

City of SANTA CLARITA, California

Comprehensive Annual Financial Report

Fiscal Year ended June 30, 2014



City of Santa Clarita, California
Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

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



City of Santa Clarita

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City of
SANTA CLARITA

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December 22, 2014

Honorable Mayor, Mayor Pro Tem, and City Councilmembers:

The Comprehensive Annual Financial Report (CAFR) of the City of Santa Clarita for fiscal year ended June 30, 2014 is hereby submitted, in accordance with Chapter 2.12 of the City of Santa Clarita Municipal Code. This report provides the City Council and the public with an understanding of the financial condition of the City of Santa Clarita as of June 30, 2014.

This report consists of management's representations concerning the finances of the City of Santa Clarita. As such, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive framework of internal controls that is designed to protect the City's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City of Santa Clarita.

State Law requires the City to prepare an annual financial report. This report fulfills that obligation. McGladrey LLP, an independent firm of certified public accountants, has issued an unmodified ("clean") opinion on the financial statements of the City of Santa Clarita for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report. The CAFR has been prepared in conformity with Generally Accepted Accounting Principles (GAAP) and with the financial reporting requirements prescribed by the Governmental Accounting Standards Board (GASB). These reporting requirements specify that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis (MD&A). The MD&A, which immediately follows the independent auditor's report, complements this letter of transmittal and should be read in conjunction with it.



Also, as a recipient of federal and state financial assistance, the City is required to have a “Single Audit” performed by our independent audit firm. The Single Audit was designed to meet the special needs of the federal grantor agencies. The standards governing the Single Audit engagements require that the independent auditor report on the fair presentation of the financial statements and on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Reports.

CITY PROFILE

The City of Santa Clarita was incorporated on December 15, 1987 as a General Law City, and operates under a City Council/City Manager form of government. Located minutes from Bob Hope Airport in Burbank, Santa Clarita forms an inverted triangle with the Santa Susana and San Gabriel mountain ranges. Encompassing the communities of Canyon Country, Newhall, Saugus, and Valencia, Santa Clarita covers approximately 64.41 square miles. With a population of 209,130, the City is the 18th largest city in the State of California and the third largest in Los Angeles County. Santa Clarita residents enjoy an expansive year-round parks and recreation network, featuring 29 beautiful park facilities totaling more than 337 acres, over 7,900 acres of City-owned open space, and more than 96 miles of picturesque trails and paseos designed for commuting and recreational use, including walking, riding, jogging, and skating. With its unique blend of rural, old west heritage, and urban sophistication, this fast-growing City has established an enviable balance between quality living and growth.

In recent years, Santa Clarita has attracted regional and national sports events like the Amgen Tour of California, the inaugural Wings for Life World Run, and a variety of youth and adult sporting events. The City of Santa Clarita’s five City Councilmembers are elected at large to four-year overlapping terms, with elections held bi-annually. The position of Mayor is selected by the Councilmembers. The City Council is responsible, among other things, for passing ordinances, adopting the budget, setting policy, and appointing committees. The City Council appoints the City Manager, who is responsible for implementing the policies of the Council, overseeing the day-to-day operations of City government, and for appointing and managing the various Department Heads. The City Council also appoints the City Attorney.

The City provides, either directly or under contract, a full range of municipal services including public safety, construction, maintenance of streets and other infrastructure, public libraries, public works, parks and recreation, community development, and cultural events. The City also provides services through the Santa Clarita Public Financing Authority (PFA), which is a blended component unit of the City of Santa Clarita. The financial activities of this entity are included in this report, as their activities are under the control of the City. A separate component unit report for the Santa Clarita PFA is also available.

The City operates on a fiscal year basis which begins July 1 and ends June 30. The

City's Municipal Code requires the City Manager to prepare a budget and present it to the City Council each year. The budget process begins by January of each year and is carried out under the direction of the City Manager in cooperation with the various City departments. The proposed operating and capital budget is submitted by the City Manager to City Council for adoption by June 30, to take effect at the beginning of the fiscal year on July 1. Budgetary control for the City is maintained through its accounting systems. Once adopted, the budget may be amended throughout the year as necessary. Budgetary control is established at the category level within each fund.

LOCAL ECONOMY

The City of Santa Clarita is one of Southern California's most desirable places to live and to do business. City officials pride themselves on the organization's ability to balance the needs of locally based companies with those of the community, resulting in an unmatched quality of life.

We continue to see positive changes in the economy, such as a declining unemployment rate, an increase in sales tax revenues, and a recovering housing market. The City has a 100 percent track record for adopting a balanced, on-time budget, with ample reserves and contingency funds. Fiscal Year 2013-2014 was successful and stable for the City due to prudent fiscal planning.

Santa Clarita boasts one of the lowest unemployment rates in Los Angeles County at 5.3 percent, compared to 8.7 percent for Los Angeles County as of July 2014. Targeted employment sectors in Santa Clarita include aerospace, manufacturing, biomedical, entertainment, and technology. This past year we welcomed several new retailers to Westfield Valencia Town Center including Lorna Jane, Keene and H & M. Toppers Restaurant opened in Valencia and several new retailers opened in Old Town Newhall and at the Plaza at Golden Valley.

Retail vacancy rates continue to hold at a low 6.2 percent, the same is true for industrial vacancy rates, currently at 5.5 percent. The largest area of potential growth in the City continues to be in office space, which decreased to 10 percent in the 2nd Quarter of 2014 compared to 14 percent in the 2nd Quarter of 2013.

The City's Film Office enjoyed its best year ever since 2002 in Fiscal Year 2013-2014 with an economic impact of \$33.5 million to local businesses from location filming. Santa Clarita is home to more than 20 sound stages, 10 movie ranches, and hundreds of film-related businesses. Network television shows like "NCIS", "Switched at Birth", "Chasing Life", "Justified", "Wipeout", "Jennifer Falls", "Franklin and Bash", and "Utopia" are based in Santa Clarita and regularly film on location within the City.

Tourism continues to be one of the City of Santa Clarita's largest economic generators contributing more than \$2.8 million to the general fund from Transient Occupancy Tax (TOT) in Fiscal Year 2013-14. The fourth year of the Tourism Marketing District (TMD), a collaborative assessment program and partnership between the City and five

local hotels, grew upon previous success and collected over \$514,906 in support of increased marketing and promotion of Santa Clarita as a tourism destination. TMD dollars are a vital component of the area's continued attraction of events and visitors, which translates to dollars spent in the community and at local businesses. The following events are just a few that were attracted as part of the City's increased event attraction efforts: Cal South State Soccer Cup, California Super States Chess Championships, USSSA Baseball, Triple Crown Softball, NAIA Baseball National Championship, and the Bonspiel Curling Tournament.

The proposal to eliminate the California Enterprise Zone program was passed by the State Senate in June 2013, and as a result, the program's benefits will no longer be available in the Santa Clarita Valley beyond 2014. Since its inception in 1984, the Enterprise Zone program has provided hiring credits and tax breaks in economically distressed areas of the state to encourage business investment and promote the creation of new jobs. Santa Clarita was awarded an Enterprise Zone in 2007, received an expanded zone designation in 2011, has issued more than 12,800 vouchers, saving 500+ businesses more than \$479 million in taxes, resulting in thousands of people being hired into new jobs at local businesses.

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

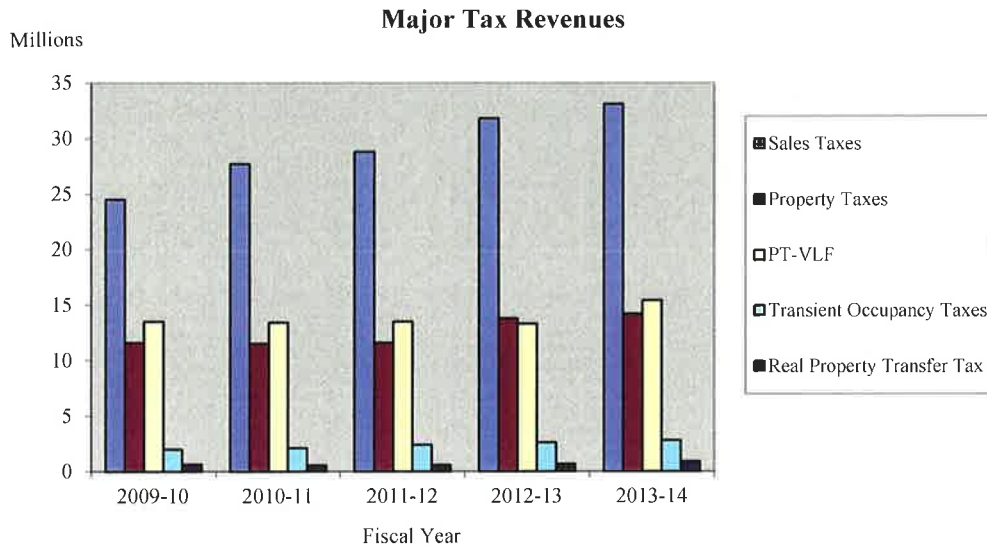
LONG -TERM FINANCIAL PLANNING

Santa Clarita is one of California's model cities, boasting the essential elements needed for well-balanced living and total well-being. Santa Clarita remains one of the safest cities in California among cities with populations exceeding 150,000. Santa Clarita is home to a well-educated population, with more than 70 percent of adults over age 25 and older having attained some college or higher, as compared to Los Angeles County, which averages 56.5 percent.

The City of Santa Clarita has experienced steady growth since its inception in 1987, and City officials work directly with the private and public sectors to attract new businesses to the Santa Clarita Valley. The City of Santa Clarita is focused on retaining existing companies and encouraging their growth within the City while working to attract new business, thereby creating new jobs for residents. Santa Clarita has set an aggressive goal of creating two jobs for every household, whereby providing an increased opportunity for residents to work close to home.

The continuing recovery in our economy has directly affected the City's revenue growth producing increases in property tax, sales tax, real property transfer tax and TOT.

Property tax in-lieu of Vehicle License Fee (PT-VLF) experienced growth in Fiscal Year 2013-14 due to annexations from 2012.



The City provides necessary funding for essential services for City Council and community identified priorities, while taking steps to ensure the City remains in good financial health. Annually, the City prepares extended forecasts for the General Fund to determine the future impact of current actions. These forecasts indicate a stable General Fund over the next few years, primarily due to projected marginal increases in sales, property taxes, and property taxes in lieu of VLF. However, because the City of Santa Clarita has practiced smart growth in successful financial times, the City is well prepared for times when revenue projections do not include growth.

The City maintains a General Fund balance sufficient to provide for various identified contingencies, as well as an established operating reserve. In addition, the General Fund contributes annually to the City’s facilities replacement fund, which provides for major maintenance and replacement of infrastructure and capital improvements. The City’s Capital Improvement Program (CIP) is a component of the annual budget process that addresses the City’s short- and long-term capital needs. Just as important, the CIP emphasizes a plan of action that effectively maintains the existing infrastructure to a sound physical standard, as well as providing new facilities to support current growth and complement new development.

MAJOR MILESTONES IN FISCAL YEAR 2013-2014

- ❖ In the last year, the City of Santa Clarita was named “one of the best places to live in the Country” by Livability.com. The City also received a prestigious Helen

Putnam Award from the League of California Cities for the City's Granada Villa Neighborhood Committee.

- ❖ The City of Santa Clarita continues to maintain historically low crime rates, maintaining its position as the 10th safest City in the nation according to the FBI. Santa Clarita's three-pronged approach - education, enforcement, and collaboration - has proved to be very successful. The Sheriff's Department's Zone program, in which deputies created specific geographical zones within the community, has been a key factor in addressing crime trends and areas to watch. Their responsibility is to monitor what is happening in their specific zone and help direct necessary resources as problems occur. They also share information in real time. The Graffiti Task Force removed 7,047 tags throughout the City, arrested 80 vandals, and collected restitution from vandals, which helped fund 68 beautification projects in areas where graffiti was removed.
- ❖ The City continues to work with the community, CEMEX, and State and Federal legislators to prevent a 56-million ton mega-mine in Soledad Canyon. Major milestones in the last year included Senator Feinstein's support and co-sponsorship of Federal legislation, which was supported by the State and saw a Senate hearing of the bill.
- ❖ The City of Santa Clarita's Film Office set new film records in Fiscal Year 2013-2014 with 1,370 film days representing an estimated \$33.5 million in local economic impact from location filming alone. The Santa Clarita Film Office recorded 1,370 film days and 531 permits, which represents an 28 percent increase in film days when compared to the City's previous record year in 2012-2013. The economic impact of local filming increased by 31 percent from 2012-2013 when the estimated economic impact was \$25,690,500.
- ❖ Santa Clarita continues to address the issue of teen drug use. In an effort to raise awareness about drug availability and use, the City continued to reach out to parents and families and provide assistance to those in need. The City's Drug Free Youth In Town (DFYIT) program continues to grow, with thousands of teens pledging to stay sober and engaged in meaningful, healthy activities. In the program's second year, membership increased by 47 percent and of those tested in random drug tests, 99 percent were drug-free. Most impressive, documented deaths from heroin overdose have decreased drastically, from 16 in 2012 to four in 2013.
- ❖ Maintaining the City's infrastructure and adding new amenities continues to be a focus for the City. In the last year, the City opened the Roundabout in Old Town Newhall, began construction on the widening of the bridge on McBean Parkway, began construction on phase three at Central Park to add two new sports fields and 170 parking spaces, completed the McBean Park and Ride Project adding 282 parking spaces, five bus bay platforms, public art and landscaping at the McBean Regional Transit Center.

- ❖ The Santa Clarita Public Library continues to thrive in its third year of operation. The three branches saw nearly 900,000 patron visits, issued 28,000 new library cards, circulated more than 1.4 million books and materials, and the Friends of Santa Clarita Public Library raised more than \$43,000 for Library materials and free programming.

The City completed the Sand Canyon and SR 14 beautification project, enhancing one of Santa Clarita's busiest eastern gateways with low-water use landscaping. The City also enhanced medians on Soledad Canyon Road, Sierra Highway, Via Princessa, Railroad Avenue and Golden Valley Road with low-water use landscaping.

- ❖ Santa Clarita remained one of Southern California's best event destinations, serving as the only City to host back-to-back starts of the Amgen Tour of California. The City also worked with community partners to host the Thursdays at Newhall event series, which includes Art Slam, J.A.M. Sessions, and Senses. The City's Cowboy Festival in April also enjoyed its largest attendance to date, in addition to strong media coverage locally, regionally and nationally in *Los Angeles Magazine*, the *Antelope Valley Press*, and *Westways*, among others.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Santa Clarita for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the 25th consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy GAAP and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the requirements of the GFOA Certificate of Achievement Program, and we are submitting it to GFOA to determine its eligibility for another certificate. The City also received a Certificate of Excellence Award from the Association of Public Treasurers of the United States and Canada for Santa Clarita's Investment Policy. The City annually submits its Investment Policy to the Association's Investment Policy Certification Committee for award consideration and has received the prestigious Certificate of Excellence Award for the past 19 years.

This report is a joint effort by many people from many different areas of responsibility. The preparation of this report could not have been accomplished without the hard work and team effort of the staff of the Finance Division, in particular, Finance Manager, Carmen Magana; Financial Analysts, Susan Crowsigt, Mary Ann Ruprecht, Jan Downey,

Paul Chung, Brittany Houston, Blanca Gomez; and General Accounting Specialist, Aruna Patel. I would like to express my appreciation to all members of the Division who assisted and contributed to its preparation. I would also like to thank the Mayor; Mayor Pro Tem; Councilmembers; City Manager, Ken Striplin; Assistant City Manager, Frank Oviedo; Director of Public Works, Robert Newman; Director of Community Development, Tom Cole; and Director of Parks, Recreation and Community Services, Rick Gould for their continuing efforts in administering the financial operations of the City in a conservative and responsible manner.

Sincerely,



Darren Hernández
Deputy City Manager

DH:cm



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Santa Clarita
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

**OFFICIALS OF THE CITY OF SANTA CLARITA
As of June 30, 2014**

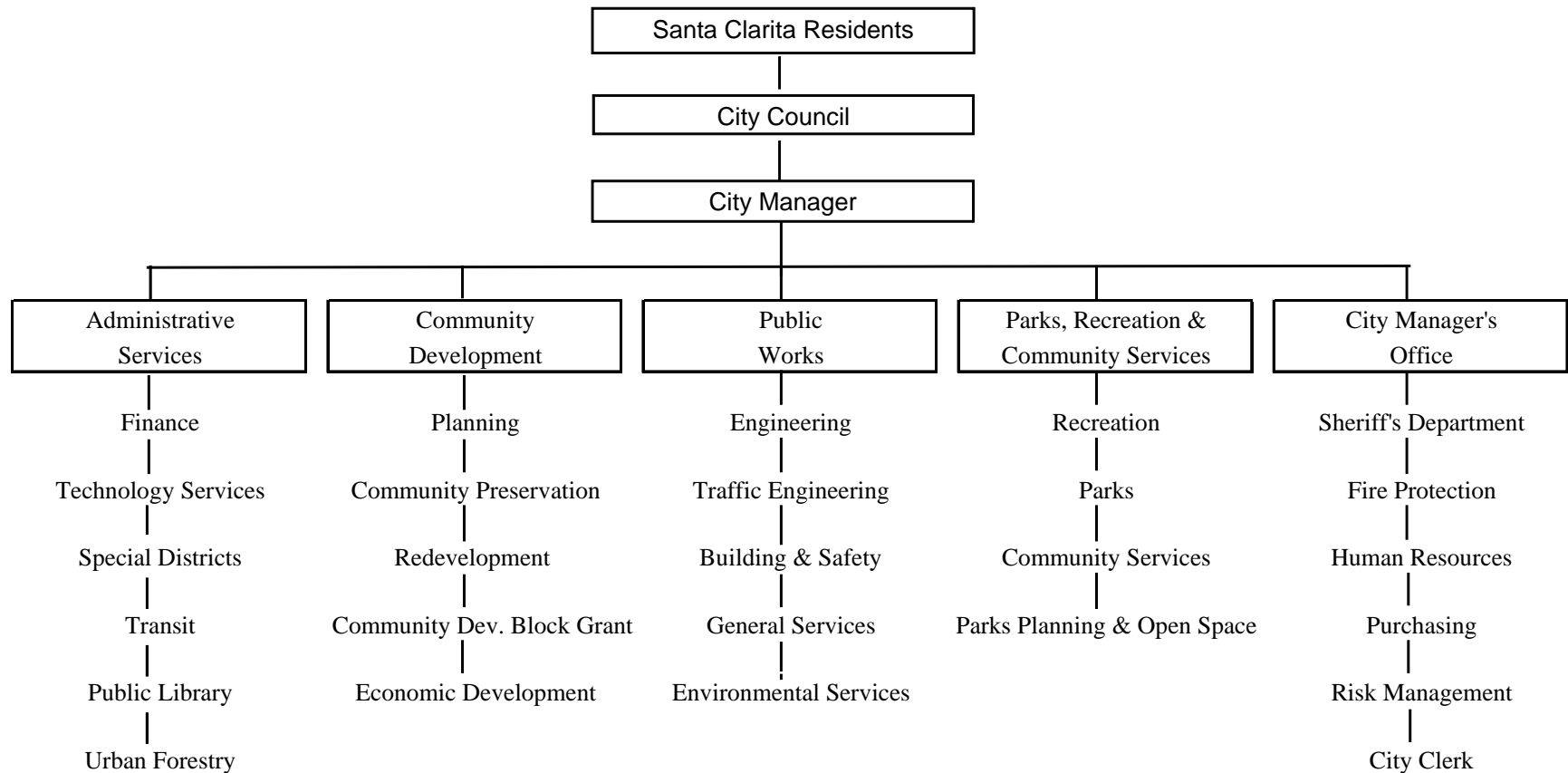
City Council

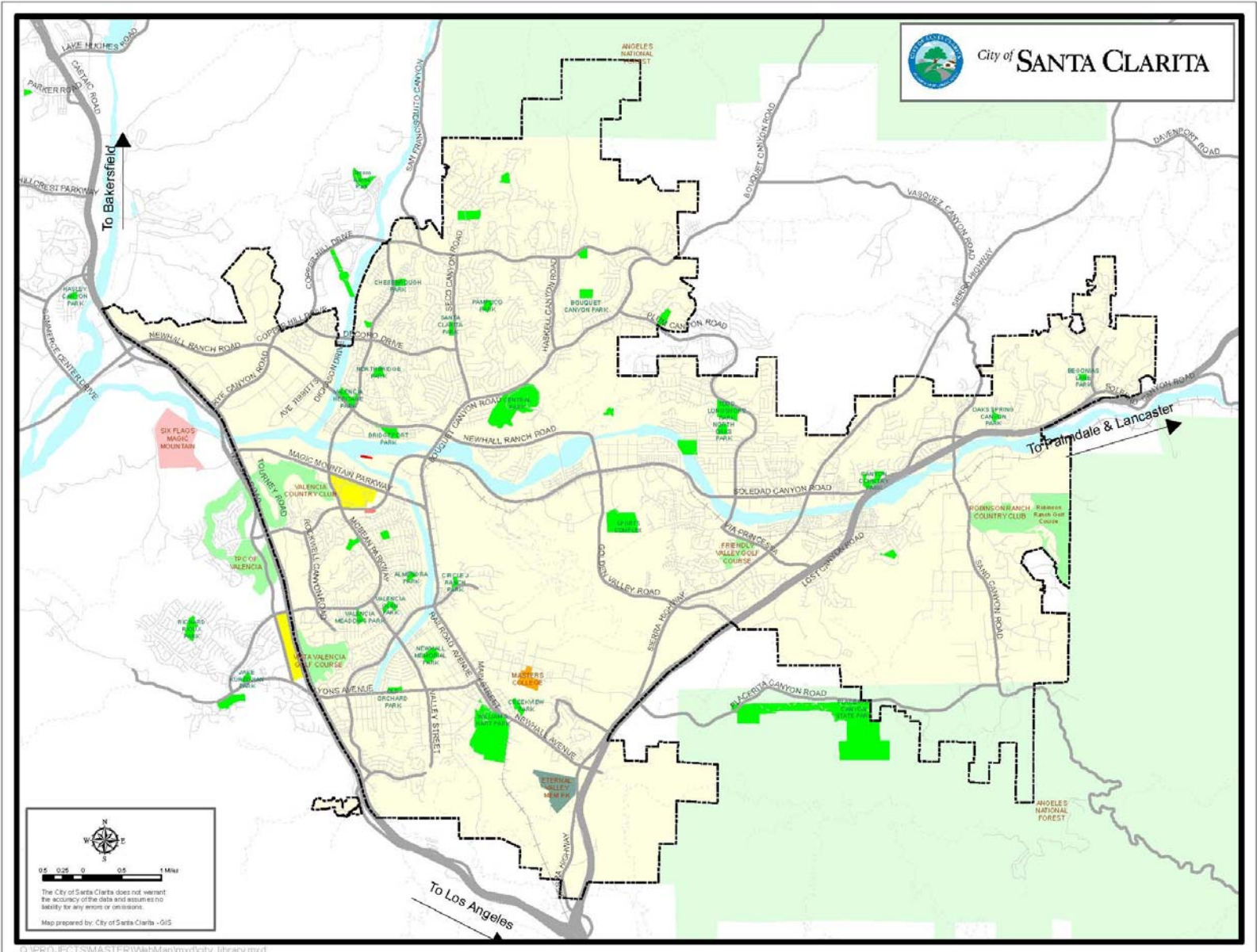
Laurene Weste	MAYOR
Marsha McLean	MAYOR PRO TEM
Bob Kellar	COUNCILMEMBER
TimBen Boydston	COUNCILMEMBER
Dante Acosta	COUNCILMEMBER

City Officials

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

City of Santa Clarita
ORGANIZATION CHART
As of June 30, 2014





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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Santa Clarita, California (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the beginning net position of the governmental activities has been restated to correct misstatements as of June 30, 2013. We also audited the adjustments described in Note 12 that were applied to restate the 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining non-major fund financial statements and schedules, and other information such as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

McGladrey LLP

Irvine, CA
December 22, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2014

This discussion and analysis of the City of Santa Clarita's (the City) financial performance provides an overview of the financial activities of the City for the fiscal year ended June 30, 2014. 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 \$1.04 billion. Of this amount, \$86.2 million represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors (Table 1).
- The City's total net position increased by \$40.4 million, net of prior year restatements. Net position of the business-type activities increased by \$6.2 million, or 7.8 percent, and the net position of the governmental activities increased by \$34.2 million, net of prior year restatements (Table 2).
- The net capital assets of the City's governmental activities increased by \$60.8 million, or 7.9 percent, over last fiscal year. The increase was in part due to a restatement totaling \$47.8 million for capital assets. This included \$48.5 million for infrastructure, land and site improvements that were annexed from Los Angeles County; a reduction of \$8.2 million for duplication of capital assets; and an increase of \$7.5 million for storm drain infrastructure not recorded at Governmental Accounting Standards Board (GASB) Statement No. 34 implementation. See Note 12 to the financial statements for additional information on the restatement.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$188.5 million. This represents an increase of \$30.0 million as compared to the prior year.

Within governmental funds, the General Fund reported a fund balance of \$108.9 million, an increase of \$14.6 million over the prior year.

USING THIS ANNUAL REPORT

The financial statements presented herein include all of the activities of the City of Santa Clarita and its component unit using the integrated approach as prescribed by GASB 34. The three components of the basic financial statements are as follows:

1) Government-Wide Financial Statements

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

See independent auditor's report.

USING THIS ANNUAL REPORT (CONTINUED)

2) Fund Financial Statements

The Fund Financial Statements include statements for each of the three categories of activities: governmental, proprietary and fiduciary. For governmental activities, these fund statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds and other funds.

3) Notes to the Basic Financial Statements

The notes provide additional information necessary to enable the user to fully understand the various financial statements.

In addition to the basic financial statements and notes, this report contains other supplementary information.

REPORTING THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position 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 Position 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 Position reports all of the City's assets and liabilities, with the difference between the two reported as *net position*. Net position is one way to measure the City's financial health or *financial position*. Over time, *increases or decreases* in the City's net position is 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 position changed during the fiscal year. All activities resulting in changes in net position are reported when earned or incurred, regardless of the receipt or disbursement of the related transaction's cash flows. Some of the revenues and expenses reported in this statement will result in future fiscal period cash flows, such as the receipt of uncollected taxes and the payment of interest expense or compensated absences.

In the Statement of Net Position and the Statement of Activities, we separate the City's 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, recreation and community services, and community development (planning and engineering). These activities are distinguished due to the use of property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues to finance these activities.

Business-Type Activities – City functions that are intended to be primarily self-supporting through the imposition of user fees and charges are reported in the business-type activity category. Business-type activities for the City consist of transit activities related to the operation of the City's local public transportation system.

See independent auditor's report.

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

Component Unit Activities – The City of Santa Clarita is the primary government unit to one legally separate entity. The financial activity and data of the Santa Clarita Public Financing Authority has 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 fund 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. Since the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by this integrated approach.

The City reports governmental fund financial information within 33 governmental funds. The General Fund, Bridge and Thoroughfare Fund, Public Library Fund and Landscape Maintenance District Fund are presented separately as major funds in the governmental fund balance sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances. Financial data for the remaining 29 governmental funds are combined into a single, aggregated presentation. Supporting financial information on each of the other governmental funds is also provided within the report.

Proprietary Funds – The City maintains two different types of proprietary funds. When the City charges customers for the services it provides, these services are generally reported in a type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, 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 three internal service funds to account for costs related to self-insurance, computer replacement and vehicle-equipment replacement.

Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position 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.

See independent auditor's 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 a separate Statement of Net Position (Deficit) and a Statement of Changes in Net Position (Deficit). 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 and pension and other post-employment benefits schedule of funding progress. This section is located after the Notes to Financial Statements.

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 in the Supplementary Information section.

THE CITY AS A WHOLE

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

The City's net position may be analyzed and used as an indicator of the City's overall financial condition. The City's combined net position increased by \$88.2 million, increasing from \$952.9 million to \$1.04 billion inclusive of prior year restatements.

See independent auditor's report.

THE CITY AS A WHOLE (CONTINUED)

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
ASSETS:						
Current and Other Assets	\$ 210,971,600	\$ 182,284,566	\$ 6,300,981	\$ 7,628,301	\$ 217,272,581	\$ 189,912,867
Capital Assets, net	830,373,009	817,323,716	83,296,545	76,561,407	913,669,554	893,885,123
Noncurrent Assets	21,254,919	15,561,487	-	-	21,254,919	15,561,487
TOTAL ASSETS	1,062,599,528	1,015,169,769	89,597,526	84,189,708	1,152,197,054	1,099,359,477
LIABILITIES:						
Noncurrent Liabilities	82,004,957	72,211,285	26,714	-	82,031,671	72,211,285
Other Liabilities	26,169,470	22,704,246	2,920,056	3,792,985	29,089,526	26,497,231
TOTAL LIABILITIES	108,174,427	94,915,531	2,946,770	3,792,985	111,121,197	98,708,516
NET POSITION:						
Net Investment in						
Capital Assets	799,926,613	786,025,874	83,296,545	76,561,407	883,223,158	862,587,281
Restricted	71,643,713	68,521,940	-	-	71,643,713	68,521,940
Unrestricted	82,854,775	65,706,424	3,354,211	3,835,316	86,208,986	69,541,740
TOTAL NET POSITION	\$ 954,425,101	\$ 920,254,238	\$ 86,650,756	\$ 80,396,723	\$ 1,041,075,857	\$ 1,000,650,961

The City's net position is made up of three components: Net Investment in Capital Assets, Restricted Net Position and Unrestricted Net Position.

As of June 30, 2014, assets exceeded liabilities by \$1.04 billion. The largest component of the City's net position, 84.8 percent, is represented by its \$883.2 million net investment in capital assets, less accumulated depreciation and any related outstanding debt used to acquire the capital 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 position, 6.9 percent, represents resources subject to external restrictions on how they may be used. The remaining 8.3 percent of unrestricted net position, \$86.2 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 position. Net position for governmental activities increased by \$81.9 million over the prior year. The increase was in part due to a restatement totaling \$47.8 million for capital assets. This included \$48.5 million for infrastructure, land and site improvements that were annexed from Los Angeles County; a reduction of \$8.2 million for duplication of capital assets; and an increase of \$7.5 million for storm drain infrastructure not recorded at GASB 34 implementation. The net result was an increase of \$34.2 million to net position. The unrestricted net position of the business-type activities decreased by \$481,105.

See independent auditor's report.

THE CITY AS A WHOLE (CONTINUED)

Governmental Activities

Revenues from governmental activities increased by \$17.9 million, or 11.2 percent, due in part to an increase in charges for services of \$10.1 million, an increase in property tax revenues of \$3.3 million, a \$2.1 million increase in investment income, and a \$1.4 million increase in sales tax revenue. The cost of all governmental activities this year was \$138.4 million, an increase of 5.9 percent over the past year. As shown in the Statement of Activities, the governmental activities expenditures were ultimately financed in part by the taxpayers, as \$52.6 million in revenues were generated by service revenues received from the performance of these activities; another \$19.4 million was received from government agencies and other organizations that subsidized certain programs with operating grants and contributions; and another \$22.5 million in revenues was generated from capital grants and contributions. Overall, the City's governmental program and general revenues amounted to \$178.2 million, which funded the expenditures and resulted in a \$34.2 million increase in net position excluding restatements.

**TABLE 2
CITY OF SANTA CLARITA'S CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Revenues:						
Charges for services	\$ 52,632,526	\$ 42,533,447	\$ 7,587,497	\$ 6,863,086	\$ 60,220,023	\$ 49,396,533
Operating grants and contributions	19,421,199	9,061,950	8,984,127	8,579,209	28,405,326	17,641,159
Capital grants and contributions	22,530,841	33,585,797	10,804,747	8,513,238	33,335,588	42,099,035
General Revenues:						
Taxes:						
Property taxes	35,652,080	32,341,369	-	-	35,652,080	32,341,369
Other taxes	45,092,120	42,553,327	-	-	45,092,120	42,553,327
Other:	2,890,482	227,806	4,791	29,660	2,895,273	257,466
Total Revenues	178,219,248	160,303,696	27,381,162	23,985,193	205,600,410	184,288,889
General government	41,807,284	35,921,943	-	-	41,807,284	35,921,943
Public safety	22,187,434	19,940,098	-	-	22,187,434	19,940,098
Public works	26,183,862	28,651,261	-	-	26,183,862	28,651,261
Parks, recreation and community services	22,550,301	21,809,820	-	-	22,550,301	21,809,820
Community development	6,193,101	7,214,293	-	-	6,193,101	7,214,293
Unallocated infrastructure depreciation	17,561,539	15,163,864	-	-	17,561,539	15,163,864
Interest and fiscal charges	1,872,832	1,992,574	-	-	1,872,832	1,992,574
Transit	-	-	26,819,161	25,653,753	26,819,161	25,653,753
Total Expenses	138,356,353	130,693,853	26,819,161	25,653,753	165,175,514	156,347,606
Increase/Decrease in Net Position Before Transfers	39,862,895	29,609,843	562,001	(1,668,560)	40,424,896	27,941,283
Transfers	(5,692,032)	(5,187,224)	5,692,032	5,187,224	-	-
Changes in Net Position	34,170,863	24,422,619	6,254,033	3,518,664	40,424,896	27,941,283
Net Position – Beginning of Year	920,254,238	872,614,046	80,396,723	76,878,059	1,000,650,961	949,492,105
Restatements	-	(18,052,147)	-	-	-	(18,052,147)
Net Position – Beginning of Year, as restated	920,254,238	854,561,899	80,396,723	76,878,059	1,000,650,961	931,439,958
Net Position – End of Year	954,425,101	878,984,518	86,650,756	80,396,723	1,041,075,857	959,381,241
Restatements	-	41,269,720	-	-	-	41,269,720
Net Position – End of Year, as restated	\$ 954,425,101	\$ 920,254,238	\$ 86,650,756	\$ 80,396,723	\$ 1,041,075,857	\$ 1,000,650,961

Business-Type Activities

Business-type activities increased the City's net position by \$6.3 million for the current year. Business-type activities revenues increased by \$3.4 million during the year for a total of \$27.4 million in revenues, not including the \$5.7 million of transfers in from other governmental activities. The increased revenue was largely due to an increase in capital grants and contributions. Federal Transit Administration grant funds for the purchase of buses totaled \$7 million. Related transit activity expenses increased by \$1.2 million.

See independent auditor's report.

THE CITY’S FUNDS

The governmental funds reported a combined fund balance at the end of the current fiscal year of \$188.5 million, an increase of \$30 million over the prior year. Approximately \$84.3 million is restricted and already committed for specific restricted purposes.

The total governmental fund balance includes the general fund balance of \$108.9 million, which increased by \$14.6 million over the prior year. The General Fund is the chief operating fund of the City of Santa Clarita. The fund balance increase of \$14.6 million is due in part to an increase in tax revenues of \$5.5 million.

The unassigned fund balance of \$45.7 million is available for spending at the City’s discretion. More detailed information about the City’s classification of fund balances are presented in Note 12 to the financial statements.

Other major fund balance changes are noted below:

- The Bridge and Thoroughfare Fund has realized a decrease of \$3 million from the prior year due primarily to a decrease in the issuance of Bridge and Thoroughfare credits to developers of \$3.3 million.
- The Public Library Fund has realized an increase of \$58,267 in its fund balance from the prior year.
- The Landscape Maintenance District’s fund balance increased \$2.4 million from the prior year due in part to an increase in assessment revenues of \$3.4 million.

In addition to the major funds, the fund balances for the other governmental funds experienced an aggregate increase of \$15.9 million. The Housing Successor Agency fund received a transfer of \$5 million in bond proceeds from the Successor Agency to the City’s former redevelopment agency as approved by the Department of Finance. The fund balance in the Transportation Development Act fund increased by \$5.2 million due to reimbursements for prior year project expenditures.

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 position for the Transit Enterprise Fund increased over the prior year by \$6.3 million, or 7.8 percent. The unrestricted portion of the business-type activities net position decreased by \$481,105 from the prior year.

The Internal Service Funds net position increased by \$492,173, or 6.1 percent. The ending fund balance for Internal Service Funds is \$8.6 million, of which \$8 million is unrestricted.

General Fund Budgetary Highlights

Comparison of the fiscal year 2013-2014 original (adopted) general fund budgeted expenditures and transfers of \$81.6 million to the final budgeted expenditures of \$86.3 million results in a net increase of \$4.7 million.

Included in this net increase is \$408,447 in committed purchase orders and contracts from the prior June 30 balance, as well as \$417,454 of prior fiscal year operating and capital improvement projects approved for carryover into fiscal year 2013-2014. The resulting beginning budget balance was equal to \$82.4 million.

Original Budget +	Cont. Appropriations +	Encumbrances =	Beg. Balance +	Supplemental Changes =	Final Budget
\$81,602,536 +	\$417,454 +	\$408,447 =	\$82,428,437 +	\$3,875,490 =	\$86,303,927

See independent auditor’s report.

THE CITY'S FUNDS (CONTINUED)

Comparing the beginning budget of \$82.4 million with the final budget of \$86.3 million indicates the General Fund had supplemental budgetary appropriations of \$3.9 million during the fiscal year. Included in the supplemental appropriations are the results of this year's budget review.

During the mid-year budget review, budgeted General Fund revenue had a net increase of \$4,049,776. Included in the net increase are a \$1,500,000 increase in sales tax, \$900,000 increase in development revenues, \$500,000 increase in property tax, \$118,000 increase in Franchise Fees, and \$100,000 in real property tax transfers revenue.

At year-end, the City's actual revenues were \$2.7 million more than the final budgetary estimates. Actual expenditures were less than the final budgetary estimates by \$8.3 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had \$913.7 million (net of accumulated depreciation) invested in a broad range of capital assets. This investment in capital assets includes land, buildings and related improvements, vehicles and equipment, and infrastructure (including infrastructure placed in service prior to July 1, 2002), such as streets, bridges, traffic signals, medians, sidewalks, trails, sewers, curbs and gutters, and drainage systems (see Table 3).

**TABLE 3
CITY OF SANTA CLARITA'S CAPITAL ASSETS (net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 125,250,547	\$ 125,250,547	\$ 15,087,880	\$ 15,087,880	\$ 140,338,427	\$ 140,338,427
Construction in progress	13,438,221	5,474,307	83,252	2,145,290	13,521,473	7,619,597
Infrastructure, net	609,950,994	604,144,548	-	-	609,950,994	604,144,548
Depreciable site improvements, net	26,079,903	26,242,465	10,570,218	6,297,027	36,650,121	32,539,492
Depreciable buildings and improvements, net	52,365,869	53,713,714	32,208,106	33,091,453	84,573,975	86,805,167
Depreciable equipment, net	3,287,475	2,498,135	25,347,089	19,939,757	28,634,564	22,437,892
TOTALS	\$ 830,373,009	\$ 817,323,716	\$ 83,296,545	\$ 76,561,407	\$ 913,669,554	\$ 893,885,123

Major capital asset events during the year included:

- Infrastructure additions totaling \$24.8 million that included \$11.4 million for pavement projects and \$6.3 million for median construction and refurbishments.
- A restatement of \$47.8 million in governmental activities capital assets. More detailed information about the restatement of capital assets is presented in Note 12 to the financial statements.
- Equipment additions in the Transit Enterprise Fund of \$8.9 million for buses.

Additional information on the City's capital assets can be found in Note 7 to the financial statements.

See independent auditor's report.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

At year-end, the City's total debt amounted to \$42.7 million in bonds, notes, capital leases, contracts, claims payable and compensated absences as shown in Table 4. A summary of debt activity for the year follows.

**TABLE 4
CITY OF SANTA CLARITA'S OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Refunding Certificates of Participation, net	\$ 9,323,138	\$ 10,480,549	\$ -	\$ -	\$ 9,323,138	\$ 10,480,549
Certificates of Participation	15,291,374	15,379,349	-	-	15,291,374	15,379,349
Lease Revenue Bonds	12,002,622	12,316,280	-	-	12,002,622	12,316,280
Contract and Leases	154,705	201,879	-	-	154,705	201,879
Loans	580,000	810,000	-	-	580,000	810,000
Compensated Absences	3,197,040	2,864,131	66,390	62,032	3,263,429	2,926,163
Claims Payable	2,157,763	1,114,117	-	-	2,157,763	1,114,117
TOTAL	\$ 42,706,642	\$ 43,166,305	\$ 66,390	\$ 62,032	\$ 42,773,031	\$ 43,228,337

The City's governmental activities had \$42.8 million in debt at year-end. Governmental activities long-term debt decreased overall by \$459,663 during the year. Principal payments totaled \$1.8 million. The increase in claims payable to \$2.2 million is in part due to a pending settlement of litigation and an increase in workers' compensation claims.

No new debt related to business-type activities was issued or refinanced during the current fiscal year.

During the fiscal year ended June 30, 2014, the City was able to meet its current year debt obligation in a timely manner. State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its adjusted assessed valuation. The debt limitation for the City as of June 30, 2014 was \$926,176,818. The calculation of the debt limitation is included in the statistical section.

Additional information on the City's debt can be found in Note 8 to the financial statements.

See independent auditor's report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Our long history of conservative and strategic budget practices has allowed the City to maintain a balanced budget during every year of the Great Recession without layoffs or drastic cuts in services. We continue to see signs of recovery in the economy, such as a declining unemployment rate, an increase in sales tax revenue, and a recovering housing market. General Fund revenues are back at pre-recession levels; however, it will take more time to recover our cumulative losses in revenues since the recession hit.

- General Fund sales tax revenue continues to be the largest revenue source to operate general governmental functions, accounting for 35.54 percent, or \$33.5 million, as projected in the 2014-2015 budget. This is 1.3 percent higher than 2013-2014 receipts.
- Property tax revenues account for 30.7 percent of the General Fund budget, or \$29 million, in 2014-2015. The County Assessor's office makes changes to the City's property tax roll daily to reflect transfers in ownership, new construction, assessment appeals, parcel splits and other dynamic changes.

Budgeted General Fund revenues for fiscal year 2014-2015 are \$90.3 million, and operating and capital expenditures are budgeted at \$90.5 million. The City's 2014-2015 operating and capital budget for all funds is \$223 million.

The City remains dedicated to service excellence, teamwork and creativity. City staff continues to do more with less, find creative ways to maintain services revered by our community and provide award-winning programs. The 2014-2015 budget remains to be a reflection of the City's commitment to the residents of Santa Clarita. This is consistent with the City's long tradition of ensuring that programming for Santa Clarita's youth and children is a priority to help promote growth and curb teen crimes. A copy of the City's 2014-2015 budget can be obtained by contacting the City Finance Division or visiting the web at www.santa-clarita.com/cityhall/departments/cmo/citybudget.

City of Santa Clarita

Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and investments	\$ 194,127,835	\$ 1,837,412	\$ 195,965,247
Receivables:			
Accounts, net	626,924	-	626,924
Interest	461,370	4,518	465,888
Taxes	8,661,773	-	8,661,773
Prepaid costs	568,894	241,098	809,992
Due from other governments	6,524,804	4,217,953	10,742,757
Total current assets	210,971,600	6,300,981	217,272,581
Noncurrent assets			
Restricted assets:			
Cash and investments	9,278,190	-	9,278,190
Cash and investments with fiscal agents	2,147,853	-	2,147,853
Loans receivable	2,424,977	-	2,424,977
Land held for resale	1,188,969	-	1,188,969
Notes to RDA Successor Agency	13,393,468	-	13,393,468
Allowance for doubtful accounts	(13,393,468)	-	(13,393,468)
Other post-employment benefits asset	6,214,930	-	6,214,930
Capital assets:			
Nondepreciable assets	138,688,768	15,171,132	153,859,900
Depreciable assets, net	691,684,241	68,125,413	759,809,654
Total noncurrent assets	851,627,928	83,296,545	934,924,473
Total assets	1,062,599,528	89,597,526	1,152,197,054
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	16,988,769	2,880,380	19,869,149
Interest payable	483,290	-	483,290
Deposits payable	3,168,883	-	3,168,883
Unearned revenues	603,859	-	603,859
Compensated absences	1,605,764	39,676	1,645,440
Claims and judgments	1,349,876	-	1,349,876
Bonds, loans and capital leases	1,969,029	-	1,969,029
Total current liabilities	26,169,470	2,920,056	29,089,526
Noncurrent liabilities			
Compensated absences	1,591,276	26,714	1,617,990
Claims and judgments	807,887	-	807,887
Bonds, loans and capital leases	35,382,810	-	35,382,810
Developer credits	44,222,984	-	44,222,984
Total noncurrent liabilities	82,004,957	26,714	82,031,671
Total liabilities	108,174,427	2,946,770	111,121,197
Net position			
Net investment in capital assets	799,926,613	83,296,545	883,223,158
Restricted	71,643,713	-	71,643,713
Unrestricted	82,854,775	3,354,211	86,208,986
Total net position	\$ 954,425,101	\$ 86,650,756	\$ 1,041,075,857

See Notes to Financial Statements.

City of Santa Clarita

Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental Activities:				
General government	\$ 41,807,284	\$ 31,970,148	\$ 6,172,495	\$ -
Public safety	22,187,434	1,847,403	552,440	201,710
Parks, recreation and community service	22,550,301	4,390,686	188,482	26,928
Public works	26,183,862	12,463,046	6,417,931	22,098,718
Community development	6,193,101	1,961,243	6,089,851	203,485
Unallocated infrastructure depreciation	17,561,539	-	-	-
Interest and fiscal charges	1,872,832	-	-	-
Total governmental activities	138,356,353	52,632,526	19,421,199	22,530,841
Business-Type Activities:				
Transit Enterprise	26,819,161	7,587,497	8,984,127	10,804,747
Total business-type activities	26,819,161	7,587,497	8,984,127	10,804,747
Total	\$ 165,175,514	\$ 60,220,023	\$ 28,405,326	\$ 33,335,588

General revenues

Taxes:

- Property taxes
- Sales taxes
- Franchise taxes
- Transient occupancy taxes
- Property transfer tax
- Motor vehicle in lieu - unrestricted
- Investment income
- Miscellaneous

Gain on sale of capital asset

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (3,664,641)	\$ -	\$ (3,664,641)
(19,585,881)	-	(19,585,881)
(17,944,205)	-	(17,944,205)
14,795,833	-	14,795,833
2,061,478	-	2,061,478
(17,561,539)	-	(17,561,539)
(1,872,832)	-	(1,872,832)
<u>(43,771,787)</u>	<u>-</u>	<u>(43,771,787)</u>
-	557,210	557,210
-	557,210	557,210
<u>(43,771,787)</u>	<u>557,210</u>	<u>(43,214,577)</u>
35,652,080	-	35,652,080
33,480,522	-	33,480,522
7,796,070	-	7,796,070
2,781,527	-	2,781,527
947,470	-	947,470
86,531	-	86,531
2,090,322	4,791	2,095,113
781,986	-	781,986
18,174	-	18,174
(5,692,032)	5,692,032	-
<u>77,942,650</u>	<u>5,696,823</u>	<u>83,639,473</u>
34,170,863	6,254,033	40,424,896
920,254,238	80,396,723	1,000,650,961
<u>\$ 954,425,101</u>	<u>\$ 86,650,756</u>	<u>\$ 1,041,075,857</u>

City of Santa Clarita

Balance Sheet
Governmental Funds
June 30, 2014

	<u>Special Revenue Funds</u>		
	General	Bridge and Thoroughfare	Public Library
Assets			
Cash and investments	\$ 98,311,598	\$ 11,466,395	\$ 765,929
Receivables:			
Accounts, net	488,495	13,440	-
Interest	253,201	25,996	1,738
Taxes	7,931,716	-	99,554
Loans	-	-	-
Notes to RDA Successor Agency	7,903,770	-	-
Allowance for doubtful accounts	(7,903,770)	-	-
Prepaid costs	91,630	-	59,465
Due from other governments	1,234,746	-	-
Due from other funds	2,274,080	-	-
Advances to other funds	11,427,513	-	-
Land held for resale	-	-	-
Restricted assets:			
Cash and investments	-	-	576,383
Cash and investments with fiscal agents	825,665	-	-
Total assets	\$ 122,838,644	\$ 11,505,831	\$ 1,503,069
Liabilities, deferred inflows of resources and fund balances (deficit)			
Liabilities			
Accounts payable and accrued liabilities	\$ 7,627,130	\$ 597,686	\$ 669,060
Deposits payable	3,168,883	-	-
Unearned revenues	603,859	-	-
Due to other funds	-	-	-
Advances from other funds	-	1,599,643	9,945,693
Total liabilities	11,399,872	2,197,329	10,614,753
Deferred inflows of resources			
Unavailable revenues	2,546,893	-	-
Total deferred inflows of resources	2,546,893	-	-
Fund balances (deficit)			
Nonspendable	11,519,143	-	-
Restricted	-	9,308,502	-
Committed	-	-	-
Assigned	51,718,096	-	-
Unassigned	45,654,640	-	(9,111,684)
Total fund balances (deficit)	108,891,879	9,308,502	(9,111,684)
Total liabilities, deferred inflow of resources and fund balances (deficit)	\$ 122,838,644	\$ 11,505,831	\$ 1,503,069

See Notes to Financial Statements.

City of Santa Clarita

Balance Sheet
Governmental Funds
June 30, 2014

	Special Revenue Funds		
	Landscape Maintenance District #1	Non-Major Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 30,456,752	\$ 42,803,428	\$ 183,804,102
Receivables:			
Accounts, net	46,173	75,405	623,513
Interest	69,432	87,787	438,154
Taxes	210,966	419,537	8,661,773
Loans	-	2,424,977	2,424,977
Notes to RDA Successor Agency	-	5,489,698	13,393,468
Allowance for doubtful accounts	-	(5,489,698)	(13,393,468)
Prepaid costs	336,882	20,604	508,581
Due from other governments	-	5,290,058	6,524,804
Due from other funds	-	-	2,274,080
Advances to other funds	-	117,823	11,545,336
Land held for resale	-	1,188,969	1,188,969
Restricted assets:			
Cash and investments	-	8,701,807	9,278,190
Cash and investments with fiscal agents	-	1,322,188	2,147,853
Total assets	\$ 31,120,205	\$ 62,452,583	\$ 229,420,332
Liabilities, deferred inflows of resources and fund balances (deficit)			
Liabilities			
Accounts payable and accrued liabilities	\$ 2,765,765	\$ 5,083,445	\$ 16,743,086
Deposits payable	-	-	3,168,883
Unearned revenues	-	-	603,859
Due to other funds	-	2,274,080	2,274,080
Advances from other funds	-	-	11,545,336
Total liabilities	2,765,765	7,357,525	34,335,244
Deferred inflows of resources			
Unavailable revenues	-	4,046,291	6,593,184
Total deferred inflows of resources	-	4,046,291	6,593,184
Fund balances (deficit)			
Nonspendable	336,882	270,114	12,126,139
Restricted	28,017,558	46,942,660	84,268,720
Committed	-	612,829	612,829
Assigned	-	3,412,127	55,130,223
Unassigned	-	(188,963)	36,353,993
Total fund balances (deficit)	28,354,440	51,048,767	188,491,904
Total liabilities, deferred inflow of resources and fund balances (deficit)	\$ 31,120,205	\$ 62,452,583	\$ 229,420,332

See Notes to Financial Statements.



City of Santa Clarita

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2014

Fund balances of governmental funds		\$ 188,491,904
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those capital assets consist of:		
Nondepreciable assets	\$ 138,688,768	
Depreciable assets, net of accumulated depreciation	<u>691,073,027</u>	829,761,795
Revenues reported as deferred inflows in the governmental funds do not provide current financial resources and are recognized in the Statement of Activities.		6,593,184
Other post-employment benefit assets are not available to pay for current-period expenditures and therefore are not reported in the governmental funds.		6,214,930
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Those long-term liabilities consist of:		
Lease revenue bonds	(12,002,622)	
Certificates of participation bonds	(24,614,512)	
Capital leases	(154,705)	
Loans payable	(580,000)	
Compensated absences	(3,194,786)	
Bridge and Thoroughfare developer payables	<u>(44,222,984)</u>	(84,769,609)
Accrued interest payable on long-term liabilities do not require the use of current financial resources and therefore are not reported in the governmental funds.		(483,290)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, and vehicle and computer replacement, to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		<u>8,616,187</u>
Net position of governmental activities		<u><u>\$ 954,425,101</u></u>

See Notes to Financial Statements.

City of Santa Clarita

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	<u>Special Revenue Funds</u>		
	General	Bridge and Thoroughfare	Public Library
Revenues			
Taxes	\$ 73,832,592	\$ -	\$ 5,143,664
Special assessments	-	-	-
Licenses and permits	5,366,972	-	-
Intergovernmental	208,313	-	-
Charges for services	8,801,042	-	75,000
Investment income	1,018,077	332,294	4,613
Fines and forfeitures	545,983	-	-
Developer fees	-	-	-
Other revenue	134,995	-	178,516
Total revenues	<u>89,907,974</u>	<u>332,294</u>	<u>5,401,793</u>
Expenditures			
Current:			
General government	14,211,854	-	4,680,637
Public safety	20,419,720	-	-
Parks, recreation and community service	20,319,194	-	-
Public works	11,566,617	179,262	-
Community development	5,461,356	-	-
Capital outlay	1,666,884	14,154,493	515,225
Debt service:			
Principal retirement	-	-	47,174
Interest and fiscal charges	-	171,598	95,352
Total expenditures	<u>73,645,625</u>	<u>14,505,353</u>	<u>5,338,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,262,349</u>	<u>(14,173,059)</u>	<u>63,405</u>
Other financing sources (uses)			
Transfers in	2,647,420	-	-
Transfers out	(4,355,191)	(75,807)	(5,138)
Issuance of district credits	-	11,297,334	-
Total other financing sources (uses)	<u>(1,707,771)</u>	<u>11,221,527</u>	<u>(5,138)</u>
Net change in fund balances	<u>14,554,578</u>	<u>(2,951,532)</u>	<u>58,267</u>
Fund balances (deficit), beginning of year	94,337,301	12,260,034	(9,169,951)
Fund balances (deficit), end of year	<u>\$ 108,891,879</u>	<u>\$ 9,308,502</u>	<u>\$ (9,111,684)</u>

See Notes to Financial Statements.

City of Santa Clarita

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	<u>Special Revenue Funds</u>		
	Landscape Maintenance District #1	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 837,266	\$ 472,138	\$ 80,285,660
Special assessments	22,690,306	10,062,299	32,752,605
Licenses and permits	-	-	5,366,972
Intergovernmental	-	34,147,421	34,355,734
Charges for services	-	527,935	9,403,977
Investment income	305,295	251,212	1,911,491
Fines and forfeitures	-	1,115,174	1,661,157
Developer fees	-	2,600,997	2,600,997
Other revenue	-	5,630,097	5,943,608
Total revenues	23,832,867	54,807,273	174,282,201
Expenditures			
Current:			
General government	12,765,907	4,635,807	36,294,205
Public safety	-	1,717,618	22,137,338
Parks, recreation and community service	-	178,914	20,498,108
Public works	-	12,639,986	24,385,865
Community development	-	723,907	6,185,263
Capital outlay	8,447,530	11,796,457	36,580,589
Debt service:			
Principal retirement	-	1,790,000	1,837,174
Interest and fiscal charges	-	1,618,596	1,885,546
Total expenditures	21,213,437	35,101,285	149,804,088
Excess (deficiency) of revenues over (under) expenditures	2,619,430	19,705,988	24,478,113
Other financing sources (uses)			
Transfers in	-	7,110,027	9,757,447
Transfers out	(204,113)	(10,884,249)	(15,524,498)
Issuance of district credits	-	-	11,297,334
Total other financing sources (uses)	(204,113)	(3,774,222)	5,530,283
Net change in fund balances	2,415,317	15,931,766	30,008,396
Fund balances (deficit), beginning of year	25,939,123	35,117,001	158,483,508
Fund balances (deficit), end of year	\$ 28,354,440	\$ 51,048,767	\$ 188,491,904

See Notes to Financial Statements.



City of Santa Clarita

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2014**

Net change in fund balances - total governmental funds \$ 30,008,396

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over the estimated useful lives as depreciation expense. The following were the amounts of capital outlay and depreciation expense in the current period:

Capital outlay	\$ 35,588,300	
Depreciation expense	(20,969,353)	
Disposal of capital assets	<u>(1,802,495)</u>	
		12,816,452

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. 646,892

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. There have been no issuances of debt in the current period, and the following were the amounts of repayment of long-term liabilities:

Changes in compensated absences	(336,604)	
Lease revenue bonds	310,000	
Certificates of participation bonds	1,250,000	
Capital leases	47,174	
Loans payable	230,000	
Amortization of premiums of long-term liabilities	3,658	
Amortization of discounts of long-term liabilities	<u>(4,614)</u>	
		1,499,614

The issuance of Bridge and Thoroughfare district credits provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position. Redemptions of district credits is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position. Issuance of district credits (11,297,334)

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. These expenses consist of the following:

Changes in interest payable for long-term liabilities	13,670	
Changes and amortization of other post-employment benefit asset	<u>(9,000)</u>	
		4,670

Internal service funds are used by management to charge the costs of certain activities, such as insurance, and vehicle and computer replacement, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

Change in net position of governmental activities	<u>492,173</u>
	<u><u>\$ 34,170,863</u></u>

City of Santa Clarita

Statement of Net Position
 Proprietary Funds
 June 30, 2014

	Business-Type Activities	Governmental Activities
	Transit Enterprise	Internal Service Funds
Assets		
Current assets		
Cash and investments	\$ 1,837,412	\$ 10,323,733
Receivables:		
Accounts	-	3,411
Interest	4,518	23,216
Prepaid costs	241,098	60,313
Due from other governments	4,217,953	-
Total current assets	6,300,981	10,410,673
Noncurrent assets		
Capital assets:		
Land	15,087,880	-
Construction in progress	83,252	-
Site improvements, net of accumulated depreciation	10,570,218	-
Building and improvements, net of accumulated depreciation	32,208,106	-
Equipment, net of accumulated depreciation	25,347,089	611,214
Total noncurrent assets	83,296,545	611,214
Total assets	89,597,526	11,021,887
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,880,380	245,683
Compensated absences	39,676	2,254
Claims and judgments	-	1,349,876
Total current liabilities	2,920,056	1,597,813
Noncurrent liabilities		
Compensated absences payable	26,714	-
Claims and judgments	-	807,887
Total noncurrent liabilities	26,714	807,887
Total liabilities	2,946,770	2,405,700
Net position		
Net investment in capital assets	83,296,545	611,214
Unrestricted	3,354,211	8,004,973
Total net position	\$ 86,650,756	\$ 8,616,187

See Notes to Financial Statements.

City of Santa Clarita

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2014

	Business-Type Activities	Governmental Activities
	Transit Enterprise	Internal Service Funds
Operating revenues		
Charge for services	\$ 6,780,221	\$ 3,105,691
Other revenues	807,276	-
Total operating revenues	<u>7,587,497</u>	<u>3,105,691</u>
Operating expenses		
Administration and personnel services	1,812,904	336,388
Transportation services	17,655,898	-
Services and supplies	2,156,401	2,369,477
Depreciation expense	5,101,973	167,136
Total operating expenses	<u>26,727,176</u>	<u>2,873,001</u>
Operating income (loss)	<u>(19,139,679)</u>	<u>232,690</u>
Nonoperating revenues (expenses)		
Intergovernmental revenue	8,984,127	-
Investment income	4,791	166,290
Gain (loss) on disposal of capital assets	(91,985)	18,174
Total nonoperating revenues (expenses)	<u>8,896,933</u>	<u>184,464</u>
Income (loss) before transfers and capital contributions	<u>(10,242,746)</u>	<u>417,154</u>
Transfers and capital contributions		
Transfers in	5,917,750	92,430
Transfers out	(225,718)	(17,411)
Capital contributions	10,804,747	-
Total transfers and capital contributions	<u>16,496,779</u>	<u>75,019</u>
Changes in net position	<u>6,254,033</u>	<u>492,173</u>
Net position		
Net position, beginning of year	80,396,723	8,124,014
Net position, end of year	<u>\$ 86,650,756</u>	<u>\$ 8,616,187</u>

See Notes to Financial Statements.

City of Santa Clarita

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities Transit Enterprise	Governmental Activities Internal Service Funds
Cash flows from operating activities		
Cash received from customers and users	\$ 6,780,221	\$ 3,102,280
Cash paid to suppliers for goods and services	(21,348,841)	(2,469,844)
Cash paid to employees for services	(1,123,414)	905,873
Cash received from other sources	807,276	-
Net cash provided by (used in) operating activities	(14,884,758)	1,538,309
Cash flows from non-capital financing activities		
Cash transfers out	(225,718)	(17,411)
Cash transfers in	5,917,750	92,430
Payment made to other funds	(1,738,468)	-
Intergovernmental revenues	8,481,126	-
Net cash provided by non-capital financing activities	12,434,690	75,019
Cash flows from capital and related financing activities		
Capital contributions	16,216,303	-
Acquisition and construction of capital assets	(11,929,096)	(381,803)
Net cash provided by (used in) capital and related financing activities	4,287,207	(381,803)
Cash flows from investing activities		
Interest received	273	182,281
Net cash provided by investing activities	273	182,281
Net increase in cash and cash equivalents	1,837,412	1,413,806
Cash and cash equivalents at beginning of year	-	8,909,927
Cash and cash equivalents at end of year	\$ 1,837,412	\$ 10,323,733
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (19,139,679)	\$ 232,690
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	5,101,973	167,136
(Increase) in accounts receivable	-	(3,411)
(Increase) in prepaid expense	(837)	(60,313)
Increase (decrease) in accounts payable	(850,573)	162,256
Increase in claims and judgments	-	1,043,646
Increase (decrease) in compensated absences	4,358	(3,695)
Total adjustments	4,254,921	1,305,619
Net cash provided by (used in) operating activities	\$ (14,884,758)	\$ 1,538,309
Non-cash investing, capital and financing activities		
Disposal of capital assets	\$ (91,985)	\$ 167,136

See Notes to Financial Statements.



City of Santa Clarita

Statement of Net Position (Deficit)

Fiduciary Funds

June 30, 2014

	Agency Funds	Private- Purpose Trust Fund RDA Successor Agency
Assets		
Cash and investments	\$ 1,000,192	\$ 1,612,236
Receivables:		
Interest	2,191	3,588
Taxes	1,595	-
Due from other governments	715,000	-
Land held for resale	-	1,011,031
Restricted assets:		
Cash and investments	-	3,494
Cash and investments with fiscal agents	1,761,828	1,165,418
Capital assets:		
Land	9,937,976	532,878
Site improvements, net of accumulated depreciation	-	99,279
Building and improvements, net of accumulated depreciation	90,300	-
Infrastructure, net of accumulated depreciation	-	3,977,737
Total assets	\$ 13,509,082	8,405,661
Liabilities		
Accounts payable	\$ -	4,743
Interest payable	-	418,524
Due to external parties	13,509,082	-
Bonds, due within one year	-	629,470
Bonds and notes, due in more than one year	-	48,521,272
Total liabilities	\$ 13,509,082	49,574,009
Net Position (Deficit)		
Trust deficit		(41,168,348)
Total net position (deficit)		\$ (41,168,348)

City of Santa Clarita

Statement of Changes in Net Position (Deficit)
 Fiduciary Funds
 For the Year Ended June 30, 2014

	Private- Purpose Trust Fund RDA Successor Agency
<hr/>	
Additions	
Property taxes	\$ 2,226,306
Investment income	11,758
Total additions	<u>2,238,064</u>
 Deductions	
Administrative expenses	79,605
Contractual services	10,109
Interest expense	1,732,199
Depreciation expense	90,160
Contributions to other governments	<u>5,056,509</u>
Total deductions	<u>6,968,582</u>
Changes in net position	(4,730,518)
 Net Position (Deficit)	
Trust deficit, beginning of year	<u>(36,437,830)</u>
Trust deficit, end of year	<u><u>\$ (41,168,348)</u></u>



City of Santa Clarita

Notes to Financial Statements For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Financial Reporting Entity*

These financial statements present the financial results of the City of Santa Clarita, California (the City) and its component unit as required by accounting principles generally accepted (GAAP) in the United States of America. Component units are legally separate entities for which the primary government is financially accountable. The City has one component unit, the Santa Clarita Public Financing Authority (the Authority). The City is considered to be financially accountable for the Authority, which is governed by the City Council, which serves as the Board of the Authority. Therefore, the entity is reported as a blended component unit with the City's comprehensive annual financial report (CAFR). The City and the component unit have a June 30 year-end.

The City was incorporated on December 15, 1987 as a general law city. The City operates under a council-manager form of government and provides its citizens with a full range of municipal services, either directly or under contract with the County of Los Angeles. Such services include public safety (police and fire protection), building permit/plan approval, planning, community development, recreation, animal control and street maintenance.

Component Unit

The Santa Clarita Public Financing Authority was established in July 1991 as a joint powers of authority between the City and the former redevelopment agency for the purpose of providing financing and funding of public capital improvements and the acquisition of property. The Authority's financial data and activity are reported within the debt service and capital projects fund types of the City. Separate financial statements for the Authority are not prepared.

B. *Government-Wide and Fund Financial Statements*

The City's government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the activities of the City. The effect of interfund activity has been removed from these statements, except for the interfund services provided and used. 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. Fiduciary activities of the City are not included in these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported 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 are reported as separate columns in the fund financial statements.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus

The government-wide financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, and deferred inflows and deferred outflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 in regard to interfund activities. All internal balances in the Statement of Net Position have been eliminated, except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to and from other funds
- Advances to and from other funds
- Transfers in and out

The City has conformed to the pronouncements of the GASB, which are acknowledged as the primary authoritative statements of GAAP in the United States of America applicable to state and local governments.

Governmental Fund Financial Statements

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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property and sales tax, and 90 days for all other revenues. Expenditures generally are recorded when a liability is incurred, as underaccrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and other post-employment benefits, and the redemption of district credits are recorded only when payment is due.

City of Santa Clarita

Notes to Financial Statements For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Basis of Accounting and Measurement Focus (Continued)*

Property taxes when levied for, taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, intergovernmental revenues when eligibility requirements are met, charges for services and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable only when cash is received by the City.

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 restricted district fees received from developers as set by the State Subdivision Law and the Los Angeles County and City of Santa Clarita, which are used for the construction of street, highway, bridge and other thoroughfare in the Bouquet Canyon, Eastside Canyon, Via Princessa and Valencia districts. This fund also accounts for the issuance and redemption of district credits associated with the contribution of infrastructure. At June 30, 2014, the Bridge and Thoroughfare Special Revenue Fund was elected as a major fund.

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

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

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) and deferred inflows and deferred outflows of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Operating revenues and expenses result from the operating and maintenance of the local public transit services. The operating revenues consist of charges to customers for the service provided. Operating expenses include the costs of providing these services, administrative expenses and depreciation expense. All revenues and expenses not meeting these definitions and which are not capital in nature are reported as non-operating revenues and expenses.

The City reports the following major enterprise fund:

The Transit Enterprise Fund is used to account for the operation of the City’s local public transit bus system.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position (Deficit) and a Statement of Changes in Net Position (Deficit). The fiduciary funds represent a private-purpose trust fund and agency funds. Fiduciary fund types are accounted for according to the nature of the fund. Agency funds are reported on the accrual basis of accounting and are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Private-purpose trust funds are reported using the “*economic resources*” measurement focus and the accrual basis of accounting.

The RDA Successor Agency Private Purpose Trust Fund is used to account for monies received from the L.A. County Auditor Controller for the repayment of the enforceable obligations of the former Santa Clarita Redevelopment Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule (ROPS).

The City reports the following agency funds:

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

The Assessment District No. 99-1 Fund is used to account for assets and liabilities held by the City as an agent and related to the debt service activity on no-commitment special assessment debt.

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

The Santa Clarita Watershed Recreation and Conservancy Authority is used to account for assets and liabilities held by the City as an agent and related to the park and open space lands for the Santa Clarita Watershed Recreation and Conservancy Authority (the Watershed Authority).

The Santa Clarita Public Television Authority is used to account for assets and liabilities held by the City as an agent and related to the operations of the Santa Clarita Public Television Authority (the SCPTA).

Fund Types Reported by the City

Additionally, the City reports the following fund types:

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

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

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

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

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

D. Cash and Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool that maintains the general characteristics of a demand deposit account.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale.

The unexpended bond proceeds of the District's bonds are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued. The City's cash and investments held by fiscal agents are pledged to the payment or security of certain long-term debt issuances. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of the bonds, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make.

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

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3)*, certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

E. Land Held for Resale

Land parcels held for resale are recorded at the lower of cost or fair value. The cost of the land includes all costs incurred that are directly associated with the acquisition of the land, including purchase price, escrow costs, clearing land for use costs, demolition costs, etc.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., current portion of interfund loans) or “advances from/to other funds” (i.e., noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

During the course of operations, numerous transactions occur between individual funds involving goods provided or services rendered. There are also transfers of revenues from funds authorized to receive the revenue to funds authorized to expend it. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as “transfers.”

G. Property Taxes

Property taxes and special assessment taxes are attached as enforceable liens on real property on July 1, the beginning of the fiscal year, and are due in two installments on November 1 and February 1; however, no penalties or interest are assessed until December 10 and April 10, respectively. These taxes are determined annually based on property values, subject to limits based on Proposition 13, as of January 1 of the levy year, which is prior to the end of the previous fiscal year. The County of Los Angeles bills and collects these taxes for the City and are remitted on a monthly basis. Remittance of property taxes to the City is accounted for in the City’s General Fund and Public Library Special Revenue Fund. Property taxes on certain registered motor vehicles are assessed and collected throughout the year.

H. Allowances for Uncollectible Accounts

Allowances for uncollectible accounts are maintained on customer and other trade receivables that historically experience uncollectible amounts. Allowances are based on collection experience and management’s evaluation of the current status of existing receivables.

I. Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These are accounted for using the consumption method, and accordingly, the expenditure is recorded in the period in which the goods or services are received.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets

Government-Wide Financial Statements, Proprietary Funds and Fiduciary Funds

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 and in the proprietary funds and fiduciary funds. General infrastructure assets consist of roads, curbs and gutters, sidewalks, medians, street trees, street signs, bus shelters, bridges, trails, traffic signals and storm drains/catch basins. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 (\$25,000 for site improvements and building improvements, and \$100,000 for infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

Governmental Fund Financial Statements

The governmental fund financial statements do not present capital assets. Instead, capital assets purchases are reported as capital outlay expenditures. As such, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.

K. Long-Term Debt

Government-Wide Financial Statements, Proprietary Funds and Fiduciary Funds

Long-term debt and other financed obligations, such as developer district credits, are reported as liabilities in the government-wide, proprietary fund and fiduciary fund financial statements.

Bond premiums, discounts, and deferred gains and losses on refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Deferred gains and losses on refundings are reported as a deferred inflow or deferred outflow of resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Debt (Continued)

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt and other financed obligations. Governmental funds recognize bond premiums and discounts during the period issued. The face amount of debt issued is reported as other financing sources. Principal payments and reductions in the obligation are reported as debt service expenditures. As such, long-term debt and other financed obligations are shown as reconciling items in the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation (compensated absences). For proprietary fund types and governmental activities, this accumulation is recorded as an expense and liability of the appropriate fund in the fiscal year earned. For the governmental funds, the amount of accumulated unpaid vacation, which is payable from available resources, is recorded as a liability of the fund when it has matured (i.e., when due and payable).

M. 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 include an estimate for incurred but not reported (IBNR) claims, is recorded in the Self-Insurance Internal Service Fund.

N. Net Position and Fund Balances

Government-Wide Financial Statements, Proprietary Funds and Fiduciary Funds

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows, and is classified into three categories:

Net Investment in Capital Assets – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets, and excludes unspent debt proceeds. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position.

Restricted – This amount represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties and enabling legislation, reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This amount represents the residual of amounts not classified in the other two categories and represents the net equity available for the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Net Position and Fund Balances (Continued)

Governmental Fund Financial Statements

In the governmental fund financial statements, fund balances are classified in the following categories:

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

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

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

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Deputy City Manager authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted to him through a resolution adopted by the City Council.

Unassigned – This includes the excess residual amounts in the General Fund, and the residual deficit of all other governmental funds, which have not been restricted, committed or assigned to specific purposes.

The City Council has approved an operating reserve to be used for one-time unanticipated expenditure requirements and local disaster. This reserve did not meet the qualifications of a stabilization arrangement. At June 30, 2014, the balance totaled \$13,100,000, which is included in the unassigned fund balance in the General Fund.

O. Spending Policy

Government-Wide Financial Statements and Proprietary Fund Financial Statements

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

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Spending Policy (Continued)

Governmental Fund Financial Statements

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

- Restricted
- Committed
- Assigned
- Unassigned

P. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements and the related reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

Q. Deferred Inflows of Unavailable Revenue and Unearned Revenue

Government-Wide Financial Statements

Unearned revenue represents money received during the current or previous years that has not been earned because certain performance criteria have not been met.

Fund Financial Statements

In addition to unearned revenue, deferred inflows of resources represent funds that have been earned but have not been received within the availability period. This does not provide an available financial resource in the current period; therefore, recognition is deferred until these criteria have been met.

R. Pronouncements Issued But Not Yet Adopted

The GASB has issued pronouncements that have an effective date subsequent to June 30, 2014, which may impact future financial presentations. Except as noted below, management has not currently determined what, if any, impact implementation of the following Statements may have on future financial statements of the City:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*: Effective for the City's fiscal year ending June 30, 2015. Management believes that there will be a significant impact on liabilities and net position when this Statement is implemented; however, the amount of the impact has not yet been determined.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*: Effective for the City's fiscal year ending June 30, 2015.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB Statement No. 68*: Effective simultaneously with GASB Statement No. 68.

2. CASH AND INVESTMENTS

A. Cash and Investments

Cash and investments at June 30, 2014 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 194,127,835	\$ 1,837,412	\$ 2,612,428	\$ 198,577,675
Restricted:				
Cash and investments	9,278,190	-	3,494	9,281,684
Cash and investments with fiscal agent	2,147,853	-	2,927,246	5,075,099
Total	<u>\$ 205,553,878</u>	<u>\$ 1,837,412</u>	<u>\$ 5,543,168</u>	<u>\$ 212,934,458</u>

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

2. CASH AND INVESTMENTS (Continued)

A. Cash and Investments (Continued)

Cash and investments consisted of the following at June 30, 2014:

Cash on hand and deposits:

Cash on hand	\$ 4,715
Deposits with financial institutions	421,409
Certificates of deposit	999,998
Total cash on hand and deposits	<u>1,426,122</u>

Investments:

U.S. Treasury Securities	31,505,217
U.S. Government-Sponsored Enterprise Securities	71,578,161
Commercial Paper	9,198,901
Medium-Term Notes	38,167,951
Money Market Funds	1,606,088
State of California Local Agency Investment Fund (LAIF)	43,599,682
L.A. County Pooled Investment Fund (LACPIF)	1,495,553
Total investments	<u>197,151,553</u>

Restricted investments:

Money Market Funds	<u>9,281,684</u>
Total restricted investments	<u>9,281,684</u>

Restricted investments with fiscal agent:

Money Market Funds	<u>5,075,099</u>
Total investments with fiscal agent	<u>5,075,099</u>
Total cash and investments	<u><u>\$212,934,458</u></u>

The carrying amounts of the City's deposits were \$1,426,122 at June 30, 2014. Bank balances before reconciling items were \$1,776,049 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

2. CASH AND INVESTMENTS (Continued)

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

The following table identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage or Amount of Portfolio*	Maximum Investment in One Issuer **
Local Agency Bonds	5 years	No Limit	No Limit
U.S. Treasury Obligations	5 years	No Limit	No Limit
State of California Obligations	5 years	No Limit	No Limit
California Local Agency Obligations	5 years	No Limit	No Limit
U.S. Government-Sponsored Enterprise Securities	5 years	No Limit	No Limit
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	No Limit
Repurchase Agreements	1 year	No Limit	No Limit
Medium-Term Notes	5 years	30%	No Limit
Money Market Funds	5 years	15%	10%
Mortgage Pass-Through Securities	5 years	20%	No Limit
Los Angeles County Pooled Investment Fund (LACPIF)	Not Applicable	No Limit	No Limit
State of California Local Agency Investment Fund (LAIF)	Not Applicable	\$ 50,000,000	No Limit

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

** Banker's acceptances may have no more than 30 percent in any one commercial bank, commercial paper may not represent more than 10 percent of the City's surplus funds for any single issuer, and money market mutual funds may have no more than 10 percent invested in any one mutual fund.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

2. CASH AND INVESTMENTS (Continued)

C. Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage or Amount of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	No Limit	No Limit
U.S. Government-Sponsored Enterprise Securities	5 years	No Limit	No Limit
Money Market Funds	5 years	15%	10%
State of California Local Agency Investment Fund (LAIF)	Not Applicable	\$ 50,000,000	No Limit

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

D. Disclosures Relating to Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years from the date of purchase.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary, to provide the cash flow and liquidity needed for operations.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

2. CASH AND INVESTMENTS (Continued)

D. Disclosures Relating to Interest Rate Risk (Continued)

At June 30, 2014, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)				
		Less Than 1	1 to 2	2 to 3	3 to 4	4 to 5
Investments:						
U.S. Treasury Securities	\$ 31,505,217	\$ 1,443,041	\$ 3,784,977	\$ 11,685,793	\$ 7,910,725	\$ 6,680,681
U.S. Government-Sponsored						
Enterprise Securities	71,578,161	16,931,602	13,583,620	14,122,489	15,510,744	11,429,706
Commercial Paper	9,198,901	9,198,901	-	-	-	-
Medium-Term Notes	38,167,951	8,192,058	2,436,050	8,406,168	10,825,682	8,307,993
Money Market Funds	1,606,088	1,606,088	-	-	-	-
LAIF	43,599,682	43,599,682	-	-	-	-
LACPFI	1,495,553	1,495,553	-	-	-	-
Total investments	197,151,553	82,466,925	19,804,647	34,214,450	34,247,151	26,418,380
Restricted Investments:						
Money Market Funds	9,281,684	9,281,684	-	-	-	-
Total restricted investments	9,281,684	9,281,684	-	-	-	-
Restricted Investments With Fiscal Agent:						
Money Market Funds	5,075,099	5,075,099	-	-	-	-
Total restricted investments with fiscal agent	5,075,099	5,075,099	-	-	-	-
Total investments subject to interest rate risk	\$ 211,508,336	\$ 96,823,708	\$ 19,804,647	\$ 34,214,450	\$ 34,247,151	\$ 26,418,380

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating, as reported by Standard & Poor's, as of year-end for each investment type:

Investment Type	Minimum Rating	Fair Value	Credit Ratings				
			AAA	AA	A	A-1	Unrated
Investments:							
U.S. Treasury Securities	None	\$ 31,505,217	\$ -	\$ 31,505,217	\$ -	\$ -	\$ -
U.S. Government-Sponsored							
Enterprise Securities	None	71,578,161	-	69,078,786	2,499,375	-	-
Commercial Paper	A-1	9,198,901	-	-	9,198,901	-	-
Money Market Funds	None	1,606,088	1,606,088	-	-	-	-
Medium-Term Notes*	A	38,167,951	6,871,832	9,698,556	11,770,682	-	9,826,881
LAIF	None	43,599,682	-	-	-	-	43,599,682
LACPFI	None	1,495,553	-	-	-	-	1,495,553
Total investments		197,151,553	8,477,920	110,282,559	23,468,958	-	54,922,116
Restricted Investments:							
Money Market Funds	None	9,281,684	-	-	-	-	9,281,684
Total restricted investments		9,281,684	-	-	-	-	9,281,684
Restricted Investments with Fiscal Agent:							
Money Market Funds	None	5,075,099	-	-	-	-	5,075,099
Total restricted investments with fiscal agent		5,075,099	-	-	-	-	5,075,099
Total investments subject to credit rate risk		\$ 211,508,336	\$ 8,477,920	\$ 110,282,559	\$ 23,468,958	\$ -	\$ 69,278,899

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

2. CASH AND INVESTMENTS (Continued)

E. Disclosures Relating to Credit Risk (Continued)

* Included in the medium-term notes is an investment in Lehman Brothers, which is not rated as of June 30, 2014. Lehman Brothers filed for Chapter 11 bankruptcy protection on September 15, 2008, and the company's assets are still in the process of being liquidated. The value of the investment reported is the amount the City estimates it will receive when the investment is redeemed. As of June 30, 2014, this amount is \$0.25 per \$1.00 of the original investment.

F. 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 percent or more of the City's total investments are as follows:

Issuer	Investment Type	Amount	% of Total Investments
Federal National Mortgage Association	U.S. Government-Sponsored Enterprise Securities	\$ 17,979,343	8.50%
Federal Home Loan Bank	U.S. Government-Sponsored Enterprise Securities	\$ 17,660,886	8.35%
Federal Home Loan Mortgage Corporation	U.S. Government-Sponsored Enterprise Securities	\$ 11,439,612	5.41%
Federal Farm Credit Bank	U.S. Government-Sponsored Enterprise Securities	\$ 9,494,437	4.49%

G. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk associated with investments that are uninsured, are not in the name of the City, or are held by counterparty or counterparty's trust department or agent but not in the City's name. In the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the counterparty is then unable to deliver securities that are in the possession of another party. As of June 30, 2014, none of the City's deposits or investments were exposed to custodial credit risk.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

2. CASH AND INVESTMENTS (Continued)

H. Investment in State Investment Pool

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each City may invest up to \$50,000,000 and may also invest without limitation in special bond proceeds accounts. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The City's investments with LAIF at June 30, 2014 included a portion of the pool funds invested in structured notes and asset-backed securities:

Structured Notes – Debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities – Generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations) or credit card receivables.

As of June 30, 2014, the City had \$43,599,682 invested in LAIF, which had invested 1.86 percent of the pool investment funds in structured notes and asset-backed securities. The LAIF fair value factor of 1.00029875 was used to calculate the fair value of the investments in LAIF from their amortized cost basis.

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

I. Investment in County Investment Pool

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

As of June 30, 2014, the City had \$1,495,553 invested in the LACPIF. The LACPIF fair value factor of 0.995612657 was used to calculate the fair value of the investments in the LACPIF from their amortized cost basis.

3. LAND HELD FOR RESALE

As of June 30, 2014, the City had \$1,188,969 of land held for resale, which is reported at fair value. There were no changes in fair value during the current year.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

4. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2014, including allowances for uncollectible accounts, is as follows:

	General Fund	Bridge and Thoroughfare	Landscape Maintenance District #1	Non-Major Governmental Funds	Total
Gross receivables	\$ 990,770	\$ 13,440	\$ 125,235	\$ 152,301	\$ 1,281,746
Less: allowance for uncollectibles	502,275	-	79,062	76,896	658,233
Net total receivables	<u>\$ 488,495</u>	<u>\$ 13,440</u>	<u>\$ 46,173</u>	<u>\$ 75,405</u>	<u>\$ 623,513</u>

5. LOANS RECEIVABLE

The City has provided deferred-payment rehabilitation loans to qualified homeowners in connection with CDBG and HOME rehabilitation programs. In the governmental funds, the loans receivable balance totaling \$2,424,977 at June 30, 2014 has been offset by deferred inflows of intergovernmental revenue in the non-major governmental funds, since these loans are not available to finance current expenditures.

6. NOTES TO RDA SUCCESSOR AGENCY

Prior to the dissolution of the former redevelopment agency, the General Fund and Developer Fees Special Revenue Fund advanced the former redevelopment agency \$7,884,071 and \$5,476,016, respectively, to provide funding for various redevelopment activities. These advances were made in the form of promissory notes and were transferred to the RDA Successor Agency upon dissolution. Due to the uncertainty of the collectability of the notes, an allowance for doubtful accounts has been recorded as of June 30, 2014. These allowances will remain in place until the State of California Department of Finance makes further determinations regarding the allowability of these items as enforceable obligations. The unpaid accrued interest of these notes is \$890,974 and \$169,812, respectively.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

7. CAPITAL ASSETS

A. Governmental Activities

The following is a summary of changes in the capital assets for governmental activities during the fiscal year ended June 30, 2014:

	Governmental Activities					Balance June 30, 2014
	Balance July 1, 2013	Adjustments*	Additions	Deletions	Transfers	
	Governmental activities:					
Non-depreciable assets:						
Land	\$ 116,387,179	\$ 8,863,368	\$ -	\$ -	\$ -	\$ 125,250,547
Construction in progress	5,474,307	-	17,875,316	(224,422)	(9,686,980)	13,438,221
Total non-depreciable assets	121,861,486	8,863,368	17,875,316	(224,422)	(9,686,980)	138,688,768
Depreciable assets:						
Site improvements	29,970,688	7,208,784	368,553	(165,018)	869,925	38,252,932
Building and improvements	68,312,313	-	18,354	-	133,971	68,464,638
Equipment	12,975,233	-	1,600,601	(1,953,241)	-	12,622,593
Infrastructure	837,210,574	35,247,546	16,125,453	(1,914,393)	8,683,084	895,352,264
Total depreciable assets	948,468,808	42,456,330	18,112,961	(4,032,652)	9,686,980	1,014,692,427
Less accumulated depreciation:						
Site improvements	(10,423,525)	(513,482)	(1,269,026)	33,004	-	(12,173,029)
Building and improvements	(14,598,599)	-	(1,500,170)	-	-	(16,098,769)
Equipment	(10,477,098)	-	(805,754)	1,947,734	-	(9,335,118)
Infrastructure	(265,261,948)	(3,051,624)	(17,561,539)	473,841	-	(285,401,270)
Total accumulated depreciation	(300,761,170)	(3,565,106)	(21,136,489)	2,454,579	-	(323,008,186)
Total depreciable assets, net	647,707,638	38,891,224	(3,023,528)	(1,578,073)	9,686,980	691,684,241
Total capital assets, net	\$ 769,569,124	\$ 47,754,592	\$ 14,851,788	\$ (1,802,495)	\$ -	\$ 830,373,009

* Adjustments were to restate capital assets as of June 30, 2013 (see Note 12).

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2014, as follows:

Governmental Activities:	
General government	\$ 1,008,027
Public safety	50,096
Public works	184,543
Parks, recreation and community service	2,159,993
Community development	5,155
Internal service funds depreciation	167,136
Allocated depreciation	3,574,950
Unallocated infrastructure depreciation	17,561,539
Total depreciation expense	<u>\$ 21,136,489</u>

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

7. CAPITAL ASSETS (Continued)

B. Business-Type Activities

The following is a summary of changes in the capital assets for business-type activities during the fiscal year ended June 30, 2014:

	Business-Type Activities				Balance June 30, 2014
	Balance July 1, 2013	Additions	Deletions	Transfers	
Business-type activities:					
Non-depreciable assets:					
Land	\$ 15,087,880	\$ -	\$ -	\$ -	\$ 15,087,880
Construction in progress	2,145,290	2,765,626	-	(4,827,664)	83,252
Total non-depreciable assets	<u>17,233,170</u>	<u>2,765,626</u>	<u>-</u>	<u>(4,827,664)</u>	<u>15,171,132</u>
Depreciable assets:					
Site improvements	7,413,201	-	-	4,747,181	12,160,382
Building and improvements	41,483,799	-	-	-	41,483,799
Equipment	45,109,127	9,163,470	(5,472,777)	80,483	48,880,303
Total depreciable assets	<u>94,006,127</u>	<u>9,163,470</u>	<u>(5,472,777)</u>	<u>4,827,664</u>	<u>102,524,484</u>
Less accumulated depreciation:					
Site improvements	(1,116,174)	(473,990)	-	-	(1,590,164)
Building and improvements	(8,392,346)	(883,347)	-	-	(9,275,693)
Equipment	(25,169,370)	(3,744,636)	5,380,792	-	(23,533,214)
Total accumulated depreciation	<u>(34,677,890)</u>	<u>(5,101,973)</u>	<u>5,380,792</u>	<u>-</u>	<u>(34,399,071)</u>
Total depreciable assets, net	<u>59,328,237</u>	<u>4,061,497</u>	<u>(91,985)</u>	<u>4,827,664</u>	<u>68,125,413</u>
Capital assets, net	<u>\$ 76,561,407</u>	<u>\$ 6,827,123</u>	<u>\$ (91,985)</u>	<u>\$ -</u>	<u>\$ 83,296,545</u>

Depreciation expense for business-type activities for the fiscal year ended June 30, 2014 was charged as follows:

Business-Type Activities:	
Transit Enterprise	<u>\$ 5,101,973</u>
Total depreciation expense	<u>\$ 5,101,973</u>

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

8. LONG-TERM DEBT

A. Governmental Activities

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2014:

	Balance			Balance June 30, 2014	Classification	
	July 1, 2013	Additions	Deletions		Due Within One Year	Due More Than One Year
Lease Revenue Bonds:						
Series 2007	\$ 12,230,000	\$ -	\$ (310,000)	\$ 11,920,000	\$ 325,000	\$ 11,595,000
Plus deferred amount for issuance premium	86,280	-	(3,658)	82,622	3,658	78,964
Total Lease Revenue Bonds	12,316,280	-	(313,658)	12,002,622	328,658	11,673,964
Certificates of Participation:						
Refunding, Series 2005	10,485,000	-	(1,160,000)	9,325,000	1,195,000	8,130,000
Series 2007	15,430,000	-	(90,000)	15,340,000	120,000	15,220,000
Less deferred amount for issuance discount	(55,102)	-	4,614	(50,488)	(4,614)	(45,874)
Total Certificates of Participation	25,859,898	-	(1,245,386)	24,614,512	1,310,386	23,304,126
Capital leases	201,879	-	(47,174)	154,705	49,985	104,720
Loans	810,000	-	(230,000)	580,000	280,000	300,000
Compensated absences	2,864,131	1,936,420	(1,603,511)	3,197,040	1,605,764	1,591,276
Claims and judgments	1,114,117	1,613,412	(569,766)	2,157,763	1,349,876	807,887
Total	\$ 43,166,305	\$ 3,549,832	\$ (4,009,495)	\$ 42,706,642	\$ 4,924,669	\$ 37,781,973

Lease Revenue Bonds – Series 2007

On January 16, 2007, the Authority issued \$13,785,000 Lease Revenue Bonds, Series 2007. The bonds were issued by the Authority for the purpose of financing the costs of acquiring right-of-way for a portion of Golden Valley Road in connection with the payment of a judicial order by the City. 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.

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 percent to 5.0 percent. Term bonds totaling \$2,495,000 mature on February 1, 2033 and bear interest at 4.3 percent. Term bonds totaling \$2,965,000 mature in February 2037 and bear interest at 4.375 percent. Interest is payable semi-annually on February 1 and August 1 of each year.

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

The total principal and interest remaining to be paid on the bonds is \$18,924,425 as of June 30, 2014. For the current year, principal and interest paid on the bonds was \$823,054 and was equal to the base lease payments as required to be paid to the Authority. The outstanding balance of the bonds was \$11,920,000 at June 30, 2014.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

8. LONG-TERM DEBT (Continued)

A. Governmental Activities (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 325,000	\$ 500,654	\$ 825,654
2016	335,000	487,654	822,654
2017	350,000	474,254	824,254
2018	365,000	460,254	825,254
2019	375,000	445,654	820,654
2020-2024	2,125,000	1,990,069	4,115,069
2025-2029	2,585,000	1,521,913	4,106,913
2030-2034	3,190,000	922,504	4,112,504
2035-2037	2,270,000	201,469	2,471,469
Total	<u>\$ 11,920,000</u>	<u>\$ 7,004,425</u>	<u>\$ 18,924,425</u>

Refunding Certificates of Participation – Series 2005

On July 12, 2005, the Authority issued \$17,700,000 in Certificates of Participation, with an average interest rate of 3.4 percent, to advance refund \$17,640,000 of outstanding 1997 Series certificates with an average interest rate of 4.9 percent. The defeased 1997 Series certificates have since been retired. The certificates are backed by lease payments to be made by the City to the Authority for the use and occupancy of certain real property.

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

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

The total principal and interest remaining to be paid on the bonds is \$10,640,375 as of June 30, 2014. For the current year, principal and interest paid on the bonds was \$1,528,085 and was equal to the base lease payments as required to be paid to the Authority. The outstanding balance of the bonds was \$9,325,000 at June 30, 2014.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

8. LONG-TERM DEBT (Continued)

A. Governmental Activities (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,195,000	\$ 329,359	\$ 1,524,359
2016	1,235,000	287,581	1,522,581
2017	1,280,000	242,769	1,522,769
2018	1,325,000	194,725	1,519,725
2019	1,375,000	143,241	1,518,241
2020-2021	2,915,000	117,700	3,032,700
Total	<u>\$ 9,325,000</u>	<u>\$ 1,315,375</u>	<u>\$ 10,640,375</u>

Certificates of Participation – Series 2007

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

This issuance is composed of \$6,000,000 serial certificates maturing annually on October 1 from 2011 to 2028 and two term certificates (totaling \$9,525,000) maturing on October 1, 2033 and October 1, 2037 that are payable in annual sinking fund installments commencing October 1, 2029. Interest on the certificates is payable semi-annually on October 1 and April 1 at rates ranging from 4.00 percent to 4.60 percent for the serial certificates and 4.75 percent for the term certificates.

The City has pledged the future special assessment revenues received to repay the Certificates. The Certificates are payable solely from all or a portion of the annual special assessment collected for the District. The total principal and interest remaining to be paid on the certificates is \$26,845,448 as of June 30, 2014. For the current year, principal and interest paid on the certificates was \$798,051 and total special assessment revenues were \$2,143,520. The outstanding balance of the certificates was \$15,340,000 at June 30, 2014.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

8. LONG-TERM DEBT (Continued)

A. Governmental Activities (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 120,000	\$ 703,851	\$ 823,851
2016	150,000	698,451	848,451
2017	185,000	691,751	876,751
2018	220,000	683,651	903,651
2019	255,000	674,151	929,151
2020-2024	1,855,000	3,170,164	5,025,164
2025-2029	3,030,000	2,633,710	5,663,710
2030-2034	4,535,000	1,755,956	6,290,956
2035-2038	4,990,000	493,763	5,483,763
Total	<u>\$ 15,340,000</u>	<u>\$ 11,505,448</u>	<u>\$ 26,845,448</u>

Loans

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year	Due in More Than One Year
HUD Loans:						
1999 West Newhall	\$ 310,000	\$ -	\$ (130,000)	\$ 180,000	\$ 180,000	\$ -
Boys & Girls Club	120,000	-	(23,000)	97,000	23,000	74,000
Scherzinger Lane	380,000	-	(77,000)	303,000	77,000	226,000
Total loans	<u>\$ 810,000</u>	<u>\$ -</u>	<u>\$ (230,000)</u>	<u>\$ 580,000</u>	<u>\$ 280,000</u>	<u>\$ 300,000</u>

In December 1999, the City entered into a loan agreement with the Secretary of Housing and Urban Development in the amount of \$2,000,000. The purpose of this loan was to provide financing for the installation of curbs, gutters and sidewalks in the West Newhall area. Payments are due semi-annually, commencing on August 1, 2001, and continuing through August 1, 2014. Future CDBG grant funding will be used to repay the loan. The interest rate on this loan is fixed at 7.49 percent. The amount outstanding at June 30, 2014 is \$180,000.

In August 2002, the City entered into a loan agreement with the Secretary of Housing and Urban Development in the amount of \$350,000. The purpose of this loan was to assist the Boys & Girls Club in financing the construction of a new gymnasium. Payments are due semi-annually, commencing on February 1, 2003 and continuing through August 1, 2017. Future CDBG grant funding will be used to repay the loan. The interest rate on this loan is fixed at 0.56 percent. The amount outstanding at June 30, 2014 is \$97,000.

In August 2002, the City entered into a loan agreement with the Secretary of Housing and Urban Development in the amount of \$1,150,000. The purpose of this loan was to provide financing for the construction of improvements to Scherzinger Lane. Payments are due semi-annually, commencing on February 1, 2003 and continuing through August 1, 2017. Future CDBG grant funding will be used to repay the loan. The interest rate on this loan is fixed at 0.56 percent. The amount outstanding at June 30, 2014 is \$303,000.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

8. LONG-TERM DEBT (Continued)

A. Governmental Activities (Continued)

Future payment requirements for the loans are combined as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 280,000	\$ 29,186	\$ 309,186
2016	100,000	21,335	121,335
2017	100,000	14,220	114,220
2018	100,000	8,605	108,605
Total	\$ 580,000	\$ 73,346	\$ 653,346

Capital Lease

On February 28, 2012, the City Council approved a lease-purchase agreement with One Source Financial Corp. for two seven-bin sorters for the Canyon Country and Valencia Library branches in the amount of \$251,455. The lease agreement has 60 monthly payments of \$4,825 with an interest rate of 6 percent. The final payment is due May 15, 2017. The lease was assigned by One Source Financial Corp. to Bank of the West.

The assets acquired through the capital lease are as follows:

Equipment	\$ 252,068
Less: Accumulated depreciation	(109,229)
Total	\$ 142,839

Future capital lease payment requirements are as follows:

Year Ending June 30,	Total
2015	\$ 57,900
2016	57,900
2017	43,425
Net minimum lease payments	159,225
Less: amount representing interest	4,520
Present value of net minimum lease payments	\$ 154,705

Compensated Absences

The City's liability for accrued and unpaid compensated absences in the governmental activities totaled \$3,197,040 at June 30, 2014. The majority of compensated absences are liquidated through the General Fund.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

8. LONG-TERM DEBT (Continued)

A. Governmental Activities (Continued)

Claims and Judgments

The City's liability for outstanding claims and judgments is \$2,157,763 at June 30, 2014 (see Note 17).

B. Business-Type Activities

Compensated Absences

The City's liability for accrued and unpaid compensated absences in the business-type activities at June 30, 2014 is as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year	Due in More Than One Year
Compensated absences	\$ 62,032	\$ 44,034	\$ (39,676)	\$ 66,390	\$ 39,676	\$ 26,714
Total	<u>\$ 62,032</u>	<u>\$ 44,034</u>	<u>\$ (39,676)</u>	<u>\$ 66,390</u>	<u>\$ 39,676</u>	<u>\$ 26,714</u>

9. DEPOSITS PAYABLE

The City collects deposits for a) improvements within the City; b) donations received for specified services; and c) deposits received in advance for recreation programs or other department services. These balances represent amounts that have been collected, for which the eligibility requirements for revenue recognition have not been met. As of June 30, 2014, deposits payable were as follows:

General Fund:

Deposits from developers	\$ 2,869,449
Other deposits payable	299,434
Total deposits payable	<u>\$ 3,168,883</u>

10. DEVELOPER CREDITS

The City and the County of Los Angeles have established the Santa Clarita Valley Bridge and Major Thoroughfare Districts to accommodate the needs of future development anticipated by the County of Los Angeles and the City of Santa Clarita General Plans. Included in the formation documents are provisions for district fees to be paid by developers, which are to be used to assist the City in constructing and maintaining the infrastructure within the areas of benefit. In lieu of paying the district fees, developers are allowed to donate infrastructure (roadways, bridges, intersections and interchanges) necessary for the future development of the districts. In certain cases, the developer may donate infrastructure with a value that exceeds the district fees required. If this occurs, the developer can receive a credit toward future district fees or can request a cash withdrawal of the excess amount, subject to City approval if funding is determined to be available.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

10. DEVELOPER CREDITS (Continued)

As of June 30, 2014, the City accrued a liability of \$44,222,984 for the value of infrastructure donated in excess of the district fees that were owed. There is no maturity schedule for the developer payables, and it has been determined that current financial resources will not be used to repay the liability; therefore, the liability has been recorded as a long-term obligation in the governmental activities in the Statement of Net Position.

The following is a summary of developer credits by district for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Bridge and Thoroughfare Districts:				
Bouquet District	\$ 13,280,489	\$ -	\$ -	\$ 13,280,489
Eastside District	4,139,246	11,232,074	(200,000)	15,171,320
Via Princessa District	-	200,000	-	200,000
Valencia District	15,505,915	65,260	-	15,571,175
Total	<u>\$ 32,925,650</u>	<u>\$ 11,497,334</u>	<u>\$ (200,000)</u>	<u>\$ 44,222,984</u>

11. INTERFUND TRANSACTIONS

A. Due To/Due From

At June 30, 2014, the City had the following short-term interfund receivables and payables:

	Due From Other Funds General
Due To Other Funds:	
Non-Major Governmental Funds	<u>\$ 2,274,080</u>
Total	<u>\$ 2,274,080</u>

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

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

11. INTERFUND TRANSACTIONS (Continued)

B. Advances

At June 30, 2014, the City had the following interfund advances:

	<u>Advances To Other Funds</u>		
	General	Non-Major Governmental Funds	Total
Advances From Other Funds:			
Major Governmental Funds:			
Bridge and Thoroughfare	\$ 1,481,820	\$ 117,823	\$ 1,599,643
Public Library	9,945,693	-	9,945,693
Total	<u>\$ 11,427,513</u>	<u>\$ 117,823</u>	<u>\$ 11,545,336</u>

In March 2006, the General Fund advanced the Bridge and Thoroughfare Special Revenue Fund \$430,000 for acquisition of land. The advance accrues interest at a rate equal to the yield of the average monthly investment portfolio and will be repaid with future available resources of the Bridge and Thoroughfare Special Revenue Fund. There is no fixed repayment schedule. At June 30, 2014, the amount of the advance outstanding is \$538,214.

In December 2007, the General Fund advanced the Bridge and Thoroughfare Special Revenue Fund \$3,000,000 to pay outstanding developer payables at the time. The advance accrues interest at a rate equal to the yield of the average monthly investment portfolio and will be repaid with future available resources of the Bridge and Thoroughfare Special Revenue Fund. There is no fixed repayment schedule. At June 30, 2014, the amount of the advance outstanding is \$943,606.

In July 2010, the Developer Fees Special Revenue Fund advanced the Bridge and Thoroughfare Special Revenue Fund \$111,242 for the design and construction costs of the Newhall Avenue Pedestrian, Facilities and Sidewalk project. The advance accrues interest at a rate equal to the yield of the average monthly investment portfolio and will be repaid with future available resources of the Bridge and Thoroughfare Special Revenue Fund. There is no fixed repayment schedule. At June 30, 2014, the amount of the advance outstanding is \$117,823.

The General Fund advanced the Public Library Special Revenue Fund a total of \$10,356,245, which consists of the following individual advances:

In November 2010, the General Fund advanced the Public Library Special Revenue Fund \$622,600 for the completion of the expansion of the Canyon Country Jo Anne Darcy Library. The advance accrues interest at a rate equal to the rate of return on investments and shall be repaid with future available resources of the Public Library Special Revenue Fund. At June 30, 2014, the principal amount of the advance of \$44,734 is outstanding.

In January 2011, the General Fund advanced the Public Library Special Revenue Fund \$93,040 for the purchase and installation of the integrated library system software. The advance accrues interest at a rate equal to the rate of return on investments and shall be repaid with future available resources of the Public Library Special Revenue Fund. At June 30, 2014, the principal amount of the advance of \$93,040 is outstanding.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

11. INTERFUND TRANSACTIONS (Continued)

B. Advances (Continued)

In March 2011, the General Fund advanced the Public Library Special Revenue Fund \$1,348,000 for the acquisition of opening-day library materials and library furnishings and equipment. The advance accrues interest at a rate equal to the rate of return on investments and shall be repaid with future available resources of the Public Library Special Revenue Fund. At June 30, 2014, the principal amount of the advance of \$1,348,000 is outstanding.

In May 2011, the General Fund advanced the Public Library Special Revenue Fund \$8,071,596 for the acquisition of library facilities, real property, personal property and collections from the County of Los Angeles. The advance accrues interest at a rate equal to the rate of return on investments and shall be repaid with future available resources of the Public Library Special Revenue Fund. At June 30, 2014, the principal amount of the advance of \$8,071,596 is outstanding.

In August 2011, the General Fund advanced the Public Library Special Revenue Fund \$388,323 for the acquisition of a radio frequency identification system and related software for the Santa Clarita Public Library. The advance accrues interest at a rate equal to the rate of return on investments and shall be repaid with future available resources of the Public Library Special Revenue Fund. At June 30, 2014, the principal amount of the advance of \$388,323 is outstanding.

C. Transfers

At June 30, 2014, the City had the following transfers:

	Transfers Out							Total
	General Fund	Bridge and Thoroughfare	Public Library	Landscape Maintenance District #1	Non-Major Governmental Funds	Transit Enterprise Fund	Internal Service Funds	
Transfers In:								
General Fund	\$ -	\$ 7,080	\$ 5,138	\$ 101,113	\$ 2,294,650	\$ 222,028	\$ 17,411	\$ 2,647,420
Non-Major Governmental Funds	4,262,761	68,727	-	103,000	2,671,849	3,690	-	7,110,027
Transit Enterprise	-	-	-	-	5,917,750	-	-	5,917,750
Internal Service Funds	92,430	-	-	-	-	-	-	92,430
Total	\$ 4,355,191	\$ 75,807	\$ 5,138	\$ 204,113	\$ 10,884,249	\$ 225,718	\$ 17,411	\$ 15,767,627

The General Fund made transfers to non-major governmental funds for operating and capital improvement projects for \$1,911,622 and current year debt service payments for \$2,351,139, totaling \$4,262,761. Transfers from the General Fund to the Self-Insurance Internal Service Fund of \$92,430 were for an insurance-related settlement.

The Bridge and Thoroughfare, Public Library, and Landscape Maintenance District #1 Special Revenue Funds, non-major governmental funds, Transit Enterprise Fund and Self-Insurance Internal Service Fund made transfers to the General Fund for current year post-employment benefits, totaling \$356,280.

The Bridge and Thoroughfare Special Revenue Fund made transfers to non-major governmental funds for operating and replacement costs for \$68,727.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

11. INTERFUND TRANSACTIONS (Continued)

C. Transfers (Continued)

The Landscape Maintenance District #1 Special Revenue Fund made transfers to the General Fund and the non-major governmental funds for operating and replacement costs for \$40,000 and \$103,000, respectively.

The non-major governmental funds made transfers to the General Fund for operating and replacement costs for \$2,101,140. Transfers from the non-major governmental funds to the Transit Enterprise Fund totaling \$5,917,750 were to transfer Proposition A and Proposition C non-operating revenues in the current year.

The Transit Enterprise Fund made transfers to the General Fund for \$150,000 to support senior center transit operations. Transfers to non-major governmental funds for \$3,690 were for the proportional share of Metrolink station maintenance.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

12. FUND BALANCES AND NET POSITION

A. Fund Balance Classification

The details of fund balance of the governmental funds as of June 30, 2014 are presented below:

	Major Governmental Funds					Total
	General Fund	Bridge and Thoroughfare	Public Library	Landscape Maintenance District #1	Non-Major Governmental Funds	
Nonspendable:						
Prepaid items	\$ 91,630	\$ -	\$ -	\$ 336,882	\$ 20,604	\$ 449,116
Property held for resale	-	-	-	-	249,510	249,510
Advances to other funds	11,427,513	-	-	-	-	11,427,513
Total nonspendable	11,519,143	-	-	336,882	270,114	12,126,139
Restricted:						
Landscape maintenance	-	-	-	28,017,558	4,351,403	32,368,961
Capital improvements	-	9,308,502	-	-	3,369,597	12,678,099
Transportation	-	-	-	-	13,817,352	13,817,352
Open space preservation	-	-	-	-	11,880,177	11,880,177
Public safety	-	-	-	-	651,434	651,434
Public library	-	-	-	-	157,301	157,301
Air quality improvement	-	-	-	-	267,816	267,816
Stormwater	-	-	-	-	5,957,999	5,957,999
Public education and government	-	-	-	-	1,114,017	1,114,017
Tourism marketing	-	-	-	-	429,720	429,720
Low- and moderate-income housing	-	-	-	-	4,945,844	4,945,844
Total restricted	-	9,308,502	-	28,017,558	46,942,660	84,268,720
Committed:						
Capital improvements	-	-	-	-	612,829	612,829
Total committed	-	-	-	-	612,829	612,829
Assigned:						
Sewer infrastructure	-	-	-	-	2,353	2,353
Capital projects	15,500,000	-	-	-	3,409,774	18,909,774
Claims and settlements	13,350,328	-	-	-	-	13,350,328
Public facilities replacement	22,867,768	-	-	-	-	22,867,768
Total assigned	51,718,096	-	-	-	3,412,127	55,130,223
Unassigned						
	45,654,640	-	(9,111,684)	-	(188,963)	36,353,993
Total fund balances	\$ 108,891,879	\$ 9,308,502	\$ (9,111,684)	\$ 28,354,440	\$ 51,048,767	\$ 188,491,904

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

12. FUND BALANCES AND NET POSITION (Continued)

B. Restricted Net Position

The detail of restricted net position of the governmental activities as of June 30, 2014 is presented below:

	<u>Governmental Activities</u>
Restricted net position:	
Landscape maintenance	\$ 32,368,961
Transportation	13,817,352
Open space preservation	11,880,177
Public safety	652,431
Public library	157,301
Community development	52,095
Air quality improvement	267,816
Stormwater	5,957,999
Public education and government	1,114,017
Tourism marketing	429,720
Low- and moderate-income	4,945,844
Total restricted net position	<u>\$ 71,643,713</u>

C. Net Position Restatements

Net position in the City's previously issued June 30, 2013 financial statements has been restated by \$47,754,592 due to adjustments to capital assets. The following corrections are the net result of capital assets that had not been properly reported at June 30, 2013. Beginning net position in the governmental activities has been restated as follows:

	<u>Governmental Activities</u>
Net position, as previously reported at June 30, 2013	\$ 872,499,646
Restate for duplication of capital assets from 2006 and 2007	(8,176,907)
Restate for storm drain infrastructure contributed to other agencies prior to 2013 and to record infrastructure not recorded at GASB 34 implementation	7,461,940
Restate for capital assets from annexations not recorded between 1991 and 2013	48,469,559
Net position, as restated at June 30, 2013	<u>\$ 920,254,238</u>

These changes had the effect of increasing the change in net position of the governmental activities by \$41,269,720 for the year ended June 30, 2013, as compared to the amount previously reported.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

13. DEFINED BENEFIT PENSION PLAN

A. Plan Description

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

B. Funding Policy

Participants hired before April 9, 2011 are required to contribute 8 percent of their annual covered salary. All participants in this tier make 3 percent of the required contributions, and the City makes 5 percent of the contributions required of City employees on their behalf and for their account. Participants hired on or after April 9, 2011, and before January 1, 2013, are required to contribute 7 percent of their annual covered salary. The employee makes the contributions required for their account. Participants hired on or after January 1, 2013 are required to contribute 6.25 percent of their annual covered salary. The employee makes the contributions required for their account. The City is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2014 was 13.3 percent for miscellaneous employees. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

C. Annual Pension Cost

For 2014, the City's annual pension cost of \$4,812,658 for CalPERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2011 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 23 years from the valuation date. The actuarial assumptions included (a) a 7.50 percent investment rate of return (net of administrative expenses); (b) projected annual salary increases of 3.30 percent to 14.20 percent, depending on age, service and type of employment; (c) an inflation rate of 2.75 percent; and (d) a payroll growth rate of 3.00 percent. 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 15-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 percent 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.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$ 5,186,634	100%	\$ -
6/30/2013	4,825,681	100%	-
6/30/2014	4,812,658	100%	-

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

13. DEFINED BENEFIT PENSION PLAN (Continued)

D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date available, the plan was 75.91 percent funded. The actuarial accrued liability for benefits was \$120.5 million, and the actuarial value of assets was \$91.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$29 million. The covered payroll (annual payroll of active employees covered by the plan) was \$26.7 million, and the ratio of the UAAL to the covered payroll was 108.7 percent.

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

14. POST-EMPLOYMENT HEALTH BENEFITS

A. Plan Description

The City has elected through resolution to provide healthcare benefits as a single-employer defined benefit plan to retirees, spouses and eligible dependents of the City. This plan provides post-employment medical insurance benefits through the CalPERS Health Plan (the Plan). A separate financial report is not issued.

B. Eligibility

City employees who have a service retirement from the City at age 50 with five or more years of City service are eligible to receive post-employment medical benefits. Employees who have a disability retirement are also eligible. Employees hired after January 1, 2008 are eligible for the PERS minimum. The City implemented a vesting schedule for employees who were hired before January 1, 2008, as follows:

<u>Years of Service</u>	<u>Vested Benefit</u>
Less than 5 years	PERS minimum
5 to 9 years	50% of Employee +1 rate
10 to 14 years	75% of Employee +1 rate
15 years and greater	100% of Employee +1 rate

As of June 30, 2014, the total participants in the Plan are as follows:

<u>Participants</u>	<u>Total</u>
Active employees	334
Retirees	67
Total	<u>401</u>

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

14. POST-EMPLOYMENT HEALTH BENEFITS (Continued)

C. Funding Policy

The City pays an allowance toward the healthcare benefits paid to retirees, spouses and eligible dependents under a City resolution that can be amended by the City Council. During fiscal year 2013-2014, the City contributed \$2,303,000 to the irrevocable OPEB Trust fund.

The City conducted an actuarial valuation to determine the City's obligation to fund other post-employment benefits (OPEB) and determined that it served the City's interests to prefund those benefits. In December 2011, the City Council approved Resolution 11-89 adopting the Public Agencies Post-Retirement Health Care Plan Document and Trust Agreement. The OPEB Trust is a tax-qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB as described in GASB Statement No. 45. The Plan Trustee is U.S. Bank, and Public Agencies Retirement Services (PARS) is the Trust Administrator. The City elected a discretionary investment approach with a blended investment objective strategy. The primary objective is to maximize total Plan return, subject to the risk and quality constraints established. The Plan's targeted rate of return is 7.0 percent. The asset allocation ranges for this objective are 0 percent to 20 percent cash source, 30 percent to 50 percent fixed income, and 50 percent to 70 percent equity.

For fiscal year 2013-2014, the City contributed, on an individual basis, for employees and retirees up to the following amounts:

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

D. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the City's OPEB asset for the Plan:

	<u>Total</u>
Annual required contribution	\$ 2,273,000
Interest on OPEB asset	(389,000)
Adjustment to annual required contribution	428,000
Annual OPEB cost (expense)	<u>2,312,000</u>
Contributions made outside of a trust	2,303,000
Decrease in OPEB asset	(9,000)
OPEB asset - beginning of year	<u>6,223,930</u>
OPEB asset - end of year	<u>\$ 6,214,930</u>

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

14. POST-EMPLOYMENT HEALTH BENEFITS (Continued)

D. Annual OPEB Cost and Net OPEB Obligation (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB asset as of June 30, 2014 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Contribution	% of Annual OPEB Cost Contributed	OPEB Asset (Obligation)
6/30/2012	\$ 2,979,000	\$ 20,343,105	682.9%	\$ 5,169,930
6/30/2013	1,625,000	2,679,000	164.9%	6,223,930
6/30/2014	2,312,000	2,303,000	99.6%	6,214,930

E. Funded Status and Funding Progress

As of the most recent actuarial valuation date on July 1, 2012, the Plan was 64.54 percent funded. The actuarial accrued liability for benefits was \$30.9 million, and the actuarial value of assets was \$19.9 million, resulting in a UAAL of \$10.9 million. The covered payroll (annual payroll of active employees covered by the Plan) was \$23.9 million, and the ratio of UAAL to the covered payroll was 45.86 percent.

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

F. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend rate. Amounts determined regarding the funded status of the Plan and the ARC are subject to continual revision, as actual results are compared with past expectations, and new estimates are made about the future.

In the July 1, 2012 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions include a 6.25 percent investment rate of return, which is based on the expected return on funds invested by PARS, and an annual healthcare cost trend rate of 8.70 percent initially and reduced by decrements of 0.6 percent to an ultimate rate of 5.0 percent thereafter. The actuarial assumption for inflation was 3.00 percent, and the aggregate payroll increase was 3.25 percent used in the actuarial valuation. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2012 was 26 years.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

15. INDIVIDUAL FUND DISCLOSURES

A. Deficit Fund Balances and Net Position

Funds that have a deficit fund balance at June 30, 2014 are as follows:

Fund	Deficit Fund Balance
Major Funds:	
Public Library Special Revenue Fund	\$ (9,111,684)
Non-Major Governmental Funds:	
Proposition A	(6)
BJA Law Enforcement Special Revenue Fund	(846)
Miscellaneous Grants Special Revenue Fund	(188,111)

The City plans to eliminate the deficit in the Public Library Special Revenue Fund with future property tax receipts. The non-major governmental fund deficits will be eliminated when the intergovernmental receivables are collected in future periods.

B. Expenditures in Excess of Appropriations

For the year ended June 30, 2014, expenditures exceeded appropriations in the following programs/functions (legal level of budgetary control) of the respective funds:

Funds	Appropriations	Expenditures	Excess Expenditures Over Appropriations
Non-Major Governmental Funds:			
Miscellaneous Grants Special Revenue Fund:			
Capital outlay	\$ 529,852	\$ 732,059	\$ (202,207)
Public Financing Authority Debt Service Fund:			
Interest and fiscal charges	1,589,192	1,589,277	(85)

16. DEFERRED COMPENSATION PLAN/DEFINED CONTRIBUTION PLAN

The City has established deferred compensation/defined contribution plans for certain classifications of management under IRC Section 401(a). City participation in contributions to the plans is mandatory. The City is obligated to contribute amounts ranging from \$2,000 to \$17,500 per participant per year. Employee contributions to certain plans are voluntary. During the year ended June 30, 2014, there were 759 participants in the plans. The City's contributions totaled \$185,939, and employees' contributions totaled \$1,962,186.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

17. SELF-INSURANCE

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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. The City's workers' compensation coverage is also administered by SDRMA. The City is self-insured for workers' compensation up to \$250,000, but has purchased coverage through SDRMA for individual claims exceeding \$250,000 up to a maximum of \$5,000,000.

The annual member contribution is \$564,719 for the property/liability program and the workers' compensation program (based on estimated wages). Members are subject to dividends and assessments, but no such dividends have been declared, nor have any assessments been levied for the year ended June 30, 2014. Additionally, there are no known refunds or credits due to SDRMA.

At June 30, 2014, \$50,000 was accrued by the City for general liability claims, and \$2,107,763 was accrued for workers' compensation claims and judgments. These accruals represent estimates of amounts to be paid for incurred and reported claims, as well as IBNR claims based upon past experience and modified for current trends and information.

Changes in the reported claims liability since June 30, 2012 resulted in the following:

Claims liability as of June 30, 2012	\$ 140,545
Claims and changes in estimates during the year ended June 30, 2013	1,460,834
Claims and payments during the year ended June 30, 2013	<u>(487,262)</u>
Claims liability as of June 30, 2013	1,114,117
Claims and changes in estimates during the year ended June 30, 2014	1,613,412
Claims and payments during the year ended June 30, 2014	<u>(569,766)</u>
Claims liability as of June 30, 2014	<u><u>\$ 2,157,763</u></u>

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, 2014.

SDRMA has published its own financial report for the year ended June 30, 2013, which can be obtained from SDRMA, 1112 I Street, Suite 300, Sacramento, California 95814.

18. NON-COMMITMENT DEBT

A. 1915 Act Limited Obligation Improvements Bonds

On July 24, 1996, \$879,432 of 1915 Act Limited Obligation Improvement Bonds (1915 Golden Valley Road Bonds) for the Golden Valley Road Improvement Assessment District (the Golden Valley Assessment District) were issued. The 1915 Golden Valley Road Bonds are not a general obligation of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. The source of the debt service is from the property assessments within the Golden Valley Assessment District. The principal amount of debt outstanding at June 30, 2014 was \$385,000.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

18. NON-COMMITMENT DEBT (Continued)

B. 1915 Act Limited Obligation Improvements Bonds

On January 27, 2000, \$790,000 of 1915 Act Limited Obligation Improvement Bonds (1915 Vermont Drive/Everett Drive Bonds) for the Vermont Drive/Everett Drive Improvement Assessment District (the Vermont/Everett Assessment District) were issued. The 1915 Vermont Drive/Everett Drive Bonds are not a general obligation of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. The source of the debt service is from the property assessments within the Vermont/Everett Assessment District. The principal amount of the debt outstanding at June 30, 2014 was \$470,000.

C. 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 Community Facilities District). On October 12, 2012, these bonds were refunded with the issuance of Community Facilities District No. 2002-1 (Valencia Town Center) Special Tax Refunding bonds for \$16,485,000. The Special Tax Refunding bonds are not a general obligation of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. The source of the debt service is from the property assessments within the Community Facilities District. The principal amount of the debt outstanding at June 30, 2014 was \$16,210,000.

19. SANTA CLARITA WATERSHED RECREATION AND CONSERVANCY AUTHORITY

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

The City performs administrative functions for the Watershed Authority. As a result, the Watershed Authority is reported as an agency fund in these financial statements. The Watershed Authority may request the City to make annual contributions. For the year ended June 30, 2014, the City did not make any contributions. Separate financial statements for the Santa Clarita Watershed Recreation and Conservancy Authority can be obtained from the City's administrative offices at 23920 Valencia Boulevard, Santa Clarita, CA 91355.

20. SANTA CLARITA PUBLIC TELEVISION AUTHORITY

In July 2009, the City entered into a joint powers agreement with the William S. Hart School District (the District) to create the SCPTA. As a result, the SCPTA is reported as an Agency fund in these financial statements. The purpose of the SCPTA is to provide a forum for public, educational and governmental television programs by the members, individuals and organizations in the community. The governing board consists of one representative from the District and one from the City.

The City performs administrative functions for the SCPTA, and may, at the SCPTA's request, make annual contributions. For the year ended June 30, 2014, the City contributed \$110,000. Separate financial statements for the Santa Clarita Public Television Authority are prepared biannually and can be obtained from the City's administrative offices at 23920 Valencia Boulevard, Santa Clarita, CA 91355.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

21. COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The City has active construction projects as of June 30, 2014. At year-end, the City's commitments with contractors for infrastructure projects are as follows:

Project	Contract Amount	Expenditures to Date as of June 30, 2014	Remaining Commitments
Pavement	\$ 946,886	\$ 576,786	\$ 370,100
Bridges	11,626,157	6,803,260	4,822,897
Sidewalk	269,509	144,823	124,686
Medians	516,856	285,290	231,566

B. Encumbrances

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

GASB Statement No. 54 provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the governmental funds are classified as either restricted or assigned and are included in the respective categories. These encumbrances are not separately classified in the financial statements and are summarized at June 30, 2014 as follows:

	Amount
General Fund	\$ 378,989
Other governmental funds	16,149,008

C. Contingencies

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

In addition, the City is a defendant in certain other legal actions arising in the normal course of operations. In June 2013, a lawsuit was filed against the City alleging voting rights dilution and the City has settled the dispute with the plaintiff. The maximum exposure to liability is \$800,000, and management and the City's legal counsel have reasonably estimated a \$600,000 liability for plaintiff attorney fees. This has been accrued in the Self Insurance Internal Service Fund at June 30, 2014.

In the opinion of management and legal counsel, there are no other liabilities that would have a substantial adverse effect on the financial position of the City as of June 30, 2014.

21. COMMITMENTS AND CONTINGENCIES (Continued)

D. Repayment of Advances to Successor Agency

On April 20, 2012, pursuant to Health and Safety Code Section 34167.5, the California State Controller issued an order to cities, counties and agencies, directly or indirectly receiving assets from a redevelopment agency after January 1, 2011, to reverse the transfer and return assets to successor agencies. In August 2012, the California State Controller started to specifically review and audit cities, counties and public agencies to ensure that all applicable asset transfers have been reversed. The purpose of this review would be to determine if any asset transfers made after January 1, 2011, including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind, were unallowable.

In March 2011, the former redevelopment agency transferred \$14.8 million of cash and other assets to the City that are under review by the California State Controller's Office.

While the City's management believes that the transfers of these assets were valid, management is aware that it is possible that some, or all, of the transfers will need to be repaid to the successor agency. Since management is unable to determine what, if any, of the \$14.8 million will need to be repaid to the successor agency, the City has not reported a liability in the fund statements or entity-wide statements as of June 30, 2014.

22. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City Resolution No. 12-3.

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

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

**22. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(Continued)**

A. Cash and Investments

The balance of cash and investments at June 30, 2014 is classified in the accompanying financial statements as follows:

	RDA Successor Agency
Cash and investments pooled with City	\$ 1,612,236
Restricted:	
Cash and investments	3,494
Cash and investments with fiscal agent	1,165,418
Total	<u>\$ 2,781,148</u>

B. Land Held for Resale

As of June 30, 2014, the City has \$1,011,031 of land held for resale, which is reported at fair value. There were no changes in fair value during the current year.

C. Capital Assets

	Balance July 1, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
RDA Successor Agency:					
Non-depreciable assets:					
Land	\$ 532,878	\$ -	\$ -	\$ -	\$ 532,878
Construction in progress	393,341	-	-	(393,341)	-
Total non-depreciable assets	<u>926,219</u>	<u>-</u>	<u>-</u>	<u>(393,341)</u>	<u>532,878</u>
Depreciable assets:					
Site improvements	110,310	-	-	-	110,310
Infrastructure	3,894,000	-	-	393,341	4,287,341
Total depreciable assets	<u>4,004,310</u>	<u>-</u>	<u>-</u>	<u>393,341</u>	<u>4,397,651</u>
Less accumulated depreciation:					
Site improvements	(6,618)	(4,413)	-	-	(11,031)
Infrastructure	(223,857)	(85,747)	-	-	(309,604)
Total accumulated depreciation	<u>(230,475)</u>	<u>(90,160)</u>	<u>-</u>	<u>-</u>	<u>(320,635)</u>
Total depreciable assets, net	<u>3,773,835</u>	<u>(90,160)</u>	<u>-</u>	<u>393,341</u>	<u>4,077,016</u>
Total capital assets, net	<u>\$ 4,700,054</u>	<u>\$ (90,160)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,609,894</u>

The total depreciation expense charged to the RDA Successor Agency as of June 30, 2014 was \$90,160.

City of Santa Clarita

**Notes to Financial Statements
For the Year Ended June 30, 2014**

**22. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(Continued)**

D. Long-Term Debt

	Balance			Balance June 30, 2014	Classification	
	July 1, 2013	Additions	Deletions		Due Within One Year	Due More Than One Year
RDA Successor Agency:						
Loans from the City of Santa Clarita	\$ 13,360,087	\$ 33,381	\$ -	\$ 13,393,468	\$ -	\$ 13,393,468
Tax Allocation Bonds:						
Series 2008	28,155,000	-	(470,000)	27,685,000	490,000	27,195,000
Housing Set-Aside	8,345,000	-	(140,000)	8,205,000	145,000	8,060,000
Less deferred amounts for issuance discounts	(138,256)	5,530	-	(132,726)	(5,530)	(127,196)
Total Tax Allocation Bonds	36,361,744	5,530	(610,000)	35,757,274	629,470	35,127,804
Total	\$ 49,721,831	\$ 38,911	\$ (610,000)	\$ 49,150,742	\$ 629,470	\$ 48,521,272

Loans from the City of Santa Clarita

The City of Santa Clarita advanced the former redevelopment agency a total of \$13,360,087. As part of the dissolution of the former redevelopment agency, the outstanding advances from the City were required to be revalued using LAIF interest rates.

At June 30, 2014, there are various promissory notes outstanding between the City and the former redevelopment agency entered into between the periods of July 1996 and June 2010. These consist of notes outstanding from the General Fund and the Developer Fees Special Revenue Fund accumulated to \$7,903,770 and \$5,489,698, respectively. The unpaid accrued interest of these notes is \$890,974 and \$169,812, respectively.

Payments on these notes have been suspended pursuant to the State legislation AB 1484.

Tax Allocation Bonds

The former redevelopment agency issued Tax Allocation Bonds, which are special obligations of the Successor Agency secured by pledged property tax revenues. The bonds are not a debt of the City and are not payable out of any funds or properties other than those of the Successor Agency.

Tax Allocation Bonds – Series 2008

On June 12, 2008, the former redevelopment agency issued the Santa Clarita Redevelopment Agency Tax Allocation Bonds, Series 2008, in the amount of \$29,860,000. Proceeds of the bonds were used to finance certain projects of the former redevelopment agency, fund a debt service reserve account, and pay for costs of the bond issuance. The bonds were issued at a net discount of \$165,906, which will be amortized and recognized as interest expense over the life of the debt on a straight-line basis. This bond issue comprises \$12,065,000 serial bonds maturing annually, commencing on October 1, 2011, through 2028, and three term bonds (totaling \$17,795,000) maturing on October 1, 2032, October 1, 2037 and October 1, 2042, that are payable in annual sinking fund installments commencing on October 1, 2029. Interest on the bonds is payable semi-annually on October 1 and April 1 at rates ranging from 4.00 percent to 4.75 percent for the serial bonds and from 4.75 percent to 5.00 percent for the term bonds.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

**22. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(Continued)**

D. Long-Term Debt (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 490,000	\$ 1,291,348	\$ 1,781,348
2016	510,000	1,271,348	1,781,348
2017	530,000	1,250,548	1,780,548
2018	550,000	1,228,948	1,778,948
2019	575,000	1,206,448	1,781,448
2020-2024	3,230,000	5,651,066	8,881,066
2025-2029	4,005,000	4,849,191	8,854,191
2030-2034	5,050,000	3,783,053	8,833,053
2035-2039	6,395,000	2,404,775	8,799,775
2040-2043	6,350,000	654,250	7,004,250
Total	<u>\$ 27,685,000</u>	<u>\$ 23,590,975</u>	<u>\$ 51,275,975</u>

Tax Allocation Bonds – Housing Set-Aside

On June 12, 2008, the former redevelopment agency issued the Santa Clarita Redevelopment Agency Housing Set-Aside Tax Allocation Bonds, Series 2008, in the amount of \$8,850,000. Proceeds of the bonds were used to finance low- and moderate-income housing projects and programs, fund a reserve fund, and pay for costs of the bond issuance. The bond issue comprises \$3,550,000 serial bonds maturing annually on October 1 through 2028, and three term bonds (totaling \$5,300,000), maturing on October 1, 2032, October 1, 2037 and October 1, 2042, that are payable in annual sinking fund installments commencing on October 1, 2029. Interest on the bonds is payable semi-annually on October 1 and April 1 at rates ranging from 4.00 percent to 4.875 percent for the serial bonds and at 5.00 percent for the term bonds.

City of Santa Clarita

Notes to Financial Statements
For the Year Ended June 30, 2014

**22. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(Continued)**

D. Long-Term Debt (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 145,000	\$ 388,856	\$ 533,856
2016	150,000	382,956	532,956
2017	155,000	376,856	531,856
2018	160,000	370,556	530,556
2019	170,000	363,956	533,956
2020-2024	945,000	1,707,825	2,652,825
2025-2029	1,180,000	1,471,122	2,651,122
2030-2034	1,500,000	1,145,000	2,645,000
2035-2039	1,905,000	721,375	2,626,375
2040-2043	1,895,000	195,375	2,090,375
Total	<u>\$ 8,205,000</u>	<u>\$ 7,123,877</u>	<u>\$ 15,328,877</u>

E. Deficit Net Position

As of June 30, 2014, the RDA Successor Agency Private-Purpose Trust Fund had a deficit net position of \$41,168,348. This will be reduced with future receipt of distributions from the Redevelopment Property Tax Trust Fund from the County and potential asset sales.



City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 General Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Taxes	\$ 67,520,934	\$ 69,765,855	\$ 73,746,061	\$ 3,980,206
Licenses and permits	3,618,826	4,340,251	5,366,972	1,026,721
Intergovernmental	244,100	721,794	294,844	(426,950)
Charges for services	6,880,110	7,261,325	8,801,042	1,539,717
Investment income	1,814,094	1,027,458	1,018,077	(9,381)
Fines and forfeitures	519,000	574,000	545,983	(28,017)
Other revenue	45,000	46,000	134,995	88,995
Overhead reimbursement	3,550,200	3,550,200	-	(3,550,200)
Total revenues	84,192,264	87,286,883	89,907,974	2,621,091
Expenditures				
Current:				
General government	15,327,489	17,615,329	14,211,854	3,403,475
Public safety	21,039,625	21,039,429	20,419,720	619,709
Parks, recreation and community service	20,697,152	21,040,180	20,319,194	720,986
Public works	13,223,354	14,389,118	11,566,617	2,822,501
Community development	5,819,794	5,969,023	5,461,356	507,667
Capital outlay	1,281,683	1,895,657	1,666,884	228,773
Total expenditures	77,389,097	81,948,736	73,645,625	8,303,111
Excess (deficiency) of revenues over (under) expenditures	6,803,167	5,338,147	16,262,349	10,924,202
Other financing sources (uses)				
Transfers in	2,167,287	2,582,196	2,647,420	65,224
Transfers out	(4,213,439)	(4,355,191)	(4,355,191)	-
Total other financing sources (uses)	(2,046,152)	(1,772,995)	(1,707,771)	65,224
Net change in fund balances	\$ 4,757,015	\$ 3,565,152	14,554,578	\$ 10,989,426
Fund balances, beginning of year			94,337,301	
Fund balances, end of year			<u>\$ 108,891,879</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 Bridge and Thoroughfare Special Revenue Fund
 For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Investment income	\$ 321,258	\$ 321,258	\$ 332,294	\$ 11,036
Developer fees	860,000	1,314,744	-	(1,314,744)
Total revenues	<u>1,181,258</u>	<u>1,636,002</u>	<u>332,294</u>	<u>(1,303,708)</u>
Expenditures				
Current:				
Public works	199,844	200,968	179,262	21,706
Capital outlay	4,519,239	15,006,053	14,154,493	851,560
Debt service:				
Interest and fiscal charges	241,319	241,319	171,598	69,721
Total expenditures	<u>4,960,402</u>	<u>15,448,340</u>	<u>14,505,353</u>	<u>942,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,779,144)</u>	<u>(13,812,338)</u>	<u>(14,173,059)</u>	<u>(360,721)</u>
Other financing sources (uses)				
Transfers out	(7,080)	(75,807)	(75,807)	-
Issuance of district credits	-	5,014,275	11,297,334	6,283,059
Total other financing sources (uses)	<u>(7,080)</u>	<u>4,938,468</u>	<u>11,221,527</u>	<u>6,283,059</u>
Net change in fund balances	<u>\$ (3,786,224)</u>	<u>\$ (8,873,870)</u>	<u>(2,951,532)</u>	<u>\$ 5,922,338</u>
Fund balances, beginning of year			<u>12,260,034</u>	
Fund balances, end of year			<u>\$ 9,308,502</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 Public Library Special Revenue Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Taxes	\$ 5,454,474	\$ 5,454,474	\$ 5,143,664	\$ (310,810)
Charges for services	80,000	80,000	75,000	(5,000)
Investment income	-	-	4,613	4,613
Other revenue	175,000	175,000	178,516	3,516
Total revenues	<u>5,709,474</u>	<u>5,709,474</u>	<u>5,401,793</u>	<u>(307,681)</u>
Expenditures				
Current:				
General government	4,804,983	4,804,888	4,680,637	124,251
Capital outlay	-	662,958	515,225	147,733
Debt service:				
Principal retirement	452,959	452,959	47,174	405,785
Interest and fiscal charges	104,945	104,945	95,352	9,593
Total expenditures	<u>5,362,887</u>	<u>6,025,750</u>	<u>5,338,388</u>	<u>687,362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>346,587</u>	<u>(316,276)</u>	<u>63,405</u>	<u>379,681</u>
Other financing sources (uses)				
Transfers out	(5,138)	(5,138)	(5,138)	-
Total other financing sources (uses)	<u>(5,138)</u>	<u>(5,138)</u>	<u>(5,138)</u>	<u>-</u>
Net change in fund balances	<u>\$ 341,449</u>	<u>\$ (321,414)</u>	<u>58,267</u>	<u>\$ 379,681</u>
Fund balances (deficit), beginning of year			(9,169,951)	
Fund balances (deficit), end of year			<u>\$ (9,111,684)</u>	

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, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Taxes	\$ 768,043	\$ 768,043	\$ 837,266	\$ 69,223
Special assessments	20,804,616	20,804,616	22,690,306	1,885,690
Investment income	157,170	157,170	305,295	148,125
Total revenues	<u>21,729,829</u>	<u>21,729,829</u>	<u>23,832,867</u>	<u>2,103,038</u>
Expenditures				
Current:				
General government	14,180,081	14,308,180	12,765,907	1,542,273
Capital outlay	8,840,317	14,676,500	8,447,530	6,228,970
Total expenditures	<u>23,020,398</u>	<u>28,984,680</u>	<u>21,213,437</u>	<u>7,771,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,290,569)</u>	<u>(7,254,851)</u>	<u>2,619,430</u>	<u>9,874,281</u>
Other financing sources (uses)				
Transfers out	(204,113)	(204,113)	(204,113)	-
Total other financing sources (uses)	<u>(204,113)</u>	<u>(204,113)</u>	<u>(204,113)</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,494,682)</u>	<u>\$ (7,458,964)</u>	<u>2,415,317</u>	<u>\$ 9,874,281</u>
Fund balances, beginning of year			<u>25,939,123</u>	
Fund balances, end of year			<u>\$ 28,354,440</u>	

City of Santa Clarita

**Schedule of Funding Progress
For the Year Ended June 30, 2014**

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

A. Defined Benefit Pension Plan

The funded status of the City's defined benefit pension plan for the miscellaneous employees is as follows (in thousands):

	(A)	(B)	(C)	(D)	(E)	(F)
		Entry Age	(Unfunded)			(Unfunded)
Actuarial Valuation Date*	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability	Actuarial Liability [(B)-(A)]	Funded Ratio [(A)/(B)]	Annual Covered Payroll	Actuarial Liability as Percentage of Covered Payroll [(C)/(E)]
6/30/2011	\$ 82,323	\$ 99,379	\$ 17,056	82.84%	\$ 25,381	67.20%
6/30/2012	91,062	108,652	17,590	83.81%	24,198	72.69%
6/30/2013	91,449	120,474	29,025	75.91%	26,697	108.72%

* Based on most recent actuarial valuation available.

B. Other Post-Employment Benefits

The funded status of the City's other post-employment benefits plan is as follows (in thousands):

	(A)	(B)	(C)	(D)	(E)	(F)
		Actuarial	(Unfunded)			(Unfunded)
Actuarial Valuation Date*	Actuarial Asset Value	Accrued Liability Entry Age	Actuarial Accrued Liability [(B)-(A)]	Funded Ratio [(A)/(B)]	Covered Payroll	Actuarial Liability as Percentage of Covered Payroll [(C)/(E)]
7/1/2006	\$ -	\$ 24,046	\$ (24,046)	0.00%	\$ 21,200	-113.42%
7/1/2010	-	41,425	(41,425)	0.00%	25,094	-165.08%
7/1/2012	19,928	30,879	(10,951)	64.54%	23,880	-45.86%

* Based on most recent actuarial valuation available.

City of Santa Clarita

**Notes to Required Supplementary Information
For the Year Ended June 30, 2014**

BUDGETARY INFORMATION

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

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

The appropriated budget is prepared by fund, function and department. The City's department heads, with approval of the city manager, may make transfers of appropriations within a department and between functions within a fund. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year-end are classified as either restricted, committed or assigned fund balances. Unexpended appropriations lapse at year-end.

City of Santa Clarita

Non-Major Governmental Funds

As of and for the Year Ended June 30, 2014

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

Developer Fees – To account for monies received from developers restricted to fund specific projects and infrastructure maintenance throughout the City.

Bikeway – To account for monies received from the State of California restricted for bicycle and pedestrian facilities available under Article 3 of the 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.

Proposition A – To account for the City's share of the one-half percent (0.5 percent) increased sales tax in Los Angeles County as a result of "Proposition A." This revenue is to be used for transportation-related purposes.

Special Assessment – To account for special assessments received for small assessment districts. These funds may be used for maintenance expenses within the districts.

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

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

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

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

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

Stormwater – To account for monies received from assessments restricted for the use of the stormwater and run-off programs.

Surface Transportation Program – To account for receipts and disbursements associated with the Surface Transportation Program restricted for construction, reconstruction and improvement of highways and bridges on eligible Federal-Aid highway routes.

BJA Law Enforcement – To account for receipts and disbursements for the BJA law enforcement grant restricted for police department programs.

Supplemental Law Grant – To account for receipts and disbursements for the supplemental law grant restricted for police department programs.

HOME – To account for receipts and disbursements for the activity for the HOME grant program restricted to expand the supply of affordable housing for very low- and low-income families.

City of Santa Clarita

Non-Major Governmental Funds As of and for the Year Ended June 30, 2014

Special Revenue Funds (Continued)

Library Facilities Fees – To account for monies received from the library facilities developer fees, which are restricted for use on library facilities.

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

Proposition C – To account for the City's share of the one-half percent (0.5 percent) increased sales tax in Los Angeles County as a result of Proposition C. This revenue is to be used for transportation-related purposes.

Federal Grants – To account for receipts and disbursements of miscellaneous federal grant monies not accounted for in other funds. These receipts are restricted for planning, design, improvements and maintenance of streets, roads and bridges, facility construction and improvements, transit operations and other transit-related expenditures.

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

Tourism Marketing District – To account for receipts and disbursements associated with promoting local businesses and tourism in the City of Santa Clarita through the Tourism Marketing District. The Tourism Marketing District was formed to provide financing for public programs to attract tourist visits to areas where tourism is economically important and desired. The Tourism Marketing District was established and is levied pursuant to the Parking and Business Improvement Area Law of 1989, Part 6 of Division 18 of the California Streets and Highways Code (the 1989 Law) and the provisions of the California Constitution Article XIID (Proposition 218).

OPSD (Open Space Preservation District) – To account for monies received from special assessments for the costs of acquiring open space lands, parks and parkland in accordance with the City's programs.

Miscellaneous Grants – To account for receipts and disbursements of non-federal miscellaneous grants, which are restricted for planning, design, improvements and maintenance of streets, roads and bridges, facility construction and improvements, transit operations and other transit-related expenditures.

Park Dedication – This fund accounts for monies received from developers restricted to finance the acquisition and develop new parkland space. These monies are restricted under the Quimby Act by ordinance and require the dedication of land or impose a requirement of the payment of fee in lieu.

Housing Successor Agency – To account for the transactions of the Housing Successor Agency for the continuation of the low- and moderate-income programs of the former redevelopment agency.

Tourism Marketing Bureau – To account for monies received from local and regional tourism-related organizations restricted for tourism and business development within the City's boundaries.

City of Santa Clarita

**Non-Major Governmental Funds
As of and for the Year Ended June 30, 2014**

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

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

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

Public Financing Authority – To account for principal and interest payments for obligations issued by the Santa Clarita Public Financing Authority.

City of Santa Clarita

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2014

	Special Revenue Funds			
	Developer Fees	Bikeway	Gas Tax	Proposition A
Assets				
Cash and investments	\$ 5,094,335	\$ 116,527	\$ 2,807,787	\$ 902
Receivables:				
Accounts, net	-	-	12,614	-
Interest	11,559	264	6,039	2
Taxes	-	-	-	-
Loans	-	-	-	-
Notes to RDA Successor Agency	5,489,698	-	-	-
Allowance for doubtful accounts	(5,489,698)	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	601,796	-
Advances to other funds	117,823	-	-	-
Land held for resale	249,510	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 5,473,227	\$ 116,791	\$ 3,428,236	\$ 904
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,368,940	\$ 39,248	\$ 280,892	\$ 910
Due to other funds	-	-	-	-
Total liabilities	1,368,940	39,248	280,892	910
Deferred inflows of resources				
Unavailable revenues	117,823	-	-	-
Total deferred inflows of resources	117,823	-	-	-
Fund balances (deficit)				
Nonspendable	249,510	-	-	-
Restricted	3,121,772	77,543	3,147,344	-
Committed	612,829	-	-	-
Assigned	2,353	-	-	-
Unassigned	-	-	-	(6)
Total fund balances (deficit)	3,986,464	77,543	3,147,344	(6)
Total liabilities, deferred inflow of resources and fund balances	\$ 5,473,227	\$ 116,791	\$ 3,428,236	\$ 904

City of Santa Clarita

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2014

	Special Revenue Funds			
	Special Assessment	State Park	TDA	Traffic Safety
Assets				
Cash and investments	\$ 5,348,758	\$ -	\$ 7,366,813	\$ -
Receivables:				
Accounts, net	14,889	-	-	-
Interest	12,971	-	16,716	-
Taxes	84,357	-	-	73,983
Loans	-	-	-	-
Notes to RDA Successor Agency	-	-	-	-
Allowance for doubtful accounts	-	-	-	-
Prepaid costs	20,604	-	-	-
Due from other governments	-	314,902	543,225	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 5,481,579	\$ 314,902	\$ 7,926,754	\$ 73,983
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 442,932	\$ 6,976	\$ 742,892	\$ -
Due to other funds	-	307,926	-	73,513
Total liabilities	442,932	314,902	742,892	73,513
Deferred inflows of resources				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances (deficit)				
Nonspendable	20,604	-	-	-
Restricted	5,018,043	-	7,183,862	470
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	5,038,647	-	7,183,862	470
Total liabilities, deferred inflow of resources and fund balances	\$ 5,481,579	\$ 314,902	\$ 7,926,754	\$ 73,983

(Continued)

City of Santa Clarita

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2014

	Special Revenue Funds			
	CDBG	AQMD	Stormwater	Surface Transportation Program
Assets				
Cash and investments	\$ -	\$ 201,531	\$ 5,842,327	\$ -
Receivables:				
Accounts, net	-	-	41,405	-
Interest	-	457	13,211	-
Taxes	-	-	48,378	-
Loans	149,234	-	-	-
Notes to RDA Successor Agency	-	-	-	-
Allowance for doubtful accounts	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	164,980	66,027	299,495	18,271
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 314,214	\$ 268,015	\$ 6,244,816	\$ 18,271
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 110,612	\$ 199	\$ 286,818	\$ 16,672
Due to other funds	54,368	-	-	1,599
Total liabilities	164,980	199	286,818	18,271
Deferred inflows of resources				
Unavailable revenues	149,234	-	-	-
Total deferred inflows of resources	149,234	-	-	-
Fund balances (deficit)				
Nonspendable	-	-	-	-
Restricted	-	267,816	5,957,998	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	-	267,816	5,957,998	-
Total liabilities, deferred inflow of resources and fund balances	\$ 314,214	\$ 268,015	\$ 6,244,816	\$ 18,271

City of Santa Clarita

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2014

	Special Revenue Funds			
	BJA Law Enforcement	Supplemental Law Grant	HOME	Library Facilities Fees
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ 156,945
Receivables:				
Accounts, net	-	-	-	-
Interest	-	-	-	356
Taxes	-	-	-	-
Loans	-	-	2,275,743	-
Notes to RDA Successor Agency	-	-	-	-
Allowance for doubtful accounts	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	8,697	105,582	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 8,697	\$ 105,582	\$ 2,275,743	\$ 157,301
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 3,213	\$ 7,059	\$ -	\$ -
Due to other funds	6,330	80,177	-	-
Total liabilities	9,543	87,236	-	-
Deferred inflows of resources				
Unavailable revenues	-	-	2,275,743	-
Total deferred inflows of resources	-	-	2,275,743	-
Fund balances (deficit)				
Nonspendable	-	-	-	-
Restricted	-	18,346	-	157,301
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(846)	-	-	-
Total fund balances (deficit)	(846)	18,346	-	157,301
Total liabilities, deferred inflow of resources and fund balances	\$ 8,697	\$ 105,582	\$ 2,275,743	\$ 157,301

(Continued)

City of Santa Clarita

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2014

	Special Revenue Funds			
	Public Education and Government	Proposition C	Federal Grants	Measure R
Assets				
Cash and investments	\$ 992,701	\$ 2,170,070	\$ 137,254	\$ 2,309,392
Receivables:				
Accounts, net	-	-	-	-
Interest	2,252	4,924	-	5,240
Taxes	122,765	-	-	-
Loans	-	-	-	-
Notes to RDA Successor Agency	-	-	-	-
Allowance for doubtful accounts	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	1,880,760	772,058	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 1,117,718	\$ 4,055,754	\$ 909,312	\$ 2,314,632
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 3,701	\$ 348,516	\$ 466,952	\$ -
Due to other funds	-	1,532,244	-	-
Total liabilities	3,701	1,880,760	466,952	-
Deferred inflows of resources				
Unavailable revenues	-	1,003,948	182,528	-
Total deferred inflows of resources	-	1,003,948	182,528	-
Fund balances (deficit)				
Nonspendable	-	-	-	-
Restricted	1,114,017	1,171,046	259,832	2,314,632
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	1,114,017	1,171,046	259,832	2,314,632
Total liabilities, deferred inflow of resources and fund balances	\$ 1,117,718	\$ 4,055,754	\$ 909,312	\$ 2,314,632

City of Santa Clarita

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2014

	Special Revenue Funds			
	Tourism Marketing District	OSPD	Miscellaneous Grants	Park Dedication
Assets				
Cash and investments	\$ 337,227	\$ 5,685,237	\$ -	\$ 56,493
Receivables:				
Accounts, net	-	6,497	-	-
Interest	765	12,813	-	128
Taxes	64,264	25,790	-	-
Loans	-	-	-	-
Notes to RDA Successor Agency	-	-	-	-
Allowance for doubtful accounts	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	514,265	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	4,695,421	-	-
Cash and investments with fiscal agents	-	1,322,004	-	-
Total assets	\$ 402,256	\$ 11,747,762	\$ 514,265	\$ 56,621
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 12,238	\$ 38,424	\$ 167,438	\$ 9,072
Due to other funds	-	-	217,923	-
Total liabilities	12,238	38,424	385,361	9,072
Deferred inflows of resources				
Unavailable revenues	-	-	317,015	-
Total deferred inflows of resources	-	-	317,015	-
Fund balances (deficit)				
Nonspendable	-	-	-	-
Restricted	390,018	11,709,338	-	47,549
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(188,111)	-
Total fund balances (deficit)	390,018	11,709,338	(188,111)	47,549
Total liabilities, deferred inflow of resources and fund balances	\$ 402,256	\$ 11,747,762	\$ 514,265	\$ 56,621

(Continued)

City of Santa Clarita

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2014

	Special Revenue Funds		Capital Projects Funds	
	Housing Successor Agency	Tourism Marketing Bureau	General Capital Projects	Public Financing Authority
Assets				
Cash and investments	\$ -	\$ 39,612	\$ 4,139,505	\$ 10
Receivables:				
Accounts, net	-	-	-	-
Interest	-	90	-	-
Taxes	-	-	-	-
Loans	-	-	-	-
Notes to RDA Successor Agency	-	-	-	-
Allowance for doubtful accounts	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	939,459	-	-	-
Restricted assets:				
Cash and investments	4,006,386	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 4,945,845	\$ 39,702	\$ 4,139,505	\$ 10
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 729,741	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	729,741	-
Deferred inflows of resources				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances (deficit)				
Nonspendable	-	-	-	-
Restricted	4,945,845	39,702	-	-
Committed	-	-	-	-
Assigned	-	-	3,409,764	10
Unassigned	-	-	-	-
Total fund balances (deficit)	4,945,845	39,702	3,409,764	10
Total liabilities, deferred inflow of resources and fund balances	\$ 4,945,845	\$ 39,702	\$ 4,139,505	\$ 10

City of Santa Clarita

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2014

	Debt Service Funds	Total Governmental Funds
	Public Financing Authority	
Assets		
Cash and investments	\$ 2	\$ 42,803,428
Receivables:		
Accounts, net	-	75,405
Interest	-	87,787
Taxes	-	419,537
Loans	-	2,424,977
Notes to RDA Successor Agency	-	5,489,698
Allowance for doubtful accounts	-	(5,489,698)
Prepaid costs	-	20,604
Due from other governments	-	5,290,058
Advances to other funds	-	117,823
Land held for resale	-	1,188,969
Restricted assets:		
Cash and investments	-	8,701,807
Cash and investments with fiscal agents	184	1,322,188
Total assets	\$ 186	\$ 62,452,583
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable and accrued liabilities	\$ -	\$ 5,083,445
Due to other funds	-	2,274,080
Total liabilities	-	7,357,525
Deferred inflows of resources		
Unavailable revenues	-	4,046,291
Total deferred inflows of resources	-	4,046,291
Fund balances (deficit)		
Nonspendable	-	270,114
Restricted	186	46,942,660
Committed	-	612,829
Assigned	-	3,412,127
Unassigned	-	(188,963)
Total fund balances (deficit)	186	51,048,767
Total liabilities, deferred inflow of resources and fund balances	\$ 186	\$ 62,452,583

City of Santa Clarita

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			
	Developer Fees	Bikeway	Gas Tax	Proposition A
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	118,093	6,318,767	3,478,386
Charges for services	-	-	-	-
Investment income (loss)	20,329	480	11,971	4,691
Fines and forfeitures	-	-	-	-
Developer fees	2,335,494	-	-	-
Other revenue	-	-	26,810	-
Total revenues	2,355,823	118,573	6,357,548	3,483,077
Expenditures				
Current:				
General government	-	-	-	-
Public safety	1,311,109	-	-	-
Parks, recreation and community service	-	-	-	-
Public works	-	-	4,026,807	34,034
Community development	-	-	-	-
Capital outlay	327,759	123,964	692,172	94,014
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,638,868	123,964	4,718,979	128,048
Excess (deficiency) of revenues over (under) expenditures	716,955	(5,391)	1,638,569	3,355,029
Other financing sources (uses)				
Transfers in	125,503	-	233,070	-
Transfers out	(187,440)	-	(191,948)	(4,177,523)
Total other financing sources (uses)	(61,937)	-	41,122	(4,177,523)
Net change in fund balances	655,018	(5,391)	1,679,691	(822,494)
Fund balances (deficit), beginning of year	3,331,446	82,934	1,467,653	822,488
Fund balances (deficit), end of year	\$ 3,986,464	\$ 77,543	\$ 3,147,344	\$ (6)

City of Santa Clarita

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			
	Special Assessment	State Park	TDA	Traffic Safety
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	4,978,241	-	-	-
Intergovernmental	-	170,914	9,957,849	-
Charges for services	-	-	-	-
Investment income (loss)	60,629	-	15,360	470
Fines and forfeitures	-	-	-	1,115,174
Developer fees	-	-	-	-
Other revenue	69,465	-	-	-
Total revenues	5,108,335	170,914	9,973,209	1,115,644
Expenditures				
Current:				
General government	3,221,032	-	-	-
Public safety	-	-	-	-
Parks, recreation and community service	-	170,914	-	-
Public works	1,129,650	-	4,382,765	-
Community development	-	-	-	-
Capital outlay	37,878	-	389,456	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	4,388,560	170,914	4,772,221	-
Excess (deficiency) of revenues over (under) expenditures	719,775	-	5,200,988	1,115,644
Other financing sources (uses)				
Transfers in	109,919	4,977	-	-
Transfers out	(635,604)	(5,666)	-	(1,115,174)
Total other financing sources (uses)	(525,685)	(689)	-	(1,115,174)
Net change in fund balances	194,090	(689)	5,200,988	470
Fund balances (deficit), beginning of year	4,844,557	689	1,982,874	-
Fund balances (deficit), end of year	\$ 5,038,647	\$ -	\$ 7,183,862	\$ 470

(Continued)

City of Santa Clarita

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014**

	Special Revenue Funds			
	CDBG	AQMD	Stormwater	Surface Transportation Program
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	2,940,538	-
Intergovernmental	977,201	255,577	-	203,485
Charges for services	-	-	-	-
Investment income (loss)	-	853	76,924	-
Fines and forfeitures	-	-	-	-
Developer fees	-	-	-	-
Other revenue	-	-	299,065	-
Total revenues	977,201	256,430	3,316,527	203,485
Expenditures				
Current:				
General government	-	-	3,909	-
Public safety	-	-	-	-
Parks, recreation and community service	-	-	-	-
Public works	-	18,287	2,904,828	-
Community development	719,824	-	-	-
Capital outlay	-	49,660	878,163	78,773
Debt service:				
Principal	230,000	-	-	-
Interest and fiscal charges	29,186	-	-	-
Total expenditures	979,010	67,947	3,786,900	78,773
Excess (deficiency) of revenues over (under) expenditures	(1,809)	188,483	(470,373)	124,712
Other financing sources (uses)				
Transfers in	-	-	23,420	-
Transfers out	-	-	(63,888)	-
Total other financing sources (uses)	-	-	(40,468)	-
Net change in fund balances	(1,809)	188,483	(510,841)	124,712
Fund balances (deficit), beginning of year	1,809	79,333	6,468,839	(124,712)
Fund balances (deficit), end of year	\$ -	\$ 267,816	\$ 5,957,998	\$ -

City of Santa Clarita

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			
	BJA Law Enforcement	Supplemental Law Grant	HOME	Library Facilities Fees
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	19,485	358,380	4,046	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	(237)
Fines and forfeitures	-	-	-	-
Developer fees	-	-	-	265,503
Other revenue	-	-	-	-
Total revenues	19,485	358,380	4,046	265,266
Expenditures				
Current:				
General government	-	-	-	-
Public safety	19,485	327,000	-	-
Parks, recreation and community service	-	-	-	-
Public works	-	-	-	-
Community development	-	-	4,083	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	19,485	327,000	4,083	-
Excess (deficiency) of revenues over (under) expenditures	-	31,380	(37)	265,266
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(109,731)
Total other financing sources (uses)	-	-	-	(109,731)
Net change in fund balances	-	31,380	(37)	155,535
Fund balances (deficit), beginning of year	(846)	(13,034)	37	1,766
Fund balances (deficit), end of year	\$ (846)	\$ 18,346	\$ -	\$ 157,301

(Continued)

City of Santa Clarita

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			
	Public Education and Government	Proposition C	Federal Grants	Measure R
Revenues				
Taxes	\$ 472,138	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	5,716,298	2,789,477	2,153,225
Charges for services	-	-	-	-
Investment income (loss)	8,978	(3,458)	-	(821)
Fines and forfeitures	-	-	-	-
Developer fees	-	-	-	-
Other revenue	-	-	-	-
Total revenues	481,116	5,712,840	2,789,477	2,152,404
Expenditures				
Current:				
General government	240,770	-	-	-
Public safety	-	-	127	-
Parks, recreation and community service	-	-	-	-
Public works	-	1,650	-	-
Community development	-	-	-	-
Capital outlay	-	3,095,459	2,643,548	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	240,770	3,097,109	2,643,675	-
Excess (deficiency) of revenues over (under) expenditures	240,346	2,615,731	145,802	2,152,404
Other financing sources (uses)				
Transfers in	-	-	1,050,123	-
Transfers out	-	(1,740,227)	-	-
Total other financing sources (uses)	-	(1,740,227)	1,050,123	-
Net change in fund balances	240,346	875,504	1,195,925	2,152,404
Fund balances (deficit), beginning of year	873,671	295,542	(936,093)	162,228
Fund balances (deficit), end of year	\$ 1,114,017	\$ 1,171,046	\$ 259,832	\$ 2,314,632

City of Santa Clarita

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			
	Tourism Marketing District	OSPD	Miscellaneous Grants	Park Dedication
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	2,143,520	-	-
Intergovernmental	-	-	1,626,238	-
Charges for services	514,906	-	-	-
Investment income (loss)	2,241	50,624	-	1,977
Fines and forfeitures	-	-	-	-
Developer fees	-	-	-	-
Other revenue	-	10,000	-	-
Total revenues	517,147	2,204,144	1,626,238	1,977
Expenditures				
Current:				
General government	312,056	351,458	451,547	-
Public safety	-	-	59,897	-
Parks, recreation and community service	-	-	8,000	-
Public works	-	-	141,965	-
Community development	-	-	-	-
Capital outlay	-	34,000	732,059	117,893
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	133	-	-
Total expenditures	312,056	385,591	1,393,468	117,893
Excess (deficiency) of revenues over (under) expenditures	205,091	1,818,553	232,770	(115,916)
Other financing sources (uses)				
Transfers in	-	40,482	-	-
Transfers out	-	(808,628)	-	-
Total other financing sources (uses)	-	(768,146)	-	-
Net change in fund balances	205,091	1,050,407	232,770	(115,916)
Fund balances (deficit), beginning of year	184,927	10,658,931	(420,881)	163,465
Fund balances (deficit), end of year	\$ 390,018	\$ 11,709,338	\$ (188,111)	\$ 47,549

(Continued)

City of Santa Clarita

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014**

	Special Revenue Funds		Capital Projects Funds	
	Housing Successor Agency	Tourism Marketing Bureau	General Capital Projects	Public Financing Authority
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	13,029	-	-
Investment income (loss)	-	94	-	-
Fines and forfeitures	-	-	-	-
Developer fees	-	-	-	-
Other revenue	5,056,509	81,614	86,634	-
Total revenues	5,056,509	94,737	86,634	-
Expenditures				
Current:				
General government	-	55,035	-	-
Public safety	-	-	-	-
Parks, recreation and community service	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	2,501,659	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	55,035	2,501,659	-
Excess (deficiency) of revenues over (under) expenditures	5,056,509	39,702	(2,415,025)	-
Other financing sources (uses)				
Transfers in	-	-	1,575,064	798,033
Transfers out	(1,050,123)	-	-	(798,297)
Total other financing sources (uses)	(1,050,123)	-	1,575,064	(264)
Net change in fund balances	4,006,386	39,702	(839,961)	(264)
Fund balances (deficit), beginning of year	939,459	-	4,249,725	274
Fund balances (deficit), end of year	\$ 4,945,845	\$ 39,702	\$ 3,409,764	\$ 10

City of Santa Clarita

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014

	<u>Debt Service Funds</u>	
	Public Financing Authority	Total Governmental Funds
Revenues		
Taxes	\$ -	\$ 472,138
Special assessments	-	10,062,299
Intergovernmental	-	34,147,421
Charges for services	-	527,935
Investment income (loss)	107	251,212
Fines and forfeitures	-	1,115,174
Developer fees	-	2,600,997
Other revenue	-	5,630,097
Total revenues	<u>107</u>	<u>54,807,273</u>
Expenditures		
Current:		
General government	-	4,635,807
Public safety	-	1,717,618
Parks, recreation and community service	-	178,914
Public works	-	12,639,986
Community development	-	723,907
Capital outlay	-	11,796,457
Debt service:		
Principal	1,560,000	1,790,000
Interest and fiscal charges	1,589,277	1,618,596
Total expenditures	<u>3,149,277</u>	<u>35,101,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,149,170)</u>	<u>19,705,988</u>
Other financing sources (uses)		
Transfers in	3,149,436	7,110,027
Transfers out	-	(10,884,249)
Total other financing sources (uses)	<u>3,149,436</u>	<u>(3,774,222)</u>
Net change in fund balances	<u>266</u>	<u>15,931,766</u>
Fund balances (deficit), beginning of year	(80)	35,117,001
Fund balances (deficit), end of year	<u>\$ 186</u>	<u>\$ 51,048,767</u>

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 Developer Fees Special Revenue Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Investment income	\$ 10,549	\$ 10,549	\$ 20,329	\$ 9,780
Developer fees	1,627,000	1,637,000	2,335,494	698,494
Total revenues	<u>1,637,549</u>	<u>1,647,549</u>	<u>2,355,823</u>	<u>708,274</u>
Expenditures				
Current:				
Public safety	-	1,311,109	1,311,109	-
Capital outlay	2,328,000	2,611,896	327,759	2,284,137
Total expenditures	<u>2,328,000</u>	<u>3,923,005</u>	<u>1,638,868</u>	<u>2,284,137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(690,451)</u>	<u>(2,275,456)</u>	<u>716,955</u>	<u>2,992,411</u>
Other financing sources (uses)				
Transfers in	-	125,503	125,503	-
Transfers out	(16,000)	(187,440)	(187,440)	-
Total other financing sources (uses)	<u>(16,000)</u>	<u>(61,937)</u>	<u>(61,937)</u>	<u>-</u>
Net change in fund balances	<u>\$ (706,451)</u>	<u>\$ (2,337,393)</u>	<u>655,018</u>	<u>\$ 2,992,411</u>
Fund balances, beginning of year			<u>3,331,446</u>	
Fund balances, end of year			<u>\$ 3,986,464</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, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 134,541	\$ 134,541	\$ 118,093	\$ (16,448)
Investment income	381	381	480	99
Total revenues	<u>134,922</u>	<u>134,922</u>	<u>118,573</u>	<u>(16,349)</u>
Expenditures				
Capital outlay	134,541	211,548	123,964	87,584
Total expenditures	<u>134,541</u>	<u>211,548</u>	<u>123,964</u>	<u>87,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>381</u>	<u>(76,626)</u>	<u>(5,391)</u>	<u>71,235</u>
Net change in fund balances	<u>\$ 381</u>	<u>\$ (76,626)</u>	<u>(5,391)</u>	<u>\$ 71,235</u>
Fund balances, beginning of year			<u>82,934</u>	
Fund balances, end of year			<u>\$ 77,543</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 Gas Tax Special Revenue Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 5,320,189	\$ 5,320,189	\$ 6,318,767	\$ 998,578
Investment income	14,628	14,628	11,971	(2,657)
Other revenue	-	-	26,810	26,810
Total revenues	<u>5,334,817</u>	<u>5,334,817</u>	<u>6,357,548</u>	<u>1,022,731</u>
Expenditures				
Current:				
Public works	4,021,355	4,067,774	4,026,807	40,967
Capital outlay	1,787,409	2,374,205	692,172	1,682,033
Total expenditures	<u>5,808,764</u>	<u>6,441,979</u>	<u>4,718,979</u>	<u>1,723,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(473,947)</u>	<u>(1,107,162)</u>	<u>1,638,569</u>	<u>2,745,731</u>
Other financing sources (uses)				
Transfers in	233,070	233,070	233,070	-
Transfers out	(411,358)	(191,948)	(191,948)	-
Total other financing sources (uses)	<u>(178,288)</u>	<u>41,122</u>	<u>41,122</u>	<u>-</u>
Net change in fund balances	<u>\$ (652,235)</u>	<u>\$ (1,066,040)</u>	<u>1,679,691</u>	<u>\$ 2,745,731</u>
Fund balances, beginning of year			<u>1,467,653</u>	
Fund balances, end of year			<u>\$ 3,147,344</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 Proposition A Special Revenue Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 3,020,268	\$ 3,462,710	\$ 3,478,386	\$ 15,676
Investment income	-	-	4,691	4,691
Total revenues	<u>3,020,268</u>	<u>3,462,710</u>	<u>3,483,077</u>	<u>20,367</u>
Expenditures				
Current:				
Public works	35,170	35,170	34,034	1,136
Capital outlay	93,268	112,174	94,014	18,160
Total expenditures	<u>128,438</u>	<u>147,344</u>	<u>128,048</u>	<u>19,296</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,891,830</u>	<u>3,315,366</u>	<u>3,355,029</u>	<u>39,663</u>
Other financing sources (uses)				
Transfers out	(2,891,830)	(4,144,746)	(4,177,523)	(32,777)
Total other financing sources (uses)	<u>(2,891,830)</u>	<u>(4,144,746)</u>	<u>(4,177,523)</u>	<u>(32,777)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (829,380)</u>	<u>(822,494)</u>	<u>\$ 6,886</u>
Fund balances, beginning of year			<u>822,488</u>	
Fund balances (deficit), end of year			<u>\$ (6)</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Special Assessment Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Special assessments	\$ 4,824,283	\$ 4,824,283	\$ 4,978,241	\$ 153,958
Charges for services	5,000	165,000	-	(165,000)
Investment income	25,946	25,946	60,629	34,683
Other revenue	-	-	69,465	69,465
Total revenues	<u>4,855,229</u>	<u>5,015,229</u>	<u>5,108,335</u>	<u>93,106</u>
Expenditures				
Current:				
General government	3,911,110	3,913,747	3,221,032	692,715
Public works	1,414,810	1,388,278	1,129,650	258,628
Capital outlay	4,000	119,413	37,878	81,535
Total expenditures	<u>5,329,920</u>	<u>5,421,438</u>	<u>4,388,560</u>	<u>1,032,878</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(474,691)</u>	<u>(406,209)</u>	<u>719,775</u>	<u>1,125,984</u>
Other financing sources (uses)				
Transfers in	106,420	109,919	109,919	-
Transfers out	(17,179)	(635,554)	(635,604)	(50)
Total other financing sources (uses)	<u>89,241</u>	<u>(525,635)</u>	<u>(525,685)</u>	<u>(50)</u>
Net change in fund balances	<u>\$ (385,450)</u>	<u>\$ (931,844)</u>	<u>194,090</u>	<u>\$ 1,125,934</u>
Fund balances, beginning of year			<u>4,844,557</u>	
Fund balances, end of year			<u>\$ 5,038,647</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
State Park Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 180,401	\$ 183,682	\$ 170,914	\$ (12,768)
Total revenues	<u>180,401</u>	<u>183,682</u>	<u>170,914</u>	<u>(12,768)</u>
Expenditures				
Current:				
Parks, recreation and community service	180,401	171,839	170,914	925
Total expenditures	<u>180,401</u>	<u>171,839</u>	<u>170,914</u>	<u>925</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>11,843</u>	<u>-</u>	<u>(11,843)</u>
Other financing sources (uses)				
Transfers in	-	4,977	4,977	-
Transfers out	-	(5,666)	(5,666)	-
Total other financing sources (uses)	<u>-</u>	<u>(689)</u>	<u>(689)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 11,154</u>	<u>(689)</u>	<u>\$ (11,843)</u>
Fund balances, beginning of year			689	
Fund balances, end of year			<u>\$ -</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 TDA Special Revenue Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 7,175,422	\$ 10,597,117	\$ 9,957,849	\$ (639,268)
Investment income	-	-	15,360	15,360
Total revenues	<u>7,175,422</u>	<u>10,597,117</u>	<u>9,973,209</u>	<u>(623,908)</u>
Expenditures				
Current:				
Public works	1,910	4,491,577	4,382,765	108,812
Capital outlay	6,946,600	8,088,413	389,456	7,698,957
Total expenditures	<u>6,948,510</u>	<u>12,579,990</u>	<u>4,772,221</u>	<u>7,807,769</u>
Excess (deficiency) of revenues over (under) expenditures	<u>226,912</u>	<u>(1,982,873)</u>	<u>5,200,988</u>	<u>7,183,861</u>
Other financing sources (uses)				
Transfers out	(228,822)	-	-	-
Total other financing sources (uses)	<u>(228,822)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,910)</u>	<u>\$ (1,982,873)</u>	<u>5,200,988</u>	<u>\$ 7,183,861</u>
Fund balances, beginning of year			<u>1,982,874</u>	
Fund balances, end of year			<u>\$ 7,183,862</u>	

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, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Investment income	\$ 377	\$ 377	\$ 470	\$ 93
Fines and forfeitures	1,275,000	1,275,000	1,115,174	(159,826)
Total revenues	<u>1,275,377</u>	<u>1,275,377</u>	<u>1,115,644</u>	<u>(159,733)</u>
Other financing sources (uses)				
Transfers out	(1,275,377)	(1,050,000)	(1,115,174)	(65,174)
Total other financing sources (uses)	<u>(1,275,377)</u>	<u>(1,050,000)</u>	<u>(1,115,174)</u>	<u>(65,174)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 225,377</u>	<u>470</u>	<u>\$ (224,907)</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ 470</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 CDBG Special Revenue Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 671,029	\$ 1,187,180	\$ 977,201	\$ (209,979)
Total revenues	<u>671,029</u>	<u>1,187,180</u>	<u>977,201</u>	<u>(209,979)</u>
Expenditures				
Current:				
Community development	411,843	955,972	719,824	236,148
Debt service:				
Principal retirement	230,000	230,000	230,000	-
Interest and fiscal charges	29,186	29,186	29,186	-
Total expenditures	<u>671,029</u>	<u>1,215,158</u>	<u>979,010</u>	<u>236,148</u>
Excess (deficiency) of revenues over (under) expenditures	-	(27,978)	(1,809)	26,169
Net change in fund balances	<u>\$ -</u>	<u>\$ (27,978)</u>	<u>(1,809)</u>	<u>\$ 26,169</u>
Fund balances, beginning of year			1,809	
Fund balances, end of year			<u>\$ -</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 AQMD Special Revenue Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 206,367	\$ 206,367	\$ 255,577	\$ 49,210
Investment income	458	458	853	395
Total revenues	<u>206,825</u>	<u>206,825</u>	<u>256,430</u>	<u>49,605</u>
Expenditures				
Current:				
Public works	32,370	33,996	18,287	15,709
Capital outlay	19,000	49,660	49,660	-
Total expenditures	<u>51,370</u>	<u>83,656</u>	<u>67,947</u>	<u>15,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>155,455</u>	<u>123,169</u>	<u>188,483</u>	<u>65,314</u>
Other financing sources (uses)				
Transfers out	(155,455)	-	-	-
Total other financing sources (uses)	<u>(155,455)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 123,169</u>	<u>188,483</u>	<u>\$ 65,314</u>
Fund balances, beginning of year			<u>79,333</u>	
Fund balances, end of year			<u>\$ 267,816</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 Stormwater Special Revenue Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Special assessments	\$ 3,139,500	\$ 3,139,500	\$ 2,940,538	\$ (198,962)
Investment income	97,255	97,255	76,924	(20,331)
Other revenue	-	199,063	299,065	100,002
Total revenues	<u>3,236,755</u>	<u>3,435,818</u>	<u>3,316,527</u>	<u>(119,291)</u>
Expenditures				
Current:				
General government	12,000	12,000	3,909	8,091
Public works	2,539,640	3,478,095	2,904,828	573,267
Capital outlay	511,000	1,128,336	878,163	250,173
Total expenditures	<u>3,062,640</u>	<u>4,618,431</u>	<u>3,786,900</u>	<u>831,531</u>
Excess (deficiency) of revenues over (under) expenditures	<u>174,115</u>	<u>(1,182,613)</u>	<u>(470,373)</u>	<u>712,240</u>
Other financing sources (uses)				
Transfers in	32,660	23,420	23,420	-
Transfers out	(68,738)	(63,888)	(63,888)	-
Total other financing sources (uses)	<u>(36,078)</u>	<u>(40,468)</u>	<u>(40,468)</u>	<u>-</u>
Net change in fund balances	<u>\$ 138,037</u>	<u>\$ (1,223,081)</u>	<u>(510,841)</u>	<u>\$ 712,240</u>
Fund balances, beginning of year			<u>6,468,839</u>	
Fund balances, end of year			<u>\$ 5,957,998</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Surface Transportation Program Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 535,400	\$ 595,902	\$ 203,485	\$ (392,417)
Total revenues	<u>535,400</u>	<u>595,902</u>	<u>203,485</u>	<u>(392,417)</u>
Expenditures				
Capital outlay	535,400	2,129,221	78,773	2,050,448
Total expenditures	<u>535,400</u>	<u>2,129,221</u>	<u>78,773</u>	<u>2,050,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,533,319)</u>	<u>124,712</u>	<u>1,658,031</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (1,533,319)</u>	<u>124,712</u>	<u>\$ 1,658,031</u>
Fund balances (deficit), beginning of year			<u>(124,712)</u>	
Fund balances, end of year			<u>\$ -</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
BJA Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ -	\$ 70,209	\$ 19,485	\$ (50,724)
Total revenues	<u>-</u>	<u>70,209</u>	<u>19,485</u>	<u>(50,724)</u>
Expenditures				
Current:				
Public safety	-	70,209	19,485	50,724
Total expenditures	<u>-</u>	<u>70,209</u>	<u>19,485</u>	<u>50,724</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances (deficit), beginning of year			<u>(846)</u>	
Fund balances (deficit), end of year			<u>\$ (846)</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Supplemental Law Grant Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ -	\$ 354,291	\$ 358,380	\$ 4,089
Total revenues	-	354,291	358,380	4,089
Expenditures				
Current:				
Public safety	-	341,257	327,000	14,257
Total expenditures	-	341,257	327,000	14,257
Excess (deficiency) of revenues over (under) expenditures	-	13,034	31,380	18,346
Net change in fund balances	\$ -	\$ 13,034	31,380	\$ 18,346
Fund balances (deficit), beginning of year			(13,034)	
Fund balances, end of year			<u>\$ 18,346</u>	

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, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ -	\$ 498,698	\$ 4,046	\$ (494,652)
Total revenues	<u>-</u>	<u>498,698</u>	<u>4,046</u>	<u>(494,652)</u>
Expenditures				
Current:				
Community development	23,823	508,823	4,083	504,740
Total expenditures	<u>23,823</u>	<u>508,823</u>	<u>4,083</u>	<u>504,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,823)</u>	<u>(10,125)</u>	<u>(37)</u>	<u>10,088</u>
Net change in fund balances	<u>\$ (23,823)</u>	<u>\$ (10,125)</u>	<u>(37)</u>	<u>\$ 10,088</u>
Fund balances, beginning of year			<u>37</u>	
Fund balances, end of year			<u>\$ -</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Library Facilities Fees Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Investment income	\$ -	\$ -	\$ (237)	\$ (237)
Developer fees	35,000	35,000	265,503	230,503
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>265,266</u>	<u>230,266</u>
Other financing sources (uses)				
Transfers out	(35,000)	(109,731)	(109,731)	-
Total other financing sources (uses)	<u>(35,000)</u>	<u>(109,731)</u>	<u>(109,731)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (74,731)</u>	<u>155,535</u>	<u>\$ 230,266</u>
Fund balances, beginning of year			<u>1,766</u>	
Fund balances, end of year			<u>\$ 157,301</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Public Education and Government Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Taxes	\$ 450,000	\$ 450,000	\$ 472,138	\$ 22,138
Investment income	7,200	7,200	8,978	1,778
Total revenues	<u>457,200</u>	<u>457,200</u>	<u>481,116</u>	<u>23,916</u>
Expenditures				
Current:				
General government	254,509	254,509	240,770	13,739
Total expenditures	<u>254,509</u>	<u>254,509</u>	<u>240,770</u>	<u>13,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>202,691</u>	<u>202,691</u>	<u>240,346</u>	<u>37,655</u>
Net change in fund balances	<u>\$ 202,691</u>	<u>\$ 202,691</u>	<u>240,346</u>	<u>\$ 37,655</u>
Fund balances, beginning of year			873,671	
Fund balances, end of year			<u>\$ 1,114,017</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 Proposition C Special Revenue Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 6,424,681	\$ 11,290,061	\$ 5,716,298	\$ (5,573,763)
Investment income	-	-	(3,458)	(3,458)
Total revenues	<u>6,424,681</u>	<u>11,290,061</u>	<u>5,712,840</u>	<u>(5,577,221)</u>
Expenditures				
Current:				
Public works	1,650	1,650	1,650	-
Capital outlay	3,919,448	8,464,650	3,095,459	5,369,191
Total expenditures	<u>3,921,098</u>	<u>8,466,300</u>	<u>3,097,109</u>	<u>5,369,191</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,503,583</u>	<u>2,823,761</u>	<u>2,615,731</u>	<u>(208,030)</u>
Other financing sources (uses)				
Transfers out	(2,503,583)	(2,895,808)	(1,740,227)	1,155,581
Total other financing sources (uses)	<u>(2,503,583)</u>	<u>(2,895,808)</u>	<u>(1,740,227)</u>	<u>1,155,581</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (72,047)</u>	<u>875,504</u>	<u>\$ 947,551</u>
Fund balances, beginning of year			<u>295,542</u>	
Fund balances, end of year			<u>\$ 1,171,046</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Federal Grants Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 3,724,056	\$ 7,434,703	\$ 2,789,477	\$ (4,645,226)
Total revenues	<u>3,724,056</u>	<u>7,434,703</u>	<u>2,789,477</u>	<u>(4,645,226)</u>
Expenditures				
Current:				
Public safety	-	10,305	127	10,178
Capital outlay	3,724,056	7,439,976	2,643,548	4,796,428
Total expenditures	<u>3,724,056</u>	<u>7,450,281</u>	<u>2,643,675</u>	<u>4,806,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(15,578)</u>	<u>145,802</u>	<u>161,380</u>
Other financing sources (uses)				
Transfers in	-	1,050,123	1,050,123	-
Total other financing sources (uses)	<u>-</u>	<u>1,050,123</u>	<u>1,050,123</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 1,034,545</u>	<u>1,195,925</u>	<u>\$ 161,380</u>
Fund balances, beginning of year			(936,093)	
Fund balances, end of year			<u>\$ 259,832</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Measure R Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 1,878,921	\$ 2,154,166	\$ 2,153,225	\$ (941)
Investment income	-	-	(821)	(821)
Total revenues	<u>1,878,921</u>	<u>2,154,166</u>	<u>2,152,404</u>	<u>(1,762)</u>
Other financing sources (uses)				
Transfers out	(1,878,921)	-	-	-
Total other financing sources (uses)	<u>(1,878,921)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 2,154,166</u>	<u>2,152,404</u>	<u>\$ (1,762)</u>
Fund balances, beginning of year			<u>162,228</u>	
Fund balances, end of year			<u>\$ 2,314,632</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Tourism Marketing District Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Charges for services	\$ 462,000	\$ 496,350	\$ 514,906	\$ 18,556
Investment income	1,837	1,837	2,241	404
Total revenues	<u>463,837</u>	<u>498,187</u>	<u>517,147</u>	<u>18,960</u>
Expenditures				
Current:				
General government	408,264	402,950	312,056	90,894
Total expenditures	<u>408,264</u>	<u>402,950</u>	<u>312,056</u>	<u>90,894</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,573</u>	<u>95,237</u>	<u>205,091</u>	<u>109,854</u>
Net change in fund balances	<u>\$ 55,573</u>	<u>\$ 95,237</u>	<u>205,091</u>	<u>\$ 109,854</u>
Fund balances, beginning of year			<u>184,927</u>	
Fund balances, end of year			<u>\$ 390,018</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 OSPD Special Revenue Fund
 For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Special assessments	\$ 2,098,000	\$ 2,098,000	\$ 2,143,520	\$ 45,520
Investment income	26,065	26,065	50,624	24,559
Other revenue	-	-	10,000	10,000
Total revenues	<u>2,124,065</u>	<u>2,124,065</u>	<u>2,204,144</u>	<u>80,079</u>
Expenditures				
Current:				
General government	433,890	455,062	351,458	103,604
Capital outlay	-	2,752,630	34,000	2,718,630
Total expenditures	<u>433,890</u>	<u>3,207,692</u>	<u>385,591</u>	<u>2,822,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,690,175</u>	<u>(1,083,627)</u>	<u>1,818,553</u>	<u>2,902,180</u>
Other financing sources (uses)				
Transfers out	(808,647)	(808,647)	(808,628)	19
Total other financing sources (uses)	<u>(808,647)</u>	<u>(768,165)</u>	<u>(768,146)</u>	<u>19</u>
Net change in fund balances	<u>\$ 881,528</u>	<u>\$ (1,851,792)</u>	<u>1,050,407</u>	<u>\$ 2,902,199</u>
Fund balances, beginning of year			<u>10,658,931</u>	
Fund balances, end of year			<u><u>\$ 11,709,338</u></u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Miscellaneous Grants Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ 1,580,285	\$ 1,120,667	\$ 1,626,238	\$ 505,571
Total revenues	<u>1,580,285</u>	<u>1,120,667</u>	<u>1,626,238</u>	<u>505,571</u>
Expenditures				
Current:				
General government	350,000	493,702	451,547	42,155
Public safety	-	102,104	59,897	42,207
Parks, recreation and community service	9,730	8,000	8,000	-
Public works	45,000	203,553	141,965	61,588
Capital outlay	1,129,555	529,852	732,059	(202,207)
Total expenditures	<u>1,534,285</u>	<u>1,337,211</u>	<u>1,393,468</u>	<u>(56,257)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,000</u>	<u>(216,544)</u>	<u>232,770</u>	<u>449,314</u>
Net change in fund balances	<u>\$ 46,000</u>	<u>\$ (216,544)</u>	<u>232,770</u>	<u>\$ 449,314</u>
Fund balances (deficit), beginning of year			<u>(420,881)</u>	
Fund balances (deficit), end of year			<u>\$ (188,111)</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Park Dedication Special Revenue Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Investment income	\$ 1,505	\$ 1,505	\$ 1,977	\$ 472
Total revenues	<u>1,505</u>	<u>1,505</u>	<u>1,977</u>	<u>472</u>
Expenditures				
Capital outlay	-	118,925	117,893	1,032
Total expenditures	<u>-</u>	<u>118,925</u>	<u>117,893</u>	<u>1,032</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,505</u>	<u>(117,420)</u>	<u>(115,916)</u>	<u>1,504</u>
Net change in fund balances	<u>\$ 1,505</u>	<u>\$ (117,420)</u>	<u>(115,916)</u>	<u>\$ 1,504</u>
Fund balances, beginning of year			<u>163,465</u>	
Fund balances, end of year			<u>\$ 47,549</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Housing Successor Agency Special Revenue Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Other revenue	\$ 5,056,509	\$ 5,056,509	\$ 5,056,509	\$ -
Total revenues	<u>5,056,509</u>	<u>5,056,509</u>	<u>5,056,509</u>	<u>-</u>
Other financing sources (uses)				
Transfers out	(1,050,123)	(1,050,123)	(1,050,123)	-
Total other financing sources (uses)	<u>(1,050,123)</u>	<u>(1,050,123)</u>	<u>(1,050,123)</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,006,386</u>	<u>\$ 4,006,386</u>	<u>4,006,386</u>	<u>\$ -</u>
Fund balances, beginning of year			939,459	
Fund balances, end of year			<u>\$ 4,945,845</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 Tourism Marketing Bureau Special Revenue Fund
 For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Charges for services	\$ 12,987	\$ 15,400	\$ 13,029	\$ (2,371)
Investment income	200	-	94	94
Other revenue	81,614	99,401	81,614	(17,787)
Total revenues	<u>94,801</u>	<u>114,801</u>	<u>94,737</u>	<u>(20,064)</u>
Expenditures				
Current:				
General government	9,703	56,000	55,035	965
Total expenditures	<u>9,703</u>	<u>56,000</u>	<u>55,035</u>	<u>965</u>
Excess (deficiency) of revenues over (under) expenditures	<u>85,098</u>	<u>58,801</u>	<u>39,702</u>	<u>(19,099)</u>
Net change in fund balances	<u>\$ 85,098</u>	<u>\$ 58,801</u>	<u>39,702</u>	<u>\$ (19,099)</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ 39,702</u>	

City of Santa Clarita

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
 General Capital Projects Fund
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Other revenue	\$ 85,000	\$ 85,000	\$ 86,634	\$ 1,634
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>86,634</u>	<u>1,634</u>
Expenditures				
Capital outlay	1,025,909	4,477,932	2,501,659	1,976,273
Total expenditures	<u>1,025,909</u>	<u>4,477,932</u>	<u>2,501,659</u>	<u>1,976,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(940,909)</u>	<u>(4,392,932)</u>	<u>(2,415,025)</u>	<u>1,977,907</u>
Other Financing Sources (Uses)				
Transfers in	-	1,575,064	1,575,064	-
Total other financing sources (uses)	<u>-</u>	<u>1,575,064</u>	<u>1,575,064</u>	<u>-</u>
Net change in fund balances	<u>\$ (940,909)</u>	<u>\$ (2,817,868)</u>	<u>(839,961)</u>	<u>\$ 1,977,907</u>
Fund balances, beginning of year			<u>4,249,725</u>	
Fund balances, end of year			<u>\$ 3,409,764</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Public Financing Authority Capital Projects Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Other Financing Sources (Uses)				
Transfers in	\$ 798,033	\$ 798,052	\$ 798,033	\$ (19)
Transfers out	(798,297)	(798,052)	(798,297)	(245)
Total other financing sources (uses)	<u>(264)</u>	<u>-</u>	<u>(264)</u>	<u>(264)</u>
Net change in fund balances	<u>\$ (264)</u>	<u>\$ -</u>	<u>(264)</u>	<u>\$ (264)</u>
Fund balances, beginning of year			<u>274</u>	
Fund balances, end of year			<u>\$ 10</u>	

City of Santa Clarita

**Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Public Financing Authority Debt Service Fund
For the Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive/ (Negative)
Revenues				
Investment income	\$ 65	\$ -	\$ 107	\$ 107
Total revenues	<u>65</u>	<u>-</u>	<u>107</u>	<u>107</u>
Expenditures				
Debt service:				
Principal retirement	1,560,000	1,560,000	1,560,000	-
Interest and fiscal charges	1,589,256	1,589,192	1,589,277	(85)
Total expenditures	<u>3,149,256</u>	<u>3,149,192</u>	<u>3,149,277</u>	<u>(85)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,149,191)</u>	<u>(3,149,192)</u>	<u>(3,149,170)</u>	<u>22</u>
Other Financing Sources (Uses)				
Transfers in	3,149,436	3,149,192	3,149,436	244
Total other financing sources (uses)	<u>3,149,436</u>	<u>3,149,192</u>	<u>3,149,436</u>	<u>244</u>
Net change in fund balances	<u>\$ 245</u>	<u>\$ -</u>	<u>266</u>	<u>\$ 266</u>
Fund balances, beginning of year			(80)	
Fund balances (deficit), end of year			<u>\$ 186</u>	

City of Santa Clarita

Internal Service Funds

As of and for the Year Ended June 30, 2014

The Internal Service Funds are used to account for goods or services provided by a central service department to other City departments.

Self-Insurance – To account for the City's self-insurance program.

Computer Replacement – To account for the financing of the replacement of the City's computer equipment.

Vehicle Replacement – To account for the financing of the replacement of the City's automotive equipment.

City of Santa Clarita

Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Self- Insurance	Computer Replacement	Vehicle Replacement	Totals
Assets				
Current assets				
Cash and investments	\$ 3,729,970	\$ 2,177,512	\$ 4,416,251	\$ 10,323,733
Receivables:				
Accounts	-	-	3,411	3,411
Interest	8,254	4,941	10,021	23,216
Prepaid costs	-	60,313	-	60,313
Total current assets	<u>3,738,224</u>	<u>2,242,766</u>	<u>4,429,683</u>	<u>10,410,673</u>
Noncurrent assets				
Capital assets:				
Equipment, net of accumulated depreciation	-	189,409	421,805	611,214
Total noncurrent assets	<u>-</u>	<u>189,409</u>	<u>421,805</u>	<u>611,214</u>
Total assets	<u>3,738,224</u>	<u>2,432,175</u>	<u>4,851,488</u>	<u>11,021,887</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	114,200	131,201	282	245,683
Compensated absences	2,254	-	-	2,254
Claims and judgments	1,349,876	-	-	1,349,876
Total current liabilities	<u>1,466,330</u>	<u>131,201</u>	<u>282</u>	<u>1,597,813</u>
Noncurrent liabilities				
Claims and judgments	807,887	-	-	807,887
Total noncurrent liabilities	<u>807,887</u>	<u>-</u>	<u>-</u>	<u>807,887</u>
Total liabilities	<u>2,274,217</u>	<u>131,201</u>	<u>282</u>	<u>2,405,700</u>
Net position				
Net investment in capital assets	-	189,409	421,805	611,214
Unrestricted	1,464,007	2,111,565	4,429,401	8,004,973
Total net position	<u>\$ 1,464,007</u>	<u>\$ 2,300,974</u>	<u>\$ 4,851,206</u>	<u>\$ 8,616,187</u>

City of Santa Clarita

Combining Statement of Revenues, Expenses and Changes in Net Position
 Internal Service Funds
 For the Year Ended June 30, 2014

	Self- Insurance	Computer Replacement	Vehicle Replacement	Totals
Operating revenues				
Charge for services	\$ 2,471,221	\$ 410,070	\$ 224,400	\$ 3,105,691
Total operating revenues	<u>2,471,221</u>	<u>410,070</u>	<u>224,400</u>	<u>3,105,691</u>
Operating expenses				
Administration and personnel services	330,938	1,960	3,490	336,388
Services and supplies	2,176,168	193,309	-	2,369,477
Depreciation expense	-	58,649	108,487	167,136
Total operating expenses	<u>2,507,106</u>	<u>253,918</u>	<u>111,977</u>	<u>2,873,001</u>
Operating income (loss)	<u>(35,885)</u>	<u>156,152</u>	<u>112,423</u>	<u>232,690</u>
Nonoperating revenues (expenses)				
Investment income	88,171	24,530	53,589	166,290
Gain on disposal of fixed assets	-	-	18,174	18,174
Total nonoperating revenues (expenses)	<u>88,171</u>	<u>24,530</u>	<u>71,763</u>	<u>184,464</u>
Income (loss) before transfers	<u>52,286</u>	<u>180,682</u>	<u>184,186</u>	<u>417,154</u>
Transfers				
Transfers in	92,430	-	-	92,430
Transfers out	(17,411)	-	-	(17,411)
Total transfers	<u>75,019</u>	<u>-</u>	<u>-</u>	<u>75,019</u>
Changes in net position	<u>127,305</u>	<u>180,682</u>	<u>184,186</u>	<u>492,173</u>
Net position				
Net position, beginning of year	1,336,702	2,120,292	4,667,020	8,124,014
Net position, end of year	<u>\$ 1,464,007</u>	<u>\$ 2,300,974</u>	<u>\$ 4,851,206</u>	<u>\$ 8,616,187</u>

City of Santa Clarita

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Self- Insurance	Computer Replacement	Vehicle Replacement	Totals
Cash flows from operating activities				
Cash received from customers and users	\$ 2,471,221	\$ 410,070	\$ 220,989	\$ 3,102,280
Cash paid to suppliers for goods and services	(2,299,434)	(165,998)	(4,412)	(2,469,844)
Cash paid to employees for services	905,873	-	-	905,873
Net cash provided by operating activities	1,077,660	244,072	216,577	1,538,309
Cash flows from non-capital financing activities				
Cash transfers out	(17,411)	-	-	(17,411)
Cash transfers in	92,430	-	-	92,430
Net cash provided by non-capital financing activities	75,019	-	-	75,019
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	-	(100,894)	(280,909)	(381,803)
Net cash (used in) capital and related financing activities	-	(100,894)	(280,909)	(381,803)
Cash flows from investing activities				
Interest received	101,165	25,197	55,919	182,281
Net cash provided by investing activities	101,165	25,197	55,919	182,281
Net increase (decrease) in cash and cash equivalents	1,253,844	168,375	(8,413)	1,413,806
Cash and cash equivalents at beginning of year	2,476,126	2,009,137	4,424,664	8,909,927
Cash and cash equivalents at end of year	\$ 3,729,970	\$ 2,177,512	\$ 4,416,251	\$ 10,323,733
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ (35,885)	\$ 156,152	\$ 112,423	\$ 232,690
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	58,649	108,487	167,136
(Increase) in accounts receivable	-	-	(3,411)	(3,411)
Increase (decrease) in accounts payable	73,594	89,584	(922)	162,256
Increase in claims and judgments	1,043,646	-	-	1,043,646
(Decrease) in compensated absences	(3,695)	-	-	(3,695)
Total adjustments	1,113,545	87,920	104,154	1,305,619
Net cash provided by operating activities	\$ 1,077,660	\$ 244,072	\$ 216,577	\$ 1,538,309
Non-cash investing, capital and financing activities				
Disposal of capital assets	\$ -	\$ -	\$ (18,174)	\$ (18,174)

City of Santa Clarita

**Fiduciary Funds
As of June 30, 2014**

Agency Funds are used to account for assets held by the City as an agency for individuals.

Assessment District No. 92-2 – To account for monies held to account for debt service requirements of Assessment District No. 92-2.

Assessment District No. 99-1 – To account for monies held to account for debt service requirements of Assessment District No. 99-1.

Community Facilities District No. 2002-1 – To account for monies held to account for debt service requirements of Community Facilities District No. 2002-1.

Santa Clarita Watershed and Recreation Conservancy Authority – To account for monies held for the operations of the Watershed Authority, for which the City performs administrative functions.

Santa Clarita Public Television Authority – To account for monies held for the operations of the SCPTA, for which the City performs administrative functions.

City of Santa Clarita

Combining Statement of Assets and Liabilities
 Agency Funds
 June 30, 2014

	Assessment District No. 92-2	Assessment District No. 99-1	Community Facilities District No. 2002-1
Assets			
Cash and investments	\$ 113,314	\$ 85,416	\$ 768,335
Receivables:			
Interest	257	194	1,740
Taxes	408	1,187	-
Due from other governments	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	58,697	59,712	1,643,419
Capital assets:			
Land	-	-	-
Building, net of accumulated depreciation	-	-	-
Total assets	\$ 172,676	\$ 146,509	\$ 2,413,494
Liabilities			
Due to external parties	\$ 172,676	\$ 146,509	\$ 2,413,494
Total liabilities	\$ 172,676	\$ 146,509	\$ 2,413,494

City of Santa Clarita

Combining Statement of Assets and Liabilities
 Agency Funds
 June 30, 2014

	Santa Clarita Watershed and Recreation Conservancy Authority	Santa Clarita Public Television Authority	Totals
Assets			
Cash and investments	\$ 33,119	\$ 8	\$ 1,000,192
Receivables:			
Interest	-	-	2,191
Taxes	-	-	1,595
Due from other governments	715,000	-	715,000
Restricted assets:			
Cash and investments with fiscal agents	-	-	1,761,828
Capital assets:			
Land	9,937,976	-	9,937,976
Building, net of accumulated depreciation	90,300	-	90,300
Total assets	\$ 10,776,395	\$ 8	\$ 13,509,082
Liabilities			
Due to external parties	\$ 10,776,395	\$ 8	\$ 13,509,082
Total liabilities	\$ 10,776,395	\$ 8	\$ 13,509,082

City of Santa Clarita

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Assessment District No. 92-2</u>				
Assets				
Cash and investments	\$ 97,826	\$ 184,767	\$ 169,279	\$ 113,314
Receivables:				
Taxes	1,685	408	1,685	408
Interest	273	257	273	257
Restricted assets:				
Cash and investments with fiscal agents	58,697	-	-	58,697
Total assets	\$ 158,481	\$ 185,432	\$ 171,237	\$ 172,676
Liabilities				
Accounts payable	\$ 15	\$ 6,367	\$ 6,382	\$ -
Due to external parties	158,466	179,065	164,855	172,676
Total liabilities	\$ 158,481	\$ 185,432	\$ 171,237	\$ 172,676
<u>Assessment District 99-1</u>				
Assets				
Cash and investments	\$ 71,498	\$ 143,968	\$ 130,050	\$ 85,416
Receivables:				
Taxes	590	1,187	590	1,187
Interest	200	194	200	194
Restricted assets:				
Cash and investments with fiscal agents	57,106	2,606	-	59,712
Total assets	\$ 129,394	\$ 147,955	\$ 130,840	\$ 146,509
Liabilities				
Accounts payable	\$ 201	\$ 3,491	\$ 3,692	\$ -
Due to external parties	129,193	144,464	127,148	146,509
Total liabilities	\$ 129,394	\$ 147,955	\$ 130,840	\$ 146,509

City of Santa Clarita

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Community Facilities District No. 2002-1</u>				
Assets				
Cash and investments	\$ 647,353	\$ 395,741	\$ 274,759	\$ 768,335
Receivables:				
Accounts	2,000	-	2,000	-
Interest	1,803	1,740	1,803	1,740
Restricted assets:				
Cash and investments with fiscal agents	1,651,579	1,769,210	1,777,370	1,643,419
Total assets	\$ 2,302,735	\$ 2,166,691	\$ 2,055,932	\$ 2,413,494
Liabilities				
Accounts payable	\$ -	\$ 520	\$ 520	\$ -
Due to external parties	2,302,735	2,166,171	2,055,412	2,413,494
Total liabilities	\$ 2,302,735	\$ 2,166,691	\$ 2,055,932	\$ 2,413,494
<u>Santa Clarita Watershed and Recreation Conservancy Authority</u>				
Assets				
Cash and investments	\$ 270,259	\$ 102	\$ 237,242	\$ 33,119
Due from other governments	715,000	-	-	715,000
Capital assets:				
Land	9,738,207	199,769	-	9,937,976
Building, net of accumulated depreciation	94,062	-	3,762	90,300
Total assets	\$ 10,817,528	\$ 199,871	\$ 241,004	\$ 10,776,395
Liabilities				
Due to external parties	\$ 10,817,528	\$ 199,871	\$ 241,004	\$ 10,776,395
Total liabilities	\$ 10,817,528	\$ 199,871	\$ 241,004	\$ 10,776,395

City of Santa Clarita

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Santa Clarita Public Television Authority</u>				
Assets				
Cash and investments	\$ 4	\$ 142,924	\$ 142,920	\$ 8
Total assets	\$ 4	\$ 142,924	\$ 142,920	\$ 8
Liabilities				
Accounts payable	\$ -	\$ 13,807	\$ 13,807	\$ -
Due to external parties	4	129,117	129,113	8
Total liabilities	\$ 4	\$ 142,924	\$ 142,920	\$ 8
<u>Total Agency Funds</u>				
Assets				
Cash and investments	\$ 1,086,940	\$ 867,502	\$ 954,250	\$ 1,000,192
Receivables:				
Accounts	2,000	-	2,000	-
Taxes	2,275	1,595	2,275	1,595
Interest	2,276	2,191	2,276	2,191
Due from other governments	715,000	-	-	715,000
Restricted assets:				
Cash and investments with fiscal agents	1,767,382	1,771,816	1,777,370	1,761,828
Capital assets:				
Land	9,738,207	199,769	-	9,937,976
Building, net of accumulated depreciation	94,062	-	3,762	90,300
Total assets	\$ 13,408,142	\$ 2,842,873	\$ 2,741,933	\$ 13,509,082
Liabilities				
Accounts payable	\$ 216	\$ 24,185	\$ 24,401	\$ -
Due to external parties	13,407,926	2,818,688	2,717,532	13,509,082
Total liabilities	\$ 13,408,142	\$ 2,842,873	\$ 2,741,933	\$ 13,509,082



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.	142-151
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 tax.	152-167
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.	168-174
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.	175-176
Operating Information These tables contain service and infrastructure indicators that can inform one's understanding of how the information in the City's financial statements relates to the services the City provides and the activities it performs.	177-179

City of Santa Clarita
Net Position by Component ⁽¹⁾
Last Nine Fiscal Years Ended June 30, 2014 ⁽²⁾
(accrual basis of accounting)

	FISCAL YEAR			
	13-14	12-13	11-12	10-11
Governmental Activities				
Investment in capital assets, net of related debt	\$ 799,926,613	\$ 738,271,282	\$ 743,281,558	\$ 717,613,095
Restricted for:				
Capital projects	-	14,292,447	3,275,312	3,452,815
Debt service	-	-	-	-
Specific projects and programs	71,643,713	54,229,493	46,915,965	30,201,655
Total restricted	71,643,713	68,521,940	50,191,277	33,654,470
Unrestricted	82,854,775	65,706,424	79,141,211	67,397,688
Total governmental activities net position	<u>\$ 954,425,101</u>	<u>\$ 872,499,646</u>	<u>\$ 872,614,046</u>	<u>\$ 818,665,253</u>
Business-Type Activities				
Investment in capital assets, net of related debt	\$ 83,296,545	\$ 76,561,407	\$ 73,778,640	\$ 75,416,868
Unrestricted	3,354,211	3,835,316	3,099,419	503,446
Total business-type activities net position	<u>\$ 86,650,756</u>	<u>\$ 80,396,723</u>	<u>\$ 76,878,059</u>	<u>\$ 75,920,314</u>
Primary Government				
Net investment in capital assets	\$ 883,223,158	\$ 814,832,689	\$ 817,060,198	\$ 793,029,963
Restricted	71,643,713	68,521,940	50,191,277	33,654,470
Unrestricted	86,208,986	69,541,740	82,240,630	67,901,134
Total primary government net position	<u>\$1,041,075,857</u>	<u>\$ 952,896,369</u>	<u>\$ 949,492,105</u>	<u>\$ 894,585,567</u>

Note:

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

(2) The City implemented GASB 44 for the fiscal year ended June 30, 2006; therefore, only nine years of data is

(3) The City implemented the GASB 34 reporting module for the fiscal year ended June 30, 2003. The 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.

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

FISCAL YEAR				
09-10	08-09	07-08	06-07	05-06 ⁽³⁾ As Restated
\$ 657,644,168	\$ 629,621,720	\$ 672,306,820	\$ 661,210,117	\$ 614,300,517
4,769,573	4,769,573	45,993,804	18,134,924	32,030,928
-	-	632,680	-	174,028
85,895,468	92,644,739	61,018,399	34,441,539	30,547,345
90,665,041	97,414,312	107,644,883	52,576,463	62,752,301
63,218,255	98,512,704	66,249,901	87,737,817	71,001,423
\$ 811,527,464	\$ 825,548,736	\$ 846,201,604	\$ 801,524,397	\$ 748,054,241
\$ 67,911,725	\$ 66,478,547	\$ 63,526,242	\$ 62,246,621	\$ 63,741,429
(176,196)	3,603,396	2,957,611	1,553,088	(406,224)
\$ 67,735,529	\$ 70,081,943	\$ 66,483,853	\$ 63,799,709	\$ 63,335,205
\$ 725,555,893	\$ 696,100,267	\$ 735,833,062	\$ 723,456,738	\$ 678,041,946
90,665,041	97,414,312	107,644,883	52,576,463	62,752,301
63,042,059	102,116,100	69,207,512	89,290,905	70,595,199
\$ 879,262,993	\$ 895,630,679	\$ 912,685,457	\$ 865,324,106	\$ 811,389,446

City of Santa Clarita
Changes in Net Position ⁽¹⁾
Last Nine Fiscal Years Ended June 30, 2014 ⁽²⁾
(accrual basis of accounting)

	FISCAL YEAR			
	13-14	12-13	11-12	10-11
Expenses				
Governmental Activities				
General government	\$ 41,807,284	\$ 35,921,943	\$ 33,664,470	\$ 47,048,462
Public safety	22,187,434	19,940,098	27,391,075	21,280,904
Public works	26,183,862	28,651,261	30,623,718	25,799,166
Parks, recreation and community service	22,550,301	21,809,820	19,282,538	11,281,552
Community development	6,193,101	7,214,293	5,896,640	11,547,650
Unallocated infrastructure depreciation	17,561,539	15,163,864	16,844,238	16,392,901
Interest on long-term debt	1,872,832	1,992,574	3,391,058	4,650,566
Total governmental activities expenses	<u>138,356,353</u>	<u>130,693,853</u>	<u>137,093,737</u>	<u>138,001,201</u>
Business-Type Activities				
Transit	26,819,161	25,653,753	24,930,635	24,127,043
Total business-type activities expenses	<u>26,819,161</u>	<u>25,653,753</u>	<u>24,930,635</u>	<u>24,127,043</u>
Total primary government expenses	<u>\$165,175,514</u>	<u>\$156,347,606</u>	<u>\$162,024,372</u>	<u>\$162,128,244</u>
Program Revenues				
Governmental Activities				
Charges for services:				
General government	\$ 31,970,148	\$ 24,323,027	\$ 13,719,117	\$ 398,181
Public safety	1,847,403	2,284,334	2,079,109	2,305,608
Public works	12,463,046	9,943,014	7,209,724	4,929,602
Parks, recreation and community service	4,390,686	4,371,888	4,156,386	4,220,977
Community development	1,961,243	1,611,184	5,152,484	12,059,509
Operating grants and contributions	19,421,199	9,061,950	16,032,433	14,090,686
Capital grants and contributions	22,530,841	33,585,797	28,616,388	31,325,725
Total governmental activities program revenue	<u>94,584,566</u>	<u>85,181,194</u>	<u>76,965,641</u>	<u>69,330,288</u>
Business-Type Activities				
Charges for services:				
Transit	7,587,497	6,863,086	6,616,778	6,573,879
Operating grants and contributions	8,984,127	8,579,209	7,385,264	6,913,534
Capital grants and contributions	10,804,747	8,513,238	5,041,992	13,043,418
Total business-type activities program revenue	<u>27,376,371</u>	<u>23,955,533</u>	<u>19,044,034</u>	<u>26,530,831</u>
Total primary government revenues	<u>\$121,960,937</u>	<u>\$109,136,727</u>	<u>\$ 96,009,675</u>	<u>\$ 95,861,119</u>

Note:

(1) The City implemented the GASB 34 reporting module for the fiscal year ended June 30, 2003.

(2) The City implemented GASB 44 for the fiscal year ended June 30, 2006; therefore, only nine years of data is presented.

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

FISCAL YEAR				
09-10	08-09	07-08	06-07	05-06
\$ 32,116,335	\$ 30,094,380	\$ 27,488,731	\$ 26,029,070	\$ 24,225,414
17,912,704	17,489,870	16,482,917	14,398,408	13,821,626
26,758,527	48,514,645	30,549,888	19,273,980	6,417,841
27,835,763	32,747,618	21,817,251	20,573,077	20,988,533
13,831,341	9,761,681	9,257,881	8,985,449	16,939,976
15,545,626	14,405,047	13,128,617	12,920,310	1,268,939
5,476,918	5,786,174	3,127,998	2,087,949	1,669,701
<u>139,477,214</u>	<u>158,799,415</u>	<u>121,853,283</u>	<u>104,268,243</u>	<u>85,332,030</u>
23,348,708	22,299,379	21,506,317	18,315,106	16,508,457
<u>23,348,708</u>	<u>22,299,379</u>	<u>21,506,317</u>	<u>18,315,106</u>	<u>16,508,457</u>
<u>\$162,825,922</u>	<u>\$181,098,794</u>	<u>\$143,359,600</u>	<u>\$122,583,349</u>	<u>\$101,840,487</u>
\$ 396,651	\$ 621,624	\$ 2,737,355	\$ 302,075	\$ 186,171
2,194,038	1,898,022	2,291,100	2,131,060	2,032,652
3,162,052	260,524	355,817	3,575,546	2,512,093
3,956,933	3,849,699	3,875,539	3,895,422	3,794,662
15,937,913	35,138,334	26,341,684	20,182,722	19,068,982
16,224,269	9,931,109	22,600,793	26,641,145	23,465,852
15,249,634	38,785,576	39,003,536	24,770,306	60,971,404
<u>57,121,490</u>	<u>90,484,888</u>	<u>97,205,824</u>	<u>81,498,276</u>	<u>112,031,816</u>
3,181,614	3,299,263	3,216,239	5,827,778	4,950,584
10,260,579	13,653,177	11,876,720	12,616,641	3,351,941
-	-	617,421	750,200	-
<u>13,442,193</u>	<u>16,952,440</u>	<u>15,710,380</u>	<u>19,194,619</u>	<u>8,302,525</u>
<u>\$ 70,563,683</u>	<u>\$107,437,328</u>	<u>\$112,916,204</u>	<u>\$100,692,895</u>	<u>\$120,334,341</u>

(Continued)

City of Santa Clarita
Changes in Net Position ⁽¹⁾
Last Nine Fiscal Years Ended June 30, 2014 ⁽²⁾
(accrual basis of accounting)

	FISCAL YEAR			
	13-14	12-13	11-12	10-11
Net Revenues (expenses):				
Governmental activities	\$ (43,771,787)	\$ (45,512,659)	\$ (60,128,096)	\$ (68,670,913)
Business-type activities	557,210	(1,698,220)	(5,886,601)	2,403,788
Total net revenues (expenses)	<u>\$ (43,214,577)</u>	<u>\$ (47,210,879)</u>	<u>\$ (66,014,697)</u>	<u>\$ (66,267,125)</u>
General Revenue and Other Changes in Net Position				
Governmental activities				
Taxes:				
Sales taxes	\$ 33,480,522	\$ 32,057,358	\$ 28,828,139	\$ 27,701,757
Property taxes	35,652,080	32,341,369	34,818,426	24,996,219
Franchise taxes	7,796,070	7,141,953	6,920,244	6,697,241
Real property transfer taxes	947,470	706,180	590,474	3,082,456
Transient occupancy taxes	2,781,527	2,556,774	2,380,547	2,106,521
Unrestricted revenue in lieu of motor vehicle taxes	86,531	91,062	-	-
Unrestricted revenue in lieu of sales taxes	-	-	-	3,316,058
Grants and contributions not restricted to specific programs	-	-	87,883	812,475
Unrestricted investment earnings	2,090,322	(82,870)	1,509,201	3,756,112
Miscellaneous revenue	781,986	310,676	5,372,890	9,148,163
Gain on sale of capital asset	18,174	-	-	-
Transfers	(5,692,032)	(5,187,224)	(6,844,199)	(5,808,300)
Total governmental activities	<u>77,942,650</u>	<u>69,935,278</u>	<u>73,663,605</u>	<u>75,808,702</u>
Business-type activities				
Unrestricted investment earnings	4,791	29,660	147	(27,303)
Miscellaneous revenue	-	-	-	-
Transfers	5,692,032	5,187,224	6,844,199	5,808,300
Total business-type activities	<u>5,696,823</u>	<u>5,216,884</u>	<u>6,844,346</u>	<u>5,780,997</u>
Total primary government	<u>\$ 83,639,473</u>	<u>\$ 75,152,162</u>	<u>\$ 80,507,951</u>	<u>\$ 81,589,699</u>
Extraordinary Item				
Gain from dissolution of former redevelopment agency of the City of Santa Clarita	\$ -	\$ -	\$ 40,413,284	\$ -
Change in Net Position				
Governmental activities	\$ 34,170,863	\$ 24,422,619	\$ 53,948,793	\$ 7,137,789
Business-type activities	6,254,033	3,518,664	957,745	8,184,785
Total primary government	<u>\$ 40,424,896</u>	<u>\$ 27,941,283</u>	<u>\$ 54,906,538</u>	<u>\$ 15,322,574</u>

Note:

(1) The City implemented the GASB 34 reporting module for the fiscal year ended June 30, 2003.

(2) The City implemented GASB 44 for the fiscal year ended June 30, 2006; therefore, only nine years of data is

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

FISCAL YEAR				
09-10	08-09	07-08	06-07	05-06
\$ (82,355,724)	\$ (68,314,527)	\$ (24,647,459)	\$ (22,769,967)	\$ 26,699,786
(9,906,515)	(5,346,939)	(5,795,937)	879,513	(8,205,932)
<u>\$ (92,262,239)</u>	<u>\$ (73,661,466)</u>	<u>\$ (30,443,396)</u>	<u>\$ (21,890,454)</u>	<u>\$ 18,493,854</u>

\$ 24,511,238	\$ 27,751,506	\$ 29,076,388	\$ 23,790,825	\$ 22,204,192
25,126,278	26,820,068	24,482,930	27,891,202	23,106,806
6,407,923	6,704,074	6,028,903	6,248,912	5,560,153
4,564,687	4,816,638	836,824	1,073,774	1,544,534
2,050,857	2,260,708	2,433,651	1,804,923	1,824,394
-	-	-	-	603,990
3,221,498	3,083,353	8,490,865	8,156,017	6,965,521
896,708	1,015,413	1,252,281	1,862,901	223,241
4,871,133	6,020,940	4,566,884	4,970,193	1,891,292
4,161,677	3,193,421	-	-	-
-	-	-	-	-
(7,477,547)	(8,006,128)	(8,431,120)	441,376	(12,054,795)
<u>68,334,452</u>	<u>73,659,993</u>	<u>68,737,606</u>	<u>76,240,123</u>	<u>51,869,328</u>

82,554	-	48,961	26,367	1,050
-	938,901	-	-	883,615
<u>7,477,547</u>	<u>8,006,128</u>	<u>8,431,120</u>	<u>(441,376)</u>	<u>12,054,795</u>
<u>7,560,101</u>	<u>8,945,029</u>	<u>8,480,081</u>	<u>(415,009)</u>	<u>12,939,460</u>
<u>\$ 75,894,553</u>	<u>\$ 82,605,022</u>	<u>\$ 77,217,687</u>	<u>\$ 75,825,114</u>	<u>\$ 64,808,788</u>

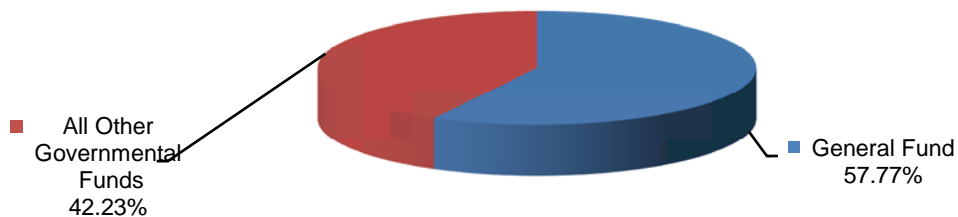
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\$ (14,021,272)	\$ 5,345,466	\$ 44,090,147	\$ 53,470,156	\$ 78,569,114
(2,346,414)	3,598,090	2,684,144	464,504	4,733,528
<u>\$ (16,367,686)</u>	<u>\$ 8,943,556</u>	<u>\$ 46,774,291</u>	<u>\$ 53,934,660</u>	<u>\$ 83,302,642</u>

**City of Santa Clarita
Fund Balances of Governmental Funds
Last Ten Fiscal Years Ended June 30, 2014
(modified accrual basis of accounting)**

	FISCAL YEAR				
	13-14	12-13	11-12	10-11	09-10
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 19,546,015
Unreserved	-	-	-	-	58,211,508
Nonspendable	11,519,143	11,910,059	18,902,350	23,845,861	-
Restricted	-	-	-	-	-
Committed	-	-	66,257	12,356,339	-
Assigned	51,718,096	47,106,536	309,078	572,781	-
Unassigned	45,654,640	35,320,706	50,664,338	46,915,238	-
Total general fund	\$ 108,891,879	\$ 94,337,301	\$ 69,942,023	\$ 83,690,219	\$ 77,757,523
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 51,195,454
Unreserved:					
Special revenue funds	-	-	-	-	2,109,198
Debt service fund	-	-	-	-	(24,048,962)
Capital projects fund	-	-	-	-	33,725,531
Nonspendable	606,996	670,612	28,885,983	28,813,152	-
Restricted	84,268,720	68,957,999	46,915,965	57,205,072	-
Committed	612,829	716,826	-	-	-
Assigned	3,412,127	4,466,367	3,275,312	3,637,410	-
Unassigned	(9,300,647)	(10,665,597)	(56,718,519)	(72,692,440)	-
Total all other governmental funds	\$ 79,600,025	\$ 64,146,207	\$ 22,358,741	\$ 16,963,194	\$ 62,981,221

**FUND BALANCES
Fiscal Year Ended June 30, 2014**

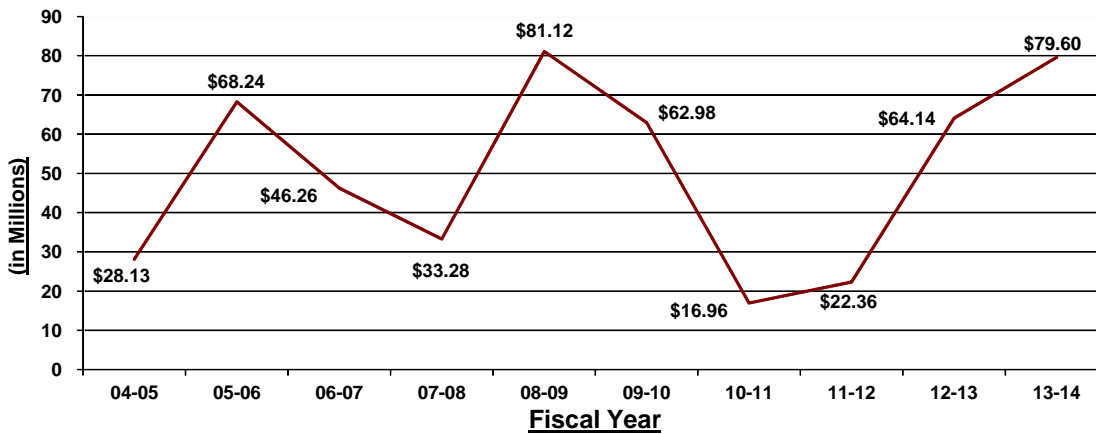


Note: (1) Balance as restated; see financial statements for the applicable year.

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

FISCAL YEAR				
08-09	07-08	06-07	05-06 ⁽¹⁾	04-05
\$ 32,617,139	\$ 34,920,547	\$ 34,699,034	\$ 20,786,040	\$ 15,638,513
41,674,470	31,153,879	28,500,824	18,232,779	30,780,939
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 74,291,609	\$ 66,074,426	\$ 63,199,858	\$ 39,018,819	\$ 46,419,452
\$ 70,667,494	\$ 51,972,970	\$ 48,303,588	\$ 80,399,389	\$ 30,388,825
(7,048,095)	28,377,796	3,827,570	(7,159,062)	2,843,589
(17,004,471)	(15,873,835)	(10,461,382)	(4,743,697)	(4,402,225)
34,502,270	38,050,255	4,592,332	(249,111)	(698,632)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 81,117,198	\$ 102,527,186	\$ 46,262,108	\$ 68,247,519	\$ 28,131,557

**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, 2014
(modified accrual basis of accounting)

	FISCAL YEAR			
	13-14	12-13	11-12	10-11
Revenues:				
Taxes	\$ 80,285,660	\$ 73,972,006	\$ 73,625,713	\$ 72,474,882
Licenses and permits	5,366,972	4,246,957	4,097,709	3,675,424
Developer fees	2,600,997	15,828,388	7,181,986	282,776
Investment income	1,911,491	1,702,006	2,739,794	3,798,498
Intergovernmental	34,355,734	27,452,216	28,375,142	19,780,700
Fines and forfeitures	1,661,157	2,114,166	1,674,085	1,891,500
Service charges	42,156,582	36,311,324	28,145,012	23,608,272
Other revenues	5,943,608	332,146	6,425,792	7,685,141
Total Revenues	174,282,201	161,959,209	152,265,233	133,197,193
Expenditures:				
Current:				
General government	36,294,205	35,433,288	50,816,449	42,213,597
Public safety	22,137,338	19,894,859	25,412,420	21,230,594
Public works	24,385,865	27,968,407	20,753,607	34,210,327
Parks and recreation	20,498,108	19,824,550	19,523,584	21,853,319
Community development	6,185,263	7,252,424	5,923,872	11,575,365
Capital outlay	36,580,589	23,837,533	27,403,439	21,311,885
Debt service:				
Principal	1,837,174	1,750,538	2,338,787	2,246,218
Interest, professional services and fiscal charges	1,885,546	2,039,144	3,743,134	4,796,695
Redemption of district credits	-	14,368,419	-	-
Total Expenditures	149,804,088	152,369,162	155,915,292	159,438,000
Excess of Revenues Over (Under) Expenditures	24,478,113	9,590,047	(3,650,059)	(26,240,807)
Other Financing Sources (Uses)				
Revenue bonds issued/issuance premium	-	-	-	-
Proceeds of long-term debt	-	-	-	-
Escrow payment, costs of bonds issuance and others	-	-	-	-
Proceeds from capital lease	-	-	252,068	-
Transfers in	9,757,447	9,069,495	16,538,674	50,869,852
Transfers out	(15,524,498)	(14,256,719)	(29,810,448)	(64,714,376)
Issuance of district credits	11,297,334	12,270,335	-	-
Total Other Financing Sources (Uses)	5,530,283	7,083,111	(13,019,706)	(13,844,524)
Extraordinary Item:				
Dissolution of Santa Clarita Redevelopment Agency	-	-	8,317,116	-
Net change in fund balances	30,008,396	16,673,158	(8,352,649)	(40,085,331)
Fund balances - Beginning of Year, as restated	158,483,508	141,810,350	100,653,413	140,738,744
Fund balances - End of Year	\$ 188,491,904	\$ 158,483,508	\$ 92,300,764	\$ 100,653,413
Debt service as percentage of noncapital expenditures	3.01%	2.95%	4.40%	5.96%

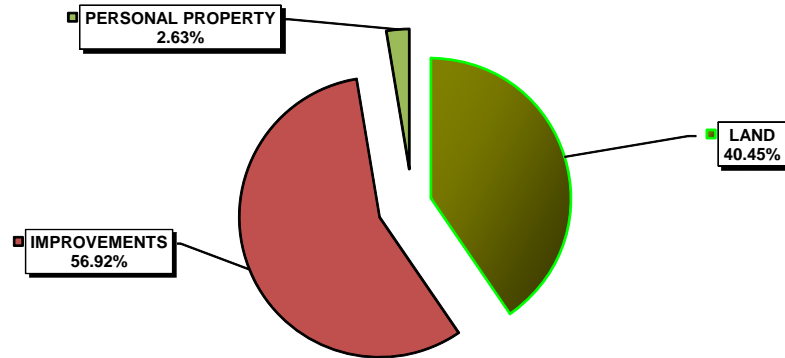
Source: City of Santa Clarita, Administrative Services Department - Finance Division

FISCAL YEAR					
09-10	08-09	07-08	06-07	05-06	04-05
\$ 80,714,829	\$ 87,659,599	\$ 88,088,786	\$ 70,576,755	\$ 66,164,485	\$ 53,763,779
4,093,250	3,697,218	5,256,748	4,203,933	6,907,826	5,127,705
3,053,363	15,763,070	22,290,808	6,747,767	28,028,933	11,963,054
5,485,925	10,749,728	8,287,441	7,926,763	2,881,133	3,148,731
33,881,145	28,882,884	24,247,611	37,300,213	38,526,364	33,089,887
1,936,318	1,759,371	2,121,570	1,918,954	1,904,273	1,803,686
10,812,521	8,375,771	9,931,041	13,463,673	13,081,649	13,339,462
7,234,923	5,077,400	3,368,879	4,356,961	12,651,674	2,408,463
147,212,274	161,965,041	163,592,884	146,495,019	170,146,337	124,644,767
27,951,510	27,250,056	25,965,196	23,411,750	24,668,150	11,217,783
17,862,129	17,439,295	16,342,979	14,347,833	13,658,723	12,429,192
20,594,575	42,937,168	25,977,763	19,511,097	6,802,081	8,901,359
20,048,430	20,126,412	20,156,343	18,943,146	17,376,609	15,964,949
10,849,942	7,095,386	7,583,236	9,051,652	17,164,505	22,531,795
46,183,268	41,826,511	44,906,802	57,926,955	49,435,744	35,096,683
2,611,372	2,072,341	1,927,198	2,374,870	1,367,359	2,060,319
5,411,152	5,279,549	4,632,979	2,298,974	2,878,536	1,570,581
-	-	-	-	-	-
151,512,378	164,026,718	147,492,496	147,866,277	133,351,707	109,772,661
(4,300,104)	(2,061,677)	16,100,388	(1,371,258)	36,794,630	14,872,106
-	-	-	13,894,752	-	-
-	-	54,235,000	-	17,700,000	-
-	-	(226,682)	-	(17,225,304)	-
-	-	-	-	-	-
18,953,115	12,150,426	43,112,541	27,468,089	7,865,612	8,157,999
(28,930,662)	(23,281,554)	(54,668,661)	(29,881,193)	(19,409,716)	(20,282,188)
-	-	-	-	-	-
(9,977,547)	(11,131,128)	42,452,198	11,481,648	(11,069,408)	(12,124,189)
-	-	-	-	-	-
(14,277,651)	(13,192,805)	58,552,586	10,110,390	25,725,222	2,747,917
155,016,395	168,601,612	110,049,026	99,351,576	74,551,009	71,803,092
\$ 140,738,744	\$ 155,408,807	\$ 168,601,612	\$ 109,461,966	\$ 100,276,231	\$ 74,551,009
6.84%	5.54%	5.16%	4.27%	4.85%	4.57%

City of Santa Clarita
 Assessed Values ⁽¹⁾ and Actual Values 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
2004-05	\$ 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
2005-06	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
2006-07	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
2007-08	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
2008-09	1,515,305	6,727,866	-	8,243,171	9,899,005,161	10,912,016,138	98,107,607	(214,371,451)	20,694,757,455
2009-10	1,750,395	2,264,780	-	4,015,175	9,416,163,697	11,115,441,327	105,296,475	(323,630,904)	20,313,270,595
2010-11	1,750,395	2,264,780	-	4,015,175	9,160,567,699	11,280,024,994	112,335,544	(330,372,395)	20,222,555,842
2011-12	1,431,971	2,264,780	-	3,696,751	9,097,382,703	11,485,773,659	107,089,927	(372,583,638)	20,317,662,651
2012-13	1,431,971	2,264,780	-	3,696,751	8,882,930,332	11,516,988,299	111,202,431	(400,045,608)	20,111,075,454
2013-14	1,431,971	2,264,780	-	3,696,751	9,989,545,816	13,726,755,146	107,166,367	(412,668,046)	23,410,799,283

ASSESSED VALUATION by CATEGORIES
 (Total Secured and Unsecured)
 Fiscal Year Ended June 30, 2014



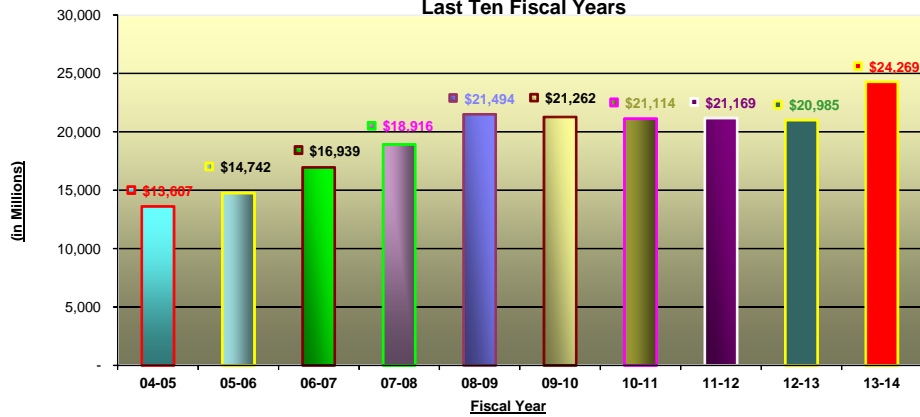
Note:

- (1) Assessed valuation is based on 100% of full value in accordance with Section 135 of the California Revenue and Taxation Code.
- (2) Direct Rate includes Redevelopment Agency areas.

Source: HdL Coren & Cone, County of Los Angeles, Auditor-Controller Office, Combined Tax Rolls 2013-14

LOCALLY ASSESSED				TOTALS				
IMPROVE- MENTS	UNSECURED		TOTAL	BEFORE OTHER EXEMPTIONS	TAXABLE ASSESSED VALUE	% INCR. (DECR.)	TOTAL DIRECT RATE (2)	HOME- OWNER PROPERTY TAX RELIEF
	PERSONAL PROPERTY	OTHER EXEMPTIONS						
\$ 254,085,173	\$ 411,805,661	\$ (1,135,000)	\$ 664,755,834	\$ 13,795,632,501	\$ 13,606,868,696	9.73%	0.06279%	\$ 199,643,032
242,047,848	399,549,912	(76,000)	641,521,760	14,937,115,985	14,742,257,875	8.34%	0.06432%	205,852,669
216,098,046	453,406,084	(9,513,134)	659,990,996	17,160,386,817	16,939,401,486	14.90%	0.06909%	206,658,586
255,417,833	482,574,856	(7,299,585)	730,693,104	19,177,126,742	18,915,880,793	11.67%	0.08039%	206,464,204
264,708,723	558,804,055	(32,916,267)	790,596,511	21,740,884,855	21,493,597,137	13.63%	0.08327%	220,192,568
359,543,253	600,420,921	(15,127,698)	944,836,476	21,600,880,848	21,262,122,246	-1.08%	0.08313%	224,731,598
346,874,191	553,829,644	(13,331,377)	887,372,458	21,457,646,707	21,113,942,935	-0.70%	0.07432%	223,277,279
314,286,482	548,430,090	(15,137,342)	847,579,230	21,556,659,612	21,168,938,632	0.26%	0.07392%	220,496,294
349,415,601	534,947,944	(13,693,787)	870,669,758	21,399,181,358	20,985,441,963	-0.87%	0.07291%	216,163,460
329,350,845	541,533,568	(15,907,716)	854,976,697	24,698,048,493	24,269,472,731	15.65%	0.07291%	236,577,388

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



City of Santa Clarita
Redevelopment Agency ⁽¹⁾
Assessed Values ⁽²⁾ and Actual Values of Taxable Property
Last Ten Fiscal Years

FISCAL YEAR	STATE ASSESSED				LOCALLY ASSESSED				
	SECURED (UTILITY)				SECURED				
	LAND	IMPROVE-MENTS	PERSONAL PROPERTY	TOTAL	LAND	IMPROVE-MENTS	PERSONAL PROPERTY	OTHER EXEMPTIONS	TOTAL
2004-05	65,404	49,101	28,109	142,614	180,810,905	166,935,237	2,314,234	(5,083,826)	344,976,550
2005-06	61,007	45,801	26,219	133,027	273,260,130	176,564,344	2,435,378	(4,859,824)	447,400,028
2006-07	50,158	37,657	21,558	109,373	295,792,467	185,299,271	2,545,972	(5,085,710)	478,552,000
2007-08	-	-	-	-	335,974,647	205,086,767	2,346,546	(4,630,171)	538,777,789
2008-09	-	-	-	-	348,100,511	217,393,278	2,064,527	(3,754,719)	563,803,597
2009-10	-	-	-	-	343,043,150	214,695,279	1,775,246	(3,779,814)	555,733,861
2010-11	-	-	-	-	319,869,014	213,093,295	1,850,279	(3,196,475)	531,616,113
2011-12	-	-	-	-	322,803,745	214,686,716	1,933,165	(7,016,751)	532,406,875
2012-13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013-14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) The Redevelopment Agency of the City was established on November 28, 1989, pursuant to the State of California 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. Redevelopment agencies were dissolved by the State of California effective February 1, 2012.

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

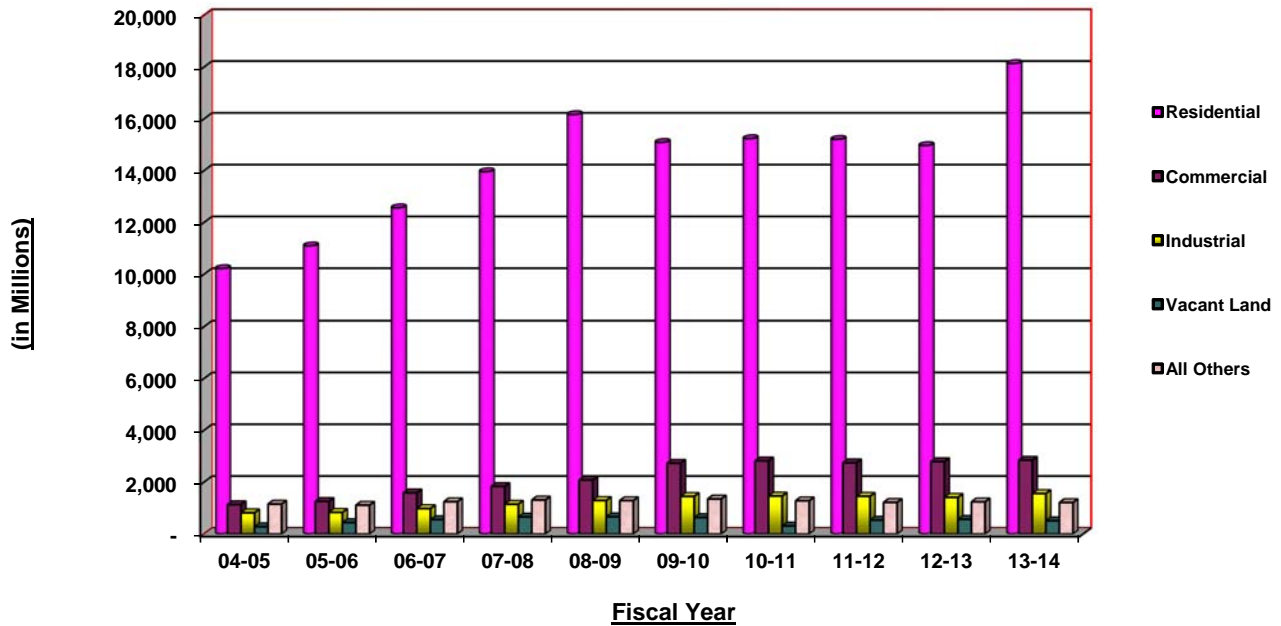
Source: County of Los Angeles, Auditor-Controller/Tax Division

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					
6,326,173	22,151,970	(33,000)	28,445,143	373,564,307	(266,351,517)	107,212,790	27,718,426	2,161,147
5,901,959	23,034,914	(91,000)	28,845,873	476,378,928	(266,351,517)	210,027,411	102,814,621	2,053,943
26,593,269	25,569,962	(16,300)	52,146,931	530,808,304	(266,351,517)	264,456,787	54,429,376	1,971,567
28,204,577	48,299,529	(217,300)	76,286,806	615,064,595	(266,351,517)	348,713,078	84,256,291	2,034,432
39,771,667	48,437,084	(77,000)	88,131,751	651,935,348	(266,351,517)	385,583,831	36,870,753	2,002,848
34,102,838	46,361,945	(84,500)	80,380,283	636,114,144	(266,351,517)	369,762,627	(15,821,204)	1,921,661
21,240,432	62,307,206	(84,500)	83,463,138	615,079,251	(266,351,517)	348,727,734	(21,034,893)	1,871,456
34,353,633	46,665,422	(102,000)	80,917,055	613,323,930	(266,351,517)	346,972,413	(1,755,321)	1,865,922
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City of Santa Clarita
 Assessed Values—Taxable Property
 Last Ten Fiscal Years

CATEGORY	FISCAL YEAR				
	13-14	12-13	11-12	10-11	09-10
Residential	\$ 18,138,258,224	\$ 14,971,655,728	\$ 15,212,586,674	\$ 15,239,936,469	\$ 15,093,632,637
Commercial	2,847,760,176	2,794,405,083	2,748,247,727	2,820,296,027	2,729,669,423
Industrial	1,561,091,316	1,413,623,056	1,455,126,754	1,463,696,151	1,451,053,867
Irrigated	2,827,311	2,796,388	3,016,072	3,004,749	3,630,743
Dry farm	-	-	-	-	-
Recreational	100,138,918	104,981,278	106,506,146	121,791,852	121,511,353
Institutional	136,824,169	132,119,758	125,982,002	127,363,481	125,868,861
Government	215,066	210,850	206,717	205,173	206,850
Miscellaneous	1,017,342	864,299	847,359	841,034	843,038
Vacant land	509,125,263	565,117,297	533,608,937	308,820,538	636,182,476
SBE Nonunitary	3,696,751	3,696,751	3,696,751	4,015,175	4,015,175
Possessory Int.	113,541,478	125,301,717	131,534,263	136,599,828	150,671,347
Unsecured	854,976,697	870,669,758	847,579,230	887,372,458	944,836,476
Unknown	20	-	-	-	-
TOTALS:	\$ 24,269,472,731	\$ 20,985,441,963	\$ 21,168,938,632	\$ 21,113,942,935	\$ 21,262,122,246

ASSESSED VALUE - TAXABLE PROPERTY
 Last Ten Fiscal Years



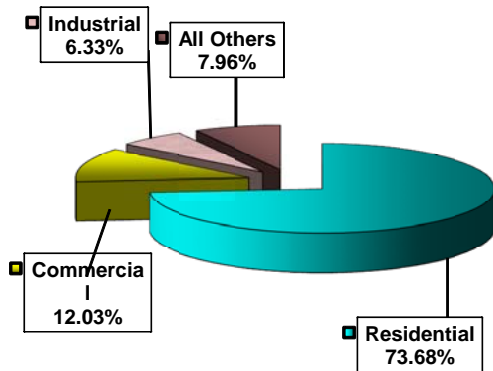
FISCAL YEAR				
08-09	07-08	06-07	05-06	04-05
\$ 16,165,919,271	\$ 13,962,275,972	\$ 12,569,640,999	\$ 11,097,987,787	\$ 11,097,987,787
2,081,576,763	1,836,340,797	1,588,835,810	1,258,389,787	1,258,389,787
1,293,080,539	1,148,469,489	980,395,598	833,455,573	833,455,573
3,489,768	29,374,674	28,272,540	4,351,050	4,351,050
-	49,088,244	48,512,253	45,145,241	45,145,241
114,868,032	90,435,287	94,916,719	84,727,948	84,727,948
130,907,129	94,705,673	91,312,643	80,606,769	80,606,769
197,676	194,922	190,000	-	-
810,312	795,449	779,859	764,577	764,577
664,792,342	656,660,955	554,551,820	440,215,418	440,215,418
8,243,171	10,666,005	13,172,185	16,768,755	16,768,755
239,115,623	222,654,730	205,526,182	201,323,600	201,323,600
790,596,511	730,697,804	659,990,996	641,526,760	641,526,760
-	83,525,492	103,303,882	36,994,610	36,994,610
\$ 21,493,597,137	\$ 18,915,885,493	\$ 16,939,401,486	\$ 14,742,257,875	\$ 14,742,257,875

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.

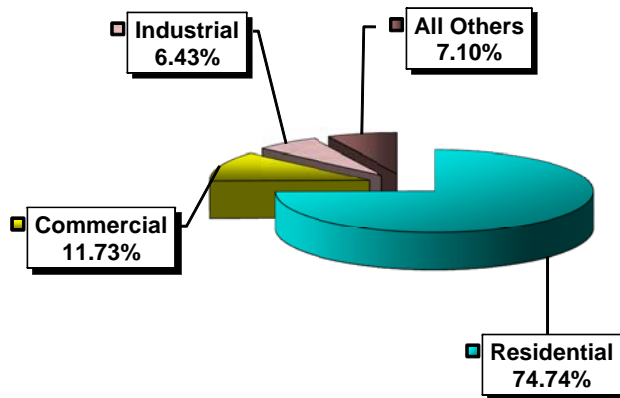
City of Santa Clarita
 Assessed Values—Use Category Summary
 Fiscal Year 2013-14

CATEGORY	PARCELS	ASSESSED VALUE	PERCENT	EXEMPTIONS	NET TAXABLE VALUE	PERCENT
Residential	54,973	\$18,197,034,956	73.68%	\$ 58,776,732	\$18,138,258,224	74.737%
Commercial	909	2,971,838,325	12.03%	124,078,149	2,847,760,176	11.734%
Industrial	714	1,563,845,768	6.33%	2,754,452	1,561,091,316	6.432%
Irrigated	6	2,827,311	0.01%	-	2,827,311	0.012%
Recreational	34	103,071,405	0.42%	2,932,487	100,138,918	0.413%
Institutional	92	359,482,468	1.46%	222,658,299	136,824,169	0.564%
Government	5	216,306	0.001%	1,240	215,066	0.001%
Miscellaneous	14	1,017,342	0.004%	-	1,017,342	0.004%
Vacant land	3,867	509,876,394	2.06%	751,131	509,125,263	2.098%
SBE Nonunitary	(11)	3,696,751	0.01%	-	3,696,751	0.015%
Possessory Int.	(2,191)	114,257,034	0.46%	715,556	113,541,478	0.468%
Unsecured	(6,218)	870,884,413	3.53%	15,907,716	854,976,697	3.523%
Unknown	23	20	0.00%	-	20	0.000%
TOTALS:	52,217	\$24,698,048,493	100.00%	\$ 428,575,762	\$24,269,472,731	100.00%

ASSESSED VALUE by USE CATEGORY
 Fiscal Year 2013-14



NET TAXABLE VALUE by USE CATEGORY
 Fiscal Year 2013-14

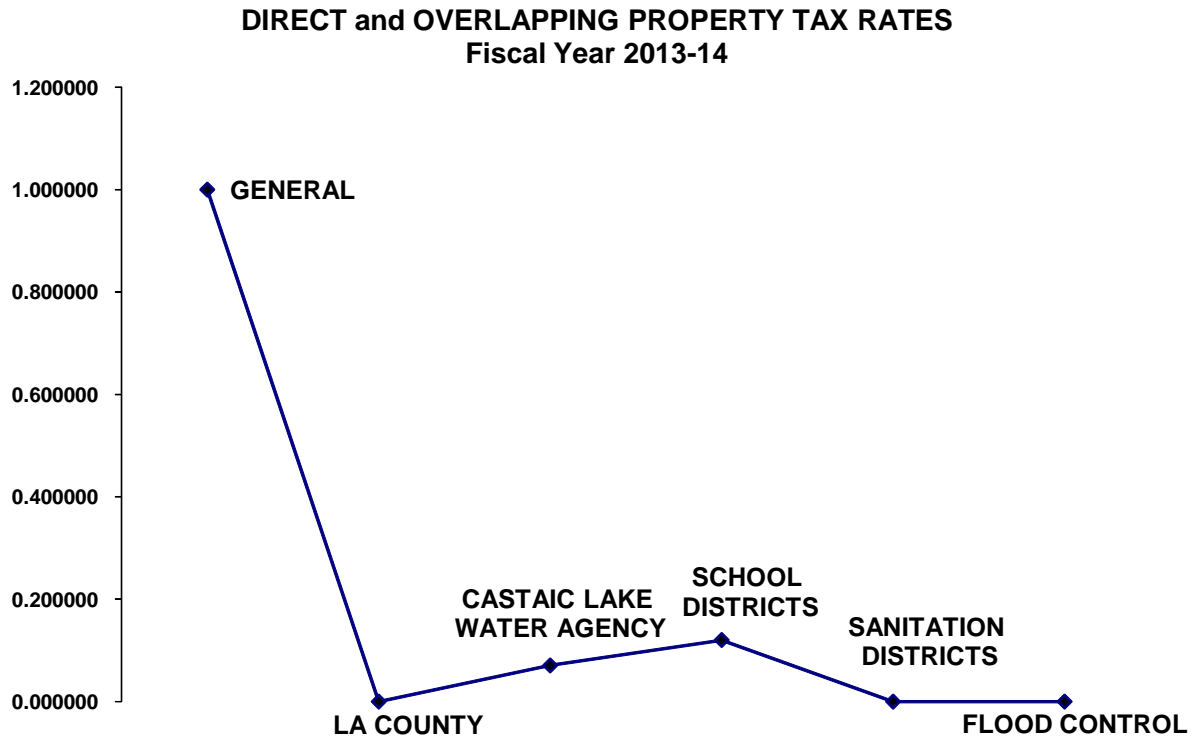


Source: HdL Coren & Cone, Los Angeles County Assessor 2013/14 Combined Tax Rolls.



City of Santa Clarita
 Direct and Overlapping Property Tax Rates
 (rate per \$100 of assessed value)
 Last Ten Fiscal Years

Fiscal Year	GENERAL	LOS ANGELES COUNTY	CASTAIC LAKE WATER AGENCY	SCHOOL DISTRICTS	COUNTY SANITATION DISTRICTS	COUNTY FLOOD CONTROL	TOTAL
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	-	0.000049	1.114593
2006-07	1.000000	0.000660	0.040000	0.060360	-	0.000050	1.101070
2007-08	1.000000	-	0.040000	0.074050	-	-	1.114050
2008-09	1.000000	-	0.040000	0.077110	-	-	1.117110
2009-10	1.000000	-	0.060750	0.089815	-	-	1.150565
2010-11	1.000000	-	0.070600	0.086830	-	-	1.157430
2011-12	1.000000	-	0.070600	0.091457	-	-	1.162057
2012-13	1.000000	-	0.070600	0.112835	-	-	1.183435
2013-14	1.000000	-	0.070600	0.120330	-	-	1.190930



Source: HdL Coren & Cone, Los Angeles County Assessor 2013-14 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	
2013-14	0.122750	0.000000	0.122750	0.00000%	0.07183%

Agency	2013-14
City of Santa Clarita Tax District 1 (249.01)	0.05730
Castaic Lake Water Agency (302.01)	0.05780
Children's Institutional Tuition Fund (400.21)	0.00283
Consolidated Fire Protection District of LA Co. (007.30)	0.16340
County School Service Fund Newhall (581.06)	0.00801
County School Service Hart William S. Hart (757.06)	0.00034
County School Services (400.15)	0.00143
Development Center Handicapped Minor Newhall (581.07)	0.00088
Educational Augmentation Fund Impound (400.01)	0.13380
Educational Revenue Augmentation Fund (ERAF) (400.00)	0.08260
Greater LA Co. Vector Control (061.80)	0.00032
LA County Library (003.01)	0.02360
LA County Fire - Fw (007.31)	0.00323
LA County Flood Control Improvement District (030.10)	0.00176
LA County Flood Control Maintenance (030.70)	0.00996
LA County General (001.05)	0.14050
LA County Accum Cap Outlay (001.20)	0.00009
Newhall School District (581.01)	0.08350
Santa Clarita Community College (814.04)	0.03740
Santa Clarita Street Light Maintenance #2 (249.32)	0.02250
Santa Clarita Valley Sanitation Dist. LA Co.	0.02500
Valencia Areawide Landscape T1A S.C.	0.01924
William S. Hart Elementary School Fund (757.07)	0.04290
William S. Hart Union High (757.02)	0.08150
Total Prop. 13 Rate:	1.00000

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. 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 the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter-approved bonds.

Castaic Lake Water Agency (302.01)	0.07060
Newhall Elementary School District Debt Services 1999 Ser. B (581.53)	0.01991
Newhall Elementary School District Debt Services 1999 Ser. A (581.52)	0.01990
Santa Clarita Community College Debt Services 2001 Ser. 2005 (814.54)	0.00766
Santa Clarita Community College Debt Services 2006 Ser. 2007 (814.55)	0.00714
Santa Clarita Community College Debt Services 2005 Refunding Bonds (814.56)	0.00517
Santa Clarita Community College Debt Services 2001 Ser. 2003 (814.52)	0.00242
Santa Clarita Community College Debt Services 2006 Ser. 2012	0.00537
William S. Hart Un.Hsd Debt Services (757.51)	0.01265
William S. Hart Un.Hsd Debt Services 2008 Ser. B	0.01010
William S. Hart Un.Hsd Debt Services 2008 Ser. C	0.01059
William S. Hart Unified Debt Services 2001 Ser. B (757.52)	0.01420
William S. Hart Unified Debt Services 2008 Ser. A (757.53)	0.00523
Total Tax Rate	0.19093

Source: HdL Coren & Cone, Los Angeles County Assessor 2013/14 Tax Rate Table

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

OWNER/TAXPAYER	FISCAL YEAR 2013-14			OWNER/TAXPAYER	FISCAL YEAR 2004-05		
	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	17	\$ 358,378,769	1.48 %	Valencia Town Center Venture	30	\$ 129,100,192	0.95 %
Saugus Colony Limited	20	140,548,344	0.58	Thomas Properties Group LLC	15	58,294,089	0.43
VTC Business Center LLC	9	138,852,154	0.57	EQR Valencia LLC	217	53,813,455	0.40
Park Sierra Properties	15	131,889,124	0.54	EQR Essex Place Financing	2	48,863,924	0.36
EQR Valencia LLC	218	98,997,964	0.41	Palmer Saugus Ltd	22	48,120,443	0.35
Packard Humanities Institute	1	97,350,559	0.40	Town Center Apartments Inc	1	47,204,186	0.35
EQR The Oaks LLC	28	96,921,845	0.40	Westcreek Properties Ltd	191	39,835,506	0.29
Walmart/Sam's	5	78,157,514	0.32	Newhall Land and Farming Co	167	39,213,455	0.29
RREEF America Reit II Corporation	2	75,033,483	0.31	F and F WC Americana Canyon Assoc LP	103	37,368,041	0.27
Time Warner Cable	4	65,264,656	0.27	EQR Town Center LLC	3	33,460,872	0.25
Total	319	1,281,394,412	5.28 %		751	535,274,163	3.93 %
All Others		22,988,078,319	94.72			13,071,594,533	96.07
Total Assessed Valuation		\$ 24,269,472,731	100.00 %			\$ 13,606,868,696	100.00 %

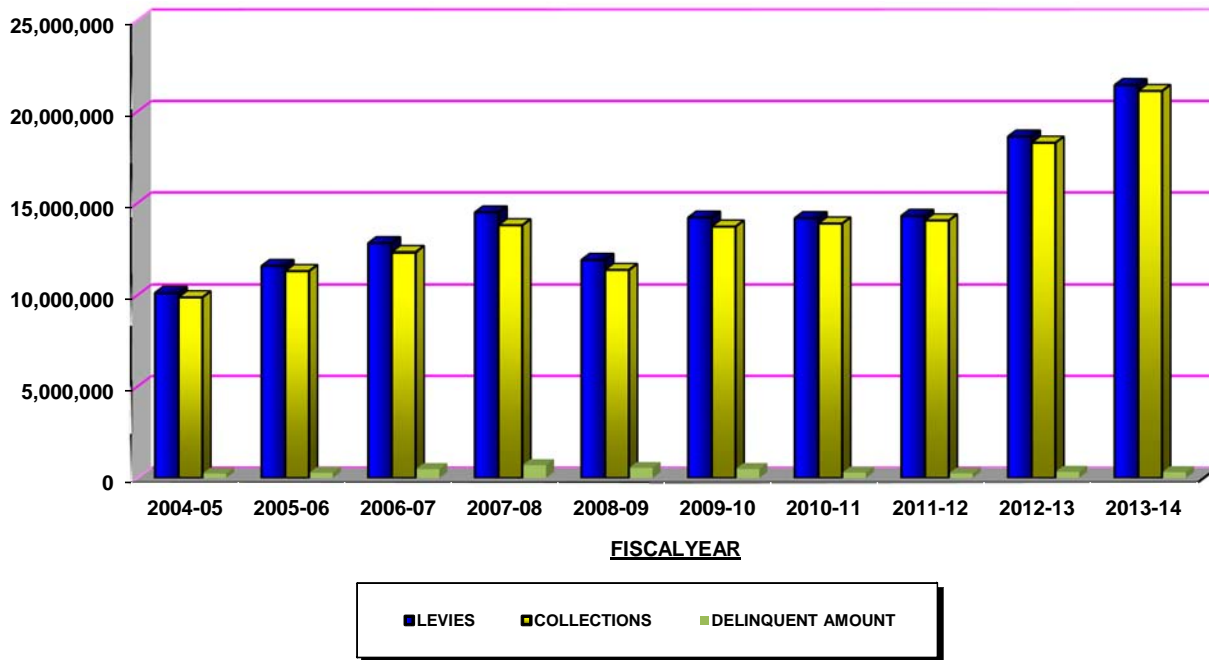
NOTE: The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Source: HdL Coren & Cone, LA County Assessor 2013/14 Combined Tax Rolls

**City of Santa Clarita
Property Tax Levies, Tax Collections and Delinquencies
Last Ten Fiscal Years**

FISCAL YEAR	TAXES LEVIED	PERCENT COLLECTIONS	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	PERCENT COLLECTIONS TO DATE
2004-05	10,118,983	97.6%	-	9,878,450	97.62%
2005-06	11,593,852	97.4%	20,076	11,312,413	97.57%
2006-07	12,804,630	96.2%	2,689	12,320,303	96.22%
2007-08	14,483,825	95.0%	32,577	13,786,761	95.19%
2008-09	11,925,285	95.3%	16,722	11,378,326	95.41%
2009-10	14,202,626	96.5%	-	13,711,940	96.55%
2010-11	14,172,030	97.6%	50,605	13,880,246	97.94%
2011-12	14,299,999	97.9%	49,862	14,049,633	98.25%
2012-13	18,634,850	98.2%	-	18,297,746	98.19%
2013-14	21,446,963	98.5%	-	21,128,332	98.51%

TAX COLLECTIONS & DELINQUENCY - LAST TEN FISCAL YEARS



NOTES:

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

The above figures include secured property taxes only.

Prior to the implementation of GASB 44 in FY 2006, collections in subsequent years were not required to be reported by tax year. Beginning in FY 2007, collections in subsequent years are included.

Source: County of Los Angeles, Department of Auditor-Controller

City of Santa Clarita
 Successor Agency
 Top Property Owners Based on Net Values
 Fiscal Year 2013-14

Owner	Secured			Unsecured			Combined		Primary Use
	Parcels	Value	% of Net AV	Parcels	Values	% of Net AV	Value	% of Net AV	
1) Casden Santa Clarita LLC (Pending Appeals On Parcels)	24	\$ 61,764,649	11.33%				\$ 61,764,649	10.02%	Vacant
2) Time Warner Cable				5	\$ 41,384,483	57.91%	41,384,483	6.71%	Unsecured
3) Saugus Station LLC	6	17,554,106	3.22%				17,554,106	2.85%	Industrial
4) Lyons Properties Limited (Pending Appeals On Parcels)	1	9,100,000	1.67%				9,100,000	1.48%	Commercial
5) Peter and Barbara Coeler, et. al. (Pending Appeals On Parcels)	3	8,817,338	1.62%	1	10,274	0.01%	8,827,612	1.43%	Residential
6) David Weiswasser Trust	2	7,908,032	1.45%				7,908,032	1.28%	Residential
7) 25805 San Fernando LLC	1	7,887,983	1.45%				7,887,983	1.28%	Commercial
8) RFT Sprouts LLC, et. al.	3	7,551,100	1.39%				7,551,100	1.22%	Residential
9) 23801 San Fernando Road Landco LLC	1	7,129,800	1.31%				7,129,800	1.16%	Institutional
10) Daiciaber Ccommercial Development	2	6,363,957	1.17%				6,363,957	1.03%	Commercial
Top Ten Total	43	134,076,965	24.60%	6	41,394,757	57.92%	175,471,722	28.46%	
Agency Total		545,046,409			71,468,993		616,515,402		
Incremental Net AV Total		\$ 298,871,847	44.86%		\$ 53,537,341	77.32%	\$ 352,409,188	49.79%	

**City of Santa Clarita
 Successor Agency
 Project Area Assessment Appeals Summary and Tax Collection History
 Fiscal Years 2008-09 Through 2013-14**

Project Area Assessment Appeals Summary—FY 2013-14

Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. & Value of Appeals Pending	Estimated No. of Appeals Allowed	Reduction on Pending Appeals Allowed
224	169	138	47%	55 \$ 208,855,587	45	\$79,834,505

**Tax Collection History
 For Fiscal Years 2008-09 Through 2013-14**

Year	Tax Levy	Current Year Collection	Prior Year Collection	Total	Current Year Collection Percentage	Total Collection Percentage
2008-09	\$ 3,978,489	\$ 3,773,188	\$ 229,455	\$ 4,002,642	95%	101%
2009-10	4,068,572	3,885,719	42,260	3,927,979	96%	97%
2010-11	3,618,835	2,744,263	(204,741)	2,539,523	76%	70%
2011-12 ⁽¹⁾	3,762,457	2,934,904	218,094	3,152,998	78%	84%
2012-13 ⁽¹⁾	3,485,808	2,786,791	275,290	3,062,081	80%	88%
2013-14 ⁽¹⁾	3,498,271	2,828,495	815,124	3,643,619	81%	104%

Source: Los Angeles County Auditor/Controller, Disbursement/Tax Division “CRA Remittance Advice” from Fiscal Years 1997-98 through 2010-11, and for Fiscal Year 2011-12, November 2011 through January 2012.

⁽¹⁾ Sources: Ledgers and special reports from Los Angeles County Auditor-Controller commencing February 2012 pursuant to AB X 1 26.

City of Santa Clarita
Successor Agency
Charge Detail Report for CFD 2002-1 (Valencia Town Center)
Fiscal Year 2013-14

ASSESSOR'S PARCEL NUMBER	PROPERTY OWNER	LAND ASSESSED VALUES (\$)	STRUCTURE ASSESSED VALUES (\$)	TOTAL ASSESSED VALUES (\$)	TAXABLE ACREAGE
2861-058-071	Valencia Town Center Venture LP	\$ 1,188,547	\$ 181,110	\$ 1,369,657	0.84
2861-058-072	Valencia Town Center Venture LP	3,294,460	17,127,213	20,421,673	4.81
2861-058-073	Valencia Town Center Venture LP	26,034,983	3,208,239	29,243,222	15.68
2861-058-076	Valencia Town Center Venture LP	829,364	82,372	911,736	1.18
2861-058-077	Valencia Town Center Venture LP	4,478,198	383,043	4,861,241	6.70
2861-058-081	Valencia Town Center Venture LP	15,144,302	160,135,141	175,279,443	14.34
2861-058-084	Valencia Town Center Venture LP	3,124,188	9,055,625	12,179,813	2.05
2861-058-085	Valencia Town Center Venture LP	407,500	203,749	611,249	0.33
Totals:		\$ 54,501,542	\$ 190,376,492	\$ 244,878,034	45.94

CLASS	MAX TAX RATE (\$)	MAX TAX	APPLIED RATE (\$)	CHARGE (\$)
1	\$ 33,575	\$ 28,341	\$ 24,919	\$ 21,034
1	33,575	161,495	24,919	119,858
1	33,575	526,521	24,919	390,773
1	33,575	39,753	24,919	29,504
1	33,575	224,951	24,919	166,954
1 & 2	33,575 & 226,155	481,526	24,922	357,379
1	33,575	68,828	24,919	51,083
1	33,575	11,013	24,919	8,173
				<u>\$ 1,144,758</u>

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

GOVERNMENTAL ACTIVITIES								
FISCAL YEAR	CERTIFICATES OF PARTICIPATION (1) (3)		LOANS	BONDS (2)	TAX ALLOCATION BONDS (4)		CAPITAL LEASES	TOTAL
2004-05	\$17,640,000	\$ 1,390,000	\$ 5,698,192	\$ -	\$ -	\$ -	\$ 23,798	\$ 24,751,990
2005-06	17,700,000	710,000	5,029,113	-	-	-	12,211	23,451,324
2006-07	16,760,000	-	4,328,207	13,785,000	-	-	36,401	34,909,608
2007-08	15,790,000	15,525,000	3,593,734	13,575,000	29,860,000	8,850,000	23,676	87,217,410
2008-09	14,790,000	15,525,000	2,823,907	13,330,000	29,860,000	8,850,000	11,370	85,190,277
2009-10	13,760,000	15,525,000	2,017,793	13,075,000	29,460,000	8,730,000	1,624	82,569,417
2010-11	12,700,000	15,525,000	1,413,786	12,805,000	29,040,000	8,605,000	-	80,088,786
2011-12	11,610,000	15,490,000	1,040,000	12,525,000	-	-	242,417	40,907,417
2012-13	10,480,549	15,379,349	810,000	12,316,280	-	-	201,880	39,188,058
2013-14	9,323,138	15,291,374	580,000	12,002,622	-	-	154,705	37,351,839

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 the Authority equal to the principal and interest due on the revenue bonds. At this point in time, the Agency is 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 was removed from the general long-term debt.

-On July 1, 2005, the Santa Clarita Public Financing Authority issued \$17,700,000 in Certificates of Participation to 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 was removed from the long-term liability.

-In November 2001, the Santa Clarita Public Financing Authority issued \$3,200,000 in Certificates of Participation for the acquisition of parkland. In 2006 the COP Series 2001 were considered defeased and the liability for those certificates was removed from the general long-term debt.

(2) On January 16, 2007, the Santa Clarita Public Financing Authority issued \$13,785,000 Lease Revenue Bonds, Series 2007 for the acquisition of right-of-way.

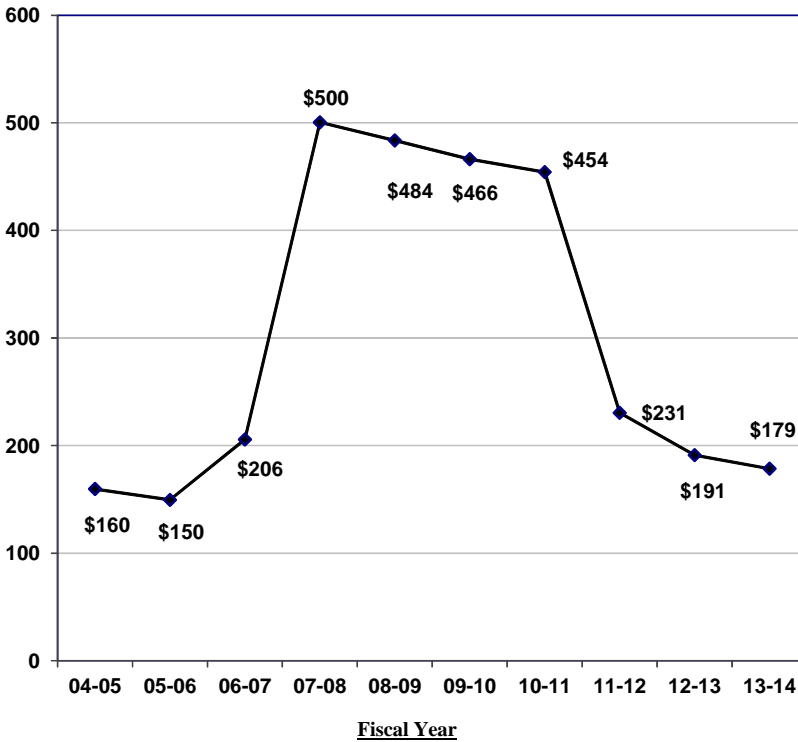
(3) On December 1, 2007, the Santa Clarita Public Financing Authority issued \$15,525,000 in Certificates of Participation for the acquisition of open space and parkland.

(4) On June 1, 2008, the Santa Clarita Redevelopment Agency issued \$29,860,000 in Non-Housing Tax Allocation Bonds and \$8,850,000 in Low/Mod Housing Tax Allocations Bonds to fund certain redevelopment projects within the Newhall Redevelopment Project area. Upon the dissolution of redevelopment agencies in the State of California effective February 1, 2012, the bonds were transferred to the RDA Successor Agency.

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

<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL PRIMARY GOVERNMENT</u>	<u>PERCENTAGE OF TAXABLE ASSESSED VALUE</u>	<u>DEBT PER CAPITA</u>	<u>OUTSTANDING DEBT TO PERSONAL INCOME</u>
<u>LEASE PAYABLE</u>	<u>TOTAL</u>				
\$ 1,919,312	\$ 1,919,312	\$ 26,671,302	0.20%	\$ 160	3%
1,586,319	1,586,319	25,037,643	0.17%	150	2%
1,236,869	1,236,869	36,146,477	0.21%	206	3%
870,149	870,149	88,087,559	0.47%	500	6%
485,304	485,304	85,675,581	0.40%	484	5%
248,304	248,304	82,817,721	0.39%	466	5%
-	-	80,088,786	0.38%	454	N/A
-	-	40,907,417	0.19%	231	N/A
-	-	39,188,058	0.19%	191	N/A
-	-	37,351,839	0.15%	179	N/A

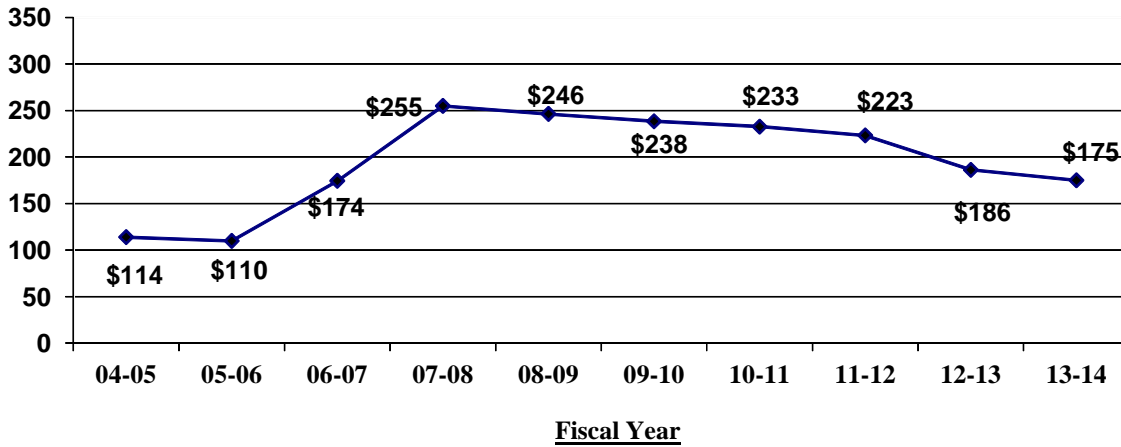
OUTSTANDING DEBT PER CAPITA
Last Ten Fiscal Years



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

FISCAL YEAR	OUTSTANDING GENERAL BONDED DEBT				PERCENTAGE OF TAXABLE ASSESSED VALUE	DEBT PER CAPITA
	POPULATION (1)	REVENUE BONDS	CERTIFICATES OF PARTICIPATION	TOTAL		
2004-05	166,958	\$ -	\$ 19,030,000	\$19,030,000	0.14%	\$ 114
2005-06	167,412	-	18,410,000	18,410,000	0.12%	110
2006-07	175,676	13,893,228	16,760,000	30,653,228	0.18%	174
2007-08	176,030	13,575,000	31,315,000	44,890,000	0.24%	255
2008-09	177,150	13,330,000	30,315,000	43,645,000	0.20%	246
2009-10	177,641	13,075,000	29,285,000	42,360,000	0.20%	238
2010-11	176,320	12,805,000	28,225,000	41,030,000	0.19%	233
2011-12	177,445	12,525,000	27,100,000	39,625,000	0.19%	223
2012-13	204,951	12,316,280	25,859,898	38,176,178	0.18%	186
2013-14	209,130	12,002,622	24,614,512	36,617,134	0.15%	175

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, 2014**

2013-14 Assessed Valuation: \$24,269,472,731
(Net of Redevelopment Agency Incremental Value of **\$352,409,188**)

2013-14 Population: 209,130

	Total Debt 06/30/2014	Percent Applicable To City ⁽¹⁾	City's Share of Debt 06/30/2014
OVERLAPPING TAX AND OVERLAPPING BONDED DEBT:			
Los Angeles County Flood Control District	\$ 17,480,000	2.148 %	\$ 375,470
Santa Clarita Community College District	169,298,207	71.275	120,667,297
William S. Hart Union High School District	388,858,967	71.264	277,116,454
William S. Hart Union High School District - Community Facilities District No. 87-1	740,000	100.000	740,000
William S. Hart Union High School District - Community Facilities District No. 88-1	1,405,000	100.000	1,405,000
William S. Hart Union High School District - Community Facilities District No. 89-1	160,000	100.000	160,000
William S. Hart Union High School District - Community Facilities District No. 90-1	515,000	100.000	515,000
Los Angeles County Community College and Unified School Districts	14,176,520,000	0.000	1,418
Castaic Union School District	16,168,162	27.319	4,416,980
Newhall School District	20,490,000	60.500	12,396,450
Newhall School District School Facilities Improvement District No. 2011-1	55,992,354	61.732	34,565,200
Saugus Union School District	40,227,752	85.021	34,202,037
Saugus Union School District Community Facilities District No. 2006-2, Improvement Area 1	7,900,000	100.000	7,900,000
Sulphur Springs Union School District	18,506,995	91.714	16,973,505
City of Santa Clarita Open Space and Parkland Assessment District	15,340,000	100.000	15,340,000
City of Santa Clarita Community Facilities District No. 2002-1	16,210,000	100.000	16,210,000
City of Santa Clarita 1915 Act Bonds	855,000	100.000	855,000
Los Angeles County Regional Park and Open Space Assessment District	113,615,000	2.131	2,421,136
Total Overlapping Tax and Assessment Debt			<u>\$546,260,947</u>
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Los Angeles County General Fund Obligations	\$1,835,420,030	2.131 %	\$ 39,112,801
Los Angeles County Superintendent of Schools - Certificates of Participation	9,529,882	2.131	203,082
Los Angeles County Sanitation District No. 23 Authority	2,396,688	0.096	2,301
Los Angeles County Sanitation District No. 32 Authority	21,527,394	73.579	15,839,641
Santa Clarita Community College District - Certificates of Participation	18,750,000	71.275	13,364,063
William S. Hart Union High School District - Certificates of Participation	6,000,000	71.264	4,275,840
Castaic Union School District - Certificates of Participation	3,960,000	27.319	1,081,832
Saugus Union School District - Certificates of Participation	27,365,000	85.021	23,265,997
Sulphur Springs Union School District - Certificates of Participation	24,272,492	91.714	22,261,273
Los Angeles Unified School District - Certificates of Participation	365,858,657	0.000	37
City of Santa Clarita Certificates of Participation	21,979,705	100.000	21,979,705 ⁽²⁾
Total Gross Direct and Overlapping General Fund Debt			<u>\$ 141,386,572</u>
Less: Los Angeles County General Fund Obligations supported by landfill revenues			107,301
Total Net Direct and Overlapping General Fund Debt			<u>\$ 141,279,271</u>
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	35,890,000	100.000 %	35,890,000
Total Direct Debt			\$ 37,319,705
Gross Overlapping Debt			686,217,814
Total Gross Direct and Overlapping Debt			<u>\$ 723,537,519</u> ⁽³⁾
Net Total Overlapping Debt			<u>\$ 686,110,513</u>
Net Combined Total Debt			\$ 723,430,218

⁽¹⁾ Percentage of overlapping agency's assessed valuation located within boundaries of the City.

⁽²⁾ Includes \$154,705 Capital Lease obligations and \$580,000 CDBG Loan.

⁽³⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Ratios to Adjusted Assessed Valuation

	0.06%	Per Capita
Total Direct Debt (\$15,340,000)	0.06%	\$ 2,612.06
Gross Combined Total Debt	2.98%	748.91
Net Combined Total Debt	2.98%	\$ 3,459.24

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/2014: \$0

Source: Muniservices

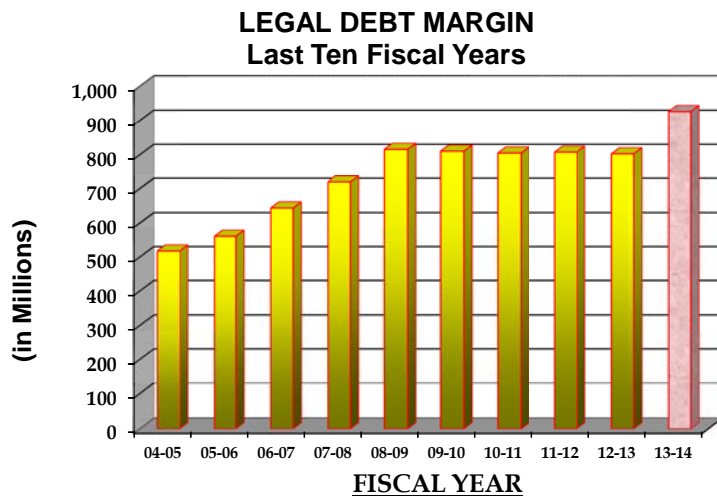
**City of Santa Clarita
 Legal Debt Margin Information
 Last Ten Fiscal Years**

	FISCAL YEAR				
	13-14	12-13	11-12	10-11	09-10
Assessed valuation	\$ 24,698,048,493	\$ 21,399,181,358	\$ 21,556,659,612	\$ 21,457,646,707	\$ 21,600,880,848
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	6,174,512,123	5,349,795,340	5,381,596,232	5,364,411,752	5,400,220,212
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	926,176,818	802,469,301	807,239,435	804,661,752	810,033,032
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 926,176,818	\$ 802,469,301	\$ 807,239,435	\$ 804,661,752	\$ 810,033,032
Total debt applicable to the limit as a percentage of debt limit	0%	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 the 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				
08-09	07-08	06-07	05-06	04-05
\$ 21,740,884,855	\$ 19,177,126,742	\$ 17,160,386,817	\$ 14,937,115,985	\$ 13,795,632,501
25%	25%	25%	25%	25%
5,435,221,214	4,794,281,686	4,290,096,704	3,734,278,996	3,448,908,125
15%	15%	15%	15%	15%
815,283,182	719,142,253	643,514,506	560,141,849	517,336,219
-	-	-	-	-
\$ 815,283,182	\$ 719,142,253	\$ 643,514,506	\$ 560,141,849	\$ 517,336,219
0%	0%	0%	0%	0%



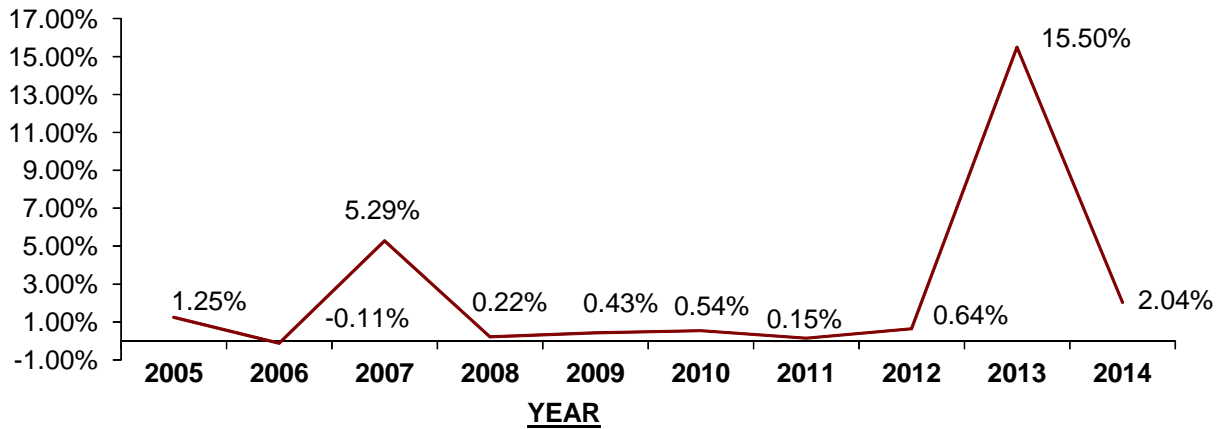
City of Santa Clarita
Pledged Revenue Coverage
Last Ten Fiscal Years

TRANSIT						
Fiscal Year	TRANSIT REVENUES (1)	LESS OPERATING EXPENSES (2)	NET AVAILABLE REVENUES	DEBT SERVICE		COVERAGE
				Principal	Interest	
2004-05	\$ 35,677,983	\$ 14,037,109	\$ 21,640,874	\$ 317,312	\$ 102,395	1.18%
2005-06	22,041,436	17,242,035	4,799,401	332,993	86,230	1.90%
2006-07	19,468,288	19,033,240	435,048	349,449	69,388	2.15%
2007-08	24,888,921	22,204,777	2,684,144	366,720	60,298	1.72%
2008-09	26,612,418	23,014,324	3,598,094	384,846	42,172	1.60%
2009-10	21,179,438	23,525,855	(2,346,417)	236,999	23,149	1.23%
2010-11	32,507,582	24,270,533	8,237,048	248,304	11,844	0.80%
2011-12	26,133,433	25,175,688	957,745	-	-	0.00%
2012-13	29,420,486	25,901,822	3,518,664	-	-	-
2013-14	33,298,907	27,044,874	6,254,034	-	-	-

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

City of Santa Clarita
 Demographic and Economic Statistics
 Last Ten Calendar Years

YEAR	CITY OF SANTA CLARITA POPULATION (1)	AVERAGE ANNUAL PERCENTAGE INCREASE	LOS ANGELES COUNTY POPULATION (1)	AVERAGE ANNUAL PERCENTAGE INCREASE	PER CAPITA PERSONAL INCOME (2)	TOTAL PERSONAL INCOME (2)	UNEMPLOYMENT RATE (3)
2004	163,396	1.02%	9,806,944	0.51%	\$ 33,179	\$ 338,209,805	6.50%
2005	165,431	1.25%	9,816,153	0.09%	35,188	357,193,633	5.30%
2006	165,243	-0.11%	9,798,609	-0.18%	36,917	385,732,651	4.20%
2007	173,979	5.29%	9,780,808	-0.18%	39,066	402,107,608	2.70%
2008	174,355	0.22%	9,785,474	0.05%	44,727	567,707,000	4.70%
2009	175,103	0.43%	9,801,096	0.16%	43,119	550,832,000	7.70%
2010	176,056	0.54%	9,822,121	0.21%	43,999	565,365,000	7.70%
2011	176,320	0.15%	9,818,605	-0.04%	44,423	575,044,998	7.60%
2012	177,445	0.64%	9,884,632	0.67%	46,337	604,831,837	6.90%
2013	204,951	15.50%	9,958,091	0.74%	N/A	N/A	6.60%
2014	209,130	2.04%	10,041,797	0.84%	N/A	N/A	4.70%



Sources: (1) State of California, Finance Department, as of 1/1/2014
 (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's related information is not available. Information lags two years.
 (3) State of California, Department of Employment Development (EDD)

**City of Santa Clarita
Principal Employers
Current Fiscal Year and Nine Fiscal Years Ago**

EMPLOYER	2014*		EMPLOYER	2005	
	NUMBER of EMPLOYEESEMPLOYMENT	PERCENT of TOTAL		NUMBER of EMPLOYEESEMPLOYMENT	PERCENT of TOTAL
Six Flags Magic Mountain	4,500	24.32%	Vons Grocery Company	390	16.15%
Princess Cruises	1,600	8.65%	Home Depot	316	13.08%
Henry Mayo Newhall			Robinsons May	310	12.84%
Memorial Hospital	1,400	7.56%	Shield Health Care Center	310	12.84%
Quest Diagnostics (formerly Speciality	850	4.59%	Costco Wholesale	245	10.14%
The Master's College	800	4.32%	Target Stores	200	8.28%
Boston Scientific	770	4.16%	Frontier Toyota	167	6.92%
Woodward HRT (formerly HR Textron)	772	4.17%	JC Penney	160	6.63%
Cal Arts	690	3.73%	Lowe's	160	6.63%
Walmart	624	3.37%	Best Buy	157	6.50%
Aerospace Dynamics	548	2.96%			
Largest firms ⁽¹⁾	12,554	67.83%	Largest firms ⁽¹⁾	2,415	100.00%
All others	5,953	32.17%	All others	N/A	N/A
Grand total	18,507	100.00%	Grand total	2,415	100.00%

* As of March 2014

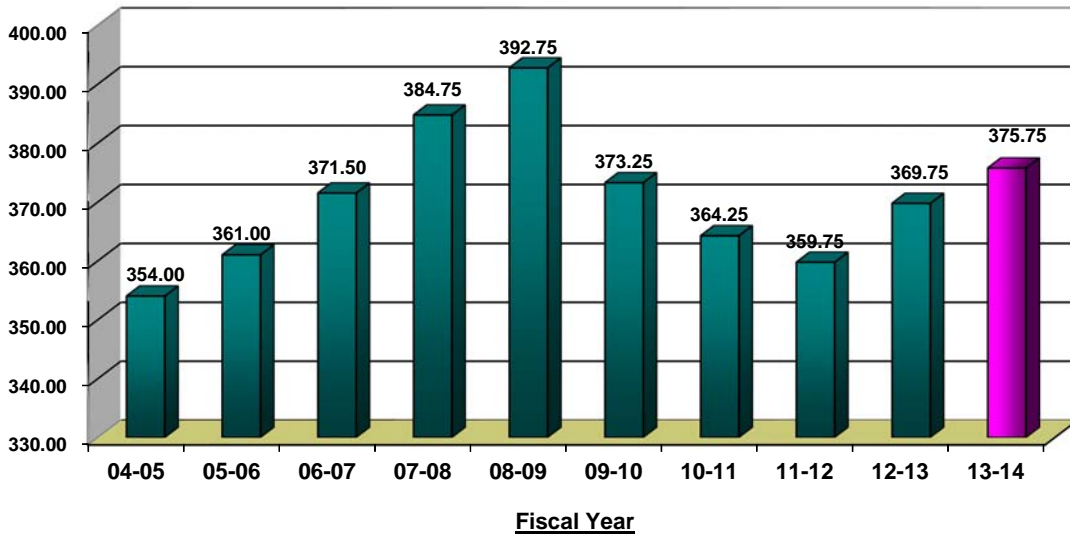
NOTE: (1) Non-governmental employers

Source: 2013, 2010 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									
	13-14	12-13	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05
General government	87.60	89.60	84.35	85.75	89.75	95.75	91.75	86.00	96.00	79.00
Public safety (1)	-	-	-	-	-	-	-	-	-	-
Public works	125.00	129.00	126.00	127.00	128.00	135.50	136.50	133.50	115.00	146.00
Community development	41.00	32.00	30.50	33.00	33.00	36.00	35.00	33.00	36.00	20.00
Parks and Recreation	111.15	108.15	105.90	106.50	110.50	111.50	110.50	108.00	106.00	101.00
Transit	11.00	11.00	13.00	12.00	12.00	14.00	11.00	11.00	8.00	8.00
Totals	375.75	369.75	359.75	364.25	373.25	392.75	384.75	371.50	361.00	354.00

**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									
	13-14	12-13	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05
Police:										
Parking citation issued ⁽¹⁾	4,786	5,726	5,521	6,577	5,114	4,126	5,257	4,587	6,042	5,960
Parking revenue collected	\$ 323,040	\$ 341,607	\$ 335,663	\$ 323,408	\$ 238,478	\$ 235,634	\$ 288,076	\$ 334,927	\$ 27,257	\$ 10,427
Public works:										
Street resurfacing (miles)	20.9	18.0	24.0	24.0	33.8	14.0	15.4	15.4	16.5	12.5
Parks and Recreation:										
Number of recreation classes	2,557	2,548	2,106	2,080	2,447	2,284	2,393	2,535	2,357	2,443
Number of facility rentals (times)	14,604	13,000	11,042	10,754	10,239	9,801	9,767	19,645	19,435	17,739
Transit:										
Number of customers served ⁽²⁾	3,540,969	3,661,302	3,612,060	3,724,490	3,922,052	4,210,842	3,821,299	3,733,299	3,718,640	3,527,000

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

(2) Number of customers served includes those outside of the City boundaries.

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

**City of Santa Clarita
Capital Assets Statistics by Function
Last Ten Fiscal Years**

Function	FISCAL YEAR									
	13-14	12-13	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05
Public works:										
Streets (miles)	496	496	496	496	496	496	496	496	496	462
Street lights ⁽¹⁾	17,843	17,843	15,081	14,963	14,939	14,739	14,429	14,000	13,200	13,000
Traffic signals (City Jurisdiction)	1,777	177	171	170	166	172	176	166	167	165
Traffic signals (Joint Jurisdiction)	5	5	6	1	6	5	4	4	5	5
Parks and recreation:										
Number of parks	29	29	24	23	20	20	20	19	18	17
Community centers	2	1	1	1	1	1	1	1	1	-
Transit:										
Stations	4	4	4	4	4	4	4	4	4	4

NOTE: (1) All of the above referred streetlights are/were owned and maintained by Edison Company. The Highway Safety Lights (HSL) are the streetlights attached to traffic signals (817) and those are City owned and maintained through a contract with the County. The City took over the streetlights from the County in 1998 and the City Engineering division established the inventory reports since 2001.

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