

**CITY OF SANTA CLARITA
(CALIFORNIA)**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

JUNE 30, 2007

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

INTRODUCTORY SECTION

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FINANCIAL SECTION



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December 17, 2007

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Santa Clarita, California, as of and for the year ended June 30, 2007, 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 of Santa Clarita'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 activity, each major fund, and the aggregate remaining fund information of the City of Santa Clarita, California, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2007 on our consideration of the City of Santa Clarita, California's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison schedules, identified in the accompanying table of contents, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit the management's discussion and analysis and express no opinion on it. The budgetary comparison schedules and related note have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Santa Clarita, California's basic financial statements. The introductory section, supplementary information section and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information section has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Diehl, Evans and Company, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2007

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, 2007. 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 \$865.3 million. Of this amount, \$89.3 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 6.6%, primarily as a result of the increase in capital assets. Net assets of the business-type activities increased by \$464,504, or 0.7%, and net assets of the governmental activities increased by \$53.5 million, or 7.1%.
- The capital assets of the City's governmental activities increased by \$44.2 million or 6.8% over last fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$109.5 million. This represents an increase of \$10.1 million as compared to the prior year.

See independent auditors report.

USING THIS ANNUAL REPORT

The financial statements presented herein include all of the activities of the City of Santa Clarita and its component units using the integrated approach as prescribed by GASB Statement No. 34. The three components of the basic financial statements are as follows:

1) Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting in a manner similar to a private-sector business. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

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.

See independent auditors report.

The Statement of Net Assets and the Statement of Activities (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.

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 are provided to explain the differences created by this integrated approach.

See independent auditors report.

Governmental Funds (Continued)

The City reports governmental fund financial information within 30 governmental funds. The general fund, bridge and thoroughfare fund, developer fees fund, Proposition C fund, federal grants special revenue funds, and debt service-redevelopment agency fund are presented separately as major funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Financial data for the remaining 24 governmental funds are combined into a single, aggregated presentation. Supporting financial information on each of the other governmental funds are 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.

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 69-75 of this report.

See independent auditors report.

OTHER INFORMATION (CONTINUED)

The combining statements referred to earlier in connection with the other governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information described in the previous paragraph. Combining and individual fund statements and schedules, as well as schedules related to the capital assets used in the operation of governmental funds, can be found on pages 76-128 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 \$53.9 million, increasing from \$811.4 million to \$865.3 million. As noted earlier, this increase is primarily the result of the City’s valuation of the estimated historical cost of infrastructure placed in service prior to July 1, 2002.

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006 As Restated	2007	2006 As Restated	2007	2006 As Restated
ASSETS:						
Current and Other Assets	\$ 194,925,569	\$ 173,580,262	\$ 6,102,811	\$ 4,515,324	\$ 201,028,380	\$ 178,095,586
Capital assets	693,803,347	649,605,600	63,483,490	65,304,940	757,286,837	714,910,540
TOTAL ASSETS	888,728,916	823,185,862	69,586,301	69,820,264	958,315,217	893,006,126
LIABILITIES:						
Long Term Liabilities	34,600,563	23,022,663	870,149	1,236,869	35,470,712	24,259,532
Other Liabilities	52,603,956	52,108,958	4,916,443	5,248,190	57,520,399	57,357,148
TOTAL LIABILITIES	87,204,519	75,131,621	5,786,592	6,485,059	92,991,111	81,616,680
NET ASSETS:						
Invested in capital assets, net of related debt	661,210,117	614,300,517	62,246,621	63,741,429	723,456,738	678,041,946
Restricted	52,576,463	62,752,301	-	-	52,576,463	62,752,301
Unrestricted	87,737,817	71,001,423	1,553,088	(406,224)	89,290,905	70,595,199
TOTAL NET ASSETS	\$ 801,524,397	\$ 748,054,241	\$ 63,799,709	\$ 63,335,205	\$ 865,324,106	\$ 811,389,446

See independent auditors report.

THE CITY AS A WHOLE (CONTINUED)

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

As of June 30, 2007, assets exceeded liabilities by \$865.3 million. The largest component of the City's net assets, 83.6%, is represented by its \$723.5 million investment in capital assets (e.g., infrastructures, land, buildings and improvements, equipments, and construction in progress) less any related outstanding debt used to acquire the assets. These capital assets are used to provide services to the citizens, and therefore, are not available to finance future operations. In addition, resources necessary to repay the related debt must be provided by sources other than the capital assets, as the assets themselves cannot be used to satisfy these liabilities.

An additional portion of the City's net assets, 6.1%, represents resources subject to external restrictions on how they may be used. The remaining 10.3% of unrestricted net assets, \$89.3 million may be used to meet the City's ongoing obligations to citizens and creditors.

Consistent with the prior year, at the end of the current fiscal year, the City is able to report positive balances in both categories of governmental and business-type net assets. Net assets for governmental activities increased by \$53.5 million over the prior year, \$46.9 million of which is represented by increased capital assets and reductions in their related debt. Increases in capital assets also accounted for the majority of the overall increase in net assets for business-type activities of \$464,504. The unrestricted portion of the business-type activities increased by \$2.0 million.

Governmental Activities

Revenues from governmental activities were down by \$18.7 million or 10.6%. The cost of all governmental activities this year was \$104.3 million, an increase of 22.2% over the past year. However, as shown in the Statement of Activities, the governmental activities expenditures were ultimately financed in part by the taxpayers, as \$30.1 million in revenues were generated by service revenues received from the performance of these activities; another \$26.6 million was received from government agencies and other organizations that subsidized certain programs with operating grants and contributions; and another \$24.8 million in revenues was generated from capital grants and contributions. Community Development program is the only activity that generated a net revenue of \$44.6 million. Overall, the City's governmental program revenues amounted to \$157.3 million, which funded the expenditures and contributed an additional \$53.0 million to the increase in net assets. Part of the \$157.3 million program revenue are other non-program governmental revenue amounting to \$76.2 million that the City realized this past year.

See independent auditors report.

THE CITY AS A WHOLE (CONTINUED)

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

	Government Activities		Business-type Activities		Total	
	2006		2006		2006	
	2007	As Restated	2007	As Restated	2007	As Restated
Program Revenues:						
Charges for services	\$ 30,086,825	\$ 27,594,560	\$ 5,827,778	\$ 4,950,584	\$ 35,914,603	\$ 32,545,144
Operating grants and contributions	26,641,145	23,465,852	12,616,641	3,351,941	39,257,786	26,817,793
Capital grants and contributions	24,770,306	60,971,404	750,200	-	25,520,506	60,971,404
General Revenues						
Taxes:						
Property taxes, levied for general purposes	27,891,202	23,106,806	-	-	27,891,202	23,106,806
Other Taxes	41,074,451	38,702,784	-	-	41,074,451	38,702,784
Grants and contributions not restricted						
to specific programs	1,862,901	223,241	-	883,615	1,862,901	1,106,856
Other	4,970,193	1,891,292	26,367	1,050	4,996,560	1,892,342
Total Revenues	157,297,023	175,955,939	19,220,986	9,187,190	176,518,009	185,143,129
General government	26,029,070	24,225,414	-	-	26,029,070	24,225,414
Public safety	14,398,408	13,821,626	-	-	14,398,408	13,821,626
Public works	19,273,980	6,417,841	-	-	19,273,980	6,417,841
Parks and recreation	20,573,077	20,988,533	-	-	20,573,077	20,988,533
Community development	8,985,449	16,939,976	-	-	8,985,449	16,939,976
Unallocated infrastructure						
depreciation	12,920,310	1,268,939	-	-	12,920,310	1,268,939
Interest on long term debt	2,087,949	1,669,701	-	-	2,087,949	1,669,701
Transit	-	-	18,315,106	16,508,457	18,315,106	16,508,457
Total Expenses	104,268,243	85,332,030	18,315,106	16,508,457	122,583,349	101,840,487
Increase in Net Assets before transfers	53,028,780	90,623,909	905,880	(7,321,267)	53,934,660	83,302,642
Transfers	441,376	(12,054,795)	(441,376)	12,054,795	-	-
Increase In Net Assets	53,470,156	78,569,114	464,504	4,733,528	53,934,660	83,302,642
Net Assets – Beginning of Year, As Restated (Note I6)	748,054,241	669,485,127	63,335,205	58,601,677	811,389,446	728,086,804
Net Assets – End of Year	\$ 801,524,397	\$ 748,054,241	\$ 63,799,709	\$ 63,335,205	\$ 865,324,106	\$ 811,389,446

See independent auditors report.

THE CITY AS A WHOLE (CONTINUED)

Business-Type Activities

Business-type activities increased the City's net assets by \$464,504 for the current year. Business-type activities revenues increased by \$10.0 million during the year for a total of \$19.2 million in revenues, not including the \$441,376 of transfers out to other governmental activities. This was largely due to \$9.3 million increase in operating grants and contributions during the year. Related transit activity expenses increased by \$1.8 million or 10.9% of the \$18.3 million total.

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

The governmental funds reported a combined fund balance at the end of the current fiscal year of \$109.5 million, an increase of \$10.1 million over the prior year. Approximately \$83.0 million is reserved and already committed for specific restricted purposes, and approximately \$26.5 million of the unreserved portion may be used to meet the City's ongoing obligations to citizens and creditors.

The total governmental fund balance includes the general fund balance of \$63.2 million, an increase of \$24.2 million over the prior year. The general fund is the chief operating fund of the City of Santa Clarita. At the end of the current fiscal year, the \$34.7 million in reserved general fund balance accounted for 41.8% of the total reserved governmental fund balance. The unreserved general fund balance of \$28.5 million, which is available for spending at the City's discretion, is up by \$9.5 million from prior year. The City's general fund balance has reserved \$34.7 million for advances, encumbrances, deposits and prepaid items. More detailed information about the combined fund balance reserves and designations and restatement are presented in Note 11 and Note 16, respectively, to the financial statements.

Other major fund balance changes are noted below:

- The bridge and thoroughfare fund balance has realized a significant decrease of \$13.5 million or 53.3 % from the prior year. This was mainly due to projects that were completed by June 30, 2007. The decrease in developer fees of \$25.8 million or 94.4% over last year was due to the decrease in new permitting and development activity within the City.
- The \$1.7 million developer fees fund balance, as restated increased in the current year by \$376,425 or 28.3%. Capital expenditures increased by \$4.2 million and with a corresponding increase in developer fees of \$4.1 million. The increase in cash, investments and advances to other funds was accounted to the increase of \$165,782 in investment income to \$579,736 or 40.1%.
- The federal grants fund balance shows a negative balance of \$375,610, compared to a positive fund balance of \$649,834 in previous year. The change was due to the timing of grant-related expenditures and the related reimbursement revenues that were deferred in prior years.
- New to the major fund category is the Proposition C fund. This fund has realized a significant increase in Capital Outlay of \$15.3 million or 448.3% and an increase of \$8.8 million or 167.7% in revenue over last fiscal year. The fund balance at the end of the year decreased by \$4.6 million or 75.1% from previous year and as mentioned earlier, this change was due to the increase in capital expenditures.

See independent auditors report.

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

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

- Also added to the major fund category this fiscal year is the debt service fund – redevelopment agency. The ending fund balance had an increase of negative \$5.7 million to \$10.5 million or 120.5%. This was due to the increase in advances and transfers out to the capital projects fund – redevelopment agency.

In addition to the major funds, the fund balances for the other governmental funds experienced an aggregate increase of \$10.4 million, resulting in an overall 32.9% increase in other governmental funds' balances.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The total net assets for the transit enterprise fund increased over the prior year by \$2.6 million or 4.2%. This \$2.6 million increase was primarily due to the increase in cash and investments and decrease in total liabilities. The unrestricted portion of the business-type activities net assets increased by \$2.6 million from a deficit of \$406,224 from prior year. This increase is mainly attributed to the increase in grant revenues received in the current fiscal year. The Internal Service funds net assets increased by \$5.0 million or 33.1%, ending the fiscal year with a fund balance of \$20.1 million, of which \$19.5 million is unrestricted.

General Fund Budgetary Highlights

Comparison of the fiscal year 2006-07 original (adopted) general fund budgeted expenditures and transfers of \$70.1 million to the final budgeted expenditures of \$84.0 million results in a net increase of \$13.9 million.

Included in this net increase is \$13.3 million in committed purchase orders and contracts from the prior June 30 balance, as well as \$541,836 of prior fiscal year operating and capital improvement projects approved for carryover into fiscal year 2006-07. The resulting beginning budget balance was equal to \$84.0 million.

Original Budget +	Cont. Appropriations +	Encumbrances =	Beg. Balance +	Supplemental Changes =	Final Budget
\$70,116,828 +	\$541,836 +	\$13,328,420 =	\$83,987,084 +	\$4,827,823 =	\$88,814,907

Comparing the beginning budget of \$84.0 million with the final budget of \$88.8 million indicates the general fund had supplemental budgetary appropriations of \$4.8 million during the fiscal year. Included in the supplemental appropriations are the results of this year's budget review.

At the mid-year budget review, the City Council approved additional appropriations for non-represented employee cost-of-living salary increases of 4.3%, as well as increased costs related to the City's contribution towards employees' health benefits. In addition, an increase of \$1 million was appropriated to meet legal cost related to the Cemex opposition effort and \$615,000 additional fund was appropriated to various capital projects.

See independent auditors report.

General Fund Budgetary Highlights (Continued)

During the mid-year budget review, budgeted general fund revenue had a net increase of \$1.0 million. Included in the net increase is \$1.5 million increase in property tax revenue due to increasing property valuation in the area. Development revenue was reduced by \$870,500 due to the decrease in the demand for new housing. Building permits and licenses were directly impacted by this economic trend.

At year end, the City's actual revenues are \$1.5 million more than the final budgetary estimates. This increase was primarily due to the \$1.6 million increase on returns of investments. Actual expenditures were less than the final budgetary estimates by over \$18.0 million. This was partly due to large infrastructure commitments that were not liquidated at year end and projects that are multi-year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's Capital Assets at the beginning of fiscal year 2006-07 was restated (Note 16) in connection with the valuation of all infrastructure placed in service prior to July 1, 2002 with correction amount of \$413.9 million (net of accumulated depreciation). The City had \$757.3 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 infrastructures (include infrastructures 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	
	2006		2006		2006	
	2007	As Restated	2007	As Restated	2007	As Restated
Land	\$ 79,279,650	\$ 78,433,140	\$ 10,787,880	\$ 10,787,880	\$ 90,067,530	\$ 89,221,020
Construction in progress	82,155,075	52,196,756	144,675	26,002,684	82,299,750	78,199,440
Infrastructure, net	482,800,768	469,123,000	-	-	482,800,768	469,123,000
Depreciable site improvements, Net	9,695,070	10,050,767	-	-	9,695,070	10,050,767
Depreciable buildings and improvements, net	37,369,921	37,549,539	38,610,490	12,966,523	75,980,411	50,516,062
Depreciable equipment, net	2,502,863	2,252,398	13,940,445	15,547,853	16,443,308	17,800,251
TOTALS	\$ 693,803,347	\$ 649,605,600	\$ 63,483,490	\$ 65,304,940	\$ 757,286,837	\$ 714,910,540

Major capital asset events during the year included:

- Completion and opening of the \$31 million, 1.6 mile portion of the Cross Valley Connector Road, the "gap closure", providing a new eight-lane access from Interstate 5 to the area's commerce center.

See independent auditors report.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

- Completion of the Bouquet bridge widening, bike lane and Bouquet junction improvement, adding more travel lanes, more turning lanes and dramatically improving traffic in this busy intersection.
- Construction started in August 2006 of the Todd Longshore Park. A neighborhood park on approximately 5 acres of the 32-acre site in Canyon Country.
- Significant progress in the design and road construction along Magic Mountain Parkway and the I-5 freeway.
- Design for the Intelligent Transportation System is underway. This effort will add traffic detector stations at locations Citywide to enhance the City's traffic monitoring efforts with closed circuit television, a communications interface to allow for and e-mail/website communications to alert motorists of traffic conditions throughout the City.

Additional information on the City of Santa Clarita's capital assets can be located in Note 3 to the financial statements on pages 48 through 50.

Debt Administration

At year-end, the City's total debt amounted to \$37.8 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	
	2007	2006	2007	2006	2007	2006
Refunding certificates of participation, net	\$ 16,389,028	\$ 17,299,931	\$ -	\$ -	\$ 16,389,028	\$ 17,299,931
Certificates of participation	-	710,000	-	-	-	710,000
Lease Revenue Bonds	13,893,228	-	-	-	13,893,228	-
Contract and leases payable	4,364,608	5,089,476	1,236,869	1,586,318	5,601,477	6,675,794
Compensated absences	1,780,826	1,574,478	-	-	1,780,826	1,574,478
Claims Payable	100,000	566,632	-	-	100,000	566,632
TOTALS	\$ 36,527,690	\$ 25,240,517	\$ 1,236,869	\$ 1,586,318	\$ 37,764,559	\$ 26,826,835

See independent auditors report.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The City's governmental activities had \$36.5 million in debt at year-end. Governmental Activities long-term debt increased overall by \$11.3 million during the year. A summary of the activity giving rise to new increases in debt is as follows:

- Compensated absences liability for that portion of unused, earned vacation compensation that is not expected to be paid within the coming fiscal year, increased by \$206,348.
- Claims payable liability for that portion of incurred and reported claims, as well as incurred but unreported claims, which are not expected to be paid within the coming fiscal year decreased by \$466,632. Additional information on the City of Santa Clarita's self-insurance can be located in Note 12 to the financial statements on pages 65 and 66.

Lease revenue bonds, Series 2007 for \$13.9 million were issued in connection with the acquisition of a right-of-way. Additional information on this bond can be located in Note 4A to the financial statements on page 52.

The City's business-type activities debt decreased by \$349,449, from \$1,586,318 to \$1,236,869. 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, 2007, the City was able to meet its current year debt obligation in a timely matter. State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The debt limitation for the City as of June 30, 2007, was \$2,876,569,716.

Additional information on the City of Santa Clarita's debt can be located in Note 4 to the financial statements, on pages 51 through 58.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the budget for fiscal year 2007-08, management looked at the following economic factors:

- Sales tax continues to be the City's largest General Fund revenue source accounting for 40.1% of the total General Fund revenue, or \$34.2 million in 2007-08. The projected increase of approximately 5% is indicative of the contribution the citizens of Santa Clarita make by shopping local and keeping tax dollars in the City.
- The new housing market took a turn, and property sales in 2007 were not as aggressive as compared to the last two years. Total property tax revenues for Fiscal Year 2007-08 are budgeted at a conservative 5% greater than the previous year.
- The City has maintained a conservative approach to budgeting revenues. Budgeted general fund revenues for fiscal year 2007-08 are 1.6% greater than the original budgeted revenues of the prior year. Aside from the major areas of sales and property taxes addressed above, FEMA grant was budgeted for \$1.1 million in 2007-08. Revenues for licenses and permits increased by \$335,000 from the adopted prior year budget, due to anticipation of increased building permit and map filing activity.

See independent auditors report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)

While the general fund revenues for fiscal year June 30, 2008, are budgeted at \$82.8 million, which represents an increase of 1.9% over the prior year, the City's general fund operating and capital expenditures for the coming year are budgeted at \$79.8 million, which represents an increase of 12.6% over previous year. Operational expenditures for fiscal year 2008 have increased by 8.6%, and capital expenditures increased by \$3.4 million or 52.9%. The City's 2007-08 operating budget for all funds increased by \$8.4 million or 8.1% to a total of \$112.4 million.

The City continues to grow with new commercial and residential development, street improvements, park construction, and various other projects. The 2007-08 budgets are a reflection of the City's commitment to the residents of Santa Clarita. With the completion of "The Big Picture" process in 2004, the City now has a community developed tangible plan to provide guidance in making the strategic and budgetary decisions that bring us closer to the outlined vision for the City and those specified "Big Picture" goals. The 2007-08 budgets also continues the provision of consistent high levels of service to the community through the allocation of resources for public safety, cultural and social programs, and continued infrastructure improvements and maintenance. A copy of the City's 2007-08 budgets can be obtained by contacting the City Finance Division or visit the web at santa-clarita.com/cityhall/cmo/budget.

CONTACTING THE CITY'S FINANCE DIVISION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the City's Finance Division, at the City of Santa Clarita, 23920 Valencia Boulevard, Suite 295, Santa Clarita, California 91355, or (661) 255-4386.

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CITY OF SANTA CLARITA

STATEMENT OF NET ASSETS

June 30, 2007

	Governmental Activities	Business-type Activity	Total
ASSETS:			
Cash and investments (Note 2)	\$ 154,690,586	\$ 2,241,655	\$ 156,932,241
Receivables:			
Accounts	10,696,754	51,419	10,748,173
Interest	1,805,246	26,542	1,831,788
Intergovernmental	10,367,802	3,730,932	14,098,734
Loans	1,346,650	-	1,346,650
Prepaid costs	196,843	-	196,843
Deposits	13,330,807	-	13,330,807
Internal balances	(52,263)	52,263	-
Land held for resale	1,607,196	-	1,607,196
Deferred charges	935,948	-	935,948
Capital assets (Note 3):			
Land	79,279,650	10,787,880	90,067,530
Construction in progress	82,155,075	144,675	82,299,750
Depreciable site improvements, net	9,695,070	-	9,695,070
Depreciable buildings and improvements, net	37,369,921	38,610,490	75,980,411
Depreciable equipment, net	2,502,863	13,940,445	16,443,308
Depreciable infrastructure, net	482,800,768	-	482,800,768
TOTAL ASSETS	888,728,916	69,586,301	958,315,217
LIABILITIES:			
Accounts payable and accrued liabilities	25,770,247	3,146,905	28,917,152
Accrued interest payable	507,182	29,168	536,350
Due to other governments	621,515	1,373,650	1,995,165
Unearned revenue	15,273,192	-	15,273,192
Deposits	8,504,693	-	8,504,693
Noncurrent liabilities (Notes 4 and 12):			
Due within one year	1,927,127	366,720	2,293,847
Due in more than one year	34,600,563	870,149	35,470,712
TOTAL LIABILITIES	87,204,519	5,786,592	92,991,111
NET ASSETS:			
Invested in capital assets, net of related debt	661,210,117	62,246,621	723,456,738
Restricted for capital improvements	18,134,924	-	18,134,924
Restricted for low and moderate income housing	2,229,857	-	2,229,857
Restricted for other special purposes	32,211,682	-	32,211,682
Unrestricted	87,737,817	1,553,088	89,290,905
TOTAL NET ASSETS	\$ 801,524,397	\$ 63,799,709	\$ 865,324,106

See independent auditors' report and notes to basic financial statements.

CITY OF SANTA CLARITA

STATEMENT OF ACTIVITIES

For the year ended June 30, 2007

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 26,029,070	\$ 302,075	\$ 197,878	\$ -
Public safety	14,398,408	2,131,060	20,238	-
Public works	19,273,980	3,575,546	4,350,468	10,875,467
Parks and recreation	20,573,077	3,895,422	240,315	2,370,235
Community development	8,985,449	20,182,722	21,832,246	11,524,604
Unallocated infrastructure depreciation	12,920,310	-	-	-
Interest on long term debt	2,087,949	-	-	-
Total governmental activities	104,268,243	30,086,825	26,641,145	24,770,306
Business-type activity:				
Transit	18,315,106	5,827,778	12,616,641	750,200
Total	\$ 122,583,349	\$ 35,914,603	\$ 39,257,786	\$ 25,520,506

General revenues:

Taxes:

Sales taxes

Property taxes, levied for general purposes

Franchise taxes

Real property transfer taxes

Transient occupancy taxes

Unrestricted revenue in lieu of sales taxes

Grants and contributions not restricted
to specific programs

Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net assets

Net assets - Beginning of year, as restated (Note 16)

Net assets - End of year

See independent auditors' report and notes to basic financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activity	Total
\$ (25,529,117)	\$ -	\$ (25,529,117)
(12,247,110)	-	(12,247,110)
(472,499)	-	(472,499)
(14,067,105)	-	(14,067,105)
44,554,123	-	44,554,123
(12,920,310)	-	(12,920,310)
(2,087,949)	-	(2,087,949)
<u>(22,769,967)</u>	<u>-</u>	<u>(22,769,967)</u>
-	879,513	879,513
<u>(22,769,967)</u>	<u>879,513</u>	<u>(21,890,454)</u>
23,790,825	-	23,790,825
27,891,202	-	27,891,202
6,248,912	-	6,248,912
1,073,774	-	1,073,774
1,804,923	-	1,804,923
8,156,017	-	8,156,017
1,862,901	-	1,862,901
4,970,193	26,367	4,996,560
441,376	(441,376)	-
<u>76,240,123</u>	<u>(415,009)</u>	<u>75,825,114</u>
53,470,156	464,504	53,934,660
<u>748,054,241</u>	<u>63,335,205</u>	<u>811,389,446</u>
<u>\$ 801,524,397</u>	<u>\$ 63,799,709</u>	<u>\$ 865,324,106</u>

CITY OF SANTA CLARITA

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2007

	General	Special Revenue Funds	
		Bridge and Thoroughfare	Developer Fees
ASSETS			
Cash and investments	\$ 57,290,244	\$ 24,160,592	\$ 9,465,903
Accounts receivable	8,098,289	16,578	2,879
Interest receivable	680,789	292,091	114,438
Prepaid costs	196,843	-	-
Due from other funds	2,609,790	-	-
Due from other governments	1,217,956	468,915	-
Land held for resale	-	-	-
Deposits	13,330,807	-	-
Loans receivable	-	-	-
Advances to other funds	16,121,520	-	5,914,207
TOTAL ASSETS	\$ 99,546,238	\$ 24,938,176	\$ 15,497,427
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and accrued liabilities	\$ 20,182,440	\$ 982,712	\$ 168,144
Deferred revenue	7,658,191	580,611	13,622,468
Due to other governments	1,056	-	-
Deposits	8,504,693	-	-
Due to other funds	-	-	-
Advances from other funds	-	11,574,345	-
TOTAL LIABILITIES	36,346,380	13,137,668	13,790,612
FUND BALANCES (DEFICITS):			
Reserved	34,699,034	21,746,208	6,673,505
Unreserved:			
General fund	28,500,824	-	-
Special revenue fund	-	(9,945,700)	(4,966,690)
Debt service fund	-	-	-
Capital projects fund	-	-	-
TOTAL FUND BALANCES (DEFICITS)	63,199,858	11,800,508	1,706,815
TOTAL LIABILITIES AND FUND BALANCES	\$ 99,546,238	\$ 24,938,176	\$ 15,497,427

See independent auditors' report and notes to basic financial statements.

Special Revenue Funds (Continued)		Debt			
Proposition C	Federal Grants	Service Fund Redevelopment Agency	Other Governmental Funds	Total Governmental Funds	
\$ 202,196	\$ -	\$ -	\$ 44,146,878	\$ 135,265,813	
-	-	-	724,150	8,841,896	
2,444	-	-	529,662	1,619,424	
-	-	-	-	196,843	
-	-	-	-	2,609,790	
3,800,635	374,780	-	4,505,516	10,367,802	
-	-	-	1,607,196	1,607,196	
-	-	-	-	13,330,807	
-	-	-	1,346,650	1,346,650	
-	-	-	-	22,035,727	
<u>\$ 4,005,275</u>	<u>\$ 374,780</u>	<u>\$ -</u>	<u>\$ 52,860,052</u>	<u>\$ 197,221,948</u>	
\$ 1,243,726	\$ 673	\$ -	\$ 3,141,783	\$ 25,719,478	
1,230,675	374,780	-	4,802,054	28,268,779	
-	8,724	-	611,735	621,515	
-	-	-	-	8,504,693	
-	366,213	-	2,243,577	2,609,790	
-	-	10,461,382	-	22,035,727	
<u>2,474,401</u>	<u>750,390</u>	<u>10,461,382</u>	<u>10,799,149</u>	<u>87,759,982</u>	
5,110,050	50,000	-	14,723,825	83,002,622	
-	-	-	-	28,500,824	
(3,579,176)	(425,610)	-	22,744,746	3,827,570	
-	-	(10,461,382)	-	(10,461,382)	
-	-	-	4,592,332	4,592,332	
<u>1,530,874</u>	<u>(375,610)</u>	<u>(10,461,382)</u>	<u>42,060,903</u>	<u>109,461,966</u>	
<u>\$ 4,005,275</u>	<u>\$ 374,780</u>	<u>\$ -</u>	<u>\$ 52,860,052</u>	<u>\$ 197,221,948</u>	

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CITY OF SANTA CLARITA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

June 30, 2007

Fund balances - total governmental funds \$ 109,461,966

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 79,279,650	
Construction in progress	82,155,075	
Site improvements, net of \$4,379,072 accumulated depreciation	9,695,070	
Building and improvements, net of \$8,160,783 accumulated depreciation	37,369,921	
Equipment, net of \$4,332,766 accumulated depreciation	1,895,016	
Infrastructure, net of \$173,895,181 accumulated depreciation	482,800,768	
Total capital assets used in governmental activities		693,195,500

Debt issuance costs are reported as an expenditure in the governmental funds in the year that the costs are incurred. On the government-wide statements, such costs are reported as deferred charges and amortized over the life of the debt. Unamortized deferred charges at June 30, 2007 are: 935,948

Certain receivables will be collected after year-end, but are not available soon enough to pay for current-period expenditures, and therefore are offset by deferred revenue in the funds. On the government-wide statements, this deferred revenue has been recognized as income. The deferred revenue amount at June 30, 2007 is: 14,845,587

Internal Service funds are used by management to charge the costs of self-insurance and capital replacements to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 20,020,268

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds. Balances at June 30, 2007 are: (507,182)

Accrued interest on long-term debt		(507,182)
Certificates of participation, net of \$370,972 unamortized discount and deferred amount	\$ (16,389,028)	
Lease revenue bonds, plus unamortized premium of \$108,228	(13,893,228)	
Capital leases payable	(36,402)	
Loans payable	(4,328,206)	
Compensated absences	(1,780,826)	
Total long-term liabilities		<u>(36,427,690)</u>

Net assets of governmental activities \$ 801,524,397

See independent auditors' report and notes to basic financial statements.

CITY OF SANTA CLARITA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the year ended June 30, 2007

	General	Special Revenue Funds	
		Bridge and Thoroughfare	Developer Fees
REVENUES:			
Taxes	\$ 65,968,889	\$ -	\$ -
Licenses and permits	4,203,933	-	-
Developer fees	-	1,529,275	4,661,868
Investment income	3,104,334	1,873,545	579,736
Revenue from other agencies	1,175,489	-	-
Fines and forfeitures	363,795	-	-
Service charges	7,989,723	-	-
Other revenue	1,050,925	-	-
Overhead reimbursement	1,628,579	-	-
TOTAL REVENUES	85,485,667	3,402,820	5,241,604
EXPENDITURES:			
Current:			
General government	12,888,375	-	-
Public safety	13,926,613	-	-
Public works	13,907,952	134,311	-
Parks and recreation	18,289,444	-	-
Community development	5,919,329	-	-
Capital outlay	5,853,228	16,243,529	4,865,179
Debt service:			
Bond issuance costs	-	-	-
Principal retirement	-	-	-
Interest and fiscal charges	-	519,690	-
TOTAL EXPENDITURES	70,784,941	16,897,530	4,865,179
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,700,726	(13,494,710)	376,425
OTHER FINANCING SOURCES (USES):			
Transfers in	16,281,492	-	-
Transfers out	(6,801,179)	-	-
Revenue bonds issued	-	-	-
Bond premium	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	9,480,313	-	-
NET CHANGE IN FUND BALANCES	24,181,039	(13,494,710)	376,425
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR, AS RESTATED	39,018,819	25,295,218	1,330,390
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 63,199,858	\$ 11,800,508	\$ 1,706,815

See independent auditors' report and notes to basic financial statements.

Special Revenue Funds (Continued)	Debt			Total
	Federal Grants	Service Fund Redevelopment Agency	Other Governmental Funds	
Proposition C				
\$ -	\$ -	\$ -	\$ 4,607,866	\$ 70,576,755
-	-	-	-	4,203,933
-	-	-	556,624	6,747,767
124,649	-	-	2,244,499	7,926,763
13,900,888	84,574	-	22,139,262	37,300,213
-	-	-	1,555,159	1,918,954
-	-	-	5,473,950	13,463,673
-	1,113,377	-	564,080	2,728,382
-	-	-	-	1,628,579
<u>14,025,537</u>	<u>1,197,951</u>	<u>-</u>	<u>37,141,440</u>	<u>146,495,019</u>
-	-	-	10,523,375	23,411,750
-	91,000	-	330,220	14,347,833
-	-	-	5,468,834	19,511,097
-	-	-	653,702	18,943,146
-	-	-	3,132,323	9,051,652
18,671,224	2,132,393	-	10,161,402	57,926,955
-	-	-	555,840	555,840
-	-	-	2,374,870	2,374,870
-	-	372,243	851,201	1,743,134
<u>18,671,224</u>	<u>2,223,393</u>	<u>372,243</u>	<u>34,051,767</u>	<u>147,866,277</u>
<u>(4,645,687)</u>	<u>(1,025,442)</u>	<u>(372,243)</u>	<u>3,089,673</u>	<u>(1,371,258)</u>
29,644	-	786,645	10,370,308	27,468,089
-	(2)	(6,132,087)	(16,947,925)	(29,881,193)
-	-	-	13,785,000	13,785,000
-	-	-	109,752	109,752
<u>29,644</u>	<u>(2)</u>	<u>(5,345,442)</u>	<u>7,317,135</u>	<u>11,481,648</u>
<u>(4,616,043)</u>	<u>(1,025,444)</u>	<u>(5,717,685)</u>	<u>10,406,808</u>	<u>10,110,390</u>
<u>6,146,917</u>	<u>649,834</u>	<u>(4,743,697)</u>	<u>31,654,095</u>	<u>99,351,576</u>
<u>\$ 1,530,874</u>	<u>\$ (375,610)</u>	<u>\$ (10,461,382)</u>	<u>\$ 42,060,903</u>	<u>\$ 109,461,966</u>

CITY OF SANTA CLARITA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2007

Net change in fund balances - total governmental funds		\$ 10,110,390
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalizable capital outlays (\$53,462,851) exceeded depreciation (\$14,954,671) in the current period:		38,508,180
The contribution of governmental capital assets to the Transit Enterprise fund is not reported in the governmental funds because there has been no flow of current financial resources. In the Statement of Activities, both sides of this transaction are reported as transfers:		(270,520)
Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources:		5,868,137
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items:		
Issuance of lease revenue bonds	\$ (13,785,000)	
Bond issuance costs	555,840	
Principal payments	2,374,870	
Bond premium	(109,752)	
Amortization of bond premium	1,524	
Amortization of discount and deferred amount on refunding	(29,097)	
Amortization of debt issuance costs	(45,996)	
	<u> </u>	(11,037,611)
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.		
Compensated absences	\$ (206,350)	
Accrued interest	(271,246)	
	<u> </u>	(477,596)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues 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.		5,804,173
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.		<u>4,965,003</u>
Change in net assets of governmental activities		<u><u>\$ 53,470,156</u></u>

See independent auditors' report and notes to basic financial statements.

CITY OF SANTA CLARITA

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

June 30, 2007

	ASSETS	Business-type Activity - Transit Enterprise	Government Activities - Internal Service Funds
CURRENT ASSETS:			
Cash and investments		\$ 2,241,655	\$ 19,424,773
Accounts receivable		51,419	4,858
Interest receivable		26,542	185,822
Due from other governments		3,730,932	-
TOTAL CURRENT ASSETS		<u>6,050,548</u>	<u>19,615,453</u>
NONCURRENT ASSETS:			
Capital assets:			
Land		10,787,880	-
Construction in progress		144,675	-
Buildings, net of accumulated depreciation		38,610,490	-
Equipment, net of accumulated depreciation		13,940,445	607,847
TOTAL NONCURRENT ASSETS		<u>63,483,490</u>	<u>607,847</u>
TOTAL ASSETS		<u>69,534,038</u>	<u>20,223,300</u>
	LIABILITIES		
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		3,146,905	50,769
Due to other governments		1,373,650	-
Accrued interest payable		29,168	-
Capital leases payable - current		366,720	-
TOTAL CURRENT LIABILITIES		<u>4,916,443</u>	<u>50,769</u>
NONCURRENT LIABILITIES:			
Claims payable		-	100,000
Capital leases payable		870,149	-
TOTAL NONCURRENT LIABILITIES		<u>870,149</u>	<u>100,000</u>
TOTAL LIABILITIES		<u>5,786,592</u>	<u>150,769</u>
NET ASSETS:			
Invested in capital assets, net of related debt		62,246,621	607,847
Unrestricted		1,500,825	19,464,684
TOTAL NET ASSETS		<u>63,747,446</u>	<u>\$ 20,072,531</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		<u>52,263</u>	
Net Assets of business-type activities		<u>\$ 63,799,709</u>	

See independent auditors' report and notes to basic financial statements.

CITY OF SANTA CLARITA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS

For the year ended June 30, 2007

	Business-type Activity - Transit Enterprise	Government Activities - Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 5,827,778	\$ 2,737,318
Other revenue	466,202	2,676
TOTAL OPERATING REVENUES	<u>6,293,980</u>	<u>2,739,994</u>
OPERATING EXPENSES:		
Administrative	991,889	-
Transportation services	12,402,864	-
Services and supplies	1,870,602	1,422,109
Depreciation	3,009,819	206,699
TOTAL OPERATING EXPENSES	<u>18,275,174</u>	<u>1,628,808</u>
OPERATING INCOME (LOSS)	<u>(11,981,194)</u>	<u>1,111,186</u>
NONOPERATING REVENUES (EXPENSES):		
Intergovernmental grants	11,201,795	-
Investment income	26,367	758,273
Miscellaneous revenues	948,644	-
Interest expense	(69,388)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>12,107,418</u>	<u>758,273</u>
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>126,224</u>	<u>1,869,459</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:		
Transfers in	46,170	3,125,000
Transfers out	(758,066)	-
Capital contributions	750,200	-
Capital contributions from other funds	270,520	-
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>308,824</u>	<u>3,125,000</u>
CHANGE IN NET ASSETS	435,048	4,994,459
TOTAL NET ASSETS - BEGINNING OF YEAR		<u>15,078,072</u>
TOTAL NET ASSETS - END OF YEAR		<u>\$ 20,072,531</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>29,456</u>	
Change in net assets of business-type activities	<u>\$ 464,504</u>	

See independent auditors' report and notes to basic financial statements.

CITY OF SANTA CLARITA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2007

	Business-type Activity - Transit Enterprise	Government Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	\$ 3,212,064	\$ -
Receipts from interfund services provided	-	2,738,070
Other operating receipts	3,170,309	2,676
Nonoperating miscellaneous receipts	948,644	-
Payments to suppliers	(14,715,900)	(2,331,896)
Payments to employees	(989,240)	-
	<u>(8,374,123)</u>	<u>408,850</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash contributed by other governments	11,115,741	-
Cash received from other funds	46,170	3,125,000
Cash paid to other funds	(758,066)	-
	<u>10,403,845</u>	<u>3,125,000</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(918,024)	(298,651)
Principal payments on financed debt	(349,449)	-
Interest expense	(77,568)	-
	<u>(1,345,041)</u>	<u>(298,651)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	-	671,243
	<u>684,681</u>	<u>3,906,442</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,556,974</u>	<u>15,518,331</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,241,655</u>	<u>\$ 19,424,773</u>

See independent auditors' report and notes to basic financial statements.

(Continued)

CITY OF SANTA CLARITA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 (CONTINUED)

For the year ended June 30, 2007

	Business-type Activity - Transit Enterprise	Government Activities - Internal Service Funds
	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (11,981,194)	\$ 1,111,186
Depreciation	3,009,819	206,699
Nonoperating miscellaneous revenues	948,644	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	88,393	752
(Increase) decrease in prepaid expenses	44,800	-
Increase (decrease) in accounts payable and accrued liabilities	(484,585)	(443,155)
Increase (decrease) in claims payable	-	(466,632)
	<u> </u>	<u> </u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (8,374,123)</u>	<u>\$ 408,850</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Contributions of capital assets from government	<u>\$ 270,520</u>	<u>\$ -</u>

See independent auditors' report and notes to basic financial statements.

CITY OF SANTA CLARITA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS

June 30, 2007

	<u>Agency Funds</u>
ASSETS:	
Cash and investments	\$ 118,420
Cash and investments with fiscal agents	1,820,054
Interest receivable	2,845
Property taxes receivable	<u>1,454</u>
TOTAL ASSETS	<u>\$ 1,942,773</u>
LIABILITIES:	
Accounts payable and accrued liabilities	\$ 2,268
Due to bondholders	<u>1,940,505</u>
TOTAL LIABILITIES	<u>\$ 1,942,773</u>

See independent auditors' report and notes to basic financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity:

The City of Santa Clarita (the City), California, 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.

The Redevelopment Agency of the City of Santa Clarita (the Agency) was established in July 1991 pursuant to the State of California Health and Safety Code, Section 33000. The primary purpose of the Agency 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 Santa Clarita Public Financing Authority (the Authority) was established in July 1991 as a joint power of authority between the City and the Agency for the purpose of providing financing and funding of public capital improvements and the acquisition of property.

The criteria used in determining the scope of the reporting entity are based on the provisions of Government Accounting Standards Board (GASB) Statement No. 14. The City of Santa Clarita is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The Agency and the Authority have been accounted for as "blended" component units of the City. Despite being legally separate, these entities are, in substance, part of the City's operations. Accordingly, the balances and transactions of these component units are reported within the funds of the City. The Agency's financial data and activity are reported within the debt service and capital projects fund types, and the Authority's financial data and activity are reported within the debt service and capital projects fund types.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTE TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

A. Reporting Entity (Continued):

The following specific criteria were used in determining that the Agency and the Authority were blended component units:

- The members of the City Council also act as the governing bodies of the Agency and the Authority.
- The Agency and the Authority are managed by employees of the City.

Financial statements for each of the individual component units may be obtained at the City's administrative offices.

B. Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included as part of the program expenses reported for individual functions and activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year in which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the transit enterprise fund and of the government's internal service funds are charges to customers for services. Operating expenses for the proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences, which are recognized as expenditures only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

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 Proposition C Special Revenue Fund is used 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.

The Federal Grants Special Revenue Fund is used to account for receipts and disbursements of miscellaneous federal grant monies not accounted for in other funds.

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

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.

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.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

The City reports the following Fund Types (Continued):

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

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

The Internal Service Funds are used to account for the financing of special activities that provide services within the City. Such activities include self-insurance, computer replacement, vehicle replacement and public facilities replacement.

The Agency Funds are 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 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 Statement No. 20, the City applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents:

A substantial portion of the City's investments, not held by bond trustees, are in short-term, highly liquid instruments with original maturities of three months or less, including investments in the California Local Agency Investment Fund and Los Angeles County Pooled Investment Fund totaling \$32,693,956 and \$1,318,858, respectively. For purposes of the statements of cash flows, all pooled cash and investments held by the enterprise and internal service funds are considered to be short-term and, accordingly, are classified as cash and cash equivalents.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

E. Investments:

Investments are stated at fair value (quoted market price or best available estimate thereof).

F. Capital Assets:

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 two years. 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 assets' 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

G. Inventories:

Inventories are accounted for on the purchase (expenditure) method, whereby expenditures for inventory are written off as incurred. There were no significant inventories on hand at June 30, 2007.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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 funds only if they have matured.

I. Property Taxes:

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

J. Claims and Judgments:

When it is probable that a claim liability has been incurred at year end and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage, under its self-insurance program claims payable, which includes an estimate for incurred but not reported claims (IBNR) and is recorded in an Internal Service Fund.

K. Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Specifically, the City has made certain estimates and assumptions related to the collectibility of its receivables (e.g. accounts receivable, intergovernmental receivables and loans receivable), the depreciation of its capital assets and the ultimate outcome of claims and judgments. Actual results could differ from those estimates and assumptions.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

2. CASH AND INVESTMENTS:

Cash and Investments

Cash and investments at June 30, 2007, are classified in the accompanying financial statements as follows:

	Government- Wide Statement of Net Assets	Fiduciary Fund Statement of Net Assets	Total
Unrestricted assets:			
Cash and investments	\$ 156,932,241	\$ 118,420	\$ 157,050,661
Cash and investments with fiscal agents	-	1,820,054	1,820,054
Total Cash and Investments	<u>\$ 156,932,241</u>	<u>\$ 1,938,474</u>	<u>\$ 158,870,715</u>

Cash and investments at June 30, 2007, consisted of the following:

Cash on hand	\$ 3,456
Deposits with financial institutions	(642,299)
Investments	<u>159,509,558</u>
Total Cash and Investments	<u>\$ 158,870,715</u>

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.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by the California Government Code and the City's Investment Policy
(Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage or Amount of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State of California Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Government Sponsored Enterprise Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	5 years	15%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	\$ 40 M	None

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

N/A - Not Applicable

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

2. CASH AND INVESTMENTS (CONTINUED):

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage or Amount Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
Money Market Mutual Funds	5 years	15%	10%
Local Agency Investment Fund (LAIF)	N/A	\$ 40 M	None

N/A - Not Applicable

Disclosures Relating to Interest Rate Risk

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.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk (Continued)

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 - 24 Months	25 - 60 Months	
Local Agency Investment Fund (LAIF)	\$ 32,693,956	\$ -	\$ -	\$ 32,693,956
Los Angeles County Pooled Investment Fund (LACPIF)	1,318,858	-	-	1,318,858
Federal National Mortgage Association (FNMA)	1,925,811	6,681,808	10,908,142	19,515,761
Federal Home Loan Bank (FHLB)	3,448,290	16,145,111	8,106,294	27,699,695
Federal Farm Credit Bank (FFCB)	-	417,163	3,932,366	4,349,529
Federal Home Loan Mortgage Corporation (FHLMC)	15,579,202	5,715,917	19,071,198	40,366,317
Medium-Term Notes	9,463,170	443,070	17,020,727	26,926,967
United States Treasury Notes	-	-	2,979,851	2,979,851
Money Market Mutual Funds	1,837,888	-	-	1,837,888
Held by Bond Trustee:				
Local Agency Investment Fund (LAIF)	1,689,013	-	-	1,689,013
Money Market Mutual Funds	131,723	-	-	131,723
	<u>\$ 68,087,911</u>	<u>\$ 29,403,069</u>	<u>\$ 62,018,578</u>	<u>\$159,509,558</u>

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

2. CASH AND INVESTMENTS (CONTINUED):

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:

<u>Investment Type</u>	<u>Total as of June 30, 2007</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>		<u>Other</u>		<u>Not Required to be Rated</u>	
			<u>AAA</u>	<u>Other</u>	<u>Not Rated</u>	<u>Not Rated</u>		
LAIF	\$ 32,693,956	N/A	\$ -	\$ -	\$ -	\$ 32,693,956		
LACPIF	1,318,858	N/A	-	-	-	1,318,858		
FNMA	19,515,761	AAA	19,515,761	-	-	-		
FHLB	27,699,695	AAA	27,699,695	-	-	-		
FFCB	4,349,529	AAA	4,349,529	-	-	-		
FHLMC	40,366,317	AAA	40,366,317	-	-	-		
Medium-Term Notes	26,926,967	A-1	2,395,062	24,531,905	-	-		
US Treasury Notes	2,979,851	N/A	-	-	2,979,851	-		
Money Market								
Mutual Funds	1,837,888	N/A	-	-	-	1,837,888		
Held by Bond Trustee:								
LAIF	1,689,013	N/A	-	-	-	1,689,013		
Money Market								
Mutual Funds	131,723	N/A	-	-	-	131,723		
Total	<u>\$159,509,558</u>		<u>\$ 94,326,364</u>	<u>\$ 24,531,905</u>	<u>\$ 2,979,851</u>	<u>\$ 37,671,438</u>		

The actual ratings for the Medium-Term Notes:

Other:

AA	\$ 435,542
AA-	10,063,700
A+	1,612,865
A	585,477
A-1+	9,728,671
A-1	<u>2,105,650</u>
Total Other	<u>\$ 24,531,905</u>

N/A - Not Applicable

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

2. CASH AND INVESTMENTS (CONTINUED):

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>
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	\$ 19,515,761
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	27,699,695
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	40,366,317

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, 2007, the City deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California Law.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

2. CASH AND INVESTMENTS (CONTINUED):

Investment in State Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each City may invest up to \$40,000,000 and may also invest without limitation in special bond proceeds accounts. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's prorata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in County Investment Pool

The LACPIF is a pooled investment fund program governed by the Los Angeles County Board of Supervisors and administered by the Los Angeles County Treasurer and Tax Collector. Investments in the LACPIF are highly liquid, as deposits and withdrawals can be made at anytime without penalty. LACPIF does not impose any maximum investment limit. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's prorata 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 LACPIF, which are recorded on an amortized cost basis.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

3. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Balance at July 1, 2006, as restated (1)	Additions	Deletions	Balance at June 30, 2007
Capital assets, not being depreciated:				
Land	\$ 78,433,140	\$ 846,510	\$ -	\$ 79,279,650
Construction in progress	<u>52,196,756</u>	<u>51,163,515</u>	<u>(21,205,196)</u>	<u>82,155,075</u>
Total capital assets, not being depreciated	<u>130,629,896</u>	<u>52,010,025</u>	<u>(21,205,196)</u>	<u>161,434,725</u>
Capital assets, being depreciated:				
Site improvements	13,859,142	215,000	-	14,074,142
Building and improvements	44,734,729	795,975	-	45,530,704
Equipment	7,585,226	945,235	(74,698)	8,455,763
Infrastructure	<u>630,097,871</u>	<u>26,598,078</u>	<u>-</u>	<u>656,695,949</u>
Total capital assets, being depreciated	<u>696,276,968</u>	<u>28,554,288</u>	<u>(74,698)</u>	<u>724,756,558</u>
Less accumulated depreciation for:				
Site improvements	(3,808,375)	(570,697)	-	(4,379,072)
Building and improvements	(7,185,190)	(975,593)	-	(8,160,783)
Equipment	(5,332,828)	(694,770)	74,698	(5,952,900)
Infrastructure	<u>(160,974,871)</u>	<u>(12,920,310)</u>	<u>-</u>	<u>(173,895,181)</u>
Total accumulated depreciation	<u>(177,301,264)</u>	<u>(15,161,370)</u>	<u>74,698</u>	<u>(192,387,936)</u>
Total capital assets, being depreciated, net	<u>518,975,704</u>	<u>13,392,918</u>	<u>-</u>	<u>532,368,622</u>
Total governmental activities capital assets, net	<u>\$ 649,605,600</u>	<u>\$ 65,402,943</u>	<u>\$ (21,205,196)</u>	<u>\$ 693,803,347</u>

(1) Certain beginning balances have been restated in connection with the valuation of infrastructure placed in service prior to July 1, 2002. See Note 16D for details.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

3. CAPITAL ASSETS (CONTINUED):

Capital Asset Activity (Continued):

Business-type Activity:

	Balance at July 1, 2006 <u>as restated (1)</u>	<u>Additions</u>	<u>Deletions</u>	Balance at June 30, 2007
Capital assets, not being depreciated:				
Land	\$ 10,787,880	\$ -	\$ -	\$ 10,787,880
Construction in progress	<u>26,002,684</u>	<u>73,841</u>	<u>(25,931,850)</u>	<u>144,675</u>
Total capital assets, not being depreciated	<u>36,790,564</u>	<u>73,841</u>	<u>(25,931,850)</u>	<u>10,932,555</u>
Capital assets, being depreciated:				
Building and improvements	15,331,049	26,560,397	-	41,891,446
Equipment	<u>26,555,931</u>	<u>485,981</u>	<u>(8,074)</u>	<u>27,033,838</u>
Total capital assets, being depreciated	<u>41,886,980</u>	<u>27,046,378</u>	<u>(8,074)</u>	<u>68,925,284</u>
Less accumulated depreciation for:				
Building and improvements	(2,364,526)	(916,430)	-	(3,280,956)
Equipment	<u>(11,008,078)</u>	<u>(2,093,389)</u>	<u>8,074</u>	<u>(13,093,393)</u>
Total accumulated depreciation	<u>(13,372,604)</u>	<u>(3,009,819)</u>	<u>8,074</u>	<u>(16,374,349)</u>
Total capital assets, being depreciated, net	<u>28,514,376</u>	<u>24,036,559</u>	<u>-</u>	<u>52,550,935</u>
Total business-type activity, capital assets, net	<u>\$ 65,304,940</u>	<u>\$ 24,110,400</u>	<u>\$ (25,931,850)</u>	<u>\$ 63,483,490</u>

(1) Certain beginning balances have been restated in connection with the valuation of infrastructure placed in service prior to July 1, 2002. See Note 16C for details.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

3. CAPITAL ASSETS (CONTINUED):

Depreciation Expense:

Depreciation expense was charged to City functions/programs as follows:

Governmental Activities:

General government	\$ 370,237
Public safety	50,575
Public works	246,805
Parks and recreation	1,339,321
Community development	27,423
Internal service funds depreciation charged to programs	<u>206,699</u>
Allocated depreciation	2,241,060
Unallocated infrastructure depreciation	<u>12,920,310</u>

Total depreciation expense - governmental activities \$ 15,161,370

Business-type Activity:

Transit	<u>\$ 3,009,819</u>
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Construction Commitments:

The City has active construction projects as of June 30, 2007. At year-end, the City's commitments with contractors for the projects are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Streets	\$ 30,971,556
Medians	30,344
Bridges	4,726,510
Traffic signals	500,350
Trails	145,690
Drainage	<u>281,315</u>
Total	<u>\$ 36,655,765</u>

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

4. LONG-TERM LIABILITIES:

Long-term liabilities activity for the year ended June 30, 2007, was as follows:

	Balance at July 1, 2006	Additions	Deletions	Balance at June 30, 2007	Due Within One Year
Governmental Activities:					
Lease Revenue Bonds:					
Series 2007	\$ -	\$ 13,785,000	\$ -	\$ 13,785,000	\$ 210,000
Plus deferred amount for issuance premium	-	<u>109,752</u>	<u>(1,524)</u>	<u>108,228</u>	-
Total Lease Revenue Bonds	-	<u>13,894,752</u>	<u>(1,524)</u>	<u>13,893,228</u>	<u>210,000</u>
Certificates of Participation:					
Refunding, Series 2005	17,700,000	-	(940,000)	16,760,000	970,000
Series 2001	710,000	-	(710,000)	-	-
Less deferred amounts:					
For issuance discounts	(21,553)	-	1,568	(19,985)	-
On refunding	<u>(378,516)</u>	-	<u>27,529</u>	<u>(350,987)</u>	-
Total Certificates of Participation	<u>18,009,931</u>	-	<u>(1,620,903)</u>	<u>16,389,028</u>	<u>970,000</u>
Subtotal	18,009,931	13,894,752	(1,622,427)	30,282,256	1,180,000
Capital leases payable	60,479	-	(24,078)	36,401	12,725
Loans payable	5,028,997	-	(700,790)	4,328,207	734,402
Compensated absences (1)	1,574,478	1,136,329	(929,981)	1,780,826	-
Claims payable (see Note 12)	<u>566,632</u>	<u>1,427,195</u>	<u>(1,893,827)</u>	<u>100,000</u>	-
Total governmental activities long-term liabilities	<u>\$ 25,240,517</u>	<u>\$ 16,458,276</u>	<u>\$ (5,171,103)</u>	<u>\$ 36,527,690</u>	<u>\$ 1,927,127</u>

(1) The current portion of compensated absences is included in the accrued liabilities of the governmental funds.

Business-type Activity:

Capital leases payable	<u>\$ 1,586,318</u>	<u>\$ -</u>	<u>\$ (349,449)</u>	<u>\$ 1,236,869</u>	<u>\$ 366,720</u>
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See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

4. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities:

A. Lease Revenue Bonds - Series 2007:

On January 16, 2007, the Santa Clarita Public Financing 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-way.

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 1, 2037 and bear interest at 4.375%. Interest is payable semi-annually on February 1 and August 1, commencing August 1, 2007.

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

Future debt service requirements on the lease revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 210,000	\$ 612,484	\$ 822,484
2009	245,000	577,485	822,485
2010	255,000	566,460	821,460
2011	270,000	555,304	825,304
2012	280,000	541,804	821,804
2013 - 2017	1,615,000	2,503,420	4,118,420
2018 - 2022	1,965,000	2,150,270	4,115,270
2023 - 2027	2,385,000	1,723,063	4,108,063
2028 - 2032	2,930,000	1,179,030	4,109,030
2033 - 2037	3,630,000	489,503	4,119,503
Total	<u>\$ 13,785,000</u>	<u>\$ 10,898,823</u>	<u>\$ 24,683,823</u>

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

4. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities (Continued):

B. Refunding Certificates of Participation - Series 2005:

On July 1, 2005, the Santa Clarita Public Financing 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. The advance refunding resulted in a decrease in cash flows (difference in debt service payments between new debt and old debt of \$1,466,174) and an economic gain of \$925,017.

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.

Future debt service requirements on the certificates are as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 970,000	\$ 561,751	\$ 1,531,751
2009	1,000,000	532,201	1,532,201
2010	1,030,000	501,752	1,531,752
2011	1,060,000	470,401	1,530,401
2012	1,090,000	438,151	1,528,151
2013 - 2017	5,995,000	1,632,018	7,627,018
2018 - 2021	<u>5,615,000</u>	<u>455,665</u>	<u>6,070,665</u>
Total	<u>\$ 16,760,000</u>	<u>\$ 4,591,939</u>	<u>\$ 21,351,939</u>

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CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

4. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities (Continued):

C. Certificates of Participation - Series 2001:

On November 16, 2001, the Santa Clarita Public Financing Authority issued \$3,200,000 in Certificates of Participation for the purpose of acquiring parkland. The certificates represent direct undivided fractional interests in the lease payments to be made by the City under a lease agreement with the Authority for the use of the acquired parkland. The certificates were prepaid in full on November 1, 2006.

D. Capital Leases Payable:

- (1) September 2002, the City entered into a lease with an option to purchase agreement in the amount of \$58,097 for the lease of a tractor through John Deere Credit. The lease expired, and the City exercised its option on September 1, 2006.
- (2) In August 2005, the City entered into a lease with an option to purchase agreement in the amount of \$41,016 for the lease of a copier. Payments of \$812 are due monthly through August 2010.

Future lease payment requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 8,069	\$ 1,677	\$ 9,746
2009	8,652	1,094	9,746
2010	9,278	468	9,746
2011	<u>1,610</u>	<u>14</u>	<u>1,624</u>
Total	<u>\$ 27,609</u>	<u>\$ 3,253</u>	<u>\$ 30,862</u>

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

4. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities (Continued):

D. Capital Leases Payable (Continued):

(3) In April 2006, the City entered into a lease with an option to purchase agreement in the amount of \$13,829 for the lease of a copier. Payments of \$427 are due monthly through April 2009.

Future lease payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 4,656	\$ 468	\$ 5,124
2009	4,136	134	4,270
Total	<u>\$ 8,792</u>	<u>\$ 602</u>	<u>\$ 9,394</u>

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

Assets:	
Equipment	\$ 565,115
Less: accumulated depreciation	<u>(507,403)</u>
Total assets, net	<u>\$ 57,712</u>

E. Loans Payable:

(1) 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.

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.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

4. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities (Continued):

E. Loans Payable:

(1) (Continued):

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.

Future loan payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 230,000	\$ 129,524	\$ 359,524
2009	230,000	116,159	346,159
2010	230,000	102,494	332,494
2011	230,000	88,424	318,424
2012	230,000	73,949	303,949
2013 - 2017	940,000	152,761	1,092,761
2018	<u>100,000</u>	<u>2,885</u>	<u>102,885</u>
Total	<u>\$ 2,190,000</u>	<u>\$ 666,196</u>	<u>\$ 2,856,196</u>

(2) On April 8, 2002, the City entered into a lease purchase agreement with the Santa Clarita Public Financing 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).

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

4. LONG-TERM LIABILITIES (CONTINUED):

Governmental Activities (Continued):

E. Loans Payable:

(2) (Continued):

Future payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 121,746	\$ 30,684	\$ 152,430
2009	127,647	24,783	152,430
2010	133,835	18,595	152,430
2011	140,322	12,108	152,430
2012	147,124	5,306	152,430
Total	<u>\$ 670,674</u>	<u>\$ 91,476</u>	<u>\$ 762,150</u>

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

Future payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 382,656	\$ 50,035	\$ 432,691
2009	411,994	35,844	447,838
2010	442,137	20,570	462,707
2011	230,746	4,200	234,946
Total	<u>\$ 1,467,533</u>	<u>\$ 110,649</u>	<u>\$ 1,578,182</u>

F. Compensated Absences:

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

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

4. LONG-TERM LIABILITIES (CONTINUED):

Business-type Activity:

A. Capital Leases Payable:

- (1) In January 1998, the City entered into a lease with an option to purchase agreement in the amount of \$1,539,232 for the lease of four buses. Such agreement carries interest at 5.2%, payable annually on January 22 through 2009.

Future lease payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 150,810	\$ 16,060	\$ 166,870
2009	<u>158,636</u>	<u>8,234</u>	<u>166,870</u>
Total	<u>\$ 309,446</u>	<u>\$ 24,294</u>	<u>\$ 333,740</u>

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

Future lease payment requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 215,910	\$ 44,238	\$ 260,148
2009	226,209	33,939	260,148
2010	237,000	23,148	260,148
2011	<u>248,304</u>	<u>11,844</u>	<u>260,148</u>
Total	<u>\$ 927,423</u>	<u>\$ 113,169</u>	<u>\$ 1,040,592</u>

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

Assets:

Equipment	\$ 4,992,821
Less: accumulated depreciation	<u>(4,661,459)</u>
Total assets, net	<u>\$ 331,362</u>

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

5. LOANS RECEIVABLE:

The City has provided deferred-payment rehabilitation loans to qualified homeowners in connection with CDBG and HOME rehabilitation programs. The loans receivable balance totaling \$1,346,650 at June 30, 2007, has been offset by deferred revenue in the other governmental funds, since these loans are not available to finance current expenditures.

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

The composition of interfund balances as of June 30, 2007, is as follows:

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Federal Grants Special Revenue	\$ 366,213
	Other Governmental Funds	<u>2,243,577</u>
		<u>\$ 2,609,790</u>

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

Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Bridge and Thoroughfare Special Revenue	\$ 6,184,326
	Redevelopment Agency Debt Service	9,937,194
Developer Fees Special Revenue	Bridge and Thoroughfare Special Revenue	5,390,019
	Redevelopment Agency Debt Service	<u>524,188</u>
		<u>\$ 22,035,727</u>

Advances between the funds are to fund capital projects. Amounts will be reimbursed to the receivable fund through future developer fees and tax increment revenues.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED):

Interfund Transfers:

<u>Transfer In to Fund</u>	<u>Transfers Out of Fund</u>	<u>Amount</u>
General	Federal Grants Special Revenue	\$ 2
	Other Governmental Funds	15,523,424
	Transit Enterprise	758,066
Proposition C Special Revenue	Other Governmental Funds	29,644
Redevelopment Agency Debt Service	Other Governmental Funds	786,645
Other Governmental Funds	General	3,676,179
	Redevelopment Agency Debt Service	6,132,087
	Other Governmental Funds	562,042
Transit Enterprise	Other Governmental Funds	46,170
Internal Service Funds	General	<u>3,125,000</u>
		<u>\$ 30,639,259</u>

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

7. INDIVIDUAL FUND DISCLOSURES:

A. Deficit Fund Balances:

Funds which have a deficit fund balance at June 30, 2007, are as follows:

Major Funds:	
Federal Grants Special Revenue	\$ 375,610
Redevelopment Agency Debt Service	10,461,382
Other Governmental Funds:	
State Park Special Revenue	319,967
Aid to Cities Special Revenue	30
Miscellaneous Grants Special Revenue	1,772,178
Sewer Maintenance Special Revenue	18,930
BJA Law Enforcement Special Revenue	18,560

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

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

7. INDIVIDUAL FUND DISCLOSURES (CONTINUED):

B. Expenditures Exceeding Appropriations:

For the year ended June 30, 2007, expenditures exceeded appropriations in the following programs/functions (the legal level of budgetary control) of the respective funds:

	<u>Program/Function</u>	<u>Excess Expenditures</u>
Major Fund:		
Bridge and Thoroughfare Special Revenue	Public works	\$ 4,774
	Debt service	519,690
Other Governmental Funds:		
Proposition A Special Revenue	Public works	31,389
Miscellaneous Grants Special Revenue	General government	6,107
HOME Special Revenue	Community development	81,656

8. DEFINED BENEFIT PENSION PLAN:

Plan Description:

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

Funding Policy:

Participants are required to contribute 8% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2007, was 11.443% for non-safety employees. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

8. DEFINED BENEFIT PENSION PLAN (CONTINUED):

Annual Pension Cost:

For 2007, the City's annual pension cost of \$4,279,569 for CalPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2004, actuarial valuation using the entry age normal actuarial cost method. The contributions were determined as a level percent of payroll over an average remaining period of fifteen years from the valuation date. The actuarial assumptions included (a) a 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25% to 14.45%, depending on age, service and type of employment, (c) an inflation rate of 3.00%, (d) a payroll growth rate of 3.25%, and (e) individual salary growth based on a merit scale that varies by duration of employment, coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%. The actuarial value of CalPERS' assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a three-year period (smoothed market value). Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

Three-Year Trend Information for CalPERS
(\$ Amounts in Thousands)

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2005	\$ 2,394	100%	\$ -
2006	3,578	100%	-
2007	4,280	100%	-

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

8. DEFINED BENEFIT PENSION PLAN (CONTINUED):

Annual Pension Cost (Continued):

Schedule of Funding Progress
(\$ Amounts in Thousands)

Actuarial Valuation Date	Entry Age Normal Accrued Liability (AAL) (A)	Actuarial Value of Assets (B)	Unfunded AAL (UAAL)/ (Excess Assets) (A-B)	Funded Ratio (B/A)	Covered Payroll (C)	UAAL as a % of Covered Payroll [(A-B)/C]
6/30/04	\$ 38,485	\$ 31,567	\$ 6,918	82.0 %	\$ 19,144	36.1 %
6/30/05	44,138	36,024	8,114	81.6 %	19,842	40.9 %
6/30/06	50,463	42,487	7,976	84.2 %	21,669	36.8 %

9. POST EMPLOYMENT BENEFITS:

In addition to the retirement benefits described in Note 8, the City provides post-retirement health care benefits, in accordance with a City resolution, to all employees who retire from the City on or after attaining age 50 with 5 years CalPERS credited service. The City pays the cost of the retirees' enrollment, including the enrollment of family members, in a health benefits plan to a maximum of \$913 per month.

The City funds these amounts on a pay-as-you-go basis. For the year ended June 30, 2007, there were 30 eligible participants for which the City paid \$196,181 for medical insurance premiums.

10. DEFERRED COMPENSATION PLAN/DEFINED CONTRIBUTION PLAN:

The City has established Deferred Compensation/Defined Contribution plans for certain classifications of management under Internal Revenue Service Code Section 401(a). City participation in contributions to the plans is mandatory. The City is obligated to contribute amounts ranging from \$2,000 to \$15,500 per participant per year. Employee contributions to certain plans are voluntary. During the year ended June 30, 2007, there were 26 participants in the plans. The City contributions totaled \$74,998, and employees' contributions totaled \$50,663.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

11. RESERVES AND DESIGNATIONS OF FUND BALANCES:

A city may set up “reserves” of fund equity to segregate fund balances or net assets which are not appropriate for expenditure in future periods, or which are legally set aside for a specific future use. Fund “designations” of unreserved fund balances also may be established to indicate tentative plans for financial resource utilization in a future period.

The City’s reserves and designations at June 30, 2007, are tabulated below, followed by explanations as to the nature and purpose of each reserve and designation.

	General Fund	Special Revenue Funds				Other Governmental Funds
		Bridge and Thoroughfare	Developer Fees	Proposition C	Federal Grants	
Reserves:						
Encumbrances	\$ 7,338,266	\$ 21,746,208	\$ 1,213,505	\$ 5,110,050	\$ 50,000	\$ 10,583,383
Prepaid costs	196,843	-	-	-	-	-
Deposits	13,330,807	-	-	-	-	-
Debt service	-	-	-	-	-	313,848
Land held for resale	-	-	-	-	-	1,607,196
Low/moderate income housing	-	-	-	-	-	2,219,398
Advance to other funds	13,833,118	-	5,460,000	-	-	-
Total Reserves	<u>\$ 34,699,034</u>	<u>\$ 21,746,208</u>	<u>\$ 6,673,505</u>	<u>\$ 5,110,050</u>	<u>\$ 50,000</u>	<u>\$ 14,723,825</u>
Designations:						
Self-insurance	\$ 220,616	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue purposes	-	-	-	-	-	28,821,870
Capital improvements	-	-	-	-	-	4,592,332
Total Designations	<u>\$ 220,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,414,202</u>

- A. Reserved for Encumbrances - Amounts reserved for encumbrances are commitments for materials and services on purchase orders and contracts which are unperformed.
- B. Reserved for Prepaid Costs - This reserve is for prepaid costs since they are not available as a resource to meet expenditures of the current year.
- C. Reserved for Deposits - This reserve is for deposits since they are not available as a resource to meet expenditures of the current year.

See independent auditors’ report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

11. RESERVES AND DESIGNATIONS OF FUND BALANCES (CONTINUED):

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

12. SELF INSURANCE:

The City joined Special Districts Risk Management Authority (SDRMA) in the fall of 2005. SDRMA is a self insurance risk pool that serves as a not-for-profit public agency to its members. Through SDRMA the City currently holds a \$500 general liability deductible. All general liability claims above \$500 and up to a limit of \$10,000,000 are handled by SDRMA. On June 30, 2007, \$100,000 was accrued by the City for general liability claims that were received prior to the partnership with SDRMA. While the ultimate amounts of losses that occurred prior to SDRMA are dependent of future developments, based upon information provided from the City Attorney, outside counsel and others involved with the administration of the programs, the City's management believes that the aggregate accrual is adequate to cover such losses.

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, 2007.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

12. SELF INSURANCE (CONTINUED):

Changes in the reported liability since June 30, 2004, resulted in the following:

Liability as of June 30, 2005	\$ 1,148,067
Claims and changes in estimates during the year ended June 30, 2006	(2,078,478)
Claims payments during the year ended June 30, 2006	<u>1,497,043</u>
Liability as of June 30, 2006	566,632
Claims and changes in estimates during the year ended June 30, 2007	1,427,195
Claims payments during the year ended June 30, 2007	<u>(1,893,827)</u>
Liability as of June 30, 2007	<u>\$ 100,000</u>

13. SEGMENT INFORMATION:

Net working capital (deficit) of the Transit Enterprise System at June 30, 2007, was as follows:

Current assets	\$ 6,050,548
Current liabilities payable from current assets	<u>(4,916,443)</u>
Net working capital (deficit)	<u>\$ 1,134,105</u>

14. NO COMMITMENT DEBT:

1915 Act Limited Obligation Improvements Bonds

- A. On September 2, 1992, \$879,432 of 1915 Act Limited Obligation Improvement Bonds for the Golden Valley Road Improvement 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 debt service is from the property assessments within the district. The principal amount of debt outstanding at June 30, 2007, was \$595,000.
- B. On January 13, 2001, \$790,000 of 1915 Act Limited Obligation Improvement Bonds for the Vermont Drive/Everett Drive Improvement 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 debt service is from the property assessments within the district. The principal amount of the debt outstanding at June 30, 2007, was \$620,000.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

14. NO COMMITMENT DEBT (CONTINUED):

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. 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 these bonds. The source of debt service is from property assessments within the district. The principal amount of debt outstanding at June 30, 2007, was \$17,280,000.

15. SANTA CLARITA WATERSHED RECREATION AND CONSERVANCY AUTHORITY:

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

Upon termination of the agreement, personal property and funds will be returned to the originating party. Any real property owned by the Authority shall be conveyed to the City unless the Authority deems otherwise. The City has an ongoing financial responsibility and an ongoing financial interest in the Authority; however, it does not have an equity interest.

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

16. RESTATEMENT OF NET ASSETS/FUND BALANCES:

- A. Beginning net assets of the governmental activities have been increased by \$2,005,763 to include in-lieu sales and use tax revenue that should have been recognized as of June 30, 2006.
- B. Beginning fund balance of the General Fund and Developer Fees Special Revenue Fund have been decreased by \$776,576 and \$148,079, respectively, as a result of reclassifying previously recognized interest income that did not meet the availability criteria as deferred revenue.
- C. Beginning net assets of the Transit Enterprise Business Activity has been increased by \$2,113,465 as a result of the City correcting the estimated useful lives of certain capital assets and recomputing accumulated depreciation as of July 1, 2006.

See independent auditors' report.

CITY OF SANTA CLARITA

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2007

16. RESTATEMENT OF NET ASSETS/FUND BALANCES:

D. Beginning net assets of the governmental activities have been increased by \$411,751,273 as a result of the City's valuation of the estimated historical cost of infrastructure placed in service prior to July 1, 2002 and certain adjustments and reclassifications of other capital assets. Beginning balances of capital assets and related accumulated depreciation have been adjusted as follows:

	Balance at July 1, 2006, as originally reported	Valuation Adjustments	Reclassification	Balance at July 1, 2006 as restated
Capital assets, not being depreciated:				
Land	\$ 72,109,140	\$ 6,324,000	\$ -	\$ 78,433,140
Construction in progress	<u>52,196,756</u>	<u>-</u>	<u>-</u>	<u>52,196,756</u>
 Total capital assets, not being depreciated	 <u>124,305,896</u>	 <u>6,324,000</u>	 <u>-</u>	 <u>130,629,896</u>
Capital assets, being depreciated:				
Site improvements	12,080,329	2,123,170	(344,357)	13,859,142
Building and improvements	42,779,328	1,611,044	344,357	44,734,729
Equipment	7,585,226	-	-	7,585,226
Infrastructure	<u>72,009,252</u>	<u>558,088,619</u>	<u>-</u>	<u>630,097,871</u>
 Total capital assets, being depreciated	 <u>134,454,135</u>	 <u>561,822,833</u>	 <u>-</u>	 <u>696,276,968</u>
Less accumulated depreciation for:				
Site improvements	(3,495,888)	(339,707)	27,220	(3,808,375)
Building and improvements	(9,780,855)	2,622,885	(27,220)	(7,185,190)
Equipment	(5,332,828)	-	-	(5,332,828)
Infrastructure	<u>(2,296,133)</u>	<u>(158,678,738)</u>	<u>-</u>	<u>(160,974,871)</u>
 Total accumulated depreciation	 <u>(20,905,704)</u>	 <u>(156,395,560)</u>	 <u>-</u>	 <u>(177,301,264)</u>
 Total capital assets, being depreciated, net	 <u>113,548,431</u>	 <u>405,427,273</u>	 <u>-</u>	 <u>518,975,704</u>
 Total governmental activities capital assets, net	 <u>\$ 237,854,327</u>	 <u>\$ 411,751,273</u>	 <u>\$ -</u>	 <u>\$ 649,605,600</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SANTA CLARITA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Taxes	\$ 65,083,400	\$ 66,761,511	\$ 65,968,889	\$ (792,622)
Licenses and permits	5,184,420	4,730,520	4,203,933	(526,587)
Investment income	1,490,160	1,488,660	3,104,334	1,615,674
Revenue from other agencies	447,540	579,540	1,175,489	595,949
Fines and forfeitures	331,500	331,500	363,795	32,295
Service charges	8,412,810	8,076,640	7,989,723	(86,917)
Other revenue	237,000	386,879	1,050,925	664,046
Overhead reimbursement	1,673,000	1,673,000	1,628,579	(44,421)
TOTAL REVENUES	82,859,830	84,028,250	85,485,667	1,457,417
EXPENDITURES:				
Current:				
General government	11,770,255	13,755,148	12,888,375	866,773
Public safety	14,388,940	14,397,750	13,926,613	471,137
Public works	14,338,524	17,036,685	13,907,952	3,128,733
Parks and recreation	18,333,477	20,102,997	18,289,444	1,813,553
Community development	4,929,232	8,044,460	5,919,329	2,125,131
Capital outlay	6,356,400	15,477,867	5,853,228	9,624,639
TOTAL EXPENDITURES	70,116,828	88,814,907	70,784,941	18,029,966
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,743,002	(4,786,657)	14,700,726	19,487,383
OTHER FINANCING SOURCES (USES):				
Transfers in	3,308,220	3,308,220	16,281,492	12,973,272
Transfers out	(22,660,395)	(20,198,395)	(6,801,179)	13,397,216
TOTAL OTHER FINANCING SOURCES (USES)	(19,352,175)	(16,890,175)	9,480,313	26,370,488
NET CHANGE IN FUND BALANCE	(6,609,173)	(21,676,832)	24,181,039	45,857,871
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	39,018,819	39,018,819	39,018,819	-
FUND BALANCE - END OF YEAR	\$ 32,409,646	\$ 17,341,987	\$ 63,199,858	\$ 45,857,871

See independent auditors' report and note to required supplementary information.

CITY OF SANTA CLARITA

BUDGETARY COMPARISON SCHEDULE

BRIDGE AND THOROUGHFARE SPECIAL REVENUE FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Developer fees	\$ 4,802,000	\$ 5,802,000	\$ 1,529,275	\$ (4,272,725)
Investment income	172,800	172,800	1,873,545	1,700,745
TOTAL REVENUES	<u>4,974,800</u>	<u>5,974,800</u>	<u>3,402,820</u>	<u>(2,571,980)</u>
EXPENDITURES:				
Current:				
Public works	122,605	129,537	134,311	(4,774)
Capital outlay	1,932,000	39,087,051	16,243,529	22,843,522
Debt service:				
Interest and fiscal charges	-	-	519,690	(519,690)
TOTAL EXPENDITURES	<u>2,054,605</u>	<u>39,216,588</u>	<u>16,897,530</u>	<u>22,319,058</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,920,195	(33,241,788)	(13,494,710)	19,747,078
FUND BALANCE - BEGINNING OF YEAR	<u>25,295,218</u>	<u>25,295,218</u>	<u>25,295,218</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 28,215,413</u>	<u>\$ (7,946,570)</u>	<u>\$ 11,800,508</u>	<u>\$ 19,747,078</u>

See independent auditors' report and note to required supplementary information.

CITY OF SANTA CLARITA

BUDGETARY COMPARISON SCHEDULE

DEVELOPER FEES SPECIAL REVENUE FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Developer fees	\$ 1,960,000	\$ 7,436,285	\$ 4,661,868	\$ (2,774,417)
Investment income	180,000	180,000	579,736	399,736
TOTAL REVENUES	2,140,000	7,616,285	5,241,604	(2,374,681)
EXPENDITURES:				
Capital outlay	1,960,000	7,086,285	4,865,179	2,221,106
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	180,000	530,000	376,425	(153,575)
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	1,330,390	1,330,390	1,330,390	-
FUND BALANCE - END OF YEAR	<u>\$ 1,510,390</u>	<u>\$ 1,860,390</u>	<u>\$ 1,706,815</u>	<u>\$ (153,575)</u>

See independent auditors' report and note to required supplementary information.

CITY OF SANTA CLARITA
 BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C SPECIAL REVENUE FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 72,000	\$ 72,000	\$ 124,649	\$ 52,649
Revenue from other agencies	3,631,171	29,266,022	13,900,888	(15,365,134)
TOTAL REVENUES	3,703,171	29,338,022	14,025,537	(15,312,485)
EXPENDITURES:				
Capital outlay	3,500,000	28,769,509	18,671,224	10,098,285
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	203,171	568,513	(4,645,687)	(5,214,200)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	29,644	29,644
Transfers out	(209,670)	(399,897)	-	399,897
TOTAL OTHER FINANCING SOURCES (USES)	(209,670)	(399,897)	29,644	429,541
NET CHANGE IN FUND BALANCE	(6,499)	168,616	(4,616,043)	(4,784,659)
FUND BALANCE - BEGINNING OF YEAR	6,146,917	6,146,917	6,146,917	-
FUND BALANCE - END OF YEAR	\$ 6,140,418	\$ 6,315,533	\$ 1,530,874	\$ (4,784,659)

See independent auditors' report and note to required supplementary information.

CITY OF SANTA CLARITA
 BUDGETARY COMPARISON SCHEDULE
 FEDERAL GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 2,028,000	\$ 2,087,890	\$ 84,574	\$ (2,003,316)
Other revenue	-	2,340,624	1,113,377	(1,227,247)
TOTAL REVENUES	<u>2,028,000</u>	<u>4,428,514</u>	<u>1,197,951</u>	<u>(3,230,563)</u>
EXPENDITURES:				
Current:				
Public safety	-	91,255	91,000	255
Capital outlay	1,078,000	4,301,450	2,132,393	2,169,057
TOTAL EXPENDITURES	<u>1,078,000</u>	<u>4,392,705</u>	<u>2,223,393</u>	<u>2,169,312</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	950,000	35,809	(1,025,442)	(1,061,251)
OTHER FINANCING USES:				
Transfers out	-	(2)	(2)	-
NET CHANGE IN FUND BALANCE	950,000	35,807	(1,025,444)	(1,061,251)
FUND BALANCE - BEGINNING OF YEAR	<u>649,834</u>	<u>649,834</u>	<u>649,834</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 1,599,834</u>	<u>\$ 685,641</u>	<u>\$ (375,610)</u>	<u>\$ (1,061,251)</u>

See independent auditors' report and note to required supplementary information.

CITY OF SANTA CLARITA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2007

1. BUDGETS AND BUDGETARY ACCOUNTING:

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
- 2) The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. Actual expenditures may not exceed budgeted appropriations at the functional or program level. The City Manager is authorized to transfer budgeted amounts at the program level. The City has the following programs accounted for through its governmental funds: general government, public safety, public works, parks and recreation, community development, capital outlay and debt service expenditures.
- 3) Annual budgets for the governmental funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparison is presented for the Sewer Maintenance Special Revenue Fund, Redevelopment Agency Debt Service Fund and Public Financing Authority Debt Service Fund.
- 4) Formal budgetary integration is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations at year-end lapse, and then re-appropriated amounts are added to the following year's budgeted appropriations. At June 30, 2007, governmental fund balances have been reserved for encumbrances carried forward.

See independent auditors' report.

OTHER GOVERNMENTAL FUNDS

SPECIAL REVENUE 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 Improvement - 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.

Aid to Cities - To account for receipts and disbursements associated with County Aid to cities grant.

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

OTHER GOVERNMENTAL FUNDS

(CONTINUED)

SPECIAL REVENUE FUNDS

(CONTINUED)

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.

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.

FAU (Federal Aid Urban) - To account for receipts and disbursements of Federal grant funds for infrastructure capital improvements.

DEBT SERVICE FUNDS

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

General City Debt - To account principal and interest payments on the City's general long-term obligations.

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

CAPITAL PROJECTS FUNDS

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.

Redevelopment Agency - To account for the construction of all capital projects located within the project area financed by the Redevelopment Agency.

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
OTHER GOVERNMENTAL FUNDS

June 30, 2007

	Special Revenue Funds			
	Bikeway	Gas Tax	Park Improvement	Proposition A
ASSETS				
Cash and investments	\$ 376,336	\$ 2,365,426	\$ 4,312,167	\$ 7,184,252
Accounts receivable	-	26,916	-	-
Interest receivable	4,550	28,597	52,132	86,854
Due from other governments	-	-	289,133	-
Land held for resale	-	-	-	-
Loans receivable	-	-	-	-
TOTAL ASSETS	\$ 380,886	\$ 2,420,939	\$ 4,653,432	\$ 7,271,106
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ -	\$ 293,683	\$ 416,096	\$ 28,533
Deferred revenue	250,060	11,048	308,563	33,556
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	250,060	304,731	724,659	62,089
FUND BALANCES (DEFICITS):				
Reserved:				
Encumbrances	-	1,339,936	3,141,473	44,329
Debt service	-	-	-	-
Land held for resale	-	-	-	-
Low/moderate income housing	-	-	-	-
Unreserved:				
Designated for special revenue purposes	130,826	776,272	787,300	7,164,688
Designated for capital improvements	-	-	-	-
Undesignated	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	130,826	2,116,208	3,928,773	7,209,017
TOTAL LIABILITIES AND FUND BALANCES	\$ 380,886	\$ 2,420,939	\$ 4,653,432	\$ 7,271,106

See independent auditors' report.

Special Revenue Funds (Continued)

Special Assessment	State Park	TDA	Traffic Safety	CDBG	AQMD
\$ 6,498,035	\$ 9	\$ -	\$ 80,667	\$ 211,005	\$ 504,042
150,357	-	-	-	-	-
78,558	-	557	975	2,551	6,094
-	337,562	-	86,220	63,998	51,300
-	-	-	-	-	-
-	-	-	-	137,206	-
<u>\$ 6,726,950</u>	<u>\$ 337,571</u>	<u>\$ 557</u>	<u>\$ 167,862</u>	<u>\$ 414,760</u>	<u>\$ 561,436</u>
\$ 235,478	\$ 27,397	\$ -	\$ -	\$ 77,726	\$ 147
30,351	320,089	215	377	138,191	2,354
-	26,215	-	-	-	-
-	283,837	141	-	-	-
<u>265,829</u>	<u>657,538</u>	<u>356</u>	<u>377</u>	<u>215,917</u>	<u>2,501</u>
425,531	101,530	-	-	300,839	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,035,590	-	201	167,485	-	558,935
-	-	-	-	-	-
-	(421,497)	-	-	(101,996)	-
<u>6,461,121</u>	<u>(319,967)</u>	<u>201</u>	<u>167,485</u>	<u>198,843</u>	<u>558,935</u>
<u>\$ 6,726,950</u>	<u>\$ 337,571</u>	<u>\$ 557</u>	<u>\$ 167,862</u>	<u>\$ 414,760</u>	<u>\$ 561,436</u>

(Continued)

CITY OF SANTA CLARITA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2007

	Special Revenue Funds (Continued)			
	Aid to Cities	Landscape Maintenance District #1	Stormwater Utility	Miscellaneous Grants
ASSETS				
Cash and investments	\$ -	\$ 11,016,319	\$ 2,817,267	\$ -
Accounts receivable	-	248,414	228,716	-
Interest receivable	-	133,182	34,059	-
Due from other governments	-	277,892	-	3,246,401
Land held for resale	-	-	-	-
Loans receivable	-	-	-	-
TOTAL ASSETS	\$ -	\$ 11,675,807	\$ 3,080,042	\$ 3,246,401
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ -	\$ 896,936	\$ 184,345	\$ 886,750
Deferred revenue	-	51,454	13,159	2,334,230
Due to other governments	-	-	-	-
Due to other funds	30	-	-	1,797,599
TOTAL LIABILITIES	30	948,390	197,504	5,018,579
FUND BALANCES (DEFICITS):				
Reserved:				
Encumbrances	-	84,165	358,711	3,690,960
Debt service	-	-	-	-
Land held for resale	-	-	-	-
Low/moderate income housing	-	-	-	-
Unreserved:				
Designated for special revenue purposes	-	10,643,252	2,523,827	-
Designated for capital improvements	-	-	-	-
Undesignated	(30)	-	-	(5,463,138)
TOTAL FUND BALANCES (DEFICITS)	(30)	10,727,417	2,882,538	(1,772,178)
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 11,675,807	\$ 3,080,042	\$ 3,246,401

See independent auditors' report.

Special Revenue Funds (Continued)

Sewer Maintenance	BJA Law Enforcement	Supplemental Law Grant	HOME	Library Facility Fees	FAU
\$ -	\$ -	\$ 93,696	\$ -	\$ 24,530	\$ -
-	-	-	1,953	1,224	-
-	-	1,133	-	297	-
-	15,636	-	137,374	-	-
-	-	-	-	-	-
-	-	-	1,209,444	-	-
<u>\$ -</u>	<u>\$ 15,636</u>	<u>\$ 94,829</u>	<u>\$ 1,348,771</u>	<u>\$ 26,051</u>	<u>\$ -</u>
\$ -	\$ 7,046	\$ 49,721	\$ 243	\$ -	\$ -
-	15,636	44,530	1,209,444	115	-
-	-	-	-	-	-
18,930	11,514	-	131,526	-	-
<u>18,930</u>	<u>34,196</u>	<u>94,251</u>	<u>1,341,213</u>	<u>115</u>	<u>-</u>
-	13,473	40,078	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,558	25,936	-
-	-	-	-	-	-
(18,930)	(32,033)	(39,500)	-	-	-
<u>(18,930)</u>	<u>(18,560)</u>	<u>578</u>	<u>7,558</u>	<u>25,936</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 15,636</u>	<u>\$ 94,829</u>	<u>\$ 1,348,771</u>	<u>\$ 26,051</u>	<u>\$ -</u>

(Continued)

CITY OF SANTA CLARITA
 COMBINING BALANCE SHEET
 OTHER GOVERNMENTAL FUNDS
 (CONTINUED)

June 30, 2007

Special Revenue Funds (Continued)		Debt Service Funds		
		General City Debt	Public Financing Authority	Total
		Total		
ASSETS				
Cash and investments	\$ 35,483,751	\$ -	\$ 313,848	\$ 313,848
Accounts receivable	657,580	-	-	-
Interest receivable	429,539	-	-	-
Due from other governments	4,505,516	-	-	-
Land held for resale	-	-	-	-
Loans receivable	1,346,650	-	-	-
	TOTAL ASSETS	\$ -	\$ 313,848	\$ 313,848
 LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 3,104,101	\$ -	\$ -	\$ -
Deferred revenue	4,763,372	-	-	-
Due to other governments	26,215	-	-	-
Due to other funds	2,243,577	-	-	-
	TOTAL LIABILITIES	-	-	-
 FUND BALANCES (DEFICITS):				
Reserved:				
Encumbrances	9,541,025	-	-	-
Debt service	-	-	313,848	313,848
Land held for resale	-	-	-	-
Low/moderate income housing	-	-	-	-
Unreserved:				
Designated for special revenue purpose	28,821,870	-	-	-
Designated for capital improvements	-	-	-	-
Undesignated	(6,077,124)	-	-	-
	TOTAL FUND BALANCES (DEFICITS)	-	313,848	313,848
	TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 313,848	\$ 313,848

See independent auditors' report.

Capital Project Funds			Total Other Governmental Funds
Redevelopment Agency	Public Financing Authority	Total	
\$ 8,281,860	\$ 67,419	\$ 8,349,279	\$ 44,146,878
66,570	-	66,570	724,150
100,123	-	100,123	529,662
-	-	-	4,505,516
1,607,196	-	1,607,196	1,607,196
-	-	-	1,346,650
<u>\$ 10,055,749</u>	<u>\$ 67,419</u>	<u>\$ 10,123,168</u>	<u>\$ 52,860,052</u>
\$ 37,682	\$ -	\$ 37,682	\$ 3,141,783
38,682	-	38,682	4,802,054
585,520	-	585,520	611,735
-	-	-	2,243,577
<u>661,884</u>	<u>-</u>	<u>661,884</u>	<u>10,799,149</u>
1,042,358	-	1,042,358	10,583,383
-	-	-	313,848
1,607,196	-	1,607,196	1,607,196
2,219,398	-	2,219,398	2,219,398
-	-	-	28,821,870
4,524,913	67,419	4,592,332	4,592,332
-	-	-	(6,077,124)
<u>9,393,865</u>	<u>67,419</u>	<u>9,461,284</u>	<u>42,060,903</u>
<u>\$ 10,055,749</u>	<u>\$ 67,419</u>	<u>\$ 10,123,168</u>	<u>\$ 52,860,052</u>

CITY OF SANTA CLARITA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS

For the year ended June 30, 2007

	Special Revenue Funds			
	Bikeway	Gas Tax	Park Improvement	Proposition A
REVENUES:				
Taxes	\$ -	\$ -	\$ 1,461,287	\$ -
Developer fees	15,568	-	-	-
Investment income	30,389	132,121	311,186	396,903
Revenue from other agencies	72,740	4,205,773	-	2,688,462
Fines and forfeitures	-	-	-	-
Service charges	-	-	-	-
Other revenue	-	12,575	-	-
TOTAL REVENUES	<u>118,697</u>	<u>4,350,469</u>	<u>1,772,473</u>	<u>3,085,365</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	2,543,206	-	31,389
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	142,758	1,337,799	2,886,626	252,185
Debt service:				
Bond issuance costs	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
TOTAL EXPENDITURES	<u>142,758</u>	<u>3,881,005</u>	<u>2,886,626</u>	<u>283,574</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,061)</u>	<u>469,464</u>	<u>(1,114,153)</u>	<u>2,801,791</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	250,000	-	-
Transfers out	-	(285,577)	-	-
Revenue bonds issued	-	-	-	-
Bond premium	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(35,577)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(24,061)</u>	<u>433,887</u>	<u>(1,114,153)</u>	<u>2,801,791</u>
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>154,887</u>	<u>1,682,321</u>	<u>5,042,926</u>	<u>4,407,226</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 130,826</u>	<u>\$ 2,116,208</u>	<u>\$ 3,928,773</u>	<u>\$ 7,209,017</u>

See independent auditors' report.

Special Revenue Funds (Continued)

Special Assessment	State Park	TDA	Traffic Safety	CDBG	AQMD
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
318,062	-	-	-	-	-
347,585	9	63,442	55,130	26,865	22,434
-	430,383	-	-	1,056,849	253,318
-	-	-	1,555,159	-	-
3,083,818	-	-	-	-	-
843	-	-	-	10,169	-
<u>3,750,308</u>	<u>430,392</u>	<u>63,442</u>	<u>1,610,289</u>	<u>1,093,883</u>	<u>275,752</u>
2,187,124	-	-	-	-	-
-	-	-	-	-	-
791,490	-	-	-	-	13,955
-	204,787	-	-	-	-
-	-	-	-	720,480	-
177,468	-	-	-	-	600
-	-	-	-	-	-
-	-	-	-	230,000	-
-	-	-	-	142,476	-
<u>3,156,082</u>	<u>204,787</u>	<u>-</u>	<u>-</u>	<u>1,092,956</u>	<u>14,555</u>
<u>594,226</u>	<u>225,605</u>	<u>63,442</u>	<u>1,610,289</u>	<u>927</u>	<u>261,197</u>
42,471	-	-	-	-	-
(11,444)	(1,275)	(46,170)	(1,533,994)	-	(29,645)
-	-	-	-	-	-
-	-	-	-	-	-
<u>31,027</u>	<u>(1,275)</u>	<u>(46,170)</u>	<u>(1,533,994)</u>	<u>-</u>	<u>(29,645)</u>
625,253	224,330	17,272	76,295	927	231,552
<u>5,835,868</u>	<u>(544,297)</u>	<u>(17,071)</u>	<u>91,190</u>	<u>197,916</u>	<u>327,383</u>
<u>\$ 6,461,121</u>	<u>\$ (319,967)</u>	<u>\$ 201</u>	<u>\$ 167,485</u>	<u>\$ 198,843</u>	<u>\$ 558,935</u>

(Continued)

CITY OF SANTA CLARITA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the year ended June 30, 2007

	Special Revenue Funds (Continued)			
	Aid to Cities	Landscape Maintenance District #1	Stormwater Utility	Miscellaneous Grants
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Developer fees	-	-	-	-
Investment income	243	542,005	122,611	-
Revenue from other agencies	-	9,127,269	-	3,128,091
Fines and forfeitures	-	-	-	-
Service charges	-	-	2,390,132	-
Other revenue	-	-	-	486,714
TOTAL REVENUES	243	9,669,274	2,512,743	3,614,805
EXPENDITURES:				
Current:				
General government	-	7,951,844	384,407	-
Public safety	-	-	-	-
Public works	-	-	2,061,220	27,574
Parks and recreation	-	-	-	448,915
Community development	-	-	-	-
Capital outlay	-	403,673	109,871	3,919,196
Debt service:				
Bond issuance costs	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
TOTAL EXPENDITURES	-	8,355,517	2,555,498	4,395,685
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	243	1,313,757	(42,755)	(780,880)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	398,265	-
Transfers out	(4,783)	(56,625)	(39,372)	-
Revenue bonds issued	-	-	-	-
Bond premium	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,783)	(56,625)	358,893	-
NET CHANGE IN FUND BALANCES	(4,540)	1,257,132	316,138	(780,880)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	4,510	9,470,285	2,566,400	(991,298)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (30)	\$ 10,727,417	\$ 2,882,538	\$ (1,772,178)

See independent auditors' report.

Special Revenue Funds (Continued)

Sewer Maintenance	BJA Law Enforcement	Supplemental Law Grant	HOME	Library Facility Fees	FAU
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	222,994	-
-	82	7,638	5,483	6,815	797
-	20,156	292,010	593,085	-	271,126
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	51,059	-	-
-	20,238	299,648	649,627	229,809	271,923
-	-	-	-	-	-
-	31,895	298,325	-	-	-
-	-	-	-	-	-
-	-	-	877,896	-	-
-	-	-	-	-	271,126
-	-	-	-	-	-
-	-	-	-	-	-
-	31,895	298,325	877,896	-	271,126
-	(11,657)	1,323	(228,269)	229,809	797
-	1,616	-	-	-	-
-	-	-	-	(222,994)	(34,649)
-	-	-	-	-	-
-	-	-	-	-	-
-	1,616	-	-	(222,994)	(34,649)
-	(10,041)	1,323	(228,269)	6,815	(33,852)
(18,930)	(8,519)	(745)	235,827	19,121	33,852
\$ (18,930)	\$ (18,560)	\$ 578	\$ 7,558	\$ 25,936	\$ -

(Continued)

CITY OF SANTA CLARITA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the year ended June 30, 2007

	Special Revenue	Debt Service Funds		
	Funds	General	Public	
	(Continued)	City	Financing	
	Total	Debt	Authority	Total
REVENUES:				
Taxes	\$ 1,461,287	\$ -	\$ -	\$ -
Developer fees	556,624	-	-	-
Investment income	2,071,738	-	3,386	3,386
Revenue from other agencies	22,139,262	-	-	-
Fines and forfeitures	1,555,159	-	-	-
Service charges	5,473,950	-	-	-
Other revenue	561,360	-	-	-
TOTAL REVENUES	33,819,380	-	3,386	3,386
EXPENDITURES:				
Current:				
General government	10,523,375	-	-	-
Public safety	330,220	-	-	-
Public works	5,468,834	-	-	-
Parks and recreation	653,702	-	-	-
Community development	1,598,376	-	-	-
Capital outlay	9,501,302	-	-	-
Debt service:				
Bond issuance costs	-	-	555,840	555,840
Principal retirement	230,000	24,078	2,120,792	2,144,870
Interest and fiscal charges	142,476	3,788	704,937	708,725
TOTAL EXPENDITURES	28,448,285	27,866	3,381,569	3,409,435
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,371,095	(27,866)	(3,378,183)	(3,406,049)
OTHER FINANCING SOURCES (USES):				
Transfers in	692,352	27,866	3,518,003	3,545,869
Transfers out	(2,266,528)	-	-	-
Revenue bonds issued	-	-	-	-
Bond premium	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,574,176)	27,866	3,518,003	3,545,869
NET CHANGE IN FUND BALANCES	3,796,919	-	139,820	139,820
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	28,488,852	-	174,028	174,028
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 32,285,771	\$ -	\$ 313,848	\$ 313,848

See independent auditors' report.

Capital Project Funds			Total
Redevelopment Agency	Public Financing Authority	Total	Other Governmental Funds
\$ 3,146,579	\$ -	\$ 3,146,579	\$ 4,607,866
-	-	-	556,624
166,877	2,498	169,375	2,244,499
-	-	-	22,139,262
-	-	-	1,555,159
-	-	-	5,473,950
2,720	-	2,720	564,080
<u>3,316,176</u>	<u>2,498</u>	<u>3,318,674</u>	<u>37,141,440</u>
-	-	-	10,523,375
-	-	-	330,220
-	-	-	5,468,834
-	-	-	653,702
1,533,947	-	1,533,947	3,132,323
660,100	-	660,100	10,161,402
-	-	-	555,840
-	-	-	2,374,870
-	-	-	851,201
<u>2,194,047</u>	<u>-</u>	<u>2,194,047</u>	<u>34,051,767</u>
<u>1,122,129</u>	<u>2,498</u>	<u>1,124,627</u>	<u>3,089,673</u>
6,132,087	-	6,132,087	10,370,308
(786,645)	(13,894,752)	(14,681,397)	(16,947,925)
-	13,785,000	13,785,000	13,785,000
-	109,752	109,752	109,752
<u>5,345,442</u>	<u>-</u>	<u>5,345,442</u>	<u>7,317,135</u>
6,467,571	2,498	6,470,069	10,406,808
<u>2,926,294</u>	<u>64,921</u>	<u>2,991,215</u>	<u>31,654,095</u>
<u>\$ 9,393,865</u>	<u>\$ 67,419</u>	<u>\$ 9,461,284</u>	<u>\$ 42,060,903</u>

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, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Developer fees	\$ 309,000	\$ 425,706	\$ 15,568	\$ (410,138)
Investment income	25,200	25,200	30,389	5,189
Revenue from other agencies	79,023	72,140	72,740	600
TOTAL REVENUES	413,223	523,046	118,697	(404,349)
EXPENDITURES:				
Capital outlay	388,000	497,846	142,758	355,088
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,223	25,200	(24,061)	(49,261)
FUND BALANCE - BEGINNING OF YEAR	154,887	154,887	154,887	-
FUND BALANCE - END OF YEAR	\$ 180,110	\$ 180,087	\$ 130,826	\$ (49,261)

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 54,000	\$ 54,000	\$ 132,121	\$ 78,121
Revenue from other agencies	3,766,785	4,280,497	4,205,773	(74,724)
Other revenue	13,000	13,000	12,575	(425)
TOTAL REVENUES	3,833,785	4,347,497	4,350,469	2,972
EXPENDITURES:				
Current:				
Public works	2,712,975	3,237,887	2,543,206	694,681
Capital outlay	1,210,000	2,285,713	1,337,799	947,914
TOTAL EXPENDITURES	3,922,975	5,523,600	3,881,005	1,642,595
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(89,190)	(1,176,103)	469,464	1,645,567
OTHER FINANCING SOURCES (USES):				
Transfers in	250,000	250,000	250,000	-
Transfers out	(269,620)	(269,620)	(285,577)	(15,957)
TOTAL OTHER FINANCING SOURCES (USES)	(19,620)	(19,620)	(35,577)	(15,957)
NET CHANGE IN FUND BALANCE	(108,810)	(1,195,723)	433,887	1,629,610
FUND BALANCE - BEGINNING OF YEAR	1,682,321	1,682,321	1,682,321	-
FUND BALANCE - END OF YEAR	<u>\$ 1,573,511</u>	<u>\$ 486,598</u>	<u>\$ 2,116,208</u>	<u>\$ 1,629,610</u>

See independent auditors' report.

CITY OF SANTA CLARITA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PARK IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 4,188,000	\$ 4,191,500	\$ 1,461,287	\$ (2,730,213)
Investment income	172,800	172,800	311,186	138,386
TOTAL REVENUES	4,360,800	4,364,300	1,772,473	(2,591,827)
EXPENDITURES:				
Capital outlay	4,188,000	6,786,280	2,886,626	3,899,654
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	172,800	(2,421,980)	(1,114,153)	1,307,827
FUND BALANCE - BEGINNING OF YEAR	5,042,926	5,042,926	5,042,926	-
FUND BALANCE - END OF YEAR	\$ 5,215,726	\$ 2,620,946	\$ 3,928,773	\$ 1,307,827

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 72,000	\$ 72,000	\$ 396,903	\$ 324,903
Revenue from other agencies	6,544,470	6,672,696	2,688,462	(3,984,234)
TOTAL REVENUES	6,616,470	6,744,696	3,085,365	(3,659,331)
EXPENDITURES:				
Current:				
Public works	31,850	31,850	31,389	461
Capital outlay	390,000	1,235,864	252,185	983,679
TOTAL EXPENDITURES	421,850	1,267,714	283,574	984,140
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,194,620	5,476,982	2,801,791	(2,675,191)
OTHER FINANCING USES:				
Transfers out	(6,321,770)	(7,800,335)	-	7,800,335
NET CHANGE IN FUND BALANCE	(127,150)	(2,323,353)	2,801,791	5,125,144
FUND BALANCE - BEGINNING OF YEAR	4,407,226	4,407,226	4,407,226	-
FUND BALANCE - END OF YEAR	\$ 4,280,076	\$ 2,083,873	\$ 7,209,017	\$ 5,125,144

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Developer fees	\$ -	\$ 307,248	\$ 318,062	\$ 10,814
Investment income	186,192	186,192	347,585	161,393
Service charges	3,225,710	3,214,734	3,083,818	(130,916)
Other revenue	-	-	843	843
TOTAL REVENUES	3,411,902	3,708,174	3,750,308	42,134
EXPENDITURES:				
Current:				
General government	2,095,715	2,414,033	2,187,124	226,909
Public works	997,000	897,000	791,490	105,510
Capital outlay	1,030,000	604,000	177,468	426,532
TOTAL EXPENDITURES	4,122,715	3,915,033	3,156,082	758,951
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(710,813)	(206,859)	594,226	801,085
OTHER FINANCING SOURCES (USES):				
Transfers in	3,420	3,420	42,471	39,051
Transfers out	(6,710)	(6,710)	(11,444)	(4,734)
TOTAL OTHER FINANCING SOURCES (USES)	(3,290)	(3,290)	31,027	34,317
NET CHANGE IN FUND BALANCE	(714,103)	(210,149)	625,253	835,402
FUND BALANCE - BEGINNING OF YEAR	5,835,868	5,835,868	5,835,868	-
FUND BALANCE - END OF YEAR	\$ 5,121,765	\$ 5,625,719	\$ 6,461,121	\$ 835,402

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 9	\$ 9
Revenue from other agencies	383,660	534,831	430,383	(104,448)
TOTAL REVENUES	383,660	534,831	430,392	(104,439)
EXPENDITURES:				
Current:				
Parks and recreation	183,660	233,278	204,787	28,491
Capital outlay	200,000	283,824	-	283,824
TOTAL EXPENDITURES	383,660	517,102	204,787	312,315
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	17,729	225,605	207,876
OTHER FINANCING USES:				
Transfers out	-	-	(1,275)	(1,275)
NET CHANGE IN FUND BALANCE	-	17,729	224,330	206,601
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(544,297)	(544,297)	(544,297)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (544,297)	\$ (526,568)	\$ (319,967)	\$ 206,601

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ 63,442	\$ 63,442
Revenue from other agencies	5,663,340	5,663,340	-	(5,663,340)
TOTAL REVENUES	5,663,340	5,663,340	63,442	(5,599,898)
OTHER FINANCING USES:				
Transfers out	(5,663,340)	(5,680,411)	(46,170)	5,634,241
NET CHANGE IN FUND BALANCE	-	(17,071)	17,272	34,343
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(17,071)	(17,071)	(17,071)	-
FUND BALANCE - END OF YEAR	\$ (17,071)	\$ (34,142)	\$ 201	\$ 34,343

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 36,000	\$ 36,000	\$ 55,130	\$ 19,130
Fines and forfeitures	2,250,000	2,250,000	1,555,159	(694,841)
TOTAL REVENUES	2,286,000	2,286,000	1,610,289	(675,711)
OTHER FINANCING USES:				
Transfers out	(2,250,000)	(2,250,000)	(1,533,994)	716,006
NET CHANGE IN FUND BALANCE	36,000	36,000	76,295	40,295
FUND BALANCE - BEGINNING OF YEAR	91,190	91,190	91,190	-
FUND BALANCE - END OF YEAR	<u>\$ 127,190</u>	<u>\$ 127,190</u>	<u>\$ 167,485</u>	<u>\$ 40,295</u>

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ 26,865	\$ 26,865
Revenue from other agencies	1,171,800	1,171,800	1,056,849	(114,951)
Other revenue	-	-	10,169	10,169
TOTAL REVENUES	1,171,800	1,171,800	1,093,883	(77,917)
EXPENDITURES:				
Current:				
Community development	804,227	1,456,500	720,480	736,020
Debt service:				
Principal retirement	230,000	230,000	230,000	-
Interest and fiscal charges	142,476	142,476	142,476	-
TOTAL EXPENDITURES	1,176,703	1,828,976	1,092,956	736,020
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,903)	(657,176)	927	658,103
FUND BALANCE - BEGINNING OF YEAR	197,916	197,916	197,916	-
FUND BALANCE - END OF YEAR	<u>\$ 193,013</u>	<u>\$ (459,260)</u>	<u>\$ 198,843</u>	<u>\$ 658,103</u>

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 23,040	\$ 23,040	\$ 22,434	\$ (606)
Revenue from other agencies	266,576	266,576	253,318	(13,258)
TOTAL REVENUES	289,616	289,616	275,752	(13,864)
EXPENDITURES:				
Current:				
Public works	18,000	21,407	13,955	7,452
Capital outlay	-	611	600	11
TOTAL EXPENDITURES	18,000	22,018	14,555	7,463
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	271,616	267,598	261,197	(6,401)
OTHER FINANCING USES:				
Transfers out	-	-	(29,645)	(29,645)
NET CHANGE IN FUND BALANCE	271,616	267,598	231,552	(36,046)
FUND BALANCE - BEGINNING OF YEAR	327,383	327,383	327,383	-
FUND BALANCE - END OF YEAR	\$ 598,999	\$ 594,981	\$ 558,935	\$ (36,046)

See independent auditors' report.

CITY OF SANTA CLARITA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

AID TO CITIES SPECIAL REVENUE FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 243	\$ 243
OTHER FINANCING USES:				
Transfers out	-	-	(4,783)	(4,783)
NET CHANGE IN FUND BALANCE	-	-	(4,540)	(4,540)
FUND BALANCE - BEGINNING OF YEAR	4,510	4,510	4,510	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 4,510	\$ 4,510	\$ (30)	\$ (4,540)

See independent auditors' report.

CITY OF SANTA CLARITA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LANDSCAPE MAINTENANCE DISTRICT #1 SPECIAL REVENUE FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 338,400	\$ 338,400	\$ 542,005	\$ 203,605
Revenue from other agencies	8,018,340	8,978,589	9,127,269	148,680
TOTAL REVENUES	<u>8,356,740</u>	<u>9,316,989</u>	<u>9,669,274</u>	<u>352,285</u>
EXPENDITURES:				
Current:				
General government	9,021,100	9,842,938	7,951,844	1,891,094
Capital outlay	395,000	781,507	403,673	377,834
TOTAL EXPENDITURES	<u>9,416,100</u>	<u>10,624,445</u>	<u>8,355,517</u>	<u>2,268,928</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,059,360)	(1,307,456)	1,313,757	2,621,213
OTHER FINANCING USES:				
Transfers out	<u>(36,310)</u>	<u>(36,310)</u>	<u>(56,625)</u>	<u>(20,315)</u>
NET CHANGE IN FUND BALANCE	(1,095,670)	(1,343,766)	1,257,132	2,600,898
FUND BALANCE - BEGINNING OF YEAR	<u>9,470,285</u>	<u>9,470,285</u>	<u>9,470,285</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,374,615</u>	<u>\$ 8,126,519</u>	<u>\$ 10,727,417</u>	<u>\$ 2,600,898</u>

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 82,800	\$ 82,800	\$ 122,611	\$ 39,811
Service charges	2,512,201	2,512,201	2,390,132	(122,069)
TOTAL REVENUES	<u>2,595,001</u>	<u>2,595,001</u>	<u>2,512,743</u>	<u>(82,258)</u>
EXPENDITURES:				
Current:				
General government	493,910	568,044	384,407	183,637
Public works	2,315,435	2,458,394	2,061,220	397,174
Capital outlay	79,500	373,724	109,871	263,853
TOTAL EXPENDITURES	<u>2,888,845</u>	<u>3,400,162</u>	<u>2,555,498</u>	<u>844,664</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(293,844)</u>	<u>(805,161)</u>	<u>(42,755)</u>	<u>762,406</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	451,580	451,580	398,265	(53,315)
Transfers out	(36,310)	(36,310)	(39,372)	(3,062)
TOTAL OTHER FINANCING SOURCES (USES)	<u>415,270</u>	<u>415,270</u>	<u>358,893</u>	<u>(56,377)</u>
NET CHANGE IN FUND BALANCE	121,426	(389,891)	316,138	706,029
FUND BALANCE - BEGINNING OF YEAR	<u>2,566,400</u>	<u>2,566,400</u>	<u>2,566,400</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,687,826</u>	<u>\$ 2,176,509</u>	<u>\$ 2,882,538</u>	<u>\$ 706,029</u>

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 189,373	\$ 7,877,684	\$ 3,128,091	\$ (4,749,593)
Other revenue	-	152,413	486,714	334,301
TOTAL REVENUES	189,373	8,030,097	3,614,805	(4,415,292)
EXPENDITURES:				
Current:				
General government	-	12,875	-	12,875
Public works	32,894	32,894	27,574	5,320
Parks and recreation	156,479	705,012	448,915	256,097
Capital outlay	-	7,103,670	3,919,196	3,184,474
TOTAL EXPENDITURES	189,373	7,854,451	4,395,685	3,458,766
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	175,646	(780,880)	(956,526)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(991,298)	(991,298)	(991,298)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (991,298)	\$ (815,652)	\$ (1,772,178)	\$ (956,526)

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 82	\$ 82
Revenue from other agencies	-	70,286	20,156	(50,130)
TOTAL REVENUES	-	70,286	20,238	(50,048)
EXPENDITURES:				
Current:				
Public safety	-	45,991	31,895	14,096
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	24,295	(11,657)	(35,952)
OTHER FINANCING SOURCES:				
Transfers in	-	-	1,616	1,616
NET CHANGE IN FUND BALANCE	-	24,295	(10,041)	(34,336)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(8,519)	(8,519)	(8,519)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (8,519)	\$ 15,776	\$ (18,560)	\$ (34,336)

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 7,638	\$ 7,638
Revenue from other agencies	-	334,628	292,010	(42,618)
TOTAL REVENUES	-	334,628	299,648	(34,980)
EXPENDITURES:				
Current:				
Public safety	-	338,403	298,325	40,078
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,775)	1,323	5,098
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(745)	(745)	(745)	-
FUND BALANCE - END OF YEAR	<u>\$ (745)</u>	<u>\$ (4,520)</u>	<u>\$ 578</u>	<u>\$ 5,098</u>

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 7,200	\$ 7,200	\$ 5,483	\$ (1,717)
Revenue from other agencies	592,000	600,000	593,085	(6,915)
Other revenue	-	-	51,059	51,059
TOTAL REVENUES	599,200	607,200	649,627	42,427
EXPENDITURES:				
Current:				
Community development	796,240	796,240	877,896	(81,656)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(197,040)	(189,040)	(228,269)	(39,229)
FUND BALANCE - BEGINNING OF YEAR	235,827	235,827	235,827	-
FUND BALANCE - END OF YEAR	\$ 38,787	\$ 46,787	\$ 7,558	\$ (39,229)

See independent auditors' report.

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, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Developer fees	\$ -	\$ -	\$ 222,994	\$ 222,994
Investment income	2,520	2,520	6,815	4,295
TOTAL REVENUES	2,520	2,520	229,809	227,289
OTHER FINANCING USES:				
Transfers out	-	-	(222,994)	(222,994)
NET CHANGE IN FUND BALANCE	2,520	2,520	6,815	4,295
FUND BALANCE - BEGINNING OF YEAR	19,121	19,121	19,121	-
FUND BALANCE - END OF YEAR	\$ 21,641	\$ 21,641	\$ 25,936	\$ 4,295

See independent auditors' report.

CITY OF SANTA CLARITA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FAU SPECIAL REVENUE FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ 720	\$ 720	\$ 797	\$ 77
Revenue from other agencies	460,028	731,154	271,126	(460,028)
TOTAL REVENUES	460,748	731,874	271,923	(459,951)
EXPENDITURES:				
Capital outlay	480,000	751,126	271,126	480,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,252)	(19,252)	797	20,049
OTHER FINANCING USES:				
Transfers out	-	-	(34,649)	(34,649)
NET CHANGE IN FUND BALANCE	(19,252)	(19,252)	(33,852)	(14,600)
FUND BALANCE - BEGINNING OF YEAR	33,852	33,852	33,852	-
FUND BALANCE - END OF YEAR	\$ 14,600	\$ 14,600	\$ -	\$ (14,600)

See independent auditors' report.

CITY OF SANTA CLARITA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL CITY DEBT - DEBT SERVICE FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal retirement	\$ 24,078	\$ 24,078	\$ 24,078	\$ -
Interest and fiscal charges	3,788	3,788	3,788	-
TOTAL EXPENDITURES	27,866	27,866	27,866	-
OTHER FINANCING SOURCES:				
Transfers in	27,866	27,866	27,866	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

CITY OF SANTA CLARITA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 2,200,000	\$ 2,644,568	\$ 3,146,579	\$ 502,011
Investment income	54,000	54,000	166,877	112,877
Other revenue	-	-	2,720	2,720
TOTAL REVENUES	2,254,000	2,698,568	3,316,176	617,608
EXPENDITURES:				
Current:				
General government	5,000	5,000	-	5,000
Community development	1,017,870	6,558,845	1,533,947	5,024,898
Capital outlay	-	1,041,108	660,100	381,008
TOTAL EXPENDITURES	1,022,870	7,604,953	2,194,047	5,410,906
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,231,130	(4,906,385)	1,122,129	6,028,514
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	6,132,087	6,132,087
Transfers out	(500,000)	(500,000)	(786,645)	(286,645)
TOTAL OTHER FINANCING SOURCES (USES)	(500,000)	(500,000)	5,345,442	5,845,442
NET CHANGE IN FUND BALANCE	731,130	(5,406,385)	6,467,571	11,873,956
FUND BALANCE - BEGINNING OF YEAR	2,926,294	2,926,294	2,926,294	-
FUND BALANCE - END OF YEAR	\$ 3,657,424	\$ (2,480,091)	\$ 9,393,865	\$ 11,873,956

See independent auditors' report.

CITY OF SANTA CLARITA

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PUBLIC FINANCING CAPITAL PROJECTS FUND

For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment income	\$ -	\$ -	\$ 2,498	\$ 2,498
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(13,894,752)	(13,894,752)
Revenue bonds issued	-	-	13,785,000	13,785,000
Bond premium	-	-	109,752	109,752
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	2,498	2,498
FUND BALANCE - BEGINNING OF YEAR	64,921	64,921	64,921	-
FUND BALANCE - END OF YEAR	\$ 64,921	\$ 64,921	\$ 67,419	\$ 2,498

See independent auditors' report.

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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 financing of 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, 2007

ASSETS	<u>Self-Insurance</u>	<u>Computer Replacement</u>
CURRENT ASSETS:		
Cash and investments	\$ 4,054,328	\$ 1,252,060
Accounts receivable	4,858	-
Interest receivable	-	15,137
	<u>4,059,186</u>	<u>1,267,197</u>
TOTAL CURRENT ASSETS		
NONCURRENT ASSETS:		
Capital assets:		
Equipment	-	894,975
Less: accumulated depreciation	-	(648,081)
	<u>-</u>	<u>246,894</u>
TOTAL NONCURRENT ASSETS		
TOTAL ASSETS	<u>4,059,186</u>	<u>1,514,091</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	21,462	29,307
NONCURRENT LIABILITIES:		
Claims payable	<u>100,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>121,462</u>	<u>29,307</u>
NET ASSETS		
Invested in capital assets, net of related debt	-	246,894
Unrestricted	<u>3,937,724</u>	<u>1,237,890</u>
TOTAL NET ASSETS	<u>\$ 3,937,724</u>	<u>\$ 1,484,784</u>

See independent auditors' report.

<u>Vehicle Replacement</u>	<u>Public Facilities Replacement</u>	<u>Totals</u>
\$ 2,580,476	\$ 11,537,909	\$ 19,424,773
-	-	4,858
<u>31,197</u>	<u>139,488</u>	<u>185,822</u>
<u>2,611,673</u>	<u>11,677,397</u>	<u>19,615,453</u>
1,333,006	-	2,227,981
<u>(972,053)</u>	<u>-</u>	<u>(1,620,134)</u>
<u>360,953</u>	<u>-</u>	<u>607,847</u>
<u>2,972,626</u>	<u>11,677,397</u>	<u>20,223,300</u>
-	-	50,769
<u>-</u>	<u>-</u>	<u>100,000</u>
<u>-</u>	<u>-</u>	<u>150,769</u>
360,953	-	607,847
<u>2,611,673</u>	<u>11,677,397</u>	<u>19,464,684</u>
<u>\$ 2,972,626</u>	<u>\$ 11,677,397</u>	<u>\$ 20,072,531</u>

CITY OF SANTA CLARITA

COMBINING STATEMENT OF REVENUES, EXPENSES AND
AND CHANGES IN NET ASSETS - INTERNAL SERVICE FUNDS

For the year ended June 30, 2007

	<u>Self-Insurance</u>	<u>Computer Replacement</u>
OPERATING REVENUES:		
Charges for services	\$ 1,961,223	\$ 385,415
Other revenue	-	2,676
	<u>1,961,223</u>	<u>388,091</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Services and supplies	1,187,235	234,004
Depreciation	-	62,511
	<u>1,187,235</u>	<u>296,515</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME	<u>773,988</u>	<u>91,576</u>
NONOPERATING REVENUES:		
Investment income	-	75,570
	<u>-</u>	<u>75,570</u>
TOTAL NONOPERATING REVENUES		
INCOME BEFORE TRANSFERS	773,988	167,146
TRANSFERS:		
Transfers in	125,000	-
	<u>125,000</u>	<u>-</u>
CHANGE IN NET ASSETS	898,988	167,146
TOTAL NET ASSETS - BEGINNING OF YEAR	<u>3,038,736</u>	<u>1,317,638</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 3,937,724</u>	<u>\$ 1,484,784</u>

See independent auditors' report.

Vehicle Replacement	Public Facilities Replacement	Totals
\$ 390,680	\$ -	\$ 2,737,318
-	-	2,676
<u>390,680</u>	<u>-</u>	<u>2,739,994</u>
870	-	1,422,109
<u>144,188</u>	<u>-</u>	<u>206,699</u>
<u>145,058</u>	<u>-</u>	<u>1,628,808</u>
<u>245,622</u>	<u>-</u>	<u>1,111,186</u>
<u>147,053</u>	<u>535,650</u>	<u>758,273</u>
<u>147,053</u>	<u>535,650</u>	<u>758,273</u>
392,675	535,650	1,869,459
<u>-</u>	<u>3,000,000</u>	<u>3,125,000</u>
392,675	3,535,650	4,994,459
<u>2,579,951</u>	<u>8,141,747</u>	<u>15,078,072</u>
<u>\$ 2,972,626</u>	<u>\$ 11,677,397</u>	<u>\$ 20,072,531</u>

CITY OF SANTA CLARITA

COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS

For the year ended June 30, 2007

	<u>Self-Insurance</u>	<u>Computer Replacement</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from interfund services provided	\$ 1,961,975	\$ 385,415
Other operating receipts	-	2,676
Payments to suppliers	<u>(1,672,518)</u>	<u>(238,007)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	289,457	150,084
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from other funds	125,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	-	(168,463)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	<u>-</u>	<u>71,323</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	414,457	52,944
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>3,639,871</u>	<u>1,199,116</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 4,054,328</u></u>	<u><u>\$ 1,252,060</u></u>
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income	\$ 773,988	\$ 91,576
Depreciation	-	62,511
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	752	
Increase (decrease) in accounts payable and accrued liabilities	(18,651)	(4,003)
Increase (decrease) in claims payable	<u>(466,632)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 289,457</u></u>	<u><u>\$ 150,084</u></u>

See independent auditors' report.

<u>Vehicle Replacement</u>	<u>Public Facilities Replacement</u>	<u>Totals</u>
\$ 390,680	\$ -	\$ 2,738,070
-	-	2,676
<u>(10,267)</u>	<u>(411,104)</u>	<u>(2,331,896)</u>
380,413	(411,104)	408,850
-	3,000,000	3,125,000
(130,188)	-	(298,651)
<u>135,785</u>	<u>464,135</u>	<u>671,243</u>
386,010	3,053,031	3,906,442
<u>2,194,466</u>	<u>8,484,878</u>	<u>15,518,331</u>
<u>\$ 2,580,476</u>	<u>\$ 11,537,909</u>	<u>\$ 19,424,773</u>
\$ 245,622	\$ -	\$ 1,111,186
144,188	-	206,699
-	-	752
(9,397)	(411,104)	(443,155)
<u>-</u>	<u>-</u>	<u>(466,632)</u>
<u>\$ 380,413</u>	<u>\$ (411,104)</u>	<u>\$ 408,850</u>

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FIDUCIARY FUNDS

AGENCY FUNDS

The Agency Funds are used to account for assets held by the City as an agent 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, 2007

	Agency Funds			Totals
	Assessment	Assessment	Community	
	District	District	Facilities	
	No. 92-2	No. 99-1	District No. 2002-1	
ASSETS:				
Cash and investments	\$ 74,083	\$ 27,072	\$ 17,265	\$ 118,420
Cash and investments with fiscal agents	68,424	61,360	1,690,270	1,820,054
Interest receivable	1,258	1,587	-	2,845
Property taxes receivable	1,127	327	-	1,454
TOTAL ASSETS	\$ 144,892	\$ 90,346	\$ 1,707,535	\$ 1,942,773
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 1,328	\$ 940	\$ -	\$ 2,268
Due to bondholders	143,564	89,406	1,707,535	1,940,505
TOTAL LIABILITIES	\$ 144,892	\$ 90,346	\$ 1,707,535	\$ 1,942,773

See independent auditors' report.

CITY OF SANTA CLARITA

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For the year ended June 30, 2007

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
ASSESSMENT DISTRICT NO. 92-2				
ASSETS:				
Cash and investments	\$ 58,097	\$ 15,986	\$ -	\$ 74,083
Cash and investments with fiscal agents	68,237	187	-	68,424
Interest receivable	800	458	-	1,258
Property taxes receivable	3,686	-	2,559	1,127
TOTAL ASSETS	\$ 130,820	\$ 16,631	\$ 2,559	\$ 144,892
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 377	\$ 951	\$ -	\$ 1,328
Due to bondholders	130,443	13,121	-	143,564
TOTAL LIABILITIES	\$ 130,820	\$ 14,072	\$ -	\$ 144,892
ASSESSMENT DISTRICT NO. 99-1				
ASSETS:				
Cash and investments	\$ 39,473	\$ -	\$ 12,401	\$ 27,072
Cash and investments with fiscal agents	62,784	-	1,424	61,360
Interest receivable	358	1,229	-	1,587
Property taxes receivable	6,930	-	6,603	327
TOTAL ASSETS	\$ 109,545	\$ 1,229	\$ 20,428	\$ 90,346
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 169	\$ 771	\$ -	\$ 940
Due to bondholders	109,376	-	19,970	89,406
TOTAL LIABILITIES	\$ 109,545	\$ 771	\$ 19,970	\$ 90,346

(Continued)

See independent auditors' report.

CITY OF SANTA CLARITA

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
(CONTINUED)

For the year ended June 30, 2007

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
COMMUNITY FACILITIES DISTRICT NO. 2002-1				
ASSETS:				
Cash and investments	\$ 15,169	\$ 2,096	\$ -	\$ 17,265
Cash and investments with fiscal agents	1,685,274	4,996	-	1,690,270
TOTAL ASSETS	\$ 1,700,443	\$ 7,092	\$ -	\$ 1,707,535
LIABILITIES:				
Due to bondholders	\$ 1,700,443	\$ 7,092	-	\$ 1,707,535
TOTAL LIABILITIES	\$ 1,700,443	\$ 7,092	\$ -	\$ 1,707,535
TOTAL - ALL AGENCY FUNDS				
ASSETS:				
Cash and investments	\$ 112,739	\$ 18,082	\$ 12,401	\$ 118,420
Cash and investments with fiscal agents	1,816,295	5,183	1,424	1,820,054
Interest receivable	1,158	1,687	-	2,845
Property taxes receivable	10,616	-	9,162	1,454
TOTAL ASSETS	\$ 1,940,808	\$ 24,952	\$ 22,987	\$ 1,942,773
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 546	\$ 1,722	\$ -	\$ 2,268
Due to bondholders	1,940,262	20,213	19,970	1,940,505
TOTAL LIABILITIES	\$ 1,940,808	\$ 21,935	\$ 19,970	\$ 1,942,773

See independent auditors' report.

CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS

CITY OF SANTA CLARITA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE (1)

June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS:		
Land	\$ 79,279,650	\$ 78,433,140
Site improvements	14,074,142	13,859,142
Buildings and improvements	45,530,704	44,734,729
Equipment	6,227,782	5,655,896
Infrastructure	656,695,949	630,097,871
Construction in progress	<u>82,155,075</u>	<u>52,196,756</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 883,963,302</u>	<u>\$ 824,977,534</u>
INVESTMENT IN GOVERNMENTAL FUNDS ASSETS BY SOURCE:		
Donation of fixed assets from the County of Los Angeles, at estimated fair market value	\$ 12,448,203	\$ 12,448,203
Other donations	44,713,880	38,845,743
General fund	<u>826,801,219</u>	<u>773,683,588</u>
TOTAL INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 883,963,302</u>	<u>\$ 824,977,534</u>

- (1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Assets.

See independent auditors' report.

CITY OF SANTA CLARITA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION (1)

June 30, 2007

Function	Land	Site Improvements	Buildings and Improvements	Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 20,294,139	\$ 628,339	\$ 9,425,142	\$ 2,179,746	\$ -	\$ 50,491	\$ 32,577,857
Public safety	-	-	481,405	27,623	-	-	509,028
Public works	14,919,648	267,715	1,131,179	2,824,874	-	-	19,143,416
Parks and recreation	38,290,369	13,178,088	34,492,978	889,584	-	3,537,893	90,388,912
Community development	5,775,494	-	-	305,955	656,695,949	78,566,691	741,344,089
Total	<u>\$ 79,279,650</u>	<u>\$ 14,074,142</u>	<u>\$ 45,530,704</u>	<u>\$ 6,227,782</u>	<u>\$656,695,949</u>	<u>\$ 82,155,075</u>	<u>\$ 883,963,302</u>

- (1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Assets.

See independent auditor's report.

CITY OF SANTA CLARITA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION

For the year ended June 30, 2007

Function	Governmental Funds Capital Assets July 1, 2006	Additions	Deletions	Governmental Funds Capital Assets June 30, 2007
General government	\$ 32,340,815	\$ 237,042	\$ -	\$ 32,577,857
Public safety	509,028	-	-	509,028
Public works	18,604,455	587,945	48,984	19,143,416
Parks and recreation	86,465,395	3,923,517	-	90,388,912
Community development	687,057,841	54,311,962	25,714	741,344,089
Total	<u>\$ 824,977,534</u>	<u>\$ 59,060,466</u>	<u>\$ 74,698</u>	<u>\$ 883,963,302</u>

See independent auditors' report.

STATISTICAL SECTION

(Unaudited)



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

CONTENTS		Page
Financial Trends		
	These tables contain trend information that may assist the reader in the City's current financial performance by placing it in historical perspective.	131-137
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.	138-149
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.	150-156
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.	157-158
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.	159-162



CITY OF SANTA CLARITA
NET ASSETS by COMPONENT ⁽¹⁾
Last Five Fiscal Years Ended June 30, 2007
(accrual basis of accounting)

	FISCAL YEAR				
	06-07	05-06 ⁽²⁾ As Restated	04-05	03-04	02-03
Governmental Activities					
Investment in capital assets, net of related debt	\$ 661,210,117	\$ 614,300,517	\$ 160,829,971	\$ 110,924,177	\$ 90,486,961
Restricted for:					
Capital Projects	18,134,924	32,030,928	14,530,809	14,679,895	11,707,084
Debt Service	-	174,028	347	49	53
Specific Projects and Programs	34,441,539	30,547,345	27,009,644	25,683,042	30,115,243
Total Restricted	52,576,463	62,752,301	41,540,800	40,362,986	41,822,380
Unrestricted	87,737,817	71,001,423	53,357,322	49,662,321	32,645,363
Total governmental activities net assets	\$ 801,524,397	\$ 748,054,241	\$ 255,728,093	\$ 200,949,484	\$ 164,954,704
Business-type Activities					
Investment in capital assets, net of related debt	\$ 62,246,621	\$ 63,741,429	\$ 57,378,860	\$ 38,827,474	\$ 28,679,875
Restricted for:					
Debt Service	-	-	-	-	567,140
Unrestricted	1,553,088	(406,224)	(890,648)	(1,959,972)	(1,092,404)
Total business-type activities net assets	\$ 63,799,709	\$ 63,335,205	\$ 56,488,212	\$ 36,867,502	\$ 28,154,611
Primary Government					
Investment in capital assets, net of related debt	723,456,738	678,041,946	218,208,831	149,751,651	119,166,836
Restricted	52,576,463	62,752,301	41,540,800	40,362,986	42,389,520
Unrestricted	89,290,905	70,595,199	52,466,674	47,702,349	31,552,959
Total Primary Government Net Assets	\$ 865,324,106	\$ 811,389,446	\$ 312,216,305	\$ 237,816,986	\$ 193,109,315

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

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

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

CITY OF SANTA CLARITA
CHANGES in NET ASSETS
Last Five Fiscal Years Ended June 30, 2007 ⁽¹⁾
(accrual basis of accounting)

	FISCAL YEAR				
	06-07	05-06	04-05	03-04	02-03
Expenses					
Governmental Activities					
General government	\$ 26,029,070	\$ 24,225,414	\$ 9,930,958	\$ 10,645,351	\$ 9,033,093
Public safety	14,398,408	13,821,626	12,437,170	12,113,853	12,107,145
Public works	19,273,980	6,417,841	11,754,949	8,859,452	8,971,939
Parks and recreation	20,573,077	20,988,533	17,637,475	15,370,145	14,515,769
Community development	8,985,449	16,939,976	22,371,678	20,482,573	34,837,564
Unlocated infrastructure depreciation	12,920,310	1,268,939	701,261	243,369	82,564
Interest on long-term debt	2,087,949	1,669,701	1,560,223	1,608,577	1,896,652
Total governmental activities expenses:	<u>104,268,243</u>	<u>85,332,030</u>	<u>76,393,714</u>	<u>69,323,320</u>	<u>81,444,726</u>
Business-type Activities					
Transit	18,315,106	16,508,457	15,239,173	14,557,850	15,272,143
Total business-type activities expenses:	<u>18,315,106</u>	<u>16,508,457</u>	<u>15,239,173</u>	<u>14,557,850</u>	<u>15,272,143</u>
Total primary government expenses:	<u>\$ 122,583,349</u>	<u>\$ 101,840,487</u>	<u>\$ 91,632,887</u>	<u>\$ 83,881,170</u>	<u>\$ 96,716,869</u>
Program Revenues					
Governmental Activities					
Charges for services:					
General government	\$ 302,075	\$ 186,171	\$ 377,202	\$ 325,190	\$ 268,054
Public safety	2,131,060	2,032,652	1,921,796	1,143,772	1,146,070
Public works	3,575,546	2,512,093	2,423,865	2,697,751	2,675,812
Parks and recreation	3,895,422	3,794,662	3,874,109	3,133,880	2,960,491
Community development	20,182,722	19,068,982	20,127,873	20,740,859	16,554,860
Operating grants and contributions	26,641,145	23,465,852	21,301,215	18,503,221	19,239,884
Capital grants and contributions	24,770,306	60,971,404	34,503,830	12,239,868	13,236,601
Total governmental activities program revenues:	<u>81,498,276</u>	<u>112,031,816</u>	<u>84,529,890</u>	<u>58,784,541</u>	<u>56,081,772</u>
Business-type Activities					
Charges for services:					
Transit	5,827,778	4,950,584	5,224,575	4,581,799	4,362,529
Operating grants and contributions	12,616,641	3,351,941	15,834,845	8,937,213	2,232,947
Capital grants and contributions	750,200	-	-	-	-
Total business-type activities program revenues:	<u>19,194,619</u>	<u>8,302,525</u>	<u>21,059,420</u>	<u>13,519,012</u>	<u>6,595,476</u>
Total primary government revenues:	<u>\$ 100,692,895</u>	<u>\$ 120,334,341</u>	<u>\$ 105,589,310</u>	<u>\$ 72,303,553</u>	<u>\$ 62,677,248</u>

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 Five Fiscal Years Ended June 30, 2007 ⁽¹⁾
(accrual basis of accounting)

	FISCAL YEAR				
	06-07	05-06	04-05	03-04	02-03
Net Revenues (expenses):					
Governmental activities	\$ (22,769,967)	\$ 26,699,786	\$ 8,136,176	\$ (10,538,779)	\$ (25,362,954)
Business-type activities	879,513	(8,205,932)	5,820,247	(1,038,838)	(8,676,667)
Total net revenues (expenses):	<u>\$ (21,890,454)</u>	<u>\$ 18,493,854</u>	<u>\$ 13,956,423</u>	<u>\$ (11,577,617)</u>	<u>\$ (34,039,621)</u>
General Revenue and Other Changes in Net Assets					
Governmental activities					
Taxes:					
Sales taxes	\$ 23,790,825	\$ 22,204,192	\$ 22,674,470	\$ 27,329,574	\$ 24,337,912
Property taxes, levied for general purposes	27,891,202	23,106,806	9,023,363	9,452,945	8,323,522
Franchise taxes	6,248,912	5,560,153	5,314,454	5,131,964	4,863,519
Real property transfer taxes	1,073,774	1,544,534	1,611,216	1,327,924	920,676
Transient occupancy taxes	1,804,923	1,824,394	1,632,137	1,458,388	1,186,141
Unrestricted revenue in lieu of motor vehicle taxes	-	603,990	10,224,572	10,216,165	9,141,858
Unrestricted revenue in lieu of sales taxes	8,156,017	6,965,521	7,328,638	-	-
Grants and contributions not restricted to specific programs	1,862,901	223,241	872,475	1,279,029	939,559
Unrestricted investment earnings	4,970,193	1,891,292	1,663,699	655,106	1,710,373
Transfers	441,376	(12,054,795)	(13,702,591)	(9,737,217)	(8,734,050)
Total governmental activities	<u>76,240,123</u>	<u>51,869,328</u>	<u>46,642,433</u>	<u>47,113,878</u>	<u>42,689,510</u>
Business-type activities					
Grants and contributions not restricted to specific programs	-	883,615	93,334	-	-
Unrestricted investment earnings	26,367	1,050	4,538	17,800	67,450
Transfers	(441,376)	12,054,795	13,702,591	9,737,217	8,734,050
Total business-type activities:	<u>(415,009)</u>	<u>12,939,460</u>	<u>13,800,463</u>	<u>9,755,017</u>	<u>8,801,500</u>
Total primary government:	<u>\$ 75,825,114</u>	<u>\$ 64,808,788</u>	<u>\$ 60,442,896</u>	<u>\$ 56,868,895</u>	<u>\$ 51,491,010</u>
Change in Net Assets					
Governmental activities	\$ 53,470,156	\$ 78,569,114	\$ 54,778,609	\$ 36,575,099	\$ 17,326,556
Business-type activities	464,504	4,733,528	19,620,710	8,716,179	124,833
Total primary government:	<u>\$ 53,934,660</u>	<u>\$ 83,302,642</u>	<u>\$ 74,399,319</u>	<u>\$ 45,291,278</u>	<u>\$ 17,451,389</u>

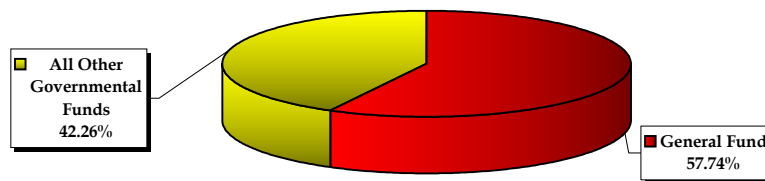
Note: (1) City of Santa Clarita implemented GASB 34 reporting module for the fiscal year ended June 30, 2003.

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

CITY OF SANTA CLARITA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ended June 30, 2007
(modified accrual basis of accounting)

	FISCAL YEAR			
	05-06 ⁽¹⁾			
	06-07	As Restated	04-05	03-04
General Fund				
Reserved	\$ 34,699,034	\$ 20,786,040	\$ 15,638,513	\$ 12,042,182
Unreserved	28,500,824	18,232,779	30,780,939	23,109,773
Total general fund	<u>\$ 63,199,858</u>	<u>\$ 39,018,819</u>	<u>\$ 46,419,452</u>	<u>\$ 35,151,955</u>
All Other Governmental Funds				
Reserved	\$ 48,303,588	\$ 80,399,389	\$ 30,388,825	\$ 41,563,581
Unreserved:				
Special revenue fund	3,827,570	(15,073,824)	2,843,589	(867,508)
Debt service funds	(10,461,382)	(4,743,697)	(4,402,225)	(3,944,409)
Capital projects fund	4,592,332	(249,111)	(698,632)	(100,527)
Total all other governmental funds	<u>\$ 46,262,108</u>	<u>\$ 60,332,757</u>	<u>\$ 28,131,557</u>	<u>\$ 36,651,137</u>

FUND BALANCES
Fiscal Year Ended June 30, 2007

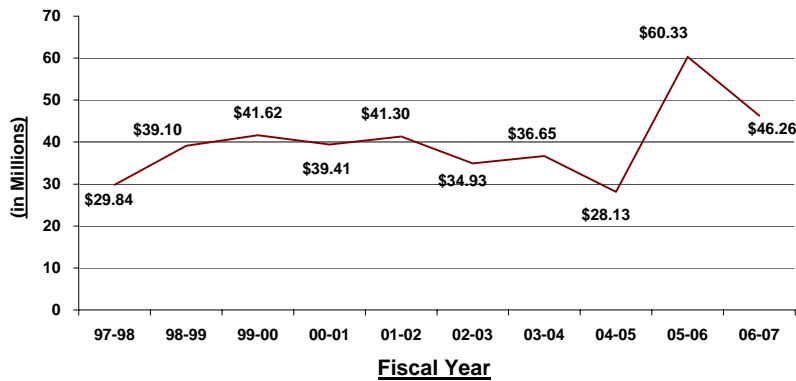


Note: (1) Balance as restated, see Notes to Basic Financial Statements #16B.

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

FISCAL YEAR					
02-03	01-02	00-01	99-00	98-99	97-98
\$ 14,034,615	\$ 21,368,003	\$ 16,330,098	\$ 13,412,456	\$ 10,014,361	\$ 5,448,591
12,927,211	3,168,903	12,209,902	11,948,231	12,033,130	12,669,207
\$ 26,961,826	\$ 24,536,906	\$ 28,540,000	\$ 25,360,687	\$ 22,047,491	\$ 18,117,798
\$ 9,203,674	\$ 10,852,416	\$ 8,426,033	\$ 18,574,159	\$ 10,850,020	\$ 7,489,110
30,014,266	34,078,558	30,758,147	22,571,066	28,197,598	21,757,719
(4,082,126)	(4,066,749)	-	-	-	-
(196,889)	437,307	228,777	474,522	54,467	595,885
\$ 34,938,925	\$ 41,301,532	\$ 39,412,957	\$ 41,619,747	\$ 39,102,085	\$ 29,842,714

**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, 2007
(modified accrual basis of accounting)

	FISCAL YEAR			
	2007	2006	2005	2004
Revenues:				
Taxes	\$ 70,576,755	\$ 66,164,485	\$53,763,779	\$ 43,940,454
Licenses and permits	4,203,933	6,907,826	5,127,705	5,303,309
Developer fees	6,747,767	28,028,933	11,963,054	7,570,352
Investment income	7,926,763	2,881,133	3,148,731	919,858
Revenue from other agencies	37,300,213	38,526,364	33,089,887	36,119,851
Fines and forfeitures	1,918,954	1,904,273	1,803,686	1,051,371
Service charges	13,463,673	13,081,649	13,339,462	12,580,933
Other revenues	4,356,961	12,651,674	2,408,463	3,767,800
Total Revenues	146,495,019	170,146,337	124,644,767	111,253,928
Expenditures:				
Current:				
General government	23,411,750	24,668,150	11,217,783	12,436,244
Public safety	14,347,833	13,658,723	12,429,192	12,102,441
Public works	19,511,097	6,802,081	8,901,359	8,692,908
Parks and recreation	18,943,146	17,376,609	15,964,949	14,226,090
Community development	9,051,652	17,164,505	22,531,795	21,039,274
Capital outlays	57,926,955	49,435,744	35,096,683	19,251,357
Debt service:				
Principal	2,374,870	1,367,359	2,060,319	4,332,159
Interest, professional services, and fiscal charges	2,298,974	2,878,536	1,570,581	1,760,134
Total Expenditures	147,866,277	133,351,707	109,772,661	93,840,607
Excess of Revenues over (under) Expenditures	(1,371,258)	36,794,630	14,872,106	17,413,321
Other Financing Sources (Uses)				
Revenue bonds issued/issuance premium	13,894,752 ⁽¹⁾	-	-	-
Proceeds of long-term debt	-	17,700,000	-	-
Escrow payment, costs of bonds issuance, and others	-	(17,225,304)	-	2,590,955
Transfers-in	27,468,089	7,865,612	8,157,999	8,278,692
Transfers-out	(29,881,193)	(19,409,716)	(20,282,188)	(18,380,627)
Total Other Financing Sources (Uses)	11,481,648	(11,069,408)	(12,124,189)	(7,510,980)
Net change in fund balances	10,110,390	25,725,222	2,747,917	9,902,341
Fund balances (deficit) - Beginning of Year, as restated	99,351,576 ⁽²⁾	74,551,009	71,803,092	61,900,751
Fund balances (deficit) - End of Year	\$ 109,461,966	\$ 100,276,231	\$74,551,009	\$ 71,803,092
Debt service as percentage of non capital expenditures	5.20%	5.06%	4.86%	8.17%

NOTE: (1) 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.

(2) Balance as restated, see Notes to Basic Financial Statements #16.

FISCAL YEAR					
2003	2002	2001	2000	1999	1998
\$39,813,089	\$35,589,227	\$34,053,282	\$30,320,166	\$28,072,551	\$25,458,489
3,512,857	3,407,091	2,759,637	3,341,660	2,585,580	2,221,696
7,857,087	17,016,274	16,295,503	7,916,830	3,615,156	3,994,532
3,788,121	4,165,144	6,303,050	3,439,177	3,233,903	2,496,976
31,157,062	30,209,371	30,133,734	25,047,788	28,861,626	33,342,420
1,041,945	1,008,466	972,443	1,019,370	1,197,794	486,654
18,095,424	17,089,401	15,489,302	15,219,587	17,836,700	12,341,056
2,309,846	1,948,808	1,298,924	859,511	1,326,809	613,849
107,575,431	110,433,782	107,305,875	87,164,089	86,730,119	80,955,672
9,282,089	9,778,478	8,768,573	8,156,391	11,411,885	10,529,658
12,124,427	11,264,808	11,386,290	10,386,922	11,178,500	10,853,375
8,823,785	8,112,935	7,450,660	6,785,186	3,075,346	2,062,058
11,546,673	10,492,037	9,052,687	8,769,545	9,103,012	10,600,566
23,900,882	16,450,228	13,566,023	10,978,733	8,458,402	6,596,733
33,179,578	46,917,311	43,364,800	27,909,694	19,584,815	19,208,993
1,496,087	533,279	176,061	29,161	26,755	202,227
1,958,388	1,598,807	1,547,751	1,501,752	1,434,523	3,283,328
102,311,909	105,147,883	95,312,845	74,517,384	64,273,238	63,336,938
5,263,522	5,285,899	11,993,030	12,646,705	22,456,881	17,618,734
1,558,097	4,400,000	-	-	-	19,670,000
1,558,097	4,400,000	-	-	-	19,670,000
-	-	-	-	487,227	(18,557,562)
7,662,207	9,550,514	2,989,329	3,927,765	3,740,077	3,246,218
(18,421,513)	(18,120,682)	(11,591,270)	(16,392,428)	(13,495,185)	(10,375,163)
(7,643,112)	229,832	(8,601,941)	(12,464,663)	(9,267,881)	13,653,493
(2,379,590)	5,515,731	3,391,089	182,042	13,189,000	31,272,227
65,838,438	64,722,707	61,331,618	61,149,576	47,960,576	36,358,349
\$61,900,751	\$65,838,438	\$64,722,707	\$61,331,618	\$61,149,576	\$47,960,512
5.00%	3.66%	3.32%	3.28%	3.27%	7.90%

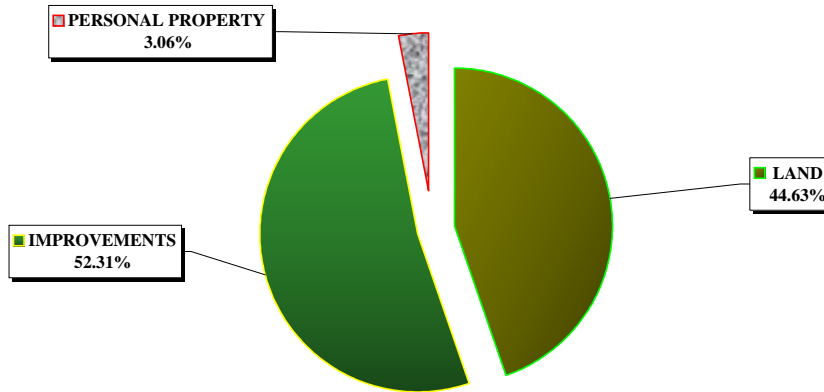
Source: City of Santa Clarita, Administrative Services Department - Finance Division

CITY OF SANTA CLARITA

**ASSESSED VALUATION ⁽¹⁾ and ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

Fiscal Year	STATE ASSESSED				LOCALLY ASSESSED				
	LAND	SECURED - UTILITY		TOTAL	LAND	IMPROVE-MENTS	SECURED PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL
		IMPROVE-MENTS	PERSONAL PROPERTY						
1997-98	\$ 1,819,284	\$ 472,998	\$ 222,034	\$ 2,514,316	\$ 2,933,257,798	\$ 4,707,571,229	\$ 93,420,724	\$ (159,924,883)	\$ 7,574,324,868
1998-99	1,932,727	558,165	270,790	2,761,682	3,293,436,525	5,288,454,498	81,080,379	(119,145,230)	8,543,826,172
1999-00	1,733,140	323,181	185,010	2,241,331	3,549,417,695	5,661,843,960	91,953,388	(121,319,796)	9,181,895,247
2000-01	2,961,227	298,757	171,028	3,431,012	3,945,586,755	6,169,813,280	91,784,122	(155,105,480)	10,052,078,677
2001-02	2,759,375	327,081	187,242	3,273,698	4,337,350,843	6,540,398,513	95,719,580	(188,756,582)	10,784,712,354
2002-03	2,743,160	314,910	180,275	3,238,345	4,742,666,578	7,042,138,889	91,308,887	(183,110,538)	11,693,003,816
2003-04	5,301,621	43,969,100	205,876	49,476,597	5,312,201,652	7,688,524,882	79,538,536	(187,628,805)	12,892,636,265
2004-05	5,420,327	11,091,534	256,894	16,768,755	6,068,433,252	8,136,867,187	73,449,031	(194,782,110)	14,083,967,360
2005-06	2,098,608	10,833,957	239,620	13,172,185	7,440,682,741	8,947,087,936	89,939,825	(211,472,197)	16,266,238,305
2006-07	2,156,981	8,312,011	197,013	10,666,005	8,556,960,792	9,766,997,767	104,509,489	(253,946,364)	18,174,521,684

ASSESSED VALUATION by CATEGORIES
(Total Secured and Unsecured)
Fiscal Year Ended June 30, 2007



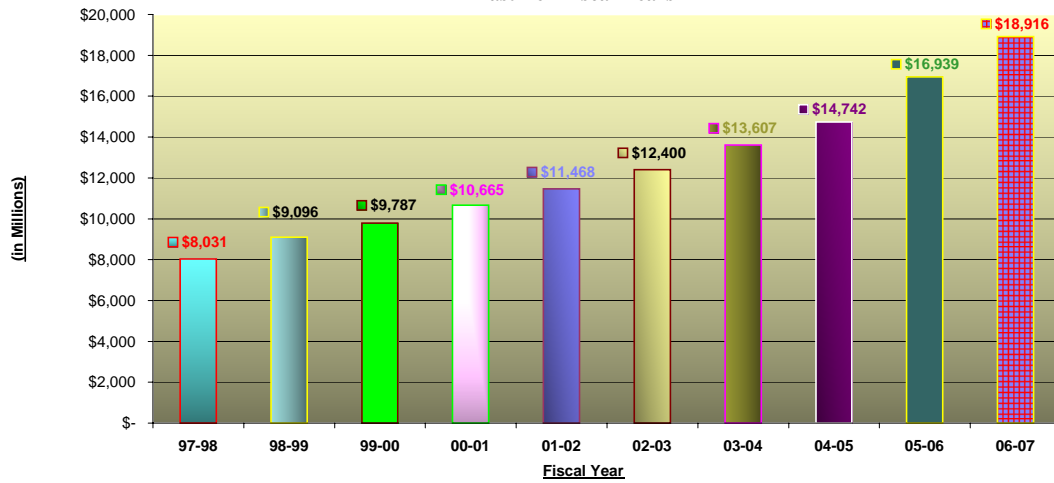
Note:

(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 2006/07

LOCALLY ASSESSED				TOTALS				
IMPROVE- MENTS	UNSECURED			BEFORE OTHER EXEMPTIONS	TAXABLE ASSESSED VALUE	% INCR. (DECR.)	TOTAL DIRECT RATE (2)	HOME- OWNER PROPERTY TAX RELIEF
	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL					
\$ 213,637,868	\$ 241,026,869	\$ (129,200)	\$ 454,535,537	\$ 8,191,428,804	\$ 8,031,374,721	1.59%	0.05701%	\$ 184,451,569
261,802,791	288,487,295	(1,355,411)	548,934,675	9,216,023,170	9,095,522,529	13.25%	0.05903%	201,615,429
282,745,700	319,794,318	-	602,540,018	9,907,996,392	9,786,676,596	7.60%	0.05794%	199,793,885
240,385,121	369,315,436	(87,800)	609,612,757	10,820,315,726	10,665,122,446	8.98%	0.05824%	199,566,151
273,022,487	407,191,186	(639,000)	679,574,673	11,656,956,307	11,467,560,725	7.52%	0.06100%	199,815,494
281,002,279	422,950,745	(95,000)	703,858,024	12,583,305,723	12,400,100,185	8.13%	0.06192%	199,128,847
254,085,173	411,805,661	(1,135,000)	664,755,834	13,795,632,501	13,606,868,696	9.73%	0.06279%	199,643,032
242,047,848	399,549,912	(76,000)	641,521,760	14,937,115,985	14,742,257,875	8.34%	0.06432%	205,852,669
216,098,046	453,406,084	(9,513,134)	659,990,996	17,160,386,817	16,939,401,486	14.90%	0.06909%	206,658,586
255,417,833	482,574,856	(7,299,585)	730,693,104	19,177,126,742	18,915,880,793	11.67%	0.08039%	206,464,204

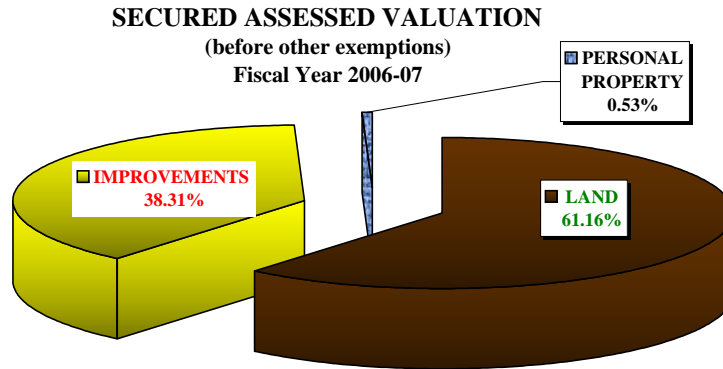
TOTAL ASSESSED VALUATION
(Taxable Values)
Last Ten Fiscal Years



(2) Direct Rate includes Redevelopment Agency areas

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

FISCAL YEAR	STATE ASSESSED				LOCALLY ASSESSED				
	SECURED (UTILITY)				SECURED				
	LAND	IMPROVEMENTS	PERSONAL PROPERTY	TOTAL	LAND	IMPROVEMENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL
1997-98 ⁽¹⁾			NOT ACTIVE					NOT ACTIVE	
1998-99	\$ 68,944	\$ 51,759	\$ 29,632	\$ 150,335	\$ 115,222,237	\$ 127,657,072	\$ 4,474,912	\$ (4,120,954)	\$ 243,233,267
1999-00	47,103	35,364	20,244	102,711	119,628,829	131,911,448	3,855,740	(1,609,625)	253,786,392
2000-01	43,544	32,692	18,715	94,951	129,489,221	136,444,009	4,069,074	(1,624,719)	268,377,585
2001-02	47,672	35,789	20,489	103,950	142,657,899	145,596,895	3,810,222	(2,524,574)	289,540,442
2002-03	45,897	34,458	19,726	100,081	149,325,297	149,506,716	5,028,543	(2,575,054)	301,285,502
2003-04	52,416	39,351	22,527	114,294	161,106,889	159,691,365	3,806,986	(4,148,124)	320,457,116
2004-05	65,404	49,101	28,109	142,614	180,810,905	166,935,237	2,314,234	(5,083,826)	344,976,550
2005-06	61,007	45,801	26,219	133,027	273,260,130	176,564,344	2,435,378	(4,859,824)	447,400,028
2006-07	50,158	37,657	21,558	109,373	295,792,467	185,299,271	2,545,972	(5,085,710)	478,552,000

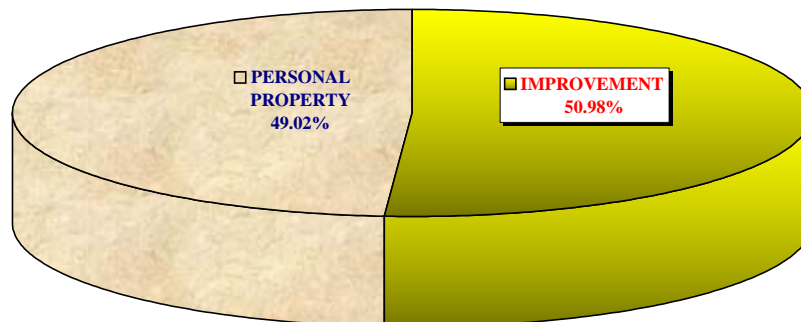


- (1) -The Redevelopment Agency of the City of Santa Clarita was established on November 28, 1989, pursuant to the State of California Health and Safety Code, Section 33000. However, the Agency was not active until fiscal year 1998-99 and the Base Year was calculated in fiscal year 1996-97, which included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

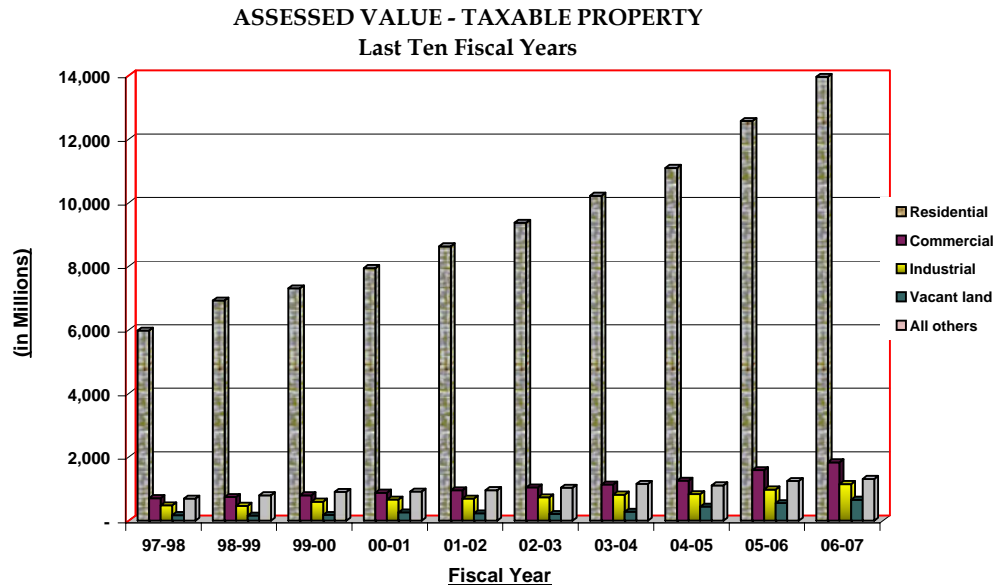
LOCALLY ASSESSED				TOTALS				
UNSECURED				TOTALS BEFORE BASE YEAR	BASE YEAR	TAXABLE ASSESSED VALUE	VALUE GROWTH	HOME- OWNER PROPERTY TAX RELIEF
IMPROVE- MENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL					
NOT ACTIVE				NOT ACTIVE				
\$ 4,972,866	\$ 12,239,116	\$ (3,000)	\$ 17,208,982	\$ 260,592,584	\$ (266,351,517)	\$ (5,758,933)	\$ -	\$ 1,870,400
4,143,500	14,484,623	-	18,628,123	272,517,226	(266,351,517)	6,165,709	11,924,642	1,860,600
3,796,012	16,424,155	(10,000)	20,210,167	288,682,703	(266,351,517)	22,331,186	16,165,477	1,895,600
4,515,557	14,923,310	(15,000)	19,423,867	309,068,259	(266,351,517)	42,716,742	20,385,556	1,918,000
5,983,748	19,053,059	(30,000)	25,006,807	326,392,390	(266,351,517)	60,040,873	17,324,131	1,890,000
6,272,382	19,035,089	(33,000)	25,274,471	345,845,881	(266,351,517)	79,494,364	19,453,491	1,923,600
6,326,173	22,151,970	(33,000)	28,445,143	373,564,307	(266,351,517)	107,212,790	27,718,426	2,161,147
5,901,959	23,034,914	(91,000)	28,845,873	476,378,928	(266,351,517)	210,027,411	102,814,621	2,053,943
26,593,269	25,569,962	(16,300)	52,146,931	530,808,304	(266,351,517)	264,456,787	54,429,376	1,971,567

UNSECURED ASSESSED VALUATION
(before other Exemption)
Fiscal Year 2006-07



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

CATEGORY	FISCAL YEAR			
	06-07	05-06	04-05	03-04
Residential	\$ 13,962,275,972	\$ 12,569,640,999	\$ 11,097,987,787	\$ 10,221,634,945
Commercial	1,836,340,797	1,588,835,810	1,258,389,787	1,132,585,601
Industrial	1,148,469,489	980,395,598	833,455,573	817,508,597
Irrigated	29,374,674	28,272,540	4,351,050	3,962,743
Dry farm	49,088,244	48,512,253	45,145,241	43,542,990
Recreational	90,435,287	94,916,719	84,727,948	94,694,674
Institutional	94,705,673	91,312,643	80,606,769	113,908,577
Government	194,922	190,000	-	493,814
Miscellaneous	795,449	779,859	764,577	667,091
Vacant land	656,660,955	554,551,820	440,215,418	280,744,871
SBE Nonunitary	10,666,005	13,172,185	16,768,755	49,476,597
Possessory Int.	222,654,730	205,526,182	201,323,600	153,302,360
Unsecured	730,697,804	659,990,996	641,526,760	664,760,834
Unknown	83,525,492	103,303,882	36,994,610	29,585,002
TOTALS:	\$ 18,915,885,493	\$ 16,939,401,486	\$ 14,742,257,875	\$ 13,606,868,696



Source: HdL Coren & Cone, Los Angeles County Assessor 2006/07 Combined Tax Rolls.

FISCAL YEAR					
02-03	01-02	00-01	99-00	98-99	97-98
\$ 9,373,657,630	\$ 8,630,320,972	\$ 7,948,529,358	\$ 7,306,570,760	\$ 6,927,181,010	\$ 5,976,914,437
1,043,922,879	955,529,671	879,942,873	797,649,082	742,166,572	707,935,635
735,063,812	693,214,978	660,288,367	597,514,771	466,678,700	480,527,856
3,933,315	5,798,245	3,871,007	5,055,001	4,342,301	4,983,960
29,655,961	34,074,195	38,041,655	47,333,049	32,069,164	35,437,462
60,212,317	46,322,531	42,015,479	41,371,556	30,749,352	30,851,136
102,142,853	82,619,342	96,186,317	105,635,607	83,480,361	60,331,318
484,173	474,673	465,377	456,265	698,422	964,979
7,591,441	2,697,123	7,823,618	7,687,998	7,774,167	7,221,888
212,233,528	228,265,224	260,536,412	179,422,468	161,050,965	175,763,513
3,238,345	3,273,698	3,431,012	2,241,331	2,241,331	2,506,816
109,259,714	75,116,757	73,906,800	77,224,408	72,702,286	78,372,927
703,858,024	679,574,673	609,612,757	602,540,018	548,934,675	454,535,537
14,846,193	30,278,643	40,471,414	15,974,282	15,453,223	15,027,257
\$ 12,400,100,185	\$ 11,467,560,725	\$ 10,665,122,446	\$ 9,786,676,596	\$ 9,095,522,529	\$ 8,031,374,721

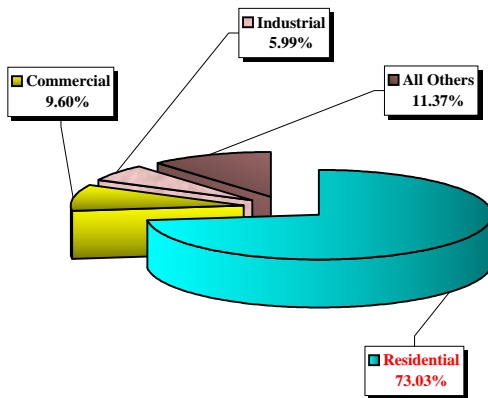
Notes: In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With 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

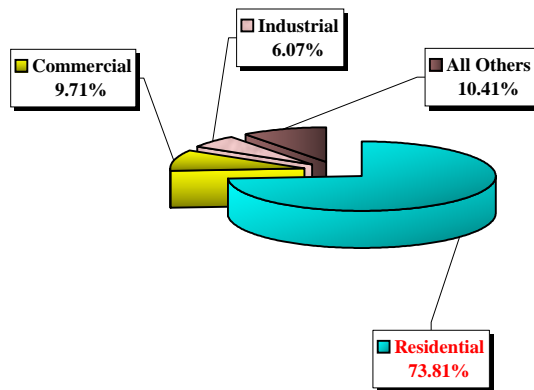
ASSESSED VALUE - USE CATEGORY SUMMARY Fiscal Year 2006-07

CATEGORY	PARCELS	ASSESSED VALUE	PERCENT	EXEMPTIONS	NET TAXABLE VALUE	PERCENT
Residential	45,534	\$ 14,005,282,490	73.03%	\$ 43,006,518	\$ 13,962,275,972	73.812%
Commercial	770	1,841,752,417	9.60%	5,411,620	1,836,340,797	9.708%
Industrial	560	1,149,523,793	5.99%	1,054,304	1,148,469,489	6.071%
Irrigated	10	29,374,674	0.15%	-	29,374,674	0.155%
Dry farm	131	49,088,244	0.26%	-	49,088,244	0.260%
Recreational	52	97,087,937	0.51%	6,652,650	90,435,287	0.478%
Institutional	88	291,828,510	1.52%	197,122,837	94,705,673	0.501%
Government	3	194,922	0.001%	-	194,922	0.001%
Miscellaneous	13	795,449	0.004%	-	795,449	0.004%
Vacant land	2,874	657,359,390	3.43%	698,435	656,660,955	3.471%
SBE Nonunitary	(169)	10,666,005	0.06%	-	10,666,005	0.056%
Possessory Int.	(2,147)	222,654,730	1.16%	-	222,654,730	1.177%
Unsecured	(6,564)	737,997,389	3.85%	7,299,585	730,697,804	3.863%
Unknown	26	83,525,492	0.44%	-	83,525,492	0.442%
TOTALS:	50,061	\$ 19,177,131,442	100.00%	\$ 261,245,949	\$ 18,915,885,493	100.000%

**ASSESSED VALUE by USE CATEGORY
Fiscal Year 2006-07**



**NET TAXABLE VALUE by USE CATEGORY
Fiscal Year 2006-07**

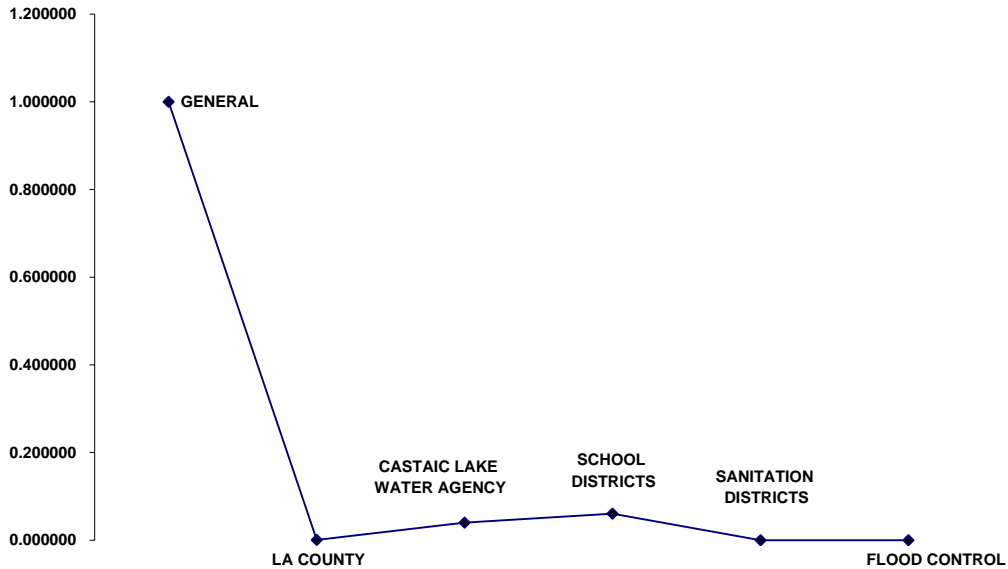


Source: HdL Coren & Cone, Los Angeles County Assessor 2006/07 Combined Tax Rolls.

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				
1997-98	1.000000	0.001584	0.060900	0.023831	0.000975	0.002147	1.089437
1998-99	1.000000	0.001564	0.060786	0.028022	0.003126	0.003544	1.097042
1999-00	1.000000	0.001314	0.060614	0.026663	0.001015	0.001519	1.091125
2000-01	1.000000	0.001314	0.060614	0.000298	0.000498	0.001552	1.064276
2001-02	1.000000	0.001128	0.123017	0.041235	0.000561	0.001073	1.167014
2002-03	1.000000	0.001033	0.106227	0.069731	0.000487	0.000881	1.178359
2003-04	1.000000	0.000992	0.066000	0.079461	0.000328	0.000462	1.147243
2004-05	1.000000	0.000923	0.056169	0.064493	0.000321	0.000245	1.122151
2005-06	1.000000	0.000795	0.049327	0.064422	0.000000	0.000049	1.114593
2006-07	1.000000	0.000660	0.040000	0.060360	0.000000	0.000050	1.101070

DIRECT and OVERLAPPING PROPERTY TAX RATES
Fiscal Year 2006-07



Source: HdL Coren & Cone, Los Angeles County Assessor 2006-07 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	
2006-07	0.079870	0.000000	0.079870	1.04072%	0.08039%

<u>Agency</u>	<u>2006-07</u>	
City of Santa Clarita Tax District 1 (249.01)	0.05735	Notes: General fund tax rates are representative and based upon the direct and overlapping rates for the largest General Fund tax rates area (TRA) by net taxable value. Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information. The percentages presented in the columns above do not sum across rows. RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. In 1978, California voters passed Proposition 13 which set the property tax at a 1.00% fixed amount. This 1.00% is shared by all the taxing agencies for which the subject property resides within. In addition to 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
Castaic Lake Water Agency (302.01)	0.05779	
Children's Institutional Tuition Fund (400.21)	0.00283	
Consolidated Fire Protection District of LA Co. (007.30)	0.16341	
County School Service Fund Newhall (581.06)	0.00801	
County School Service Hart William S. Hart (757.06)	0.00034	
County School Services (400.15)	0.00143	
Development Center Handicapped Minor Newhall (581.07)	0.00088	
Educational Augmentation Fund Impound (400.01)	0.13377	
Educational Revenue Augmentation Fund(ERAF) (400.00)	0.08255	
Greater LA Co. Vector Control (061.80)	0.00032	
LA County Library (003.01)	0.02364	
LA County Fire - Ffw (007.31)	0.00323	
LA County Flood Control Improvement District (030.10)	0.00176	
LA County Flood Control Maintenance (030.70)	0.00996	
LA County General (001.05)	0.14051	
LA County Accum Cap Outlay (001.20)	0.00009	
Newhall Scholl District (581.01)	0.08349	
Santa Clarita Community College (814.04)	0.03744	
Santa Clarita Street Light Maintenance #2 (249.32)	0.02253	
Santa Clarita Valley Sanitation Dist. La Co.	0.02503	
Valencia Areawide Landscape T1A S.C.	0.01924	
William S. Hart Elementary School Fund (757.07)	0.04289	
William S. Hart Union High (757.02)	0.08151	
Total Prop. 13 Rate:	1.00000	
Castaic Lake Water Agency (302.01)	0.04000	
Detention Facilities 1987 Debt Services (001.53)	0.00066	
William S. Hart Un.Hsd Debt Services (757.51)	0.00579	
LA Co. Flood Control Storm Drainage Debt Services#4 (030.60)	0.00005	
Newhall Elementary School District Debt Services 1999 Ser. B (581.53)	0.01505	
Newhall Elementary School District Debt Services 1999 Ser. A (581.52)	0.01168	
Santa Clarita Community College Debt Services 2001 Ser. 2005 (814.50)	0.00571	
Santa Clarita Community College Debt Services 2005 Refunding Bonds (814.53)	0.00336	
Santa Clarita Community College Debt Services 2001 Ser. 2003 (814.52)	0.00301	
Santa Clarita Community College Debt Services 2001 Ser. 2002 (814.51)	0.00136	
William S. Hart Unified Debt Services (757.52)	0.01440	
Total Tax Rate	0.10107	

Source: HdL Coren & Cone, Los Angeles County Assessor 2006/07 Tax Rate Table

CITY OF SANTA CLARITA
PRINCIPAL PROPERTY TAXPAYERS
Last Two Fiscal Years Ended June 30, 2007

OWNER/TAXPAYER	FISCAL YEAR 2006-07			FISCAL YEAR 2005-06		
	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	30	\$ 272,336,100	1.42 %	30	\$ 227,588,430	1.33 %
Newhall Land and Farming Company	140	105,075,200	0.55	142	124,754,967	0.73
Prado Town Center West LLC	8	79,879,058	0.42	8	48,696,944	0.28
Casden Santa Clarita LLC	25	76,499,959	0.40	25	74,999,960	0.44
Sam's Real Estate Business Trust/WalMart	5	63,157,630	0.33	-	-	-
Princess Cruise Inc.	4	59,355,111	0.31	7	60,186,928	0.35
EQR Valencia LLC	217	55,970,730	0.29	217	54,881,437	0.32
EQR Town Center LLC	3	51,689,867	0.27	3	50,687,860	0.30
Henry Mayo Newhall Memorial	1	50,298,045	0.26	-	-	-
California Institute of Arts	1	56,928,043	0.30	-	-	-
Lexington Lion Clarita Limited Partnership	-	-	-	6	48,643,800	0.28
CPF Promenade LLC	-	-	-	16	63,386,867	0.37
EQR Essex Place Financing Limited	-	-	-	2	48,610,900	0.28
Total		871,189,743	4.54 %		802,438,093	4.68 %
All Others		18,305,941,699	95.46		16,357,948,724	95.32
Total Assessed Valuation		\$ 19,177,131,442	100.00 %		\$ 17,160,386,817	100.00 %

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

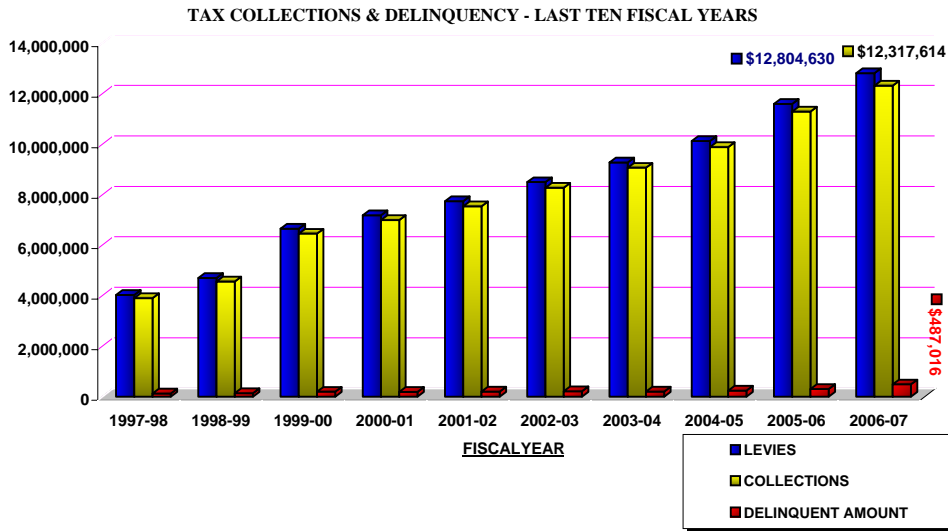
Source: HdL Coren & Cone, LA County Assessor 2006/07 Combined Tax Rolls



CITY OF SANTA CLARITA

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

FISCAL YEAR	TAXES LEVIED	COLLECTIONS	DELINQUENT AMOUNT	PERCENT DELINQUENCY
1997-98	\$ 4,024,490	\$ 3,900,198	\$ 124,292	3.09%
1998-99	4,695,918	4,560,128	135,790	2.89%
1999-00	6,652,430	6,456,536	195,894	2.94%
2000-01	7,188,685	6,993,761	194,924	2.71%
2001-02	7,741,409	7,542,204	199,205	2.57%
2002-03	8,494,397	8,274,896	219,501	2.58%
2003-04	9,271,388	9,066,213	205,175	2.21%
2004-05	10,118,983	9,878,450	240,533	2.38%
2005-06	11,593,852	11,292,337	301,515	2.60%
2006-07	12,804,630	12,317,614	487,016	3.80%



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

Source: County of LA, Department of Auditor-Controller

CITY OF SANTA CLARITA
RATIO OF OUTSTANDING DEBT by TYPE
Last Ten Fiscal Years

GOVERNMENTAL ACTIVITIES								
FISCAL YEAR	CERTIFICATES				CAPITAL			TOTAL
	OF PARTICIPATION (1)	LOANS	NOTES	BONDS (2)	LEASES	CLAIMS		
1997-98	\$ 19,670,000	\$ -	\$ -	\$ 2,966,233	\$ -	\$ 71,327	\$ -	\$ 22,707,560
1998-99	19,670,000	-	-	3,059,483	-	464,572	-	23,194,055
1999-00	19,670,000	-	2,000,000	3,019,844	-	394,878	-	25,084,722
2000-01	19,670,000	3,200,000	1,870,000	2,859,195	-	322,347	-	27,921,542
2001-02	19,475,000	3,200,000	2,940,000	2,665,846	-	262,056	-	28,542,902
2002-03	18,975,000	2,665,000	4,213,913	2,507,371	-	183,909	-	28,545,193
2003-04	18,335,000	2,040,000	6,333,828	-	-	103,275	813,432	27,625,535
2004-05	17,640,000	1,390,000	5,698,192	-	-	23,798	1,148,067	25,900,057
2005-06	17,700,000	710,000	5,029,113	-	-	12,211	1,010,299	24,461,623
2006-07	16,760,000	-	4,328,207	-	13,785,000	36,401	100,000	35,009,608

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.

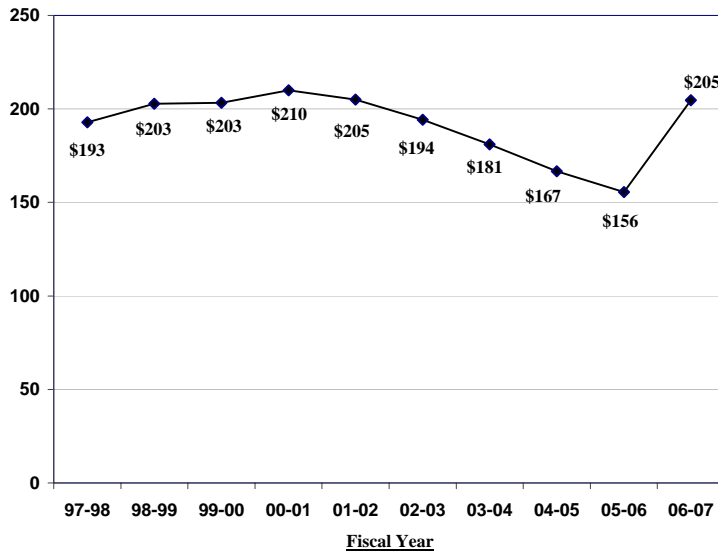
-In November 2001, the Authority issued \$3,200,000 in Certificates of Participation for the acquisition of parkland.

(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.

Sources: City of Santa Clarita, Administrative Services Department - Finance Division
County of Los Angeles Auditor-Controller.

BUSINESS-TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE of TAXABLE ASSESSED VALUE	DEBT PER CAPITA
MASTER LEASE OBLIGATIONS	LEASE PAYABLE	TOTAL			
\$ 799,115	\$ 4,232,362	\$ 5,031,477	\$ 27,739,037	0.35%	\$ 193
550,092	6,062,682	6,612,774	29,806,829	0.33%	203
284,106	5,378,351	5,662,457	30,747,179	0.31%	203
-	4,656,704	4,656,704	32,578,246	0.31%	210
-	3,897,133	3,897,133	32,440,035	0.28%	205
-	3,088,996	3,088,996	31,634,189	0.26%	194
-	2,236,624	2,236,624	29,862,159	0.22%	181
-	1,919,312	1,919,312	27,819,369	0.19%	167
-	1,586,319	1,586,319	26,047,942	0.15%	156
-	1,236,869	1,236,869	36,246,477	0.19%	205

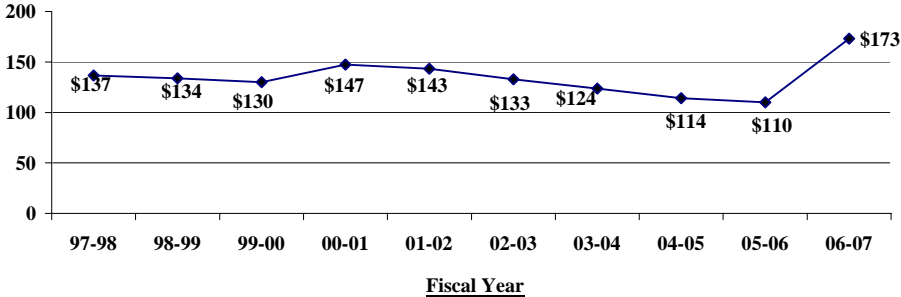
OUTSTANDING DEBT per CAPITA
Last Ten Fiscal Years



CITY OF SANTA CLARITA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

FISCAL YEAR	OUTSTANDING GENERAL BONDED DEBT				PERCENTAGE of TAXABLE ASSESSED VALUE		DEBT PER CAPITA
	POPULATION (1)	REVENUE BONDS	CERTIFICATES of PARTICIPATION	TOTAL			
1997-98	143,836	\$ -	\$ 19,670,000	\$ 19,670,000	0.24%	\$ 137	
1998-99	146,979	-	19,670,000	19,670,000	0.22%	134	
1999-00	151,260	-	19,670,000	19,670,000	0.20%	130	
2000-01	155,124	-	22,870,000	22,870,000	0.21%	147	
2001-02	158,289	-	22,675,000	22,675,000	0.20%	143	
2002-03	162,875	-	21,640,000	21,640,000	0.17%	133	
2003-04	164,916	-	20,375,000	20,375,000	0.15%	124	
2004-05	166,958	-	19,030,000	19,030,000	0.13%	114	
2005-06	167,412	-	18,410,000	18,410,000	0.11%	110	
2006-07	177,158	13,893,228	16,760,000	30,653,228	0.16%	173	

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, 2007

2006-07 Assessed Valuation: **\$18,651,428,706** (Net of Redevelopment
Agency Incremental Value of **\$264,456,787**)

2006-07 Population: **177,158**

	Total Debt 06/30/2007	Percent Applicable To City	City's Share of Debt 06/30/2007
OVERLAPPING TAX AND OVERLAPPING BONDED DEBT:			
Los Angeles County Flood Control District	\$ 113,560,000	2.328 %	\$ 2,643,677
Newhall County Water District - I.D. No. 2 (Sewer and Water issues)	285,000	59.055-62.666	173,543
Santa Clarita Community College District	154,398,152	59.558	91,956,451
William S. Hart Union High School District	148,161,106	59.548	88,226,975
William S. Hart Union High School District - Community Facilities District No. 87-1	3,337,172	100.000	3,337,172
William S. Hart Union High School District - Community Facilities District No. 89-1	1,161,452	100.000	1,161,452
William S. Hart Union High School District - Community Facilities District No. 90-1	780,000	70.348	548,714
Los Angeles County Community College and Unified School Districts	7,510,080,000	0.0001	7,510
Castaic Union School District	11,929,067	21.840	2,605,308
Newhall School District	33,475,000	58.083	19,443,284
Saugus Union School District	91,923,679	69.242	63,649,794
Sulphur Springs Union School District	13,300,000	67.783	9,015,139
City of Santa Clarita Community Facilities District No. 2002-1	17,280,000	100.000	17,280,000
City of Santa Clarita 1915 Act Bonds	1,235,000	100.000	1,235,000
Los Angeles County Regional Park and Open Space Assessment District	304,235,000	2.299	6,994,363
Total Overlapping Tax and Assessment Debt			308,278,382
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Los Angeles County General Fund Obligations	1,084,851,959	2.299 %	24,940,747
Los Angeles County Pension Obligations	546,849,147	2.299	12,572,062
Los Angeles County Superintendent of Schools - Certificates of Participation	19,817,270	2.299	455,599
Los Angeles County Sanitation District No. 32 Authority	39,372,693	61.647	24,272,084
Los Angeles County Sanitation District No. 23 Authority	4,379,088	0.202	8,846
Santa Clarita Community College District - Certificates of Participation	28,675,000	59.558	17,078,257
William S. Hart Union High School District - Certificates of Participation	19,025,000	59.548	11,329,007
Castaic Union School District - Certificates of Participation	22,398,600	21.840	4,891,854
Newhall School District - Certificates of Participation	4,951,400	58.083	2,875,922
Saugus Union School District - Certificates of Participation	1,230,000	69.242	851,677
Sulphur Springs Union School District - Certificates of Participation	34,365,000	67.783	23,293,628
Los Angeles Unified School District - Certificates of Participation	395,744,823	0.0001	396
City of Santa Clarita - Certificates of Participation	30,545,000	100.000	30,545,000
Total Direct and Overlapping General Fund Debt			153,115,079

COMBINED TOTAL DEBT

\$ 461,393,461 (1)

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2006-07 Assessed Valuation

	Per Cent	Per Capita
Total Overlapping Tax and Assessment Debt.....	1.63%	\$1,740.13
Combined Direct Debt (\$30,545,000).....	0.16%	172.42
Combined Total Debt.....	2.47%	\$2,604.42

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/2007: \$0

Source: California Municipal Services

CITY OF SANTA CLARITA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

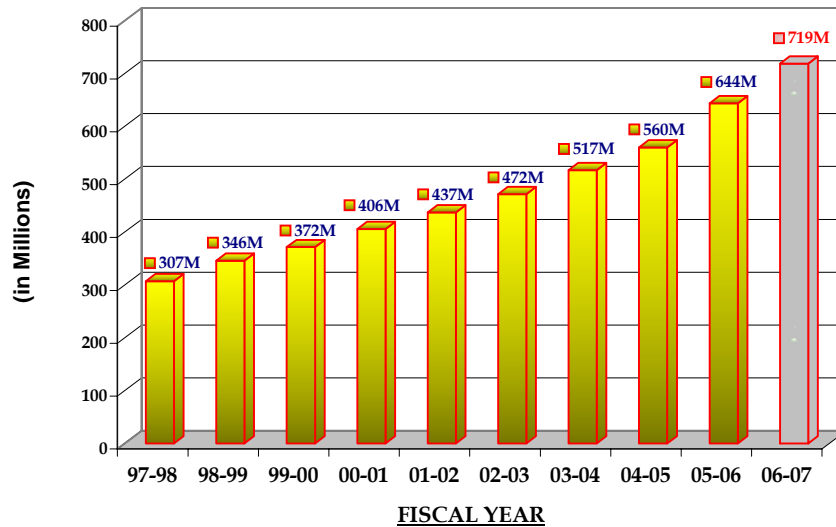
	FISCAL YEAR			
	06-07	05-06	04-05	03-04
Assessed valuation	\$ 19,177,131,442	\$ 17,160,386,817	\$ 14,937,115,985	\$ 13,795,632,501
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	4,794,282,861	4,290,096,704	3,734,278,996	3,448,908,125
Debt limit percentage	15%	15%	15%	15%
Debt limit	719,142,429	643,514,506	560,141,849	517,336,219
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	\$ 719,142,429	\$ 643,514,506	\$ 560,141,849	\$ 517,336,219
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					
02-03	01-02	00-01	99-00	98-99	97-98
\$ 12,583,305,723	\$ 11,656,956,307	\$ 10,820,315,726	\$ 9,907,996,392	\$ 9,216,023,170	\$ 8,191,428,804
25%	25%	25%	25%	25%	25%
3,145,826,431	2,914,239,077	2,705,078,932	2,476,999,098	2,304,005,793	2,047,857,201
15%	15%	15%	15%	15%	15%
471,873,965	437,135,862	405,761,840	371,549,865	345,600,869	307,178,580
-	-	-	-	-	-
\$ 471,873,965	\$ 437,135,862	\$ 405,761,840	\$ 371,549,865	\$ 345,600,869	\$ 307,178,580
0%	0%	0%	0%	0%	0%

LEGAL DEBT MARGIN
Last Ten Fiscal Years



CITY OF SANTA CLARITA

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	TRANSIT					COVERAGE
	TRANSIT REVENUES (1)	LESS OPERATING EXPENSES (2)	NET AVAILABLE REVENUES	DEBT SERVICE		
				Principal	Interest	
1997-98	\$ 10,817,708	\$ 9,015,434	\$ 1,802,274	\$ 1,118,140	\$ 246,650	12.62%
1998-99	10,906,892	9,268,960	1,637,932	754,667	287,604	9.56%
1999-00	12,108,910	10,217,313	1,891,597	950,317	351,533	10.75%
2000-01	21,469,569	11,636,514	9,833,055	1,005,753	445,170	6.76%
2001-02	25,041,599	12,582,811	12,458,788	759,571	228,698	3.95%
2002-03	15,714,048	13,167,728	2,546,320	808,137	192,799	6.37%
2003-04	24,171,361	13,693,876	10,477,485	852,372	135,063	4.09%
2004-05	35,677,983	14,037,109	21,640,874	317,312	102,395	1.18%
2005-06	22,041,436	17,242,035	4,799,401	332,993	86,230	1.90%
2006-07	19,468,288	19,033,240	435,048	349,449	69,388	2.15%

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

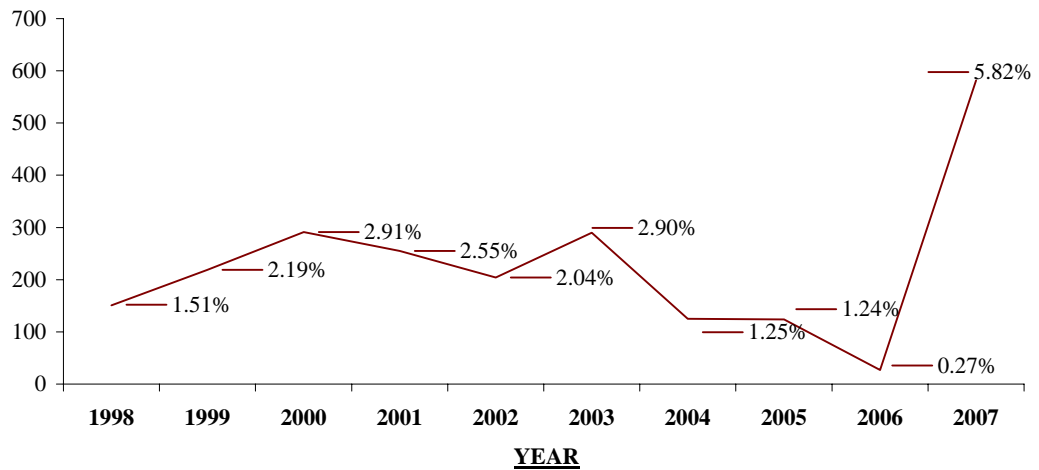
(2) Includes Transfers-out and Other expenses

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

CITY OF SANTA CLARITA
DEMOGRAPHIC and ECONOMIC STATISTICS
Last Ten Calendar Years

YEAR	CITY OF SANTA CLARITA POPULATION (1)	AVERAGE	LOS ANGELES	AVERAGE	PER	UNEMPLOYMENT RATE (3)
		ANNUAL PERCENTAGE INCREASE	COUNTY POPULATION (1)	ANNUAL PERCENTAGE INCREASE	CAPITA PERSONAL INCOME (2)	
1998	143,836	1.51%	9,225,788	0.86%	\$ 27,220	6.60%
1999	146,979	2.19%	9,330,116	1.13%	27,973	5.90%
2000	151,260	2.91%	9,487,409	1.69%	29,232	5.40%
2001	155,124	2.55%	9,653,900	1.75%	30,503	5.70%
2002	158,289	2.04%	9,817,400	1.69%	30,828	6.80%
2003	162,875	2.90%	9,966,200	1.52%	31,452	7.00%
2004	164,916	1.25%	10,107,451	1.42%	33,179	6.50%
2005	166,958	1.24%	10,166,417	0.58%	35,188	5.30%
2006	167,412	0.27%	10,245,572	0.78%	36,917	4.20%
2007	177,158	5.82%	10,331,939	0.84%	39,066 (4)	2.70%

CITY OF SANTA CLARITA
POPULATION -PERCENT CHANGE
Last Ten Years



- Sources: (1) State of California, Finance Department
(2) U.S. Department of Commerce, Bureau of Economic Analysis (BEA)
Personal Income and Unemployment rates are for the regional area, Los Angeles. The City of Santa Clarita's related information is not available.
(3) State of California, Department of Employment Development (EDD)
(4) Annual data is not available; average figures for first 10 months of the calendar year were utilized.

CITY OF SANTA CLARITA

PRINCIPAL EMPLOYERS ⁽¹⁾

Last Three Fiscal Years Ended June 30, 2007

EMPLOYER	2007		2006		2005	
	PERCENT		PERCENT		PERCENT	
	NUMBER of EMPLOYEES	of TOTAL EMPLOYMENT	NUMBER of EMPLOYEES	of TOTAL EMPLOYMENT	NUMBER of EMPLOYEES	of TOTAL EMPLOYMENT
Six Flag Magic Mountain	2,165	9.18%	3,878	19.09%	3,878	19.56%
Princess Cruises	2,100	8.90%	1,850	9.11%	1,577	7.95%
Henry Mayo Newhall Memorial Hospital	1,133	4.80%	1,355	6.67%	1,240	6.25%
H.R. Textron	845	3.58%	688	3.39%	662	3.34%
The Master's College	748	3.17%	741	3.65%	755	3.81%
Specialty Laboratories	725	3.07%	700	3.45%	670	3.38%
Arvato Services	586	2.48%	505	2.49%	474	2.39%
California Institute of Arts	500	2.12%	510	2.51%	515	2.60%
Aerospace Dynamics	420	1.78%	437	2.15%	435	2.19%
Fanfare Media Works	407	1.73%	407	2.00%	490	2.47%
Total	9,629	40.81%	11,071	54.50%	10,696	53.95%
All Others	13,963	59.19%	9,243	45.50%	9,131	46.05%
Total employment in Santa Clarita (1)	23,592	100.00%	20,314	100.00%	19,827	100.00%

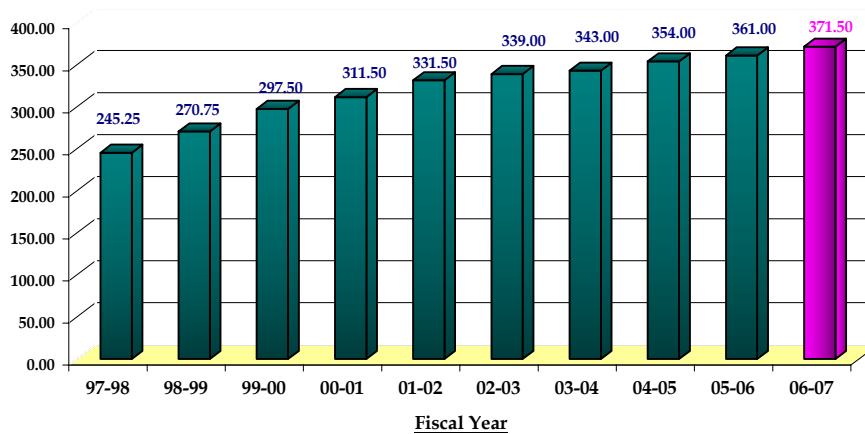
NOTE: (1) Non-governmental employers

Source: 2007 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									
	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00	98-99	97-98
General government	86.00	96.00	79.00	78.00	78.00	75.00	68.50	64.50	62.00	60.75
Public safety (1)	-	-	-	-	-	-	-	-	-	-
Public works	133.50	115.00	146.00	138.00	150.00	150.50	138.00	134.00	119.00	104.00
Community development	33.00	36.00	20.00	20.00	20.00	19.00	18.00	18.00	17.00	17.50
Parks and Recreation	108.00	106.00	101.00	99.00	84.00	80.00	80.00	73.00	65.75	56.00
Transit	11.00	8.00	8.00	8.00	7.00	7.00	7.00	8.00	7.00	7.00
Totals	371.50	361.00	354.00	343.00	339.00	331.50	311.50	297.50	270.75	245.25

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				
	06-07	05-06	04-05	03-04	02-03
Police:					
Parking citation issued (1)	4,587	6,042	5,960	5,040	3,893
Parking revenue collected	\$ 334,927	\$ 27,257	\$ 10,427	\$ 10,324	\$ 7,011
Public works:					
Street resurfacing (miles)	15.4	16.5	12.5	7.5	6.5
Parks and Recreation:					
Number of recreation classes	2,535	2,357	2,443	2,469	2,267
Number of facility rentals (times)	19,645	19,435	17,739	15,005	12,765
Transit:					
Number of customers served (2)	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

FISCAL YEAR				
01-02	00-01	99-00	98-99	97-98
3,674	3,322	NOT AVAILABLE		
\$ 6,239	\$ 5,762	NOT AVAILABLE		
6.5	6.5	5.5	5.5	4.0
1,929	1,874	1,479	1,534	1,350
11,505	10,245	8,985	8,500	7,924
2,991,605	2,964,613	2,384,919	2,235,079	2,185,360

CITY OF SANTA CLARITA
CAPITAL ASSET STATISTICS
by FUNCTION
Last Ten Fiscal Years

Function	FISCAL YEAR									
	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00	98-99	97-98
Public works:										
Streets (miles)	496	496	462	462	452	452	452	426	426	423
Street lights (1)	14,000	13,200	13,000	12,000	12,000	11,647	11,647	-	-	-
Traffic signals (City Jurisdiction)	166	167	165	158	151	141	134	129	118	112
Traffic signals (Joint-Jurisdiction)	4	5	5	4	2	2	2	-	-	-
Parks and recreation:										
Number of parks	19	18	17	16	16	15	13	12	12	11
Community centers	1	1	-	-	-	-	-	-	-	-
Transit:										
Stations	4	4	4	4	4	4	3	3	2	2

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 (200) and those are the 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