

***CITY OF SANTA CLARITA  
ANNUAL FINANCIAL REPORT OF THE  
PROPOSITION A LOCAL RETURN FUND  
PROPOSITION C LOCAL RETURN FUND  
MEASURE R LOCAL RETURN FUND  
MEASURE M LOCAL RETURN FUND  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLE 3 FUND  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLE 8 FUND***

***FOR THE FISCAL YEARS ENDED  
JUNE 30, 2021 AND 2020***



**Metro<sup>®</sup>**



Simpson & Simpson, LLP  
Certified Public Accountants

***CITY OF SANTA CLARITA***  
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***FINANCIAL SECTION***

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## Independent Auditor's Report

To the Honorable Members of the City Council of the  
City of Santa Clarita, California and the  
Los Angeles County Metropolitan Transportation Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Measure M Local Return Fund (MMLRF), Transportation Development Act Article 3 Fund (TDAA3F), and Transportation Development Act Article 8 Fund (TDAA8F) (collectively, the Funds), of the City of Santa Clarita, California (the City) as of and for the years ended June 30, 2021 and 2020, and the related notes to the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity'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 entity'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 PALRF, PCLRF, MRLRF, MMLRF , TDAA3F and TDAA8F of the City of Santa Clarita, California, as of June 30, 2021 and 2020, and the respective changes in their financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 2, the financial statements present only the PALRF, PCLRF, MRLRF, MMLRF, TDAA3F and TDAA8F of the City and do not purport to, and do not, present fairly the financial position of the City of Santa Clarita, California, as of June 30, 2021 and 2020, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on each of the Funds' financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Funds' financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Funds' financial statements or to the Funds' financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to each of the Funds' financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued our report dated December 10, 2021, on our consideration of the City's internal control over the Funds' financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

A handwritten signature in cursive script that reads "Simpson &amp; Simpson".

Los Angeles, California  
December 10, 2021

**CITY OF SANTA CLARITA**  
**PROPOSITION A LOCAL RETURN FUND**  
**BALANCE SHEETS**  
**June 30**

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 11,060,404	\$ 8,702,839
Interest receivable	76,588	27,673
Total assets	\$ 11,136,992	\$ 8,730,512
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 328,620	\$ 2,121
Wages payable	1,300	78
Total liabilities	329,920	2,199
 <b>Fund Balance</b>		
Restricted	10,807,072	8,728,313
Total fund balance	10,807,072	8,728,313
Total liabilities and fund balance	\$ 11,136,992	\$ 8,730,512

The accompanying notes are an integral part of the financial statements.

**CITY OF SANTA CLARITA**  
**PROPOSITION A LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
For the Fiscal Years Ended June 30

	2021	2020
<b>REVENUES</b>		
Proposition A	\$ 4,388,257	\$ 4,182,055
Interest income	164,361	177,648
Unrealized gain (loss) on investments	(113,816)	137,233
Total revenues	4,438,802	4,496,936
<b>EXPENDITURES</b>		
Various projects	2,360,043	387,434
Total expenditures	2,360,043	387,434
Excess of revenues over expenditures	2,078,759	4,109,502
Fund balance at beginning of year	8,728,313	4,618,811
Fund balance at end of year	\$ 10,807,072	\$ 8,728,313

The accompanying notes are an integral part of the financial statements.



**CITY OF SANTA CLARITA**  
**PROPOSITION A LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
**For the Fiscal Year Ended June 30, 2021**  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
105	Local and Commuter Bus Service	\$ 1,231,848	\$ -	\$ 1,231,848	\$ -
251	Vista Canyon Metrolink Station (T33020)	3,153,487	1,576,040	1,577,447	168,979
251	Vista Canyon Transit Bus Transfer Station (T3021)	784,003	784,003	-	218,455
	Total expenditures	\$ 5,169,338	\$ 2,360,043	\$ 2,809,295	\$ 387,434

See accompanying independent auditor's report.

**CITY OF SANTA CLARITA**  
**PROPOSITION A LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
10/2/2001	Land for Transit Maintenance	\$ 753,372	\$ -	\$ -	\$ 753,372
6/30/2002	Land for Rail Station	655,734	-	-	655,734
6/30/2002	Building - McBean Transit	438,496	-	-	438,496
6/30/2002	Building - McBean Transit	582,534	-	-	582,534
6/30/2003	McBean Transfer Station	1,360	-	-	1,360
12/31/2005	Rail Station Parking Expansion Improvement	174,211	-	-	174,211
6/30/2006	Transit Maintenance Facility	4,677,115	-	-	4,677,115
6/30/2009	Metrolink Restroom Improvement	34,566	-	-	34,566
6/30/2010	VP Metrolink Restroom	995,719	-	-	995,719
6/30/2013	SC Bus Stop Expansion	4,664	-	-	4,664
6/30/2014	McBean Park and Ride	73,268	-	-	73,268
6/30/2014	Bus Stop Improvements	38,906	-	-	38,906
Total \$		<u>8,429,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,429,945</u>

See accompanying independent auditor's report.

**CITY OF SANTA CLARITA**  
**PROPOSITION C LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 10,310,650	\$ 6,880,805
Interest receivable	73,916	21,880
Total assets	\$ 10,384,566	\$ 6,902,685
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,713	\$ 29,429
Total liabilities	1,713	29,429
 <b>Fund Balance</b>		
Restricted	10,382,853	6,873,256
Total fund balance	10,382,853	6,873,256
Total liabilities and fund balance	\$ 10,384,566	\$ 6,902,685

The accompanying notes are an integral part of the financial statements.

**CITY OF SANTA CLARITA**  
**PROPOSITION C LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
For the Fiscal Years Ended June 30

	2021	2020
<b>REVENUES</b>		
Proposition C	\$ 3,639,902	\$ 3,469,022
Interest income	141,145	138,226
Unrealized gain (loss) on investments	(80,750)	109,056
Miscellaneous (Note 9)	4,672	-
Total revenues	3,704,969	3,716,304
<b>EXPENDITURES</b>		
Various projects	195,372	317,304
Total expenditures	195,372	317,304
Excess of revenues over expenditures	3,509,597	3,399,000
Fund balance at beginning of year	6,873,256	3,474,256
Fund balance at end of year	\$ 10,382,853	\$ 6,873,256

The accompanying notes are an integral part of the financial statements.

**CITY OF SANTA CLARITA**  
**PROPOSITION C LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
**For the Fiscal Year Ended June 30, 2021**  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
303	ITS PH VII & Signal Synchronization (C0054)	\$ 225,859	\$ 195,372	\$ 30,487	\$ 41,778
805	Railroad Avenue Class Bike Trail (T2011)	561,126	-	561,126	-
400-02	ITS PH V and Signal Synchronization (C00048)	-	-	-	226,950
400-03	ITS PH VII & Signal Synchronization (C0052)	-	-	-	48,576
	Total expenditures	\$ <u>786,985</u>	\$ <u>195,372</u>	\$ <u>591,613</u>	\$ <u>317,304</u>

See accompanying independent auditor's report.

**CITY OF SANTA CLARITA**  
**PROPOSITION C LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
2/13/1992	Mint Canyon River Park Parcel	\$ 80,000	\$ -	\$ -	\$ 80,000
6/29/1998	Transit Maintenance Facility	22,271	-	-	22,271
6/29/1998	McBean Transfer Station	8,848	-	-	8,848
6/29/1999	JHML 2nd Platform - SC Passenger Amenities	52,498	-	-	52,498
6/29/1999	Transit Maintenance Facility Improvements	126,038	-	-	126,038
6/29/2000	Rail Station Parking Improvements	266,365	-	-	266,365
6/29/2000	JHML 2nd Platform - SC Passenger	102,341	-	-	102,341
6/29/2000	Transit Maintenance Station	419,662	-	-	419,662
6/29/2001	Rail Station Parking CI Program	1,331,313	-	-	1,331,313
6/29/2001	Transit Maintenance Facility - CI Program	829,138	-	-	829,138
6/29/2004	Incident Management Traveler Info	51,910	-	-	51,910
6/29/2008	Electronic Sign RR Crossing	48,079	-	-	48,079
6/29/2010	Golden Valley/Soledad Interchange	1,262	-	-	1,262
6/29/2010	San Fernando RD Pedestrian Facility	30,269	-	-	30,269
Total \$		<u>3,369,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,369,994</u>

See accompanying independent auditor's report.

**CITY OF SANTA CLARITA**  
**MEASURE R LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 3,211,576	\$ 4,384,683
Interest receivable	21,964	13,942
Total assets	\$ 3,233,540	\$ 4,398,625
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 342,962	\$ 118,969
Wages payable	3,572	19
Total liabilities	346,534	118,988
 <b>Fund Balance</b>		
Restricted	2,887,006	4,279,637
Total fund balance	2,887,006	4,279,637
Total liabilities and fund balance	\$ 3,233,540	\$ 4,398,625

The accompanying notes are an integral part of the financial statements.

**CITY OF SANTA CLARITA**  
**MEASURE R LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
For the Fiscal Years Ended June 30

	2021	2020
<b>REVENUES</b>		
Measure R	\$ 2,733,710	\$ 2,598,046
Interest income	53,641	136,802
Unrealized gain (loss) on investments	(68,834)	27,184
Total revenues	2,718,517	2,762,032
 <b>EXPENDITURES</b>		
Various projects	4,111,148	6,199,982
Total expenditures	4,111,148	6,199,982
 Deficiency of revenues over expenditures	(1,392,631)	(3,437,950)
 Fund balance at beginning of year	4,279,637	7,717,587
 Fund balance at end of year	\$ 2,887,006	\$ 4,279,637

The accompanying notes are an integral part of the financial statements.



**CITY OF SANTA CLARITA**  
**MEASURE R LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
**For the Fiscal Year Ended June 30, 2021**  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
302	2017-18 HWY Safety Improv Program (C3019)	\$ 2,248	\$ 2,248	\$ -	-
705	2020-21 Overlay and Slurry Program (M0137)	1,144,922	100,158	1,044,764	-
705	2020-21 Concrete Re-habitation Program (M0138)	400,000	349,425	50,575	-
705	Sierra HWY Ped Improv at Golden Valley Rd (S3031)	95,127	22,420	72,707	23,232
705	2019-20 Concrete Rehab (M0131)	3,385,359	3,385,359	-	-
705	2018-19 Overlay & Slurry (M0128)	66,929	4,803	62,125	6,032,589
705	2019-20 Overlay & Slurry (M0133)	291,612	246,735	44,878	144,160
705	2019-20 Federal Overlay (M0136)	787,845	-	787,845	-
1.05	Ave Scott Trail Connections (T1017)	-	-	-	1
	Total expenditures	\$ <u>6,174,042</u>	\$ <u>4,111,148</u>	\$ <u>2,062,894</u>	\$ <u>6,199,982</u>

See accompanying independent auditor's report.

**CITY OF SANTA CLARITA**  
**MEASURE R LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
 June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

**CITY OF SANTA CLARITA**  
**MEASURE M LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 6,932,439	\$ 7,603,309
Interest receivable	49,624	24,177
Total assets	\$ 6,982,063	\$ 7,627,486
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 142,798	\$ 19,622
Wages payable	-	1,585
Total liabilities	142,798	21,207
 <b>Fund Balance</b>		
Restricted	6,839,265	7,606,279
Total fund balance	6,839,265	7,606,279
Total liabilities and fund balance	\$ 6,982,063	\$ 7,627,486

The accompanying notes are an integral part of the financial statements.

**CITY OF SANTA CLARITA**  
**MEASURE M LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
For the Fiscal Years Ended June 30

	2021	2020
<b>REVENUES</b>		
Measure M	\$ 3,097,393	\$ 2,920,349
Interest income	117,762	187,048
Unrealized gain (loss) on investments	(111,387)	110,783
Total revenues	3,103,768	3,218,180
 <b>EXPENDITURES</b>		
Various projects	3,870,782	1,084,201
Total expenditures	3,870,782	1,084,201
 Excess (deficiency) of revenues over expenditures	(767,014)	2,133,979
 Fund balance at beginning of year	7,606,279	5,472,300
 Fund balance at end of year	\$ 6,839,265	\$ 7,606,279

The accompanying notes are an integral part of the financial statements.

**CITY OF SANTA CLARITA**  
**MEASURE M LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
**For the Fiscal Year Ended June 30, 2021**  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
705	2020-21 Overlay and Slurry (M0137)	\$ 4,606,791	\$ 431,111	\$ 4,175,680	\$ -
705	2019-20 Overlay & Slurry (M0131)	4,006,318	3,398,468	607,850	445,581
705	2019-20 Federal Overlay (M0136)	880,000	41,203	838,797	-
1.05	Citywide ped RIRd	-	-	-	34,996
1.05	2018-19 Overlay & Slurry (M0128)	-	-	-	507,624
1.05	Sidewalk Gap Closures (T0053)	-	-	-	96,000
Total expenditures		\$ <u>9,493,109</u>	\$ <u>3,870,782</u>	\$ <u>5,622,327</u>	\$ <u>1,084,201</u>

See accompanying independent auditor's report.

**CITY OF SANTA CLARITA**  
**MEASURE M LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
June 30, 2021

<u>Date</u> <u>Acquired</u>	<u>Description</u>	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2021</u>
	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

**CITY OF SANTA CLARITA**  
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND  
(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99234)

BALANCE SHEETS  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investment	\$ 43,073	\$ 420,398
Interest receivable	100	9,575
Due from Metro	-	12,811
Total assets	\$ 43,173	\$ 442,784
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 26,680	\$ -
Due to Metro	15,054	418,961
Total liabilities	41,734	418,961
 <b>Fund Balance</b>		
Restricted	1,439	23,823
Total fund balance	1,439	23,823
Total liabilities and fund balance	\$ 43,173	\$ 442,784

The accompanying notes are an integral part of the financial statements.

**CITY OF SANTA CLARITA**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
For the Fiscal Years Ended June 30

	2021	2020
<b>REVENUES</b>		
TDA 3 (Note 11)	\$ 259,188	\$ 1,490
Interest income	31	2,346
Unrealized gain (loss) on investments	(8,143)	6,418
Total revenues	251,076	10,254
<b>EXPENDITURES</b>		
Various projects	273,460	18,110
Total expenditures	273,460	18,110
Deficiency of revenues over expenditures	(22,384)	(7,856)
Fund balance at beginning of year	23,823	31,679
Fund balance at end of year	\$ 1,439	\$ 23,823

The accompanying notes are an integral part of the financial statements.



**CITY OF SANTA CLARITA**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND**  
**SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT**  
For the Fiscal Year Ended June 30, 2021

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
<b>Local allocations</b>					
BMX Track	2018	\$ 75,000	\$ 75,000	\$ -	Complete
Ave Scott Trail Connection	2017	23	(3,444) *	3,467	Ongoing
Sand Canyon Trails	2018	223,042	201,904	21,138	Ongoing
Total		<u>\$ 298,065</u>	<u>\$ 273,460</u>	24,605	
Less: Fund balance carried forward				(23,823)	
Unexpended interest accumulated to date				(8,112)	
Funds returned to Metro				(15,054) **	
Fund balance at beginning of year				23,823	
Fund balance at end of year				<u>\$ 1,439</u> ***	

\* Refund from County of Los Angeles for unspent permit fees paid in the prior year.

\*\* Funds returned included unused TDA 3 funds of \$13,286 and interest income earned of \$1,768. See Note 11.

\*\*\* The City has encumbered the remaining fund balance of \$1,439 for the Ave Scott Trail Connection and Sand Canyon Trail projects as of June 30, 2021.

See accompanying independent auditor's report.

**CITY OF SANTA CLARITA**  
TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND  
(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99234)

BALANCE SHEETS  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 1,579,861
Interest receivable	-	5,605
Due from Metro	8,571,529	-
Total assets	\$ 8,571,529	\$ 1,585,466
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 449,978	\$ 316,020
Wages payable	457	826
Due to Metro	-	9,754
Due to General Fund	54,644	-
Total liabilities	505,079	326,600
 <b>Fund Balance</b>		
Restricted	8,066,450	1,258,866
Total fund balance	8,066,450	1,258,866
Total liabilities and fund balance	\$ 8,571,529	\$ 1,585,466

The accompanying notes are an integral part of the financial statements.

**CITY OF SANTA CLARITA**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND**  
**(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99234)**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
For the Fiscal Years Ended June 30

	2021	2020
<b>REVENUES</b>		
TDA 8 (Note 11)	\$ 9,538,331	\$ 1,878,161
Interest income	7,288	31,045
Unrealized gain on investments	(33,776)	21,840
Miscellaneous (Note 9)	10,622	-
Total revenues	9,522,465	1,931,046
<b>EXPENDITURES</b>		
Various projects	2,351,623	1,522,982
Total expenditures	2,351,623	1,522,982
Excess of revenues over expenditures	7,170,842	408,064
<b>OTHER FINANCING USES</b>		
Transfer to Gas Tax Fund	(355,301)	(182,802)
Transfer to General Fund	(7,957)	(3,606)
Total other financing uses	(363,258)	(186,408)
Excess of revenues over expenditures and other financing uses	6,807,584	221,656
Fund balance at beginning of year	1,258,866	1,037,210
Fund balance at end of year	\$ 8,066,450	\$ 1,258,866

The accompanying notes are an integral part of the financial statements.

**CITY OF SANTA CLARITA**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND**  
**SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT**  
For the Fiscal Year Ended June 30, 2021

Project Description	Program Year	Allocations	Expenditures	Unexpended Allocations	Project Status
<b>Local allocations</b>					
2015-16 Median Mod Construction	2019	\$ (2,940)	\$ (2,940) * \$	-	Complete
Battery Back Up Install (2019-20) Ph 2	2020	134,974	134,974	-	Complete
2019-20 Circulation Improvement	2020	933,501	851,917	81,584	On-going
2019-20 Intersection Enhanceme	2020	141,653	141,653	-	On-going
Local Rdwy Safety Plan	2021	7,969	7,074	895	On-going
2020-21 Cirulation Improve Ph II	2021	353,153	50,884	302,269	On-going
2020-21 Intersection Mprov	2021	142,691	142,691	-	Complete
2017-18 Hwy Safety Improv	2021	27,746	27,746	-	Complete
Trfc Signal & Fiber Optic	2021	33,750	24,691	9,059	On-going
2019-20 ADA Access Ramps	2021	50,000	50,000	-	Complete
2017-18 Overlay & Slurry	2018	327,786	262,945	64,841	On-going
2017-18 Bridge Maint Prog	2018	723	723	-	On-going
2019-20 Overlay And Slurry	2020	229,000	229,000	-	On-going
2019-20 Thermoplastic Ln	2020	38,122	38,122	-	On-going
2020-21 Overlay & Slurry	2021	7,656,370	-	7,656,370	On-going
Dockweiler Dr Alignment (Design)	2006	227,115	227,115	-	On-going
Sierra Hwy Br Over Sc River	2013	23	23	-	Complete
Sierra Hwy Constability	2019	95,924	48,106	47,818	On-going
2020-21 Sidewalk Gap Closure	2021	116,899	116,899	-	Complete
Sub-total		<u>10,514,459</u>	<u>2,351,623</u>	<u>8,162,836</u>	
Transfer to Gas Tax (Note 9)		355,301	355,301	-	
Transfer to General Fund		7,957	7,957	-	
Total		<u>\$ 10,877,717</u>	<u>\$ 2,714,881</u>	<u>8,162,836</u>	
Less: Fund balance carried forward				(1,258,866)	
Unexpended interest and earnings accumulated to date				(15,866)	
Reduction in payment for amount in excess of maximum claims				(80,520)	
Fund balance at beginning of year				<u>1,258,866</u>	
Fund balance at end of year				<u>\$ 8,066,450</u> **	

\* The 2015-16 Median Mod Construction project is co-funded by CalTrans Grant. During the close-out of the project, the City transferred expenditures paid in prior years from TDA Article 8 to Federal Grant Fund in order to maximize the use of CalTrans Grant.

\*\* The City has encumbered the remaining fund balance of \$8,066,450 as of June 30, 2021 for various projects.

**CITY OF SANTA CLARITA**  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Years Ended June 30, 2021 and 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Fund Accounting*

The operations of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Measure M Local Return Fund (MMLRF), Transportation Development Act Article 3 Fund (TDAA3F) and Transportation Development Act Article 8 Fund (TDAA8F) (collectively, the Funds) are accounted for in separate sets of self-balancing accounts that comprise their assets, liabilities, fund balance, revenues and expenditures.

PALRF and PCLRF represent 25% and 20%, respectively, of the ½ cent Proposition A and ½ cent Proposition C sales taxes which are distributed to the jurisdictions within Los Angeles County based on population and must be used exclusively for transportation related programs and projects.

MRLRF is derived from 15% of a county-wide ½ cent sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes.

MMLRF is derived from 17% of a county-wide ½ cent sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes.

TDAA3F and TDAA8F are Special Revenue Funds that account for the City’s share of the Transportation Development Act Article 3 and 8 allocations which are legally restricted for specific purposes.

*Basis of Accounting and Measurement Focus*

PALRF, PCLRF, MRLRF, MMLRF, TDAA3F and TDAA8F are accounted for using the modified accrual basis of accounting whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

Special Revenue Funds are reported on the spending or “financial flow” measurement focus. This means that generally only current assets, current liabilities and deferred inflows and outflows of resources are included on their balance sheets. The statement of revenues, expenditures and changes in fund balances for Special Revenue Funds generally presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

*Budgets and Budgetary Accounting*

The budgeted amounts presented in this report for comparison to the actual amounts are presented in accordance with accounting principles generally accepted in the United States of America.

**CITY OF SANTA CLARITA**  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fair Value Measurement*

In accordance with Governmental Accounting Standard Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which became effective for the fiscal year ended June 30, 2016, the City categorizes its fair value measurement within the fair value hierarchy that is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Accordingly, the City reports its investment at fair value and recognizes unrealized gain (loss) on investments.

Refer to City’s 2021 Comprehensive Annual Financial Report for detailed disclosures regarding the City’s investment policy and fair value measurement.

*Fund Balance Reporting*

GASB Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes the fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds.

The PALRF, PCLRF, MRLRF, MMLRF TDAA3F and TDAA8F report the following fund balance classification as of June 30, 2021:

- Restricted – Amounts that are constrained for specific purpose, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The uses of the funds’ remaining fund balances are restricted for projects approved by Los Angeles County Metropolitan Transportation Authority (Metro).

Information regarding the fund balance reporting policy adopted by the City is described in Note 1 to the City’s Comprehensive Annual Financial Report.

**NOTE 2 – ANNUAL FINANCIAL STATEMENTS**

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, MMLRF, TDAA3F and TDAA8F and their compliance with the Proposition A and Proposition C Local Return Program Guidelines, Measure R Local Return Program Guidelines, Measure M Local Return Program Guidelines, the Los Angeles County Metropolitan Transportation Authority Funding and Allocation Guidelines for Transportation Development Act (TDA) Article 3 Bicycle and Pedestrian Funds, and the Los Angeles County Metropolitan Transportation Authority Guidelines to the Administration of TDA Article 8.

**CITY OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 3 – PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS**

In accordance with Proposition A and Proposition C Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Proposition A and Proposition C Local Return approved programs. See accompanying Compliance Matrix.

**NOTE 4 – MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS**

In accordance with Measure R Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Measure R Local Return approved programs. See accompanying Compliance Matrix.

**NOTE 5 – MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS**

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance, known as Measure M. In accordance with Measure M Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Measure M Local Return approved programs. See accompanying Compliance Matrix.

**NOTE 6 – TDA ARTICLE 3 COMPLIANCE REQUIREMENTS**

In accordance with Public Utilities Code Section 99234, funds received pursuant to this Code's section may only be used for activities relating to pedestrians and bicycle facilities. See accompanying Compliance Matrix.

**NOTE 7 – TDA ARTICLE 8 COMPLIANCE REQUIREMENTS**

In accordance with Public Utilities Code Section 99400, funds received pursuant to this Code's section may only be used for activities relating to transit, paratransit, and local streets and roads, including facilities for the exclusive use of pedestrians and bicycles to fulfill unmet transit needs in areas outside the service area of Metro operations. See accompanying Compliance Matrix.

**NOTE 8 – CASH AND INVESTMENTS**

The PALRF, PCLRF, MRLRF, MMLRF, TDAA3F and TDAA8F's cash and investment balances were pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash and investments account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average quarterly balances to the total of the pooled cash and investments.

**CITY OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 9 – PRIOR YEAR REVENUE ADJUSTMENT – PCLRF AND TRANSPORTATION DEVELOPMENT ACT FUND 8**

During the fiscal year ended June 30, 2021, the City received unspent reimbursement from Metrolink for services performed in prior years. The refunds were in the amounts of \$4,672 and \$10,622 for Proposition C project ITS III completed in the fiscal year 2012 and TDA Article 8 project Golden Oak Road Crossing completed in the fiscal year 2011, respectively.

**NOTE 10 – TRANSFERS TO GAS TAX FUND – TRANSPORTATION DEVELOPMENT ACT FUND 8**

During the fiscal years ended June 30, 2021 and 2020, TDA Article 8 Fund transferred \$355,301 and \$182,802 respectively to Gas Tax Fund to fund local streets, highways and roads improvements and maintenance costs.

**NOTE 11 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION**

The revenue allocation for the fiscal years ended June 30, 2021 and 2020 consisted of the following:

TDA Article 3 Fund

	2021	2020
FY 2017-18 allocation	\$ 119,344	\$ 120,834
FY 2018-19 allocation	146,636	146,636
FY 2019-20 allocation	8,262	149,639
Less: funds returned to Metro	(15,054)	(415,619)
Total payments requested	\$ 259,188	\$ 1,490

TDA Article 8 Fund

	2021	2020
FY 2017-18 allocation	\$ 1,695,941	\$ 1,887,857
FY 2018-19 allocation	7,842,390	-
Less: funds returned to Metro	-	(9,696)
Total payments requested	\$ 9,538,331	\$ 1,878,161

**NOTE 12 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED**

In accordance with state guidelines, funds not spent during the fiscal year have been placed on reserve in the Local Transportation Fund (LTF) account with the County Auditor-Controller to be drawn down whenever the funds become eligible for a specific project and an approved drawdown request is received by Metro. As of June 30, 2021, and 2020, the City has funds on reserve as follows:



**CITY OF SANTA CLARITA**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 12 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED (Continued)**

TDA Article 3 Fund

	2021	2020
FY 2017-18 allocation	\$ -	\$ 119,344
FY 2018-19 allocation	6,792	146,636
FY 2019-20 allocation	155,627	155,627
FY 2020-21 allocation	121,527	-
Available reserve balance	\$ 283,946	\$ 421,607

For fiscal year 2020-21, any TDA Article 3 funds left on reserve for FY 2016-17 or prior, are subject to lapse if not by claimed by the City by June 30, 2021. There no funds lapsed in FY 2020-21.

TDA Article 8 Fund

	2021	2020
FY 2017-18 allocation	\$ -	\$ 1,695,941
FY 2018-19 allocation	809,093	8,651,483
FY 2019-20 allocation	9,170,814	9,170,814
FY 2020-21 allocation	7,178,751	-
Available reserve balance	\$ 17,158,658	\$ 19,518,238

For fiscal year 2020-21, any TDA Article 8 funds left on reserve for FY 2016-17 or prior, are subject to lapse if not by claimed by the City by June 30, 2021. There no funds lapsed in FY 2020-21.

**NOTE 13 – IMPACT OF CORONAVIRUS**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the United States.

It is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities. However, the City's Management believes that the financial impact, if any, will not materially affect the June 30, 2021 Funds' financial statement.

***CITY OF SANTA CLARITA***  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 14 – SUBSEQUENT EVENTS**

The City has evaluated events or transactions that occurred subsequent to June 30, 2021 through December 10, 2021, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined no subsequent matters require disclosure or adjustment to the accompanying financial statements.



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**Independent Auditor’s Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

To the Honorable Members of the City Council of the  
City of Santa Clarita, California and the  
Los Angeles County Metropolitan Transit Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, Transportation Development Act Article 3 Fund and Transportation Development Act Article 8 Fund (collectively, the Funds) of the City of Santa Clarita, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the Funds’ financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Funds’ financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, Transportation Development Act Article 3 and Transportation Development Act Article 8 Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Simpson &amp; Simpson".

Los Angeles, California  
December 10, 2021

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*COMPLIANCE SECTION*

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SIMPSON & SIMPSON

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## Independent Auditor's Report On Compliance

To the Honorable Members of the City Council of the  
City of Santa Clarita, California and the  
Los Angeles County Metropolitan Transit Authority

### Report on Compliance

We have audited the compliance of the City of Santa Clarita, California (the City) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Guidelines, the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds, and the Los Angeles County Metropolitan Transportation Authority Guidelines to the Administration of Transportation Development Act Article 8 (collectively, the Guidelines) for the year ended June 30, 2021.

### *Management's Responsibility*

Management is responsible for the City's compliance with the Guidelines.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Guidelines referred to in the preceding paragraph. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Proposition A Local Return Program, Proposition C Local Return Program, Measure R Local Return Program, Measure M Local Return Program, and Transportation Development Act Articles 3 and 8 programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Guidelines. However, our audit does not provide a legal determination of the City's compliance with the Guidelines.

### *Opinion on Each Local Return Program, Transportation Development Act Article 3 and Transportation Development Act Article 8*

In our opinion, the City complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2021.



## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the Guidelines referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance under the Guidelines will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the Guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of the Guidelines. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Simpson &amp; Simpson".

Los Angeles, California  
December 10, 2021

**CITY OF SANTA CLARITA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>A. Proposition A and Proposition C Local Return Funds</b>						
1.	Uses the State Controller's Uniform System of Accounts and Records or has established a separate Proposition A and Proposition C Local Transit Assistance Account for Local Return purposes.	X			None	
2.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Proposition A and/or Proposition C Local Return Account.	X			None	
3.	Funds were expended with Metro's approval and were not substituted for property tax.	X			None	
4.	Timely use of funds.	X			None	
5.	Administrative expenses are within the 20% cap.	X			None	
6.	Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.			X	None	There were no expenditures that exceeded 25% of approved project budget.
7.	Annual Project Update Report (Form B) or electronic equivalent was submitted on time.	X			None	
8.	Annual Expenditure Report (Form C) or electronic equivalent was submitted on time.	X			None	
9.	Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.	X			None	
10.	Local Return Account is credited for reimbursable expenditures.			X	None	There were no reimbursable expenditures in FY 2020/21.
11.	Where Proposition A funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	There were no fund exchanges in FY 2020/21.



**CITY OF SANTA CLARITA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>A. Proposition A and Proposition C Local Return Funds</b>						
12.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects and elements.	X			None	
13.	A separate account was established for Capital reserve funds, Capital reserve was approved by Metro and current status is reported in the Annual Project Update (Form B) or electronic equivalent.			X	None	There were no capital reserve funds or capital reserve in FY 2020/21.
14.	Recreational transit form was submitted on time.			X	None	There were no recreational transit projects in FY 2020/21.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY 2020/21.
16.	Proposition C Local Return Funds were used to augment, not supplant existing local revenues	X			None	
17.	All on-going and carryover projects were reported on Form B or electronic equivalent.	X			None	
18.	Cash or cash equivalents are maintained.	X			None	
19.	Accounting procedures, record keeping and documentation are adequate.	X			None	

**CITY OF SANTA CLARITA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>B. Measure R Local Return Fund</b>						
1.	Funds were expended for transportation purposes.	X			None	
2.	Separate Measure R Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.			X	None	There were no administrative expenditures in FY 2020/21.
8.	Expenditure Plan (Form One or electronic equivalent) was submitted on time.	X			None	
9.	Annual Expenditure Report (Form Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.			X	None	There were no reimbursable expenditures in FY 2020/21.
11.	Where Measure R funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	There were no fund exchanges in FY 2020/21.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	There were no capital reserve funds or capital reserve in FY 2020/21.

**CITY OF SANTA CLARITA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>B. Measure R Local Return Fund</b>						
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	
14.	Recreational transit form was submitted on time.			X	None	There were no recreational transit projects in FY 2020/21.
15.	Fund exchanges were approved by Metro.			X	None	There were no fund exchanges in FY 2020/21.
16.	Accounting procedures, record keeping and documentation are adequate.	X			None	

**CITY OF SANTA CLARITA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>C. Measure M Local Return Fund</b>						
1.	Funds were expended for transportation purposes.	X			None	
2.	Separate Measure M Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.			X	None	There were no administrative expenditures in FY 2020/21.
8.	Expenditure Plan (Form M-One or electronic equivalent) was submitted on time.	X			None	
9.	Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.			X	None	There were no reimbursable expenditures in FY 2020/21.
11.	Where Measure M funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	There were no fund exchanges in FY 2020/21.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	There were no capital reserve funds or capital reserve in FY 2020/21.

**CITY OF SANTA CLARITA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>C. Measure M Local Return Fund</b>						
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	
14.	Recreational transit form was submitted on time.			X	None	There were no recreational transit projects in FY 2020/21.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY 2020/21.
16.	Accounting procedures, record keeping and documentation are adequate.	X			None	

**CITY OF SANTA CLARITA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>D. Transportation Development Act Article 3 Fund</b>						
1.	Timely use of funds.	X			None	
2.	Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X			None	
<b>E. Transportation Development Act Article 8 Fund</b>						
1.	Timely use of funds.	X			None	
2.	Expenditures were incurred for activities relating to transit, paratransit and local streets and roads.	X			None	

***CITY OF SANTA CLARITA***  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
June 30, 2021

No findings were noted.

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*EXIT CONFERENCE*

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**CITY OF SANTA CLARITA**  
PROPOSITION A, PROPOSITION C, MEASURE R, MEASURE M LOCAL RETURN FUNDS,  
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND, AND TRANSPORTATION  
DEVELOPMENT ACT ARTICLE 8 FUND  
EXIT CONFERENCE  
June 30, 2021

An exit conference was held on December 27, 2021 with the City of Santa Clarita. Those in attendance were:

***Simpson & Simpson Representative:***

May Yi, Audit Senior

***City's Representative:***

Puujee Wrinkle, Financial Analyst

***Matters Discussed:***

Results of the audit disclosed no significant control deficiencies and no non-compliance issue with Metro Guidelines.

A copy of this report was forwarded to the following City representative(s) for their comments prior to the issuance of the final report:

Puujee Wrinkle, Financial Analyst

Simpson & Simpson, LLP  
633 West 5<sup>th</sup> Street, Suite 3320  
Los Angeles, CA 90071

RE: CITY OF SANTA CLARITA ANNUAL FINANCIAL REPORT OF THE PROPOSITION A LOCAL RETURN FUND, PROPOSITION C LOCAL RETURN FUND, MEASURE R LOCAL RETURN FUND, MEASURE M LOCAL RETURN FUND, TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND AND TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

I have received the annual financial report of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, Transportation Development Act Article 3 Fund and Transportation Development Act Article 8 Fund for the fiscal years ended June 30, 2021 and 2020 for the City of Santa Clarita and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date