

***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, 2019 AND 2018***



Metro[®]



Simpson & Simpson, LLP
Certified Public Accountants

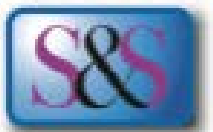
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FINANCIAL SECTION



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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, 2019 and 2018, 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 of 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, 2019 and 2018, 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, 2019 and 2018, and the changes in its financial position for the years then ended in conformity 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 November 11, 2019, 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 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 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, reading "Simpson & Simpson".

Los Angeles, California
November 11, 2019

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

	2019	2018
ASSETS		
Cash and investments	\$ 4,605,202	\$ 265,147
Interest receivable	18,353	1,131
Total assets	\$ 4,623,555	\$ 266,278
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 3,080	\$ 2,600
Wages payable	1,664	-
Total liabilities	4,744	2,600
 Fund Balance		
Restricted	4,618,811	263,678
Total fund balance	4,618,811	263,678
Total liabilities and fund balance	\$ 4,623,555	\$ 266,278

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

	2019	2018
REVENUES		
Proposition A	\$ 4,343,464	\$ 4,096,462
Interest income	49,531	13,285
Unrealized gain on investments	34,054	696
Total revenues	4,427,049	4,110,443
 EXPENDITURES		
Various projects	71,916	5,137,798
Total expenditures	71,916	5,137,798
 Excess (deficiency) of revenues over (under) expenditures	4,355,133	(1,027,355)
 Fund balance at beginning of year	263,678	1,291,033
 Fund balance at end of year	\$ 4,618,811	\$ 263,678

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, 2019
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2018)

Project Code	Project Name	2019			2018 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
110-15	Local and Commuter Bus Service	\$ 1	\$ -	\$ 1	\$ 5,067,401
390-01	Vista Canyon Metrolink Station (T33020)	176,873	71,916	104,957	70,397
390-02	Vista Canyon Transit Bus Transfer Station (T3021)	1	-	1	-
	Total expenditures	\$ 176,875	\$ 71,916	\$ 104,959	\$ 5,137,798

See accompanying independent auditor's report.

CITY OF SANTA CLARITA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2019

Date Acquired	Description	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
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	76,117	-	-	76,117
12/31/2005	Rail Station Parking Expansion Improvement	15,623	-	-	15,623
12/31/2005	Rail Station Parking Expansion Improvement	82,471	-	-	82,471
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	478,494	-	-	478,494
6/30/2010	VP Metrolink Restroom	517,225	-	-	517,225
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

	2019	2018
ASSETS		
Cash and investments	\$ 3,562,727	\$ 3,773,022
Interest receivable	14,166	14,088
Total assets	\$ 3,576,893	\$ 3,787,110
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 102,637	\$ 16,444
Total liabilities	102,637	16,444
 Fund Balance		
Restricted	3,474,256	3,770,666
Total fund balance	3,474,256	3,770,666
Total liabilities and fund balance	\$ 3,576,893	\$ 3,787,110

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

	2019	2018
REVENUES		
Proposition C	\$ 3,602,781	\$ 3,446,730
Interest income	69,172	44,123
Unrealized gain (loss) on investments	79,155	(44,370)
Total revenues	3,751,108	3,446,483
 EXPENDITURES		
Various projects	4,047,518	2,638,841
Total expenditures	4,047,518	2,638,841
 (Deficiency) excess of revenues (under) over expenditures	(296,410)	807,642
 Fund balance at beginning of year	3,770,666	2,963,024
 Fund balance at end of year	\$ 3,474,256	\$ 3,770,666

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, 2019
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2018)

Project Code	Project Name	2019			2018 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
110-15	Local and Commuter Bus Service	\$ 3,850,825	\$ 3,850,825	\$ -	\$ 2,567,131
390-02	Vista Canyon Transit Bus Transfer Station (T3021)	1	-	1	-
400-01	ITS PH IV and Signal Synchronization (I0009)	22,821	22,821	-	16,768
400-02	ITS PH V and Signal Synchronization (C00048)	280,179	52,837	227,342	29,683
400-03	ITS PH VII and Signal Synchronization (C0052)	159,301	25,320	133,981	25,259
400-04	ITS PH VII & Signal Synchronization (C0052)	522,234	95,715	426,519	-
	Total expenditures	\$ <u>4,835,361</u>	\$ <u>4,047,518</u>	\$ <u>787,843</u>	\$ <u>2,638,841</u>

See accompanying independent auditor's report.

CITY OF SANTA CLARITA
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2019

Date Acquired	Description	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
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
6/29/2005	07-08 Overlay Program	25,000	-	-	25,000
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>\$ 3,394,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,394,994</u>

See accompanying independent auditor's report.

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

	2019	2018
ASSETS		
Cash and investments	\$ 8,880,954	\$ 7,079,612
Interest receivable	35,325	30,211
Total assets	\$ 8,916,279	\$ 7,109,823
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,195,387	\$ 730,362
Wages payable	3,305	-
Total liabilities	1,198,692	730,362
 Fund Balance		
Restricted	7,717,587	6,379,461
Total fund balance	7,717,587	6,379,461
Total liabilities and fund balance	\$ 8,916,279	\$ 7,109,823

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

	2019	2018
REVENUES		
Measure R	\$ 2,702,863	\$ 2,544,996
Interest income	142,943	101,243
Unrealized gain (loss) on investments	177,704	(93,362)
Total revenues	3,023,510	2,552,877
 EXPENDITURES		
Various projects	1,685,384	2,954,139
Total expenditures	1,685,384	2,954,139
 Excess (deficiency) of revenues over (under) expenditures	1,338,126	(401,262)
 Fund balance at beginning of year	6,379,461	6,780,723
 Fund balance at end of year	\$ 7,717,587	\$ 6,379,461

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, 2019
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2018)

Project Code	Project Name	2019			2018 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
1.05	2016-17 Overlay & Slurry (M0115)	\$ -	\$ -	\$ -	\$ 2,339,835
1.05	2017-18 Overlay & Slurry (M0124)	158,739	-	158,739	-
1.05	2017-18 Sidewalk Repair (M0125)	133,830	117,404	16,426	614,304
1.05	2018-19 Concrete Rehab Prog (M0129)	401,866	380,270	21,596	-
1.05	2018-19 Overlay & Slurry (M0128)	7,399,657	480,724	6,918,933	-
1.05	Ave Scott Trail Connections (T1017)	58,568	-	58,568	-
1.05	Sierra Hwy Ped Improv at Golden Valley Rd (S3031)	825,345	706,986	118,359	-
	Total expenditures	\$ <u>8,978,005</u>	\$ <u>1,685,384</u>	\$ <u>7,292,621</u>	\$ <u>2,954,139</u>

See accompanying independent auditor's report.

CITY OF SANTA CLARITA
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
 June 30, 2019

Date Acquired	Description	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

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

	2019	2018
ASSETS		
Cash and investments	\$ 5,451,931	\$ 2,277,938
Interest receivable	21,698	9,721
Total assets	\$ 5,473,629	\$ 2,287,659
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 77	\$ -
Wages payable	1,252	-
Total liabilities	1,329	-
 Fund Balance		
Restricted	5,472,300	2,287,659
Total fund balance	5,472,300	2,287,659
Total liabilities and fund balance	\$ 5,473,629	\$ 2,287,659

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

	2019	2018
REVENUES		
Measure M	\$ 3,048,284	\$ 2,306,349
Interest income	80,616	20,201
Unrealized gain (loss) on investments	73,801	(38,891)
Total revenues	3,202,701	2,287,659
EXPENDITURES		
Sidewalk Gap Closures (T0053)	18,060	-
Total expenditures	18,060	-
Excess of revenues over expenditures	3,184,641	2,287,659
Fund balance at beginning of year	2,287,659	-
Fund balance at end of year	\$ 5,472,300	\$ 2,287,659

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, 2019
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2018)

Project Code	Project Name	2019			2018 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
1.05	2018-19 Overlay & Slurry (M0128)	\$ 507,624	\$ -	\$ 507,624	\$ -
1.05	Sidewalk Gap Closures (T0053)	150,000	18,060	131,940	-
	Total expenditures	\$ 657,624	\$ 18,060	\$ 639,564	\$ -

See accompanying independent auditor's report.

CITY OF SANTA CLARITA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
 June 30, 2019

<u>Date Acquired</u>	<u>Description</u>	<u>Balance 7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2019</u>
None		\$ -	\$ -	\$ -	\$ -
	Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2019	2018
ASSETS		
Cash and investment	\$ 280,095	\$ 155,066
Interest receivable	1,116	662
Due from Metro	10,898	10,676
Total assets	\$ 292,109	\$ 166,404
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 260,430	\$ 119,276
Total liabilities	260,430	119,276
 Fund Balance		
Restricted	31,679	47,128
Total fund balance	31,679	47,128
Total liabilities and fund balance	\$ 292,109	\$ 166,404

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

	2019	2018
REVENUES		
TDA 3 (Note 10)	\$ (4,010)	\$ 51,733
Interest income	1,232	1,199
Unrealized gain (loss) on investments	4,443	(2,647)
Total revenues	1,665	50,285
EXPENDITURES		
Various projects	17,114	86,982
Total expenditures	17,114	86,982
Deficiency of revenues under expenditures	(15,449)	(36,697)
Fund balance at beginning of year	47,128	83,825
Fund balance at end of year	\$ 31,679	\$ 47,128

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, 2019

Project Description	Program Year	Allocations	Expenditures	Unexpended Allocations	Project Status
Local allocations					
Ave Scott Trail Connection	2018	\$ 117,386	\$ 9,032	\$ 108,354	Ongoing
Soledad Cyn / GVR Bike Path	2017	160,935	9,617	151,318	Ongoing
Railroad Ave Class 1 Bike Trail	2015	17,948	-	17,948	Ongoing
Sand Cyn Trail PH III	2018	(1,535)	(1,535)	-	Complete
Total		<u>\$ 294,734</u>	<u>\$ 17,114</u>	<u>277,620</u>	
Less: Fund balance carried forward				(47,128)	
Unexpended interest accumulated to date				7,469	
Funds returned to Metro				(253,410) *	
Fund balance at beginning of year				47,128	
Fund balance at end of year				<u>\$ 31,679</u> **	

* Funds returned included unused TDA 3 funds of \$251,616 and interest of \$1,794. See Note 10.

** The City has encumbered the remaining fund balance of \$31,679 for Ave Scott Trail Connection and Railroad Ave Class 1 Bike Trail projects as of June 30, 2019.

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

	2019	2018
ASSETS		
Cash and investments	\$ 1,340,670	\$ 6,464,740
Interest receivable	7,418	27,587
Total assets	\$ 1,348,088	\$ 6,492,327
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 308,468	\$ 1,196,831
Wages payable	2,410	9,825
Total liabilities	310,878	1,206,656
 Fund Balance		
Restricted	1,037,210	5,285,671
Total fund balance	1,037,210	5,285,671
Total liabilities and fund balance	\$ 1,348,088	\$ 6,492,327

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

	2019	2018
REVENUES		
TDA 8 (Note 10)	\$ 2,293,868	\$ 7,209,974
Interest income	33,156	49,455
Unrealized gain (loss) on investments	122,308	(86,412)
Total revenues	2,449,332	7,173,017
EXPENDITURES		
Various projects	5,496,273	7,482,727
Total expenditures	5,496,273	7,482,727
Deficiency of revenues under expenditures	(3,046,941)	(309,710)
OTHER FINANCING USES		
Transfer to Transit Fund	(738,472)	-
Transfer to Gas Tax Fund	(459,346)	-
Transfer to General Fund	(3,702)	(5,980)
Total other financing uses	(1,201,520)	(5,980)
Deficiency of revenues under expenditures and other financing uses	(4,248,461)	(315,690)
Fund balance at beginning of year	5,285,671	5,601,361
Fund balance at end of year	\$ 1,037,210	\$ 5,285,671

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, 2019

Project Description	Program Year	Allocations	Expenditures	Unexpended Allocations	Project Status
Local allocations					
2015-16 Median Mod Construction	2019	\$ 143,086	\$ 111,278	\$ 31,808	Ongoing
Systemic Safety Analysis Program	2018	10,000	8,402	1,598	Ongoing
2018-19 Circ Improv Program	2019	115,000	112,716	2,284	Completed
2018-19 Intersection Impr	2019	115,000	104,706	10,294	Completed
Battery Back Up Install	2019	124,000	115,385	8,615	Completed
Speed Hum / CSHN Program	2019	200,000	142,426	57,574	Completed
Sol Cyn Rd / Ruther Med Impr	2017	126,000	126,000	-	Completed
Intersection Mod Flasher	2018	69,620	38,077	31,543	Completed
ADA Access Ramps	2019	50,000	50,000	-	Completed
2017-18 Overlay & Slurry	2018	5,374,337	4,475,937	898,400	Ongoing
2017-18 Sidewalk Repair	2018	50,124	45,067	5,057	Completed
2017-18 Bridge Maint Prog	2018	98,169	11,173	86,996	Ongoing
2018-19 Overlay And Slurry	2020	45,000	-	45,000	Ongoing
2018-19 Concrete Rehab Pr	2019	-	5,058	(5,058)	Completed
2018-19 Thermoplastic Ln	2019	100,000	100,000	-	Completed
McBean Regional Transit Center					
Concrete Repairs	2019	-	43,848	(43,848)	Completed
Ave Rotella Refurbishment	2019	43,613	-	43,613	Ongoing
Newhall Ranch Rd / San Fran Bridge					
Widening	2018	-	33,565	(33,565)	Ongoing
Sierra Hwy Br Over SC River	2013	72,674	-	72,674	Completed
Sierra Hwy Constability	2019	-	(38,735)	38,735	Ongoing
Safe Routes to School	2017	11,850	6,110	5,740	Ongoing
Soledad Cyn / GVR Bike Path	2019	116,276	5,260	111,016	Ongoing
Sub-total		<u>6,864,749</u>	<u>5,496,273</u>	<u>1,368,476</u>	
Transfer to Transit Fund (Note 9)		715,749	738,472	(22,723)	
Transfer to Gas Tax (Note 9)		-	459,346	(459,346)	
Transfer to General Fund		<u>3,702</u>	<u>3,702</u>	<u>-</u>	
Total		<u>\$ 7,584,200</u>	<u>\$ 6,697,793</u>	<u>886,407</u>	
Less: Fund balance carried forward				(5,285,671)	
Unexpended interest accumulated to date				155,496	
Funds returned to Metro				(4,693) *	
Fund balance at beginning of year				<u>5,285,671</u>	
Fund balance at end of year				<u>\$ 1,037,210</u> **	

* Funds returned included unused TDA 8 funds of \$4,660 and interest of \$33. See Note 10.

** The City has encumbered the remaining fund balance of \$1,037,210 as of June 30, 2019 for various projects.

See accompanying independent auditor's report.

CITY OF SANTA CLARITA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2019 and 2018

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 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. Statement of revenue, 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, 2019 and 2018
(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 2019 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, 2019:

- 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, 2019 and 2018
(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, 2019 and 2018
(Continued)

NOTE 9 – TRANSFERS TO TRANSIT FUND AND GAS TAX FUND – TRANSPORTATION DEVELOPMENT ACT FUND 8

During the fiscal year ended June 30, 2019, TDA Article 8 Fund transferred \$459,346 to Gas Tax Fund to fund local streets, highways and roads improvements and maintenance costs, and \$738,472 to Transit Fund to support transit operations.

NOTE 10 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION

The revenue allocation for the fiscal years ended June 30, 2019 and 2018 consisted of the following:

TDA Article 3 Fund

	<u>2019</u>	<u>2018</u>
FY 2016-17 allocation	\$ -	\$ 25,502
FY 2017-18 allocation	116,824	128,107
FY 2018-19 allocation	130,782	-
Less: funds returned to Metro	(251,616)	(101,876)
Total payments requested	<u>\$ (4,010)</u>	<u>\$ 51,733</u>

TDA Article 8 Fund

	<u>2019</u>	<u>2018</u>
FY 2016-17 allocation	\$ -	\$ 4,639,832
FY 2017-18 allocation	2,298,528	2,786,980
Less: funds returned to Metro	(4,660)	(216,838)
Total payments requested	<u>\$ 2,293,868</u>	<u>\$ 7,209,974</u>

NOTE 11 – 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, 2019, and 2018, the City has funds on reserve as follows:

TDA Article 3 Fund

	<u>2019</u>	<u>2018</u>
FY 2017-18 allocation	\$ 120,834	\$ 116,824
FY 2018-19 allocation	146,636	-
Available reserve balance	<u>\$ 267,470</u>	<u>\$ 116,824</u>

CITY OF SANTA CLARITA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2019 and 2018
(Continued)

NOTE 11 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED (Continued)

For fiscal year 2018-19, any TDA Article 3 funds left on reserve for FY 2014-15 or prior, are subject to lapse if not by claimed by the City by June 30, 2019. There no funds lapsed in FY 2018-19.

TDA Article 8 Fund

	2019	2018
FY 2017-18 allocation	\$ 3,574,102	\$ 5,867,970
FY 2018-19 allocation	8,651,483	-
Available reserve balance	\$ 12,225,585	\$ 5,867,970

For fiscal year 2018-19, any TDA Article 8 funds left on reserve for FY 2014-15 or prior, are subject to lapse if not by claimed by the City by June 30, 2019. There no funds lapsed in FY 2018-19.

NOTE 12 – SUBSEQUENT EVENTS

The City has evaluated events or transactions that occurred subsequent to June 30, 2019 through November 11, 2019, 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.



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS
FOUNDING PARTNERS
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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, 2019, and the related notes to the financial statements, and have issued our report thereon dated November 11, 2019.

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) to determine the 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 determination of financial statement amounts. 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 purple ink that reads "Simpson & Simpson".

Los Angeles, California
November 11, 2019

COMPLIANCE SECTION



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, 2019.

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, 2019.



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 cursive script that reads "Simpson & Simpson".

Los Angeles, California
November 11, 2019

CITY OF SANTA CLARITA
COMPLIANCE MATRIX
Year Ended June 30, 2019

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds						
1.	Uses the State Controller's Uniform System of Accounts and Records.	X			None	
2.	Timely use of funds.	X			None	
3.	Funds expended were approved and have not been substituted for property tax.	X			None	
4.	Expenditures that exceeded 25% of approved project budget have approved amended project Description Form (Form A).			X	None	There were no expenditures that exceeded 25% of approved project budget.
5.	Administrative expenditures are within the 20% cap of the total annual Local Return Expenditures.			X	None	There were no administrative expenditures in FY 2018/19.
6.	All on-going and carryover projects were reported in Form B.	X			None	
7.	Annual Project Summary Report (Form B) was submitted on time.	X			None	
8.	Annual Expenditure Report (Form C) was submitted on time.	X			None	
9.	Cash or cash equivalents are maintained.	X			None	
10.	Accounting procedures, record keeping and documentation are adequate.	X			None	
11.	Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.	X			None	
12.	Local Return Account is credited for reimbursable expenditures.	X			None	
13.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.	X			None	
14.	Assurances and Understandings form was on file.	X			None	
15.	Recreational transit form was submitted on time.			X	None	There was no recreational transit in FY 2018/19.

CITY OF SANTA CLARITA
COMPLIANCE MATRIX
Year Ended June 30, 2019
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
B. Measure R Local Return Fund						
1.	Funds were expended for transportation purposes	X			None	
2.	Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	X			None	
3.	Signed Assurances and Understandings was on file.	X			None	
4.	Separate Measure R Local Return Account was established.	X			None	
5.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
6.	Funds were expended with Metro's approval.	X			None	
7.	Expenditure Plan (Form One) was submitted on time.	X			None	
8.	Expenditure Report (Form Two) was submitted on time.	X			None	
9.	Timely use of funds	X			None	
10.	Administrative expenditures are within the 20% cap.			X	None	There were no administrative expenditures in FY 2018/19.
11.	Fund exchanges were approved by Metro.			X	None	There were no fund exchanges in FY 2018/19.
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 in FY 2018/19.
13.	Recreational transit form was submitted on time.			X	None	There was no recreational transit in FY 2018/19.

CITY OF SANTA CLARITA
COMPLIANCE MATRIX
Year Ended June 30, 2019
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
C. Measure M Local Return Fund						
1.	Funds were expended for transportation purposes.	X			None	
2.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a funding shortfall.	X			None	
3.	Signed Assurances and Understandings was on file.	X			None	
4.	Separate Measure M Local Return Account was established.	X			None	
5.	Revenue received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
6.	Funds were expended with Metro's approval.	X			None	
7.	Expenditure Plan (Form One) was submitted on time.	X			None	
8.	Expenditure Report (Form Two) was submitted on time.	X			None	
9.	Timely use of funds	X			None	
10.	Administrative expenses are within the 20% cap.			X	None	There were no administrative expenditures in FY 2018/19.
11.	Fund exchanges were approved by Metro.			X	None	There were no fund exchanges in FY 2018/19.
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 in FY 2018/19.
13.	Recreational transit form was submitted timely.			X	None	There was no recreational transit in FY 2018/19.

CITY OF SANTA CLARITA
COMPLIANCE MATRIX
Year Ended June 30, 2019
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
D. Transportation Development Act Article 3 Fund						
1.	Timely use of funds.	X			None	
2.	Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X			None	
E. Transportation Development Act Article 8 Fund						
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, 2019

No findings were noted.

EXIT CONFERENCE

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, 2019

An exit conference was held on October 25, 2019 with the City of Santa Clarita. Those in attendance were:

Simpson & Simpson Representative:

May Yi, Auditor

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 5th 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, 2019 AND 2018

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, 2019 and 2018 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