ 155,408,807
Debt service as percentage of non capital expenditures	4.73%	5.10%	7.62%	6.02%

FISCAL YEAR						
	2008	2007	2006	2005	2004	2003
\$	88,088,786	\$ 70,576,755	\$ 66,164,485	\$ 53,763,779	\$ 43,940,454	\$ 39,813,089
	5,256,748	4,203,933	6,907,826	5,127,705	5,303,309	3,512,857
	22,290,808	6,747,767	28,028,933	11,963,054	7,570,352	7,857,087
	8,287,441	7,926,763	2,881,133	3,148,731	919,858	3,788,121
	24,247,611	37,300,213	38,526,364	33,089,887	36,119,851	31,157,062
	2,121,570	1,918,954	1,904,273	1,803,686	1,051,371	1,041,945
	9,931,041	13,463,673	13,081,649	13,339,462	12,580,933	18,095,424
	3,368,879	4,356,961	12,651,674	2,408,463	3,767,800	2,309,846
	163,592,884	146,495,019	170,146,337	124,644,767	111,253,928	107,575,431
	25,965,196	23,411,750	24,668,150	11,217,783	12,436,244	9,282,089
	16,342,979	14,347,833	13,658,723	12,429,192	12,102,441	12,124,427
	25,977,763	19,511,097	6,802,081	8,901,359	8,692,908	8,823,785
	20,156,343	18,943,146	17,376,609	15,964,949	14,226,090	11,546,673
	7,583,236	9,051,652	17,164,505	22,531,795	21,039,274	23,900,882
	44,906,802	57,926,955	49,435,744	35,096,683	19,251,357	33,179,578
	1,927,198	2,374,870	1,367,359	2,060,319	4,332,159	1,496,087
	4,632,979	2,298,974	2,878,536	1,570,581	1,760,134	1,958,388
	147,492,496	147,866,277	133,351,707	109,772,661	93,840,607	102,311,909
	16,100,388	(1,371,258)	36,794,630	14,872,106	17,413,321	5,263,522
	-	13,894,752	-	-	-	1,558,097
	54,235,000	-	17,700,000	-	-	1,558,097
	(226,682)	-	(17,225,304)	-	2,590,955	-
	-	-	-	-	-	-
	43,112,541	27,468,089	7,865,612	8,157,999	8,278,692	7,662,207
	(54,668,661)	(29,881,193)	(19,409,716)	(20,282,188)	(18,380,627)	(18,421,513)
	42,452,198	11,481,648	(11,069,408)	(12,124,189)	(7,510,980)	(7,643,112)
	58,552,586	10,110,390	25,725,222	2,747,917	9,902,341	(2,379,590)
	110,049,026	99,351,576	74,551,009	71,803,092	61,900,751	65,838,438
\$	168,601,612	\$ 109,461,966	\$ 100,276,231	\$ 74,551,009	\$ 71,803,092	\$ 63,458,848
	6.39%	5.20%	5.04%	4.73%	8.24%	4.21%

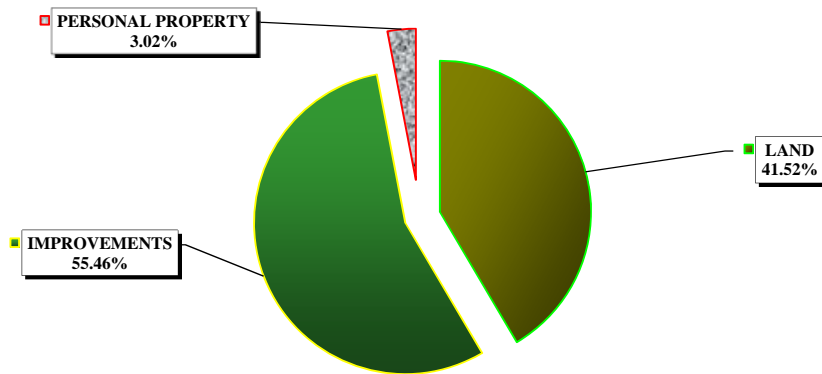
Source: City of Santa Clarita, Administrative Services Department - Finance Division

## CITY OF SANTA CLARITA

### ASSESSED VALUATION <sup>(1)</sup> 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
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
2011-12	1,431,971	2,264,780	-	3,696,751	8,882,930,332	11,516,988,299	111,202,431	(400,045,608)	20,111,075,454

**ASSESSED VALUATION by CATEGORIES**  
(Total Secured and Unsecured)  
Fiscal Year Ended June 30, 2012



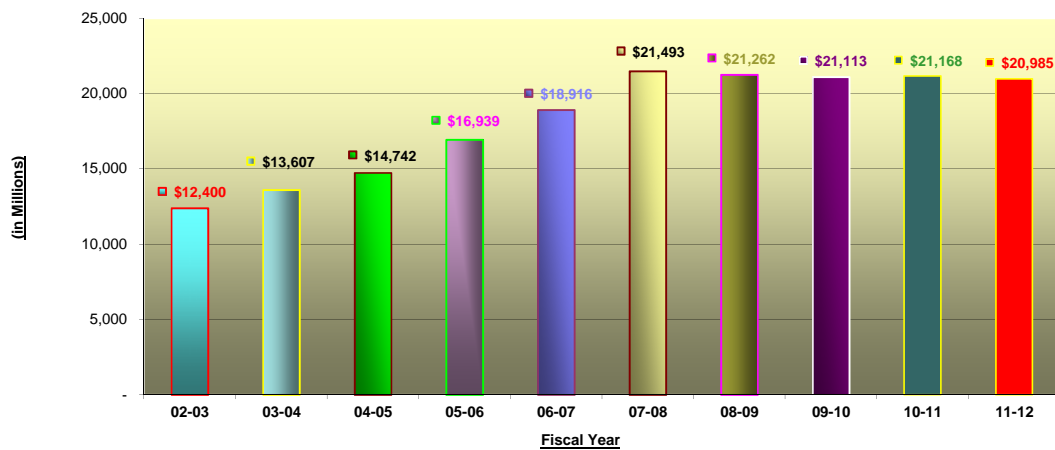
Note:

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

Source: HdL Coren & Cone, County of Los Angeles, Auditor-Controller Office, Combined Tax Rolls 2011/12

LOCALLY ASSESSED				TOTALS				
IMPROVE- MENTS	UNSECURED		TOTAL	BEFORE OTHER EXEMPTIONS	TAXABLE ASSESSED VALUE	% INCR. (DECR.)	TOTAL DIRECT RATE (2)	HOME- OWNER PROPERTY TAX RELIEF
	PERSONAL PROPERTY	OTHER EXEMPTIONS						
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	21,457,646,707	21,113,942,935	-0.70%	0.07432%	223,277,279
314,286,482	548,430,090	(15,137,342)	847,579,230	21,556,659,612	21,168,938,632	0.26%	0.07392%	220,496,294
349,415,601	534,947,944	(13,693,787)	870,669,758	21,399,181,358	20,985,441,963	-0.87%	0.07291%	216,163,460

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

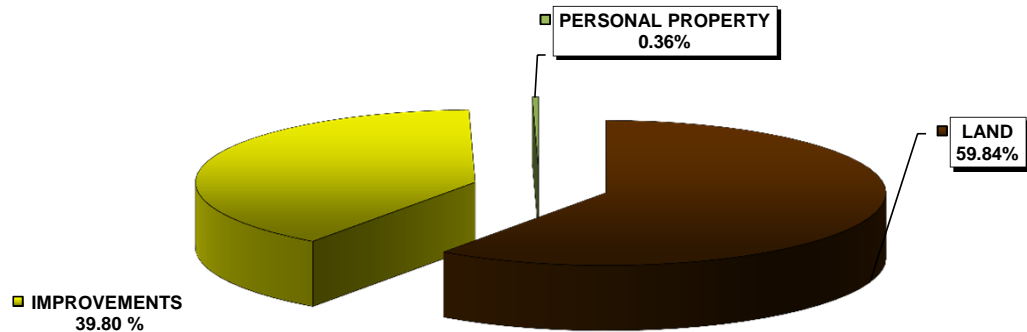


(2) Direct Rate includes Redevelopment Agency areas.

**CITY OF SANTA CLARITA**  
**REDEVELOPMENT AGENCY <sup>(1)</sup>**  
**ASSESSED VALUATION <sup>(2)</sup> and ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

FISCAL YEAR	STATE ASSESSED				LOCALLY ASSESSED				
	LAND	SECURED (UTILITY)			LAND	SECURED			
		IMPROVEMENTS	PERSONAL PROPERTY	TOTAL		IMPROVEMENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL
2002-03	45,897	34,458	19,726	100,081	149,325,297	149,506,716	5,028,543	(2,575,054)	301,285,502
2003-04	52,416	39,351	22,527	114,294	161,106,889	159,691,365	3,806,986	(4,148,124)	320,457,116
2004-05	65,404	49,101	28,109	142,614	180,810,905	166,935,237	2,314,234	(5,083,826)	344,976,550
2005-06	61,007	45,801	26,219	133,027	273,260,130	176,564,344	2,435,378	(4,859,824)	447,400,028
2006-07	50,158	37,657	21,558	109,373	295,792,467	185,299,271	2,545,972	(5,085,710)	478,552,000
2007-08	-	-	-	-	335,974,647	205,086,767	2,346,546	(4,630,171)	538,777,789
2008-09	-	-	-	-	348,100,511	217,393,278	2,064,527	(3,754,719)	563,803,597
2009-10	-	-	-	-	343,043,150	214,695,279	1,775,246	(3,779,814)	555,733,861
2010-11	-	-	-	-	319,869,014	213,093,295	1,850,279	(3,196,475)	531,616,113
2011-12	-	-	-	-	322,803,745	214,686,716	1,933,165	(7,016,751)	532,406,875

**SECURED ASSESSED VALUATION**  
 (before other exemptions)  
 Fiscal Year 2011-12



(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.

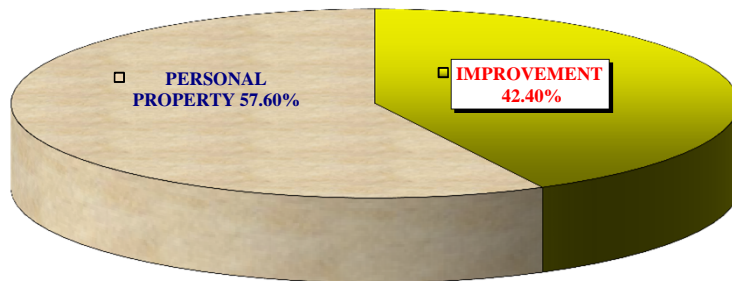
(2) -Assessed valuation is based on 100% of full value in accordance with Section 135 of the California Revenue and Taxation Code.

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



LOCALLY ASSESSED				TOTALS				
UNSECURED				TOTALS BEFORE BASE YEAR	BASE YEAR	TAXABLE ASSESSED VALUE	VALUE GROWTH	HOME- OWNER PROPERTY TAX RELIEF
IMPROVE- MENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL					
5,983,748	19,053,059	(30,000)	25,006,807	326,392,390	(266,351,517)	60,040,873	17,324,131	1,890,000
6,272,382	19,035,089	(33,000)	25,274,471	345,845,881	(266,351,517)	79,494,364	19,453,491	1,923,600
6,326,173	22,151,970	(33,000)	28,445,143	373,564,307	(266,351,517)	107,212,790	27,718,426	2,161,147
5,901,959	23,034,914	(91,000)	28,845,873	476,378,928	(266,351,517)	210,027,411	102,814,621	2,053,943
26,593,269	25,569,962	(16,300)	52,146,931	530,808,304	(266,351,517)	264,456,787	54,429,376	1,971,567
28,204,577	48,299,529	(217,300)	76,286,806	615,064,595	(266,351,517)	348,713,078	84,256,291	2,034,432
39,771,667	48,437,084	(77,000)	88,131,751	651,935,348	(266,351,517)	385,583,831	36,870,753	2,002,848
34,102,838	46,361,945	(84,500)	80,380,283	636,114,144	(266,351,517)	369,762,627	(15,821,204)	1,921,661
21,240,432	62,307,206	(84,500)	83,463,138	615,079,251	(266,351,517)	348,727,734	(21,034,893)	1,871,456
34,353,633	46,665,422	(102,000)	80,917,055	613,323,930	(266,351,517)	346,972,413	(1,755,321)	1,865,922

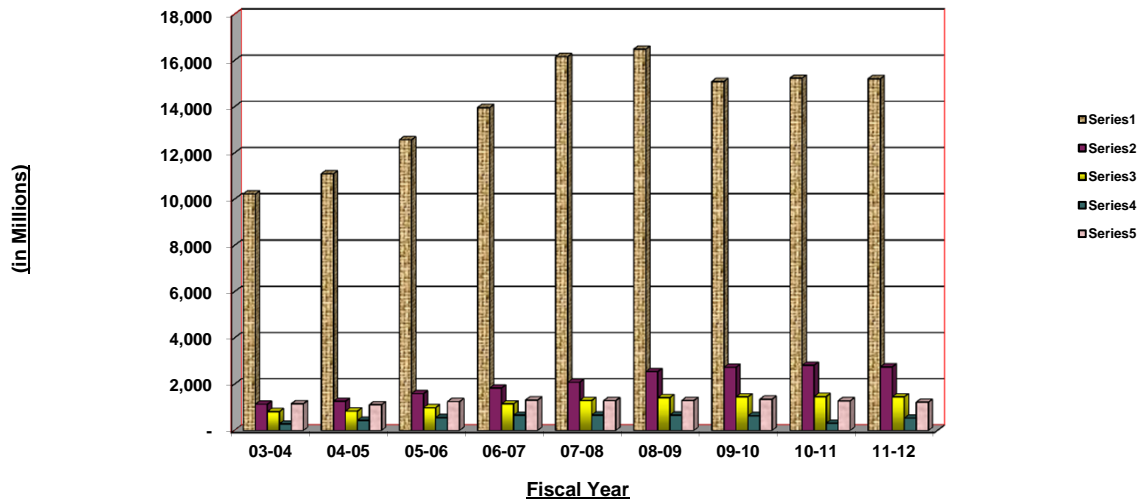
**UNSECURED ASSESSED VALUATION  
(before other Exemption)  
Fiscal Year 2011-12**



**CITY OF SANTA CLARITA**  
**ASSESSED VALUE - TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

CATEGORY	FISCAL YEAR				
	11-12	10-11	09-10	08-09	07-08
Residential	\$ 15,212,586,674	\$ 15,239,936,469	\$ 15,093,632,637	\$ 16,491,425,500	\$ 16,165,919,271
Commercial	2,748,247,727	2,820,296,027	2,729,669,423	2,541,908,257	2,081,576,763
Industrial	1,455,126,754	1,463,696,151	1,451,053,867	1,420,480,569	1,293,080,539
Irrigated	3,016,072	3,004,749	3,630,743	3,559,558	3,489,768
Dry farm	-	-	-	-	-
Recreational	106,506,146	121,791,852	121,511,353	119,459,165	114,868,032
Institutional	125,982,002	127,363,481	125,868,861	136,418,924	130,907,129
Government	206,717	205,173	206,850	201,629	197,676
Miscellaneous	847,359	841,034	843,038		810,312
Vacant land	533,608,937	308,820,538	636,182,476	664,562,300	664,792,342
SBE Nonunitary	3,254,751	3,573,175	3,573,175	1,073,171	8,243,171
Possessory Int.	131,534,263	136,599,828	150,671,347	158,723,783	239,115,623
Unsecured	847,579,230	887,372,458	944,836,476	871,039,834	790,596,511
Unknown	-	-	-	-	-
<b>TOTALS:</b>	<b>\$ 21,168,496,632</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>

**ASSESSED VALUE - TAXABLE PROPERTY**  
**Last Ten Fiscal Years**



Source: HdL Coren & Cone, Los Angeles County Assessor 2011/12 Combined Tax Rolls.

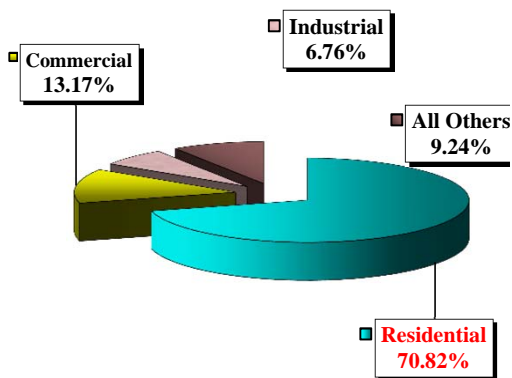
<b>FISCAL YEAR</b>				
<b>06-07</b>	<b>05-06</b>	<b>04-05</b>	<b>03-04</b>	<b>02-03</b>
\$ 13,962,275,972	\$ 12,569,640,999	\$ 11,097,987,787	\$ 10,221,634,945	\$ 9,373,657,630
1,836,340,797	1,588,835,810	1,258,389,787	1,132,585,601	1,043,922,879
1,148,469,489	980,395,598	833,455,573	817,508,597	735,063,812
29,374,674	28,272,540	4,351,050	3,962,743	3,933,315
49,088,244	48,512,253	45,145,241	43,542,990	29,655,961
90,435,287	94,916,719	84,727,948	94,694,674	60,212,317
94,705,673	91,312,643	80,606,769	113,908,577	102,142,853
194,922	190,000	-	493,814	484,173
795,449	779,859	764,577	667,091	7,591,441
656,660,955	554,551,820	440,215,418	280,744,871	212,233,528
10,666,005	13,172,185	16,768,755	49,476,597	3,238,345
222,654,730	205,526,182	201,323,600	153,302,360	109,259,714
730,697,804	659,990,996	641,526,760	664,760,834	703,858,024
83,525,492	103,303,882	36,994,610	29,585,002	14,846,193
<b>\$ 18,915,885,493</b>	<b>\$ 16,939,401,486</b>	<b>\$ 14,742,257,875</b>	<b>\$ 13,606,868,696</b>	<b>\$ 12,400,100,185</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.

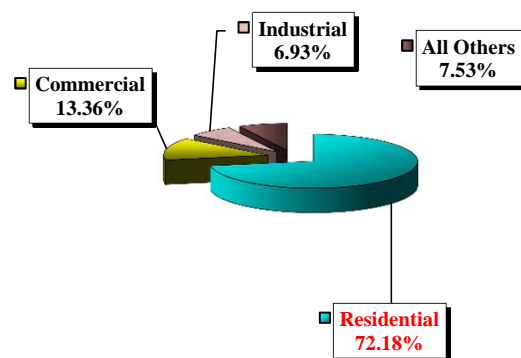
**CITY OF SANTA CLARITA**  
**ASSESSED VALUE - USE CATEGORY SUMMARY**  
**Fiscal Year 2011-12**

CATEGORY	PARCELS	ASSESSED VALUE	PERCENT	EXEMPTIONS	NET TAXABLE VALUE	PERCENT
Residential	48,991	\$ 15,266,333,311	70.82%	\$ 26,396,842	\$ 15,239,936,469	72.181%
Commercial	935	2,839,302,666	13.17%	19,006,639	2,820,296,027	13.358%
Industrial	702	1,457,762,459	6.76%	(5,933,692)	1,463,696,151	6.933%
Irrigated	6	3,016,072	0.01%	11,323	3,004,749	0.014%
Recreational	34	109,325,156	0.51%	(12,466,696)	121,791,852	0.577%
Institutional	91	346,211,310	1.61%	218,847,829	127,363,481	0.603%
Government	5	207,910	0.001%	2,737	205,173	0.001%
Miscellaneous	10	847,359	0.004%	6,325	841,034	0.004%
Vacant land	3,688	535,080,373	2.48%	226,259,835	308,820,538	1.463%
SBE Nonunitary	(11)	3,254,751	0.02%	(318,424)	3,573,175	0.017%
Possessory Int.	(2,139)	132,159,673	0.61%	(4,440,155)	136,599,828	0.647%
Unsecured	(6,398)	862,716,572	4.00%	(24,655,886)	887,372,458	4.203%
Unknown						
<b>TOTALS:</b>	<b>54,462</b>	<b>\$ 21,556,217,612</b>	<b>100.00%</b>	<b>\$ 442,716,677</b>	<b>\$ 21,113,500,935</b>	<b>100.000%</b>

**ASSESSED VALUE by USE CATEGORY**  
**Fiscal Year 2011-12**



**NET TAXABLE VALUE by USE CATEGORY**  
**Fiscal Year 2011-12**

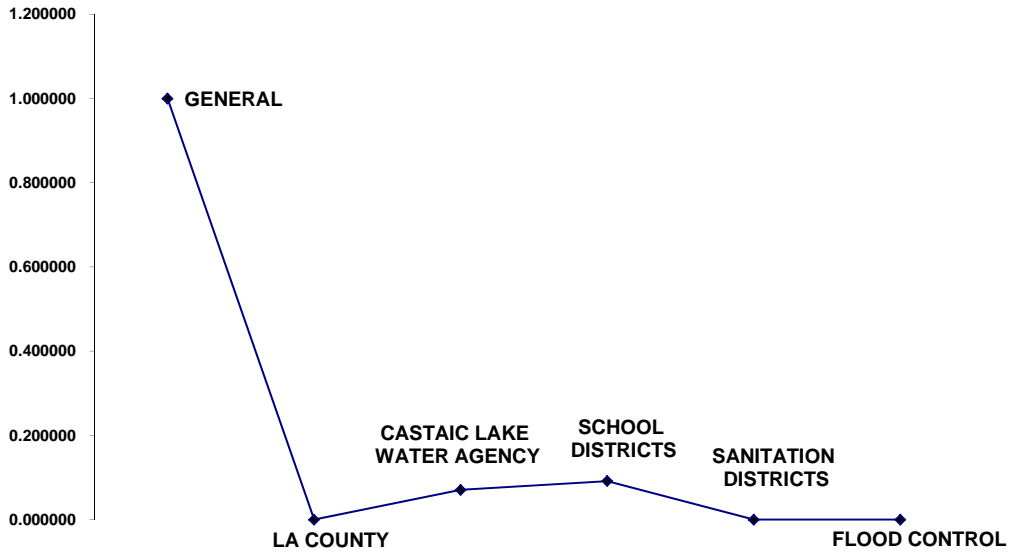


Source: HdL Coren & Cone, Los Angeles County Assessor 2011/12 Combined Tax Rolls.

**CITY OF SANTA CLARITA**  
**DIRECT and OVERLAPPING PROPERTY TAX RATES**  
(rate per \$100 of assessed value)  
**Last Ten Fiscal Years**

Fiscal Year	GENERAL	CASTAIC		SCHOOL DISTRICTS	COUNTY SANITATION DISTRICTS	COUNTY FLOOD CONTROL	TOTAL
		LOS ANGELES COUNTY	LAKE WATER AGENCY				
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
2011-12	1.000000	0.000000	0.070600	0.091457	0.000000	0.000000	1.162057

**DIRECT and OVERLAPPING PROPERTY TAX RATES**  
**Fiscal Year 2011-12**



Source: HdL Coren & Cone, Los Angeles County Assessor 2011-12 Tax Rate Table

# CITY OF SANTA CLARITA

## DIRECT and OVERLAPPING PROPERTY TAX RATES (rate per \$100 of assessed value)

### One Year Detail of Rates producing Revenue for City and Associated Redevelopment Agencies

City General Fund Direct Rates				RDA Incremental Rate	Total Direct Rate
Roll Year	City Share of 1% per Prop. 13	Debt Rates	Total City Rates	Prop. 13 plus applicable voter approved debt	
<b>2011-12</b>	<b>0.099110</b>	<b>0.000000</b>	<b>0.099110</b>	<b>1.07060%</b>	<b>0.07291%</b>

<u>Agency</u>	<u>2011-12</u>	
City of Santa Clarita Tax District 1 (249.01)	0.05730	<b>Notes:</b> 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)	0.05780	
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)	<u>0.08150</u>	
<b>Total Prop. 13 Rate:</b>	<b>1.00000</b>	
<hr/>		
Castaic Lake Water Agency (302.01)	0.07060	
William S. Hart Un.Hsd Debt Services (757.51)	0.01162	
Newhall Elementary School District Debt Services 1999 Ser. B (581.53)	0.02214	
Newhall Elementary School District Debt Services 1999 Ser. A (581.52)	0.01401	
Santa Clarita Community College Debt Services 2001 Ser. 2005 (814.54)	0.00709	
Santa Clarita Community College Debt Services 2006 Ser. 2007 (814.55)	0.00807	
Santa Clarita Community College Debt Services 2005 Refunding Bonds (814.53)	0.00477	
Santa Clarita Community College Debt Services 2001 Ser. 2003 (814.52)	0.00306	
William S. Hart Unified Debt Services 2001 Ser. B (757.52)	0.01591	
William S. Hart Unified Debt Services 2008 Ser. A (757.53)	<u>0.00478</u>	
<b>Total Tax Rate</b>	<b>0.16206</b>	

Source: HdL Coren & Cone, Los Angeles County Assessor 2011/12 Tax Rate Table

**CITY OF SANTA CLARITA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current and Prior Fiscal Year**

OWNER/TAXPAYER	FISCAL YEAR 2011-12			FISCAL YEAR 2010-11		
	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	18	\$ 343,427,920	1.63 %	19	\$ 311,406,350	1.48 %
VTC Business Center	10	153,382,773	0.73	10	152,985,350	0.72
EQR Valencia LLC	218	95,241,618	0.45	218	94,754,176	0.45
Walmart Real Estate Business Trust	9	77,463,294	0.37	9	75,681,373	0.36
Rreef America Reit II Corporation	2	70,987,026	0.34	2	75,552,864	0.36
Time Warner NY Cable LLC	14	69,398,405	0.33	12	72,006,584	0.34
Casden Santa Clarita LLC	25	61,750,408	0.29	25	80,989,935	0.38
DSEA River Oaks LLC	7	55,302,873	0.26	7	54,889,561	0.26
ERP Operating LP	3	54,801,133	0.26	3	54,459,300	0.26
Mann Biomedical Park LLC	2	53,998,843	0.26	n/a		0.00
Prado Town Center West LLC	n/a		0.00	263	72,078,250	0.34
<b>Total</b>	<b>308</b>	<b>1,035,754,293</b>	<b>4.91 %</b>		<b>1,044,803,743</b>	<b>4.95 %</b>
<b>All Others</b>		<b>20,068,697,192</b>	<b>95.09</b>		<b>21,364,875,460</b>	<b>95.34</b>
<b>Total Assessed Valuation</b>		<b>\$ 21,104,451,485</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.

Source: HdL Coren & Cone, LA County Assessor 2011/12 Combined Tax Rolls

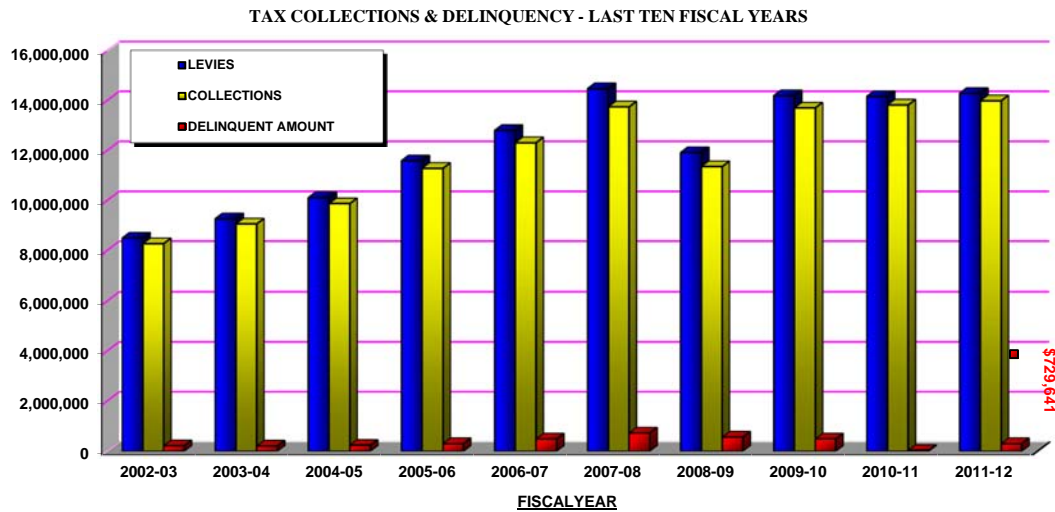




## CITY OF SANTA CLARITA

### PROPERTY TAX LEVIES, TAX COLLECTIONS, AND DELINQUENCY Last Ten Fiscal Years

FISCAL YEAR	TAXES LEVIED	COLLECTIONS	PERCENT COLLECTIONS	DELINQUENT AMOUNT	PERCENT DELINQUENCY
2002-03	8,494,397	8,274,896	97.4%	219,501	2.58%
2003-04	9,271,388	9,066,213	97.8%	205,175	2.21%
2004-05	10,118,983	9,878,450	97.6%	240,533	2.38%
2005-06	11,593,852	11,292,337	97.4%	301,515	2.60%
2006-07	12,804,630	12,317,614	96.2%	487,016	3.80%
2007-08	14,483,825	13,754,184	95.0%	729,641	5.04%
2008-09	11,925,285	11,361,604	95.3%	563,681	4.73%
2009-10	14,202,626	13,711,940	96.5%	490,686	3.45%
2010-11	14,172,030	13,829,640	97.6%	342,390	2.42%
2011-12	14,299,999	13,999,770	97.9%	300,229	2.10%



**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 Los Angeles, Department of Auditor-Controller

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

GOVERNMENTAL ACTIVITIES									
FISCAL YEAR	CERTIFICATES OF PARTICIPATION (1) (3)		LOANS	NOTES	BONDS (2)	TAX ALLOCATION BONDS (4) (5)		CAPITAL LEASES	TOTAL
	2002-03	18,975,000				2,665,000	4,213,913		
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
2011-12	11,610,000	15,490,000	1,040,000	-	12,525,000	28,605,000	8,480,000	242,417	77,992,417

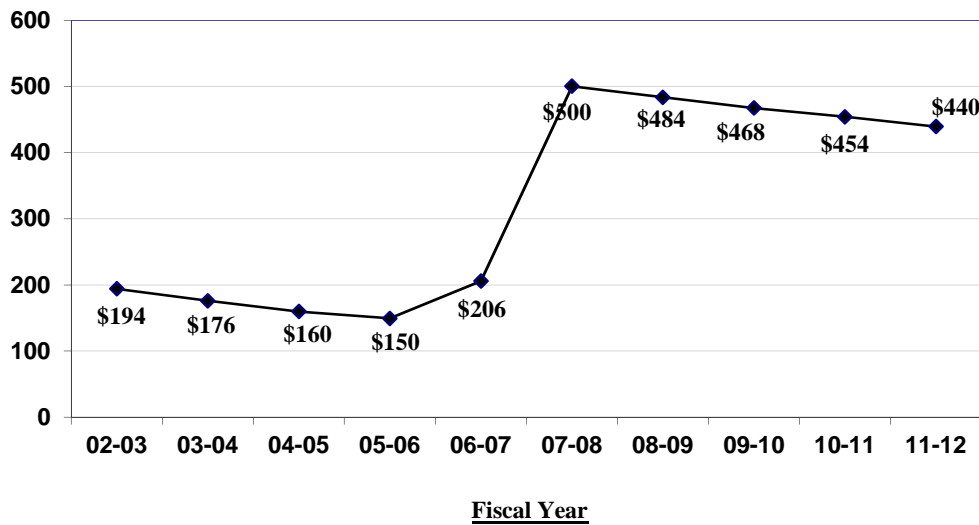
NOTES:

- (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	DEBT PER CAPITA	OUTSTANDING DEBT TO PERSONAL INCOME
MASTER LEASE OBLIGATIONS	LEASE PAYABLE	TOTAL		of TAXABLE ASSESSED VALUE		
-	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	N/A
-	-	-	77,992,417	0.37%	439.53	N/A

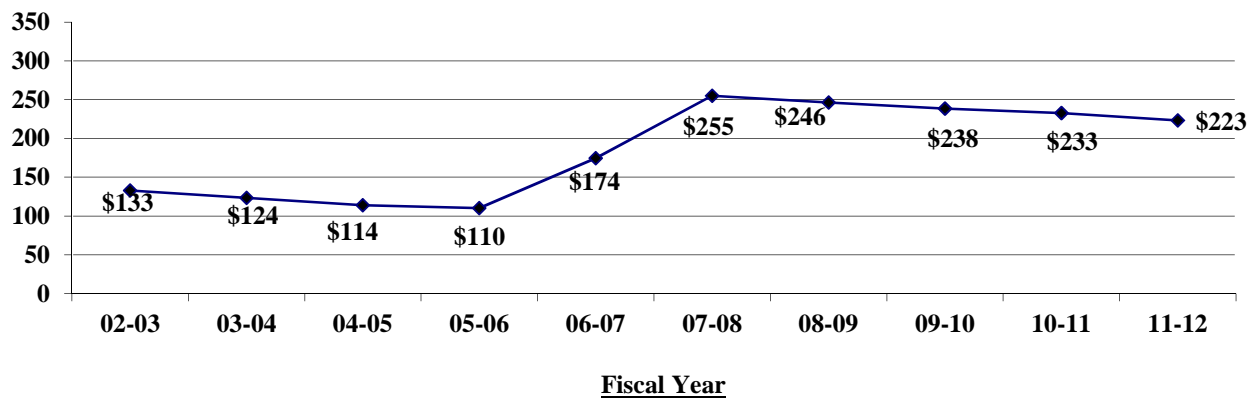
**OUTSTANDING DEBT per CAPITA**  
Last Ten Fiscal Years



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

FISCAL YEAR	POPULATION (1)	OUTSTANDING GENERAL BONDED DEBT			PERCENTAGE of TAXABLE ASSESSED VALUE		DEBT PER CAPITA
		REVENUE BONDS	CERTIFICATES of PARTICIPATION	TOTAL			
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	
2011-12	177,445	12,525,000	27,100,000	39,625,000	0.19%	223	

**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, 2012

2011-12 Assessed Valuation: \$20,818,874,782 (Net of Redevelopment Agency)  
 Incremental Value of \$350,063,850  
 2011-12 Population: 177,445

	Total Debt 06/30/2012	Percent Applicable To City (1)	City's Share of Debt 06/30/2012
<b>OVERLAPPING TAX AND OVERLAPPING BONDED DEBT:</b>			
Los Angeles County Flood Control District	\$ 37,195,000	2.258 %	\$ 839,863
Santa Clarita Community College District	176,700,338	62.053	109,647,861
William S. Hart Union High School District	232,218,606	62.043	144,075,390
William S. Hart Union High School District - Community Facilities District No. 87-1	1,545,000	100.000	1,545,000
William S. Hart Union High School District - Community Facilities District No. 88-1	3,975,000	100.000	3,975,000
William S. Hart Union High School District - Community Facilities District No. 89-1	455,000	100.000	455,000
William S. Hart Union High School District - Community Facilities District No. 90-1	605,000	100.000	605,000
Los Angeles County Community College and Unified School Districts	14,784,815,000	0.00002	2,957
Castaic Union School District	7,574,171	26.184	1,983,221
Newhall School District	25,235,000	57.479	14,504,826
Saugus Union School District	46,396,345	73.808	34,244,214
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	6,068,372	71.602	4,345,076
<b>City of Santa Clarita Open Space and Parkland Assessment District</b>	<b>15,490,000</b>	<b>100.000</b>	<b>15,490,000</b>
City of Santa Clarita Community Facilities District No. 2002-1	16,650,000	100.000	16,650,000
City of Santa Clarita 1915 Act Bonds	945,000	100.000	945,000
Los Angeles County Regional Park and Open Space Assessment District	170,725,000	2.244	3,831,069
Total Overlapping Tax and Assessment Debt			<u>\$ 360,924,477</u>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Los Angeles County General Fund Obligations	1,474,122,758	2.244 %	33,079,315
Los Angeles County Superintendent of Schools - Certificates of Participation	11,269,678	2.244	252,892
Los Angeles County Sanitation District No. 23 Authority	3,364,704	0.162	5,451
Los Angeles County Sanitation District No. 32 Authority	30,239,232	64.247	19,427,799
Santa Clarita Community College District - Certificates of Participation	20,755,000	62.053	12,879,100
William S. Hart Union High School District - Certificates of Participation	6,000,000	62.043	3,722,580
Castaic Union School District - Certificates of Participation	4,115,000	26.184	1,077,472
Newhall School District - Certificates of Participation	3,570,000	57.479	2,052,000
Saugus Union School District - Certificates of Participation	29,015,000	73.808	21,415,391
Sulphur Springs Union School District - Certificates of Participation	31,687,492	71.602	22,688,878
Los Angeles Unified School District - Certificates of Participation	419,851,037	0.00002	84
<b>City of Santa Clarita Certificates of Participation</b>	<b>24,135,000</b>	<b>100.00000</b>	<b>24,135,000</b>
Total Gross Direct and Overlapping General Fund Debt			\$ 140,735,962
Less: Los Angeles County General Fund Obligations supported by landfill revenues			<u>374,707</u>
Total Net Direct and Overlapping General Fund Debt			<u>\$ 140,361,255</u>
Total Direct Debt			\$ 39,625,000
Gross Overlapping Debt			462,035,439
Total Gross Direct and Overlapping Debt			<u>\$ 501,660,439</u> (2)
Net Total Overlapping Debt			\$ 461,660,732
Net Combined Total Debt			\$ 501,285,732

(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 Adjusted Assessed Valuation</u>		<u>Per Capita</u>
Total Direct Debt (\$39,625,000)	0.19%	\$2,034.01
Gross Combined Total Debt	2.41%	878.31
Net Combined Total Debt	2.41%	\$2,825.02

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/2012: \$0

Source: Muniservices

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

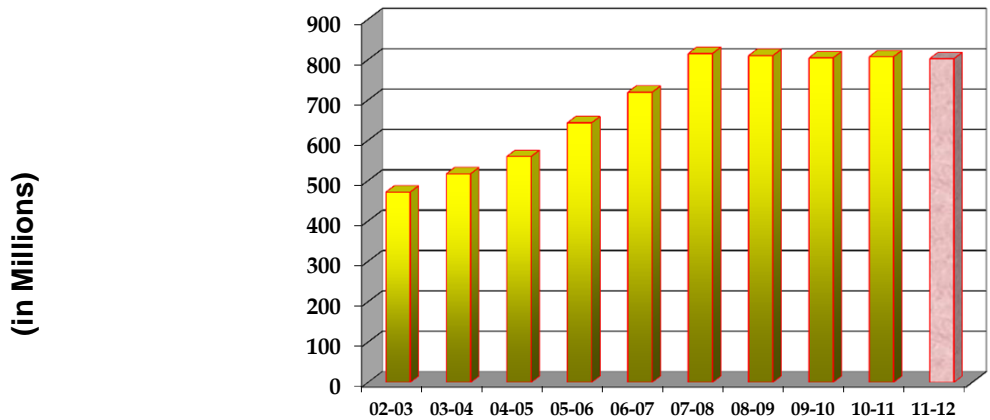
	FISCAL YEAR			
	11-12	10-11	09-10	08-09
Assessed valuation	\$ 21,399,181,358	\$ 21,526,384,928	\$ 21,457,647,247	\$ 21,600,880,848
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	5,349,795,340	5,381,596,232	5,364,411,812	5,400,220,212
Debt limit percentage	15%	15%	15%	15%
Debt limit	802,469,301	807,239,435	804,661,772	810,033,032
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	\$ 802,469,301	\$ 807,239,435	\$ 804,661,772	\$ 810,033,032
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					
07-08	06-07	05-06	04-05	03-04	02-03
\$ 21,740,884,855	\$ 19,177,131,442	\$ 17,160,386,817	\$ 14,937,115,985	\$ 13,795,632,501	\$ 12,583,305,723
25%	25%	25%	25%	25%	25%
5,435,221,214	4,794,282,861	4,290,096,704	3,734,278,996	3,448,908,125	3,145,826,431
15%	15%	15%	15%	15%	15%
815,283,182	719,142,429	643,514,506	560,141,849	517,336,219	471,873,965
-	-	-	-	-	-
\$ 815,283,182	\$ 719,142,429	\$ 643,514,506	\$ 560,141,849	\$ 517,336,219	\$ 471,873,965
0%	0%	0%	0%	0%	0%

### LEGAL DEBT MARGIN Last Ten Fiscal Years



FISCAL YEAR

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

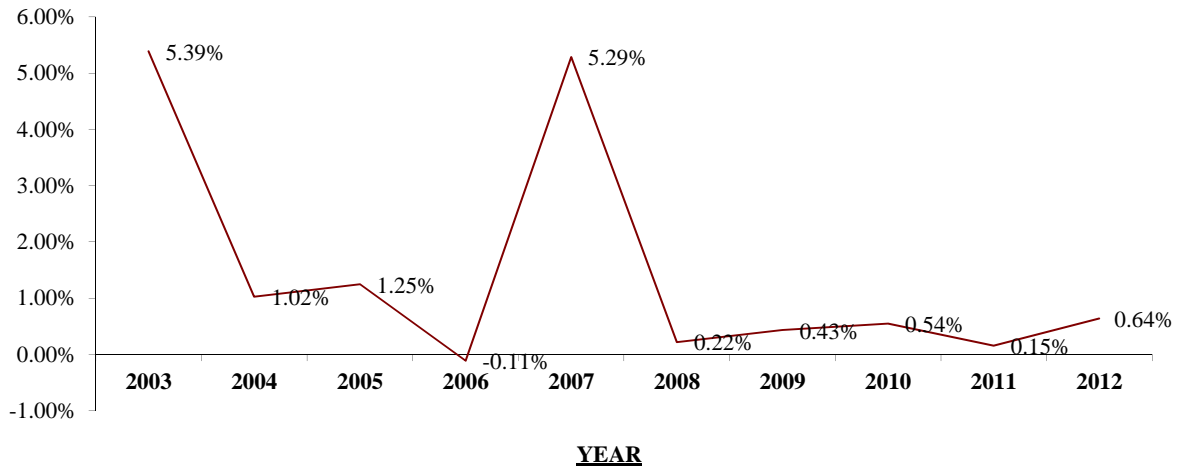
Fiscal Year	TRANSIT					COVERAGE
	TRANSIT REVENUES (1)	LESS OPERATING EXPENSES (2)	NET AVAILABLE REVENUES	DEBT SERVICE Principal	DEBT SERVICE Interest	
2002-03	15,714,048	13,167,728	2,546,320	808,137	192,799	6.37%
2003-04	24,171,361	13,693,876	10,477,485	852,372	135,063	4.09%
2004-05	35,677,983	14,037,109	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%
2011-12	26,133,433	25,175,688	957,745	-	-	-

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**

<b>YEAR</b>	<b>CITY OF SANTA CLARITA POPULATION (1)</b>	<b>AVERAGE ANNUAL PERCENTAGE INCREASE</b>	<b>LOS ANGELES COUNTY POPULATION (1)</b>	<b>AVERAGE ANNUAL PERCENTAGE INCREASE</b>	<b>PER CAPITA PERSONAL INCOME (2)</b>	<b>TOTAL PERSONAL INCOME (2)</b>	<b>UNEMPLOYMENT RATE (3)</b>
2003	161,744	5.39%	9,756,914	1.74%	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%
2012	177,445	0.64%	9,884,632	0.67%	N/A	N/A	6.90%



Sources: (1) State of California, Finance Department, as of 1/1/2012  
(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	2012*		2009	
	NUMBER	PERCENT	NUMBER	PERCENT
	of EMPLOYEES	of TOTAL EMPLOYMENT	of EMPLOYEES	of TOTAL EMPLOYMENT
Six Flag Magic Mountain	3,800	16.28%	3,689	15.64%
Princess Cruises	1,625	6.96%	2,100	8.90%
Henry Mayo Newhall Memorial Hospital	1,400	6.00%	1,212	5.14%
Quest Diagnostics (formerly Speciality Laboratories)	850	3.64%	725	3.07%
The Master's College	812	3.48%	755	3.20%
Woodward HRT (formerly HR Textron)	790	3.38%	845	3.58%
Walmart	624	2.67%	N/A	N/A
Pharmavite	550	2.36%	500	2.12%
Aerospace Dynamics	510	2.19%	N/A	N/A
California Institute of Arts	500	2.14%	450	1.91%
<b>Total</b>	11,461	49.10%	10,276	43.56%
<b>All Others</b>	11,879	50.90%	13,316	56.44%
<b>(1) Largest firms</b>	23,340	100.00%	23,592	100.00%

\* As of February 2012

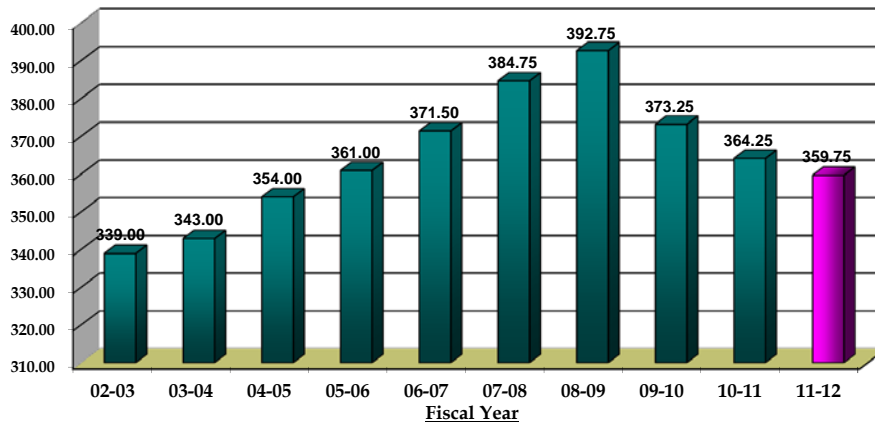
NOTE: (1) Non-governmental employers

Source: 2012 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									
	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03
General government	84.35	85.75	89.75	95.75	91.75	86.00	96.00	79.00	78.00	78.00
Public safety (1)	-	-	-	-	-	-	-	-	-	-
Public works	126.00	127.00	128.00	135.50	136.50	133.50	115.00	146.00	138.00	150.00
Community development	30.50	33.00	33.00	36.00	35.00	33.00	36.00	20.00	20.00	20.00
Parks and Recreation	105.90	106.50	110.50	111.50	110.50	108.00	106.00	101.00	99.00	84.00
Transit	13.00	12.00	12.00	14.00	11.00	11.00	8.00	8.00	8.00	7.00
<b>Totals</b>	<b>359.75</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>

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



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

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

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

Function	FISCAL YEAR									
	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03
Police:										
Parking citation issued (1)	5,521	6,577	5,114	4,126	5,257	4,587	6,042	5,960	5,040	3,893
Parking revenue collected	\$ 335,663	\$ 323,408	\$ 238,478	\$ 235,634	\$ 288,076	\$ 334,927	\$ 27,257	\$ 10,427	\$ 10,324	\$ 7,011
Public works:										
Street resurfacing (miles)	24.0	24.0	33.8	14.0	15.4	15.4	16.5	12.5	7.5	6.5
Parks and Recreation:										
Number of recreation classes	2,106	2,080	2,447	2,284	2,393	2,535	2,357	2,443	2,469	2,267
Number of facility rentals (times)	11,042	10,754	10,239	9,801	9,767	19,645	19,435	17,739	15,005	12,765
Transit:										
Number of customers served (2)	3,612,060	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

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									
	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03
Public works:										
Streets (miles)	496	496	496	496	496	496	496	462	462	452
Street lights (1)	15,081	14,963	14,939	14,739	14,429	14,000	13,200	13,000	12,000	12,000
Traffic signals (City Jurisdiction)	171	170	166	172	176	166	167	165	158	151
Traffic signals (Joint-Jurisdiction)	6	1	6	5	4	4	5	5	4	2
Parks and recreation:										
Number of parks	24	23	20	20	20	19	18	17	16	16
Community centers	1	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





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