

STATE OF CALIFORNIA  
CITY OF SIMI VALLEY

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
2015-16

FISCAL YEAR ENDED JUNE 30, 2016



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Bob Huber, Mayor Mike Judge, Mayor Pro Tem Glen T. Becerra, Council Member Keith L. Mashburn, Council Member Dee Dee Cavanaugh, Council Member

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2016

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# INTRODUCTORY SECTION



# CITY OF SIMI VALLEY

*Home of The Ronald Reagan Presidential Library*

February 23, 2017

To the Honorable Mayor, Members of the City Council, and City Manager of the City of Simi Valley, California

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Simi Valley for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Vasquez & Company LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with



special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the City of Simi Valley**

The City, incorporated in 1969, has a population of 127,070, and is the third largest of Ventura County's ten cities. It is located on the County's southeastern border, nestled between the Santa Susana Mountains and the Simi Hills. The City, which covers a land area of 42.4 square miles, has a mean elevation of 765 feet.

The City operates under the Council-Manager form of government. The City's four Council Members are elected at-large to staggered four-year terms, with two members being elected every two years. The City's Mayor is elected at-large every two years. The Mayor presides over Council meetings and has one vote. Council Members also serve as Board Members of the Ventura County Waterworks District No. 8, Directors of the Simi Valley Public Facilities Financing Authority, the Simi Valley Public Financing Authority, and as Board Trustees for the Simi Valley Public Library.

The City Council appoints both the City Manager and the City Attorney. The City Manager heads the executive branch of the government, implements City Council directives and policies, and manages the administration and operational functions through the various department heads. The City Manager is responsible for the appointment of department heads, and also serves as the City Clerk and City Treasurer.

Five operating departments report to the City Manager: Police, Public Works, Administrative Services, Environmental Services, and Community Services. The Simi Valley Public Library, Cultural Arts Center and Senior Center all operate under the umbrella of the Community Services Department. The City has its own sanitation division which collects and treats wastewater. Certain potable and reclaimed water services are provided through the legally separate Ventura County Waterworks District No. 8 which functions, in essence, as an agency of the City and therefore has been included as an integral part of the City's financial statements. The City also provides transportation services via the Simi Valley Transit system. The County of Ventura provides fire, paramedic, and animal regulation services. The Rancho Simi Recreation and Park District, an independent special district, provides leisure service facilities and activities.

The annual budget serves as the foundation for the City's financial planning and control. The budget also contains detailed goals and objectives, a working financial plan, and financial projections for the departments and agencies that comprise the City's governmental structure.

The City reports on a fiscal year basis from July 1 to June 30. Departments and agencies submit current level expenditure budgets, requests for budget increases (Policy Items), requests for replacement of equipment items (Capital Asset Requests), and possible budget reductions (Reverse Priority Items) to the Budget Officer in early April. The City Manager and his/her staff conduct a series of budget review meetings with departments and agencies in April. The City Manager then presents a Proposed Budget, Draft Five-Year Capital Improvement Program, and a Supporting Document that contains line item budget information to the City Council for review in mid-May. A citizen participation meeting is held for public review and comment on the Proposed Budget.

The City Council conducts one or more budget hearings during the month of June, modifies the Proposed Budget and Draft Five-Year Capital Improvement Program as appropriate, and adopts the Annual Budget and Five-Year Capital Improvement Program no later than June 30. The City Council is committed to a budget process that is open and clear to the public and which provides for public input.

Expenditures are budgeted at the line-item level according to fund and operational area. Overall budgetary control, however, is exercised at the fund level, except for the City's General Fund, where control is exercised at the department level. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager is also authorized to make administrative amendments to the budget, provided the amendments do not have a significant policy impact or affect budgeted year-end fund balances.

Interim financial reports can be generated on demand by operating departments. In addition, financial reviews are prepared and submitted to the City Council at the end of the first quarter and at mid-year of each fiscal year and are reviewed publicly at regularly scheduled City Council meetings. Interim financial reports are made available to the general public upon request. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and major special revenue funds, this comparison is presented in the *Basic Financial Statements* section of this report. For other governmental funds with appropriated annual budgets, this comparison is presented in the *Supplementary Information* section.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local Economy.** The City enjoyed more than ten consecutive years of General Fund growth prior to FY 2007-08. This growth was fueled by annual increases in assessed valuation, population increases, new development, the opening of a regional shopping center and a robust economy. The revenue allowed the City to accomplish a number of projects that increased the level of public safety, improved services to the public, and

improved the effectiveness and efficiency of City operations. Due to an economic downturn at the national level, an ongoing State budget crisis, dissolution of redevelopment, and virtual build-out at the local level, revenues decreased in FY 2008-09 through FY 2010-11, but since then, the City has experienced growth in a positive direction. Fiscal year 2015-16 locally generated revenues from property, sales, franchise and business taxes increased by \$3.3 million, or 6.5%, over the prior fiscal year. Over the past year, total General Fund revenues increased 4.9% and over the last two fiscal years, those revenues increased 8.7%.

As the California economy reflects a modest rebound in recent years, the City's outlook is following suit. At the City level, the year-over-year revenue increase experienced is positive evidence of a recovering local economy, albeit one that is accelerating much more slowly than it decelerated. The City remains in strong financial shape in comparison to most cities in the state of California, and will remain so in consideration of the conservative budget practices of the City Council.

The local unemployment rate as of June 30, 2016 was 4.8%, four tenths of a percentage point higher than reported in the previous fiscal year. The City's commercial and industrial base continues to be diverse. Major industries with headquarters or divisions located within the City's boundaries, or in close proximity, include retail sales, real estate lending, health care, computer hardware, and light manufacturing.

Residential development activity in the City continues to slowly build, reflective of the nationwide trend, and is expected to continue this increase in the upcoming year. A significant housing development in the Runkle Canyon area is well underway, adding to the City's housing availability. In future years, the bulk of development will focus on smaller in-fill projects. Overall, activity in the residential and commercial real estate market is expanding, and continued, modest additions to the City's property tax roll are anticipated next year as market values are steadily increasing.

**Long-term Financial Planning.** The City's population has remained virtually unchanged, reflecting a nominal increase over the prior reporting year. Turnover in the real estate market is increasing, and further additions to the City's property tax roll are anticipated. In FY 2015-16, property tax revenues showed positive improvement, increasing by 5.3%, and sales tax revenues increased by 9.3%. Other than the Lost Canyons residential development, for which project commencement is still pending, and a few smaller developments now moving forward, significant increases in development revenues are unlikely in the long-term as the City moves toward build-out. Both discretionary and non-discretionary employment and post-employment benefits such as health insurance and retirement contributions have increased at rates higher than recognized revenue increases. Over recent years, the combined result of these economic problems has necessitated continued hiring freezes coupled with the use of some one-time fund resources to generate balanced budgets and minimize impacts to service provided to the public.

The City updates the Five-Year General Fund Financial Projection formally each year and informally throughout the year in an effort to identify and address these structural issues while continuing to maintain sufficient cash reserves and providing quality

service to residents into the future without the need for significant additional local revenues. The update was prepared with assumption that the Consumer Price Index (CPI) will increase by 2.0% annually. Property tax revenues are projected to increase by 2% per year from FY 2016-17 through FY 2020-21, and revenue projected for specific development projects, and sales tax is projected to increase by 2% per year through FY 2020-21. The projection plan also includes assumptions that the current staffing level, with an average of 33 full time equivalent General Fund frozen (authorized but not funded) positions would be continued, that a modest \$0.5 million in General Fund monies appropriated to the City's Streets and Roads Program for FY 2016-17 would be increased to \$1 million per year starting in FY 2017-18, and that any salary increases will be partially offset by new and current employee contributions to the CalPERS retirement plan.

The Five-Year General Fund Financial Projection will continue to be utilized to provide a road map of the long-term actions necessary to address structural budget issues, even when the level of General Fund revenues is restored to previous levels.

Despite a challenging financial environment, the City continues to be fiscally conservative, maintaining a prudent set-aside amount in committed fund balance, which equals 17% of the General Fund expenditure budget. The City also continues to set aside committed fund balance amounts for vehicle and equipment replacement based on their useful life expectancies.

The total debt of the City is currently \$20.3 million, with debt service requirements of approximately \$0.8 million (interest only) per year for fiscal year ending in 2017. Thereafter, annual debt service requirements will be approximately \$1.5 million. On May 16, 2016, the City Council adopted a resolution of intention to issue tax exempt obligations to fund City energy efficiency and conservation measures and other City equipment and facilities. The Council also adopted a resolution of intention to issue clean renewable energy bond obligations for solar power systems. On September 27, 2016, \$9,226,619 in Federal New Clean Renewable Energy Bonds (NCREBs) were issued, and \$740,459 in Tax-Exempt Lease Bonds were issued. \$770,920 in total annual principal and interest payments is due in fiscal year 2017.

The total debt of the Successor Agency to the CDA, reported in the fiduciary funds, is \$22.0 million, with debt service requirements of approximately \$2.1 million per year, which are now paid through the County Redevelopment Property Tax Trust Fund (RPTTF).

**Financial Policies.** Actual results for the fiscal year resulted in a General Fund operating surplus of \$505,495. The City continues to actively narrow the gap between revenues and expenditures, but this will be an ongoing effort. Several opportunities for long-term financial solutions are available but will take time to implement. Staff will be bringing cost-saving and revenue development items before Council for consideration throughout the year. The current focus is on addressing the City's aging facilities and infrastructure. Because of increasing capital reserve needs and commodity costs the Sanitation and Waterworks utility rates were increased. The City's landscape assessment districts continue to be subsidized by the General Fund.

## **Major Initiatives**

- Initiated implementation of an integrated Enterprise Resource System, a multi-year project to replace the City's financial, human resources/payroll and permitting systems. The financials portion of the software went live on January 3, 2017.
- Other technology improvements are planned for the City Hall Council Chambers and Community Room, Police Department, Cultural Arts Center and other facilities.
- Commenced initial phases of preliminary work for construction of a new shooting range for Police Department use.
- Installed new solar panels and solar parking covers at several City facilities using bond funds which will be repaid through energy savings over time.
- Continued planning and design for the Simi Valley West recycled water projects.
- Started the \$2.0 million budgeted replacement of the Citywide telephone system, installed in 1995 and exceeding its system support life.
- Prepared designs for a Citywide security enhancement project to improve safety at City facilities.

## **Recent and Planned Changes**

- The City continues to experience a large number of retirements across many departments. Changes in key positions have provided opportunities to analyze staffing requirements and adjust assignments and personnel resources to maximize effectiveness. Such efforts will continue to enhance the City Council's ongoing vision to provide the community with responsive, accountable, and transparent City government.
- In ongoing efforts to address the City's long-term pension liabilities, effective January 1, 2017, employees enrolled in CalPERS participate in higher cost sharing for pension benefits. Depending upon the employee group and tenure with the City, employee deductions range from 7% to 12% of reportable earnings.
- The City has analyzed and projected the future financial impact of CalPERS adjusting the discount rate for the State pension program.

**Gann Appropriations Limitation.** Article XIII B of the State of California Constitution sets limits on the amount of tax revenues that the City can appropriate within a given fiscal year. Only tax proceeds are subject to the limit. Charges for services, regulatory fees, grants, loans, donations, and other non-tax proceeds are not subject to the limit. Exemptions are also made for voter-approved debt and debt that existed prior to January 1, 1979, and for the cost of compliance with Court or Federal government mandates. Fiscal Year 1978-79 appropriations serve as the basis for this limit, with adjustments being made annually to reflect increases in population, the cost of living, and service responsibility transfers. The City's appropriations limit for the fiscal year ended June 30, 2016 was \$66,625,709. Actual tax revenues subject to this limit and received and appropriated during the fiscal year were well under this amount.

**Awards and Acknowledgements.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to

the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the thirty-sixth consecutive year (fiscal years ended 1980-2015) that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that its current CAFR continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Fiscal Services Division. Special thanks go to Irene Peterson, Deputy Director/Fiscal Services, for her extensive work in preparing this report. I would also like to express my appreciation to all members of the Administrative Services Department who assisted with the preparation of this report, and to Vasquez and Company LLP, the City's independent auditors, who also contributed to its preparation.

Additionally, I would like to thank the Mayor, City Council Members, and City Manager for their continued direction and support in planning and conducting the financial operations of the City in a progressive and responsible manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jody Kershberg', with a stylized flourish at the end.

Jody Kershberg  
Director, Department of Administrative Services

**OFFICIALS OF THE CITY OF SIMI VALLEY**  
(as of June 30, 2016)

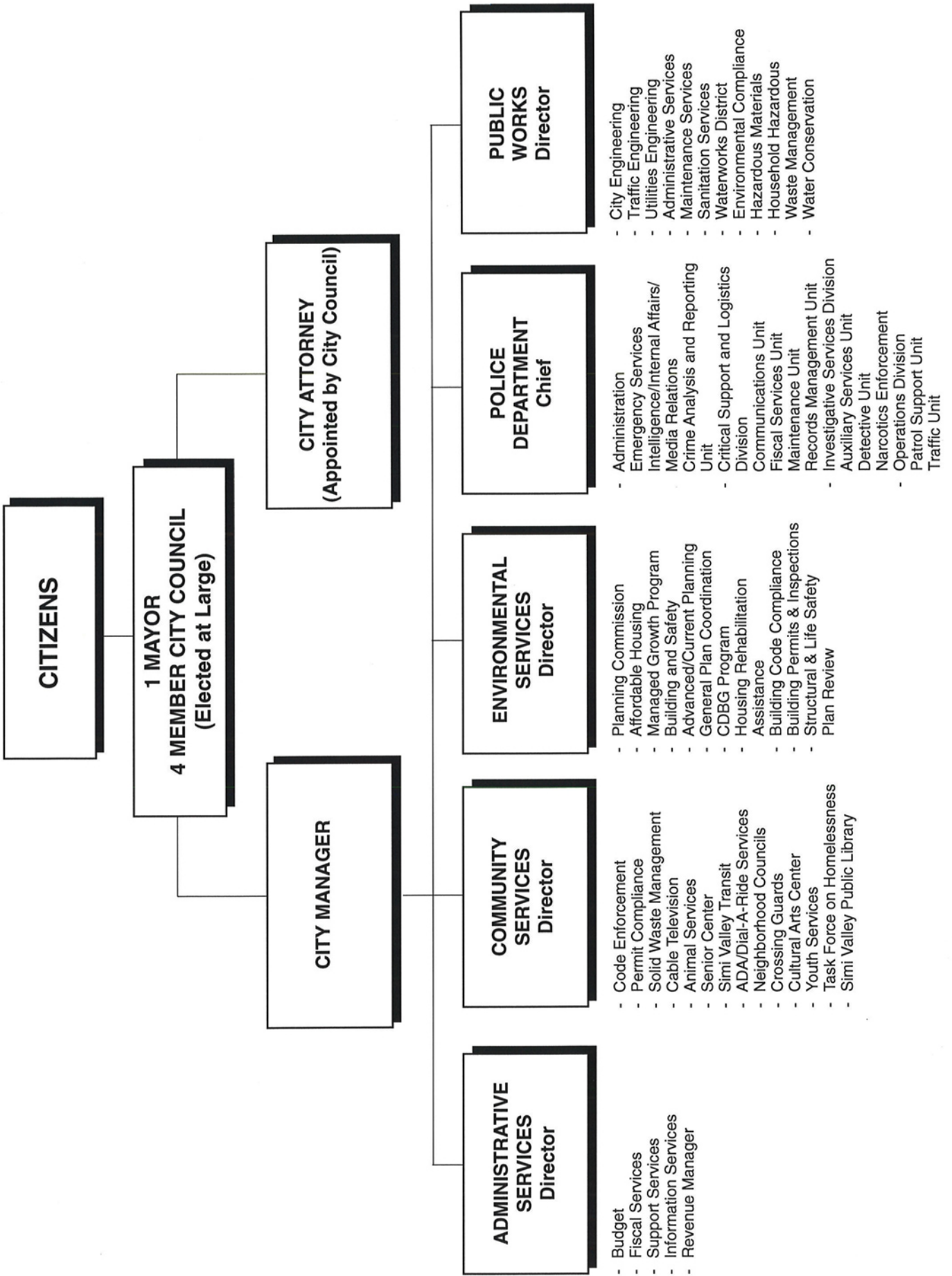
**Members of the City Council**

BOB HUBER, Mayor  
KEITH MASHBURN, Mayor Pro Tem  
GLEN T. BECERRA, Council Member  
STEVEN T. SOJKA, Council Member  
MIKE JUDGE, Council Member

**Administrative Staff**

Eric J. Levitt .....City Manager  
Lonnie Eldridge ..... City Attorney  
Jody Kershberg.....Director of Administrative Services  
Sommer Barwick..... Director of Community Services  
Peter Lyons..... Director of Environmental Services  
Ron Fuchiwaki .....Director of Public Works  
Mitch McCann .....Chief of Police

# ORGANIZATION of the City of SIMI VALLEY







Government Finance Officers Association

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

Presented to

**City of Simi Valley  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# FINANCIAL SECTION



Independent  
Auditors' Report

## REPORT OF INDEPENDENT AUDITORS

**The Honorable Mayor and Members of the City Council  
City of Simi Valley, California**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.



## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, SHA to Community Development Agency Housing Administration Special Revenue Fund and Development Related Fees Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 21 and the required supplementary information on pages 99 through 103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

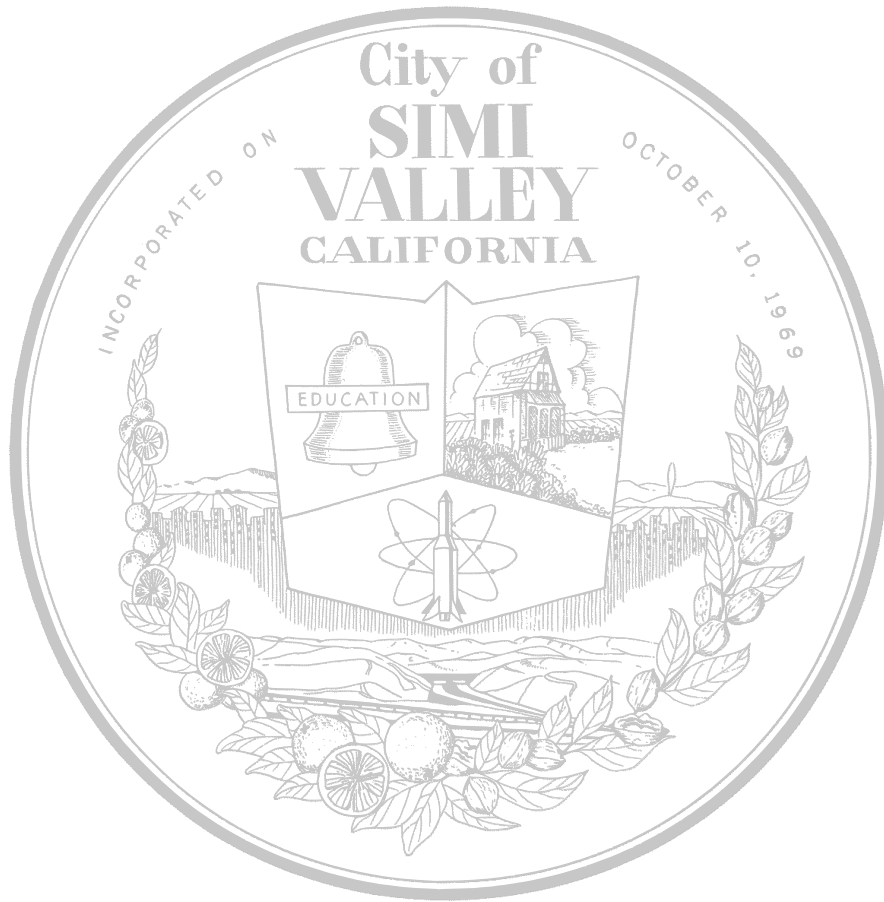


***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2017, on our consideration of the City of Simi Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Vasquez + Company LLP*

**Los Angeles, California  
February 23, 2017**



# Management's Discussion and Analysis (UNAUDITED)



## **City of Simi Valley Management's Discussion and Analysis (UNAUDITED)**

The management of the City of Simi Valley provides this narrative overview and analysis of the financial activities of the City of Simi Valley for the fiscal year ended June 30, 2016. Please consider this information in conjunction with additional information that has been furnished in the letter of transmittal, which is located in the *Introductory Section* of this report.

### **Financial Highlights**

- At the close of the fiscal year, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$382,304,911.
- The City's total net position increased by \$10,507,112. This amount was comprised of a \$5.3 million increase in net investment in capital assets, a \$.6 million increase in the restricted net position category, and a \$4.6 million increase in unrestricted net position. \$3.0 million of this increase was due to an increase in property and sales tax receipts.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$84,609,133, an increase of \$3,753,299 in comparison with the prior year. Of the ending fund balance, approximately 18.6% or \$15,769,102 is Non-spendable in form; 38.7% or \$32,761,284 is Restricted for housing projects, public improvements, streets, transportation, landscape zones, law enforcement, and special programs; 31.5% or \$26,700,289 is Committed to street projects, retiree benefits, equipment replacement, economic recovery, and the prudent reserve; 11.2%, or \$9,433,458 is Assigned to capital projects; and <0.1%>, or <\$55,000> is Unassigned.
- At the end of the current fiscal year, the *Prudent Reserve* established by the City Council totaled \$11,665,494. This portion of Committed fund balance for the General fund is equal to 17% of budgeted General fund expenditures, including transfers out.
- The City of Simi Valley's total liabilities increased by \$9.3 million during the current fiscal year. This is comprised of a \$2.5 million combined increase in accounts payable, salaries and benefits payable, unearned revenues, and a \$6.8 million increase in other post-employment benefits obligations and net pension liability. See Notes section IV D for more detailed information on the net pension liability.

# CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

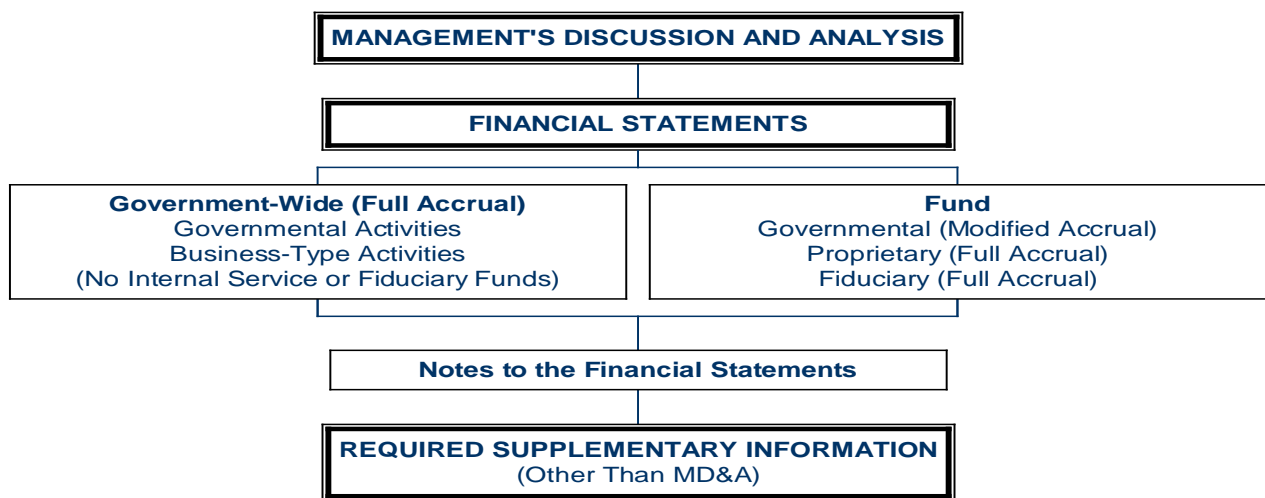
## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the financial statements.

In addition, this report contains *Required Supplementary Information*, *Supplementary Information*, and *Statistical Information*.

The following diagram displays the interrelationships of this report.



## Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The City has presented information from prior years in this letter for comparative purposes.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial standing of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*)

## CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, community services, planning, public ways and facilities, and public safety. The business-type activities of the City include a Sanitation fund, a Waterworks District, and a Transit fund.

### Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains over 70 individual governmental funds in its financial system and presents them grouped by related activities as 5 major and 15 non-major separate governmental funds for this report. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the five major funds: the General fund, the Successor Agency to Community Development Agency Housing Administration fund, the Development Related Fees fund, the Streets and Roads fund, and the Public Facility Improvements fund. Data from the other 15 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *Supplementary Information* section of this report.

The City adopts annual appropriated budgets for the General fund, proprietary funds and all special revenue funds. Project-length budgets are adopted for the capital project funds. A budgetary comparison statement has been provided for the General fund and the major special revenue funds to demonstrate compliance with the budget. Budgetary comparison schedules are also provided for the budgeted non-major special revenue funds in the *Supplementary Information* section.

**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in government-wide financial statements. The City uses enterprise funds to account for its sanitation, waterworks, and transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its liability insurance and workers' compensation insurance operations, as well as the geographical information and permitting systems operations, and the financial information systems operations. Because the internal service operations predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the sanitation, waterworks, and transit operations, all of which are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the *Supplementary Information* section of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City holds these funds in a custodial capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs. A combining statement of changes in net position of fiduciary funds is provided in the *Supplementary Information* section of this report.

The City accounts for and reports upon two fiduciary fund-types, Agency funds and the Private-Purpose Trust fund. Agency funds account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, or other governments. The Private Purpose Trust fund accounts for the assets, deferred outflow of resources, and liabilities of the former Community Development Agency and its allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Simi Valley, assets and deferred outflows exceeded liabilities and deferred inflows by \$382,304,911 at the close of the most recent fiscal year.

A significant portion of the City's net position (93%) reflects its net investment in capital assets (land, buildings, infrastructure, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in capital assets are reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (16%) represents resources that are subject to external restrictions on how they may be used. The remainder of the City's net position represents unrestricted net position. Unrestricted net position is in a negative position due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in the prior year. As a result of GASB 68, all local governments must now recognize on their statements of net position the full impact of the local government's unfunded pension liability. This liability is long-term in nature and its repayment is factored into future year funding contributions to be made to the pension trust as determined by plan actuaries.

**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**City of Simi Valley's Net Position  
June 30, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$126,030,369	\$125,790,404	\$49,786,000	\$46,584,272	\$175,816,369	\$172,374,676
Capital assets	231,833,390	227,956,395	143,093,105	141,770,140	374,926,495	369,726,535
Total assets	<u>357,863,759</u>	<u>353,746,799</u>	<u>192,879,105</u>	<u>188,354,412</u>	<u>550,742,864</u>	<u>542,101,211</u>
Deferred outflows	<u>19,548,427</u>	<u>8,568,510</u>	<u>4,034,603</u>	<u>1,535,111</u>	<u>23,583,030</u>	<u>10,103,621</u>
Long-term liabilities outstanding	131,286,062	117,166,748	19,093,639	16,055,692	150,379,701	133,222,440
Other liabilities	11,129,661	19,260,975	8,156,093	7,873,389	19,285,754	27,134,364
Total liabilities	<u>142,415,723</u>	<u>136,427,723</u>	<u>27,249,732</u>	<u>23,929,081</u>	<u>169,665,455</u>	<u>160,356,804</u>
Deferred inflows	<u>18,552,246</u>	<u>16,417,825</u>	<u>3,803,282</u>	<u>3,632,404</u>	<u>22,355,528</u>	<u>20,050,229</u>
Net position:						
Net investment in capital assets	211,751,365	207,788,585	143,093,105	141,770,140	354,844,470	349,558,725
Restricted	57,552,738	57,372,815	5,140,128	4,716,713	62,692,866	62,089,528
Unrestricted	<u>(52,859,886)</u>	<u>(55,691,639)</u>	<u>17,627,461</u>	<u>15,841,185</u>	<u>(35,232,425)</u>	<u>(39,850,454)</u>
Total net position	<u>\$216,444,217</u>	<u>\$209,469,761</u>	<u>\$165,860,694</u>	<u>\$162,328,038</u>	<u>\$382,304,911</u>	<u>\$371,797,799</u>

At the end of the current fiscal year, the City is able to report positive balances in two of the three categories of net position for the government as a whole, as well as for its separate business-type activities. For the prior fiscal year, the City also reported positive balances in two of the three categories for the government as a whole. As noted above, the negative unrestricted balances associated with the current year are a result of a new accounting requirement for all local governments to now recognize their liability for unfunded pension benefits. Prior to this change in accounting standards, local governments were not permitted to report the full impacts of this liability on their statements of net position.

**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**City of Simi Valley's Changes in Net Position  
Years Ended June 30, 2016 and 2015**

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>FY 2015-16</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2014-15</u>
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 8,045,738	\$ 6,396,376	\$ 47,355,854	\$ 48,184,744	\$ 55,401,592	\$ 54,581,120
Operating grants and contributions	9,643,713	12,519,780	2,602,009	2,526,193	12,245,722	15,045,973
Capital grants and contributions	13,530,222	28,819,982	5,458,314	11,698,157	18,988,536	40,518,139
<b>General Revenues:</b>						
Property taxes	29,835,623	28,340,047	-	-	29,835,623	28,340,047
Other taxes	26,831,573	24,572,615	-	-	26,831,573	24,572,615
Interest on investments	835,387	819,685	811,714	955,624	1,647,101	1,775,309
Contributions from other governments	-	373,512	-	-	-	373,512
Other	-	-	261,087	105,367	261,087	105,367
Total revenues	<u>88,722,256</u>	<u>101,841,997</u>	<u>56,488,978</u>	<u>63,470,085</u>	<u>145,211,234</u>	<u>165,312,082</u>
<b>Expenses:</b>						
General government	24,726,745	26,057,333	-	-	24,726,745	26,057,333
Community services	6,397,826	6,264,358	-	-	6,397,826	6,264,358
Planning	5,781,371	5,634,357	-	-	5,781,371	5,634,357
Public ways and facilities	16,545,278	16,724,605	-	-	16,545,278	16,724,605
Public safety	31,286,515	31,445,540	-	-	31,286,515	31,445,540
Interest on long-term debt	720,840	265,922	-	-	720,840	265,922
Refunding bond issuance costs	-	194,069	-	-	-	194,069
Indirect expense allocation	(7,660,700)	(6,289,000)	7,660,700	6,289,000	-	-
Sanitation	-	-	11,986,144	13,349,964	11,986,144	13,349,964
Water	-	-	31,581,431	35,800,887	31,581,431	35,800,887
Transit	-	-	4,983,742	5,403,292	4,983,742	5,403,292
Total expenses	<u>77,797,875</u>	<u>80,297,184</u>	<u>56,212,017</u>	<u>60,843,143</u>	<u>134,009,892</u>	<u>141,140,327</u>
Change in net position before transfers and contributions	<u>10,924,381</u>	<u>21,544,813</u>	<u>276,961</u>	<u>2,626,942</u>	<u>11,201,342</u>	<u>24,171,755</u>
Transfers	(3,255,695)	(2,869,014)	3,255,695	2,869,014	-	-
Contributions to other governments	(63,992)	-	-	-	(63,992)	-
Change in Net Position	<u>7,604,694</u>	<u>18,675,799</u>	<u>3,532,656</u>	<u>5,495,956</u>	<u>11,137,350</u>	<u>24,171,755</u>
Net position - beginning of the year,	209,469,761	282,055,608	162,328,038	175,902,643	371,797,799	457,958,251
Prior period adjustment (note IV F)	(630,238)	(91,261,646)	-	(19,070,561)	(630,238)	(110,332,207)
Net Position - ending	<u>\$216,444,217</u>	<u>\$209,469,761</u>	<u>\$165,860,694</u>	<u>\$162,328,038</u>	<u>\$382,304,911</u>	<u>\$371,797,799</u>

During the current fiscal year, City-wide revenues decreased by \$20.1 million, and expenses decreased by \$7.1 million as compared to the prior year. The combination of these amounts provided an increase of \$13.0 million toward net position. Property tax revenue increased by \$1.5 million, and revenue for sales, franchise, business and other tax showed combined increases of \$2.3 million. Capital grants and contributions decreased by \$21.5 million, and operating grants and contributions revenue decreased by \$2.8 million. The large decrease in capital grants and contributions can be largely attributable to decreases in donated infrastructure by developers as compared to the prior year. Charges for services and miscellaneous revenue increased by \$0.9 million. Other decreases included investment earnings, contributions from other governments, which decreased by \$.4 million.

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**Governmental Activities.** Governmental activities increased the City's net position by \$7,604,694 as compared to an increase of \$18.7 million in the prior year. This is a decrease of \$11.1 million from the prior year. Governmental activities account for 68.2% of the City's combined increase in net position of \$10.5 million.

For governmental activities, revenues generally reflected decreases as compared to the prior fiscal year. Property taxes posted another modest increase of 5.3% (\$1.5 million), and combined revenue for sales, franchise, business and other taxes increased by 9.0% (\$2.3 million). Operating grants and contributions decreased by 23.0% (\$2.9 million) while capital grants and contributions decreased by 53.1% (\$15.3 million). The capital grants decrease is mostly comprised of a decrease in donated infrastructure of \$14.4 million, along with a \$.7 million decrease in public works grants. Service charges increased by 25.8% (\$1.6 million). This is largely attributable to developer payments of buy-out fees for affordable housing along with other miscellaneous developer fees for housing related projects. Investment earnings increased by 1.9% due to a slowly increasing yield on the securities in which the City invests. Governmental funds also reflect a 117.1% (\$.4 million) decrease in contributions from other governments. This represents a reduction in transfers from the Successor Agency fiduciary fund for reimbursement of housing program costs.

Changes in expenses in the functional areas ranged from a decrease of 100.0% for the prior year's refunding of bond issuance costs to an increase of 171.1% (\$0.4 million) for payment of interest on long term debt in comparison with the previous fiscal year.

General government expenses decreased by 5.1% (\$1.3 million). Operational expenses showed a net increase of \$1.1 million; this is comprised of increases in salaries and benefits of \$0.4 million, increases in reimbursed expenses of \$1.6 million and decreases in supplies and services of \$0.9 million. Other decreases in expenses include \$0.2 million attributable to general government's share of the Internal Service funds' operating income. In addition, compensated absences, pension and post-employment benefits decreased by \$2.2 million.

Community services expenses increased by 2.1% (\$0.1 million). Operational expenses of salaries and benefits, and supplies and services increased by \$0.3 million. Offsetting these increases, compensated absences, pension and post-employment benefits decreased by \$0.2 million.

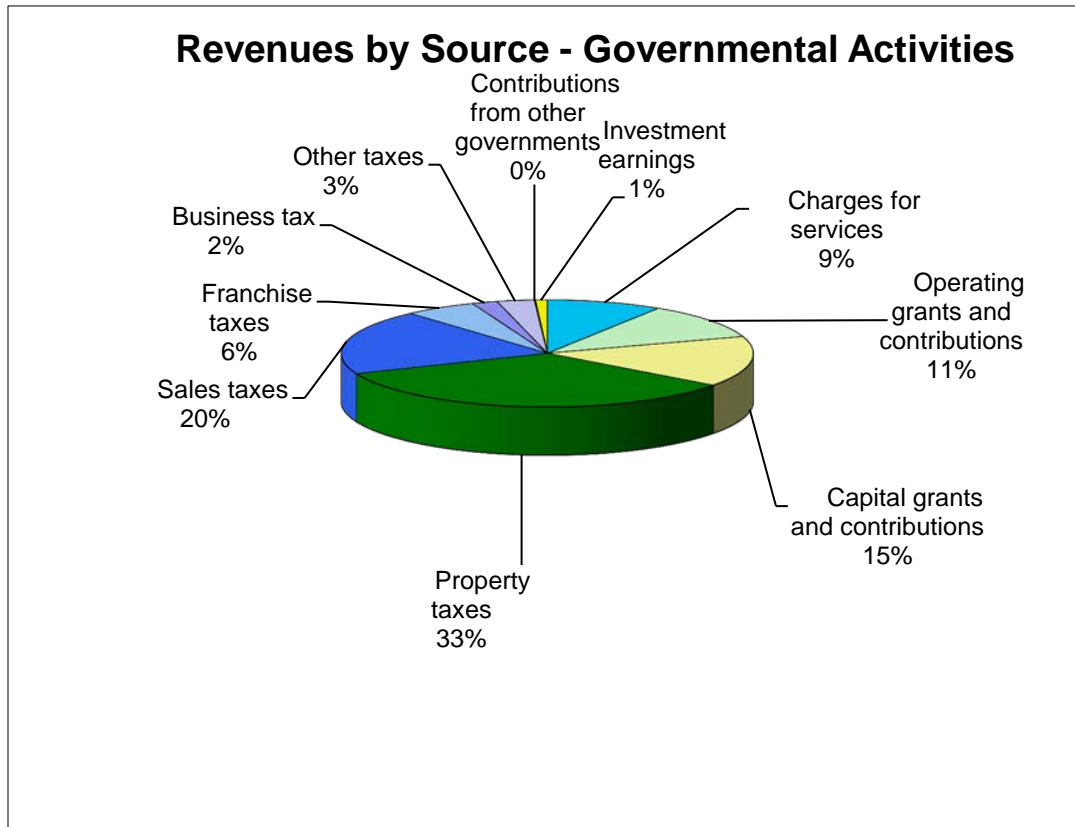
Planning expenses increased by 2.6% (\$0.1 million). Standard operational expenses reflected a nominal decrease from the prior year. There was a minimal increase of \$0.03 million in expenses related to housing loan activity, which was offset by reductions in compensated absences, pension and post-employment benefits of \$0.2 million.

Public ways and facilities expenses decreased by 1.1% (\$0.2 million). Public Works operational expenses of salaries and benefits, and supplies and services increased by \$1.2 million. Offsetting these increases, compensated absences, pension and post-employment benefits decreased by \$1.4 million.

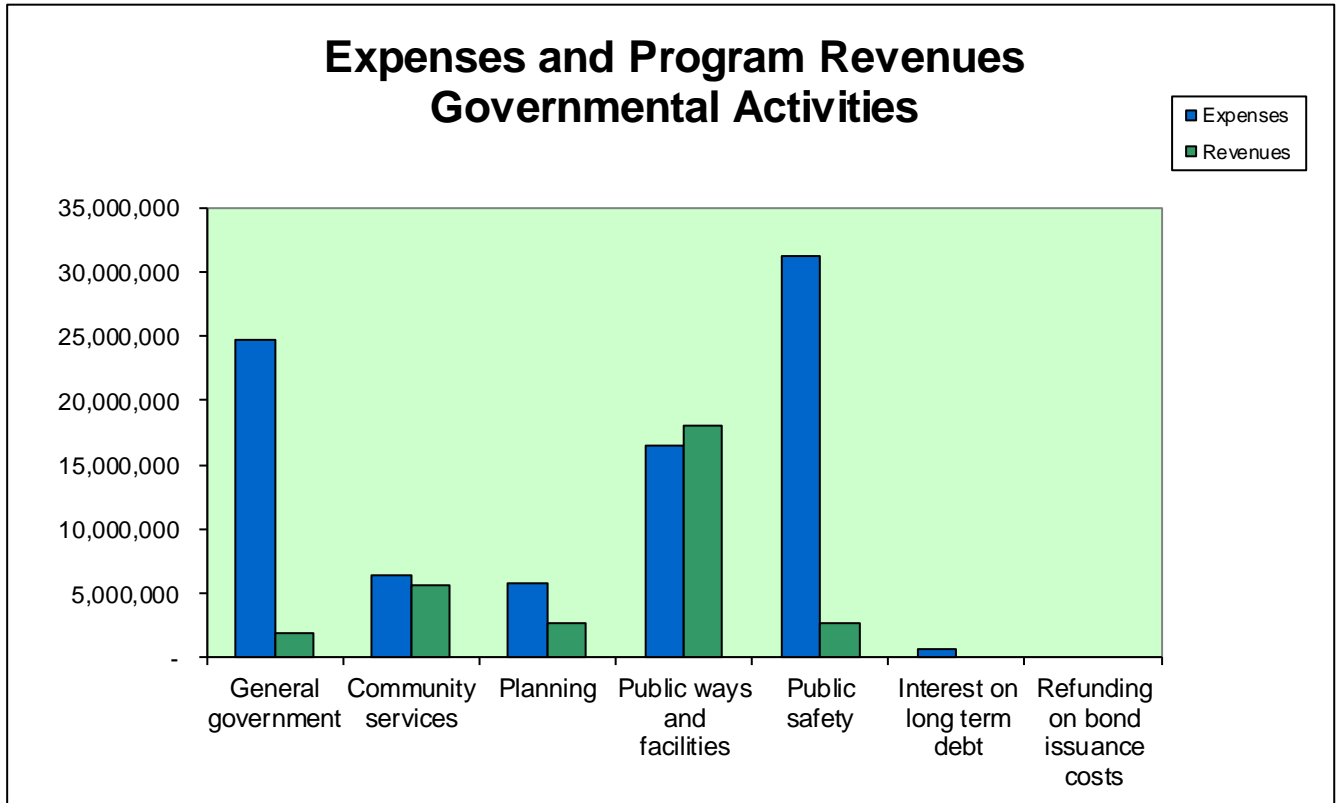


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Public safety expenses decreased by 0.5% (\$0.1 million). Police Department salaries and benefits increased by \$1.5 million, and expenses for supplies services decreased by \$0.1 million. Offsetting these increases, compensated absences, pension and post-employment benefits decreased by \$1.3 million.



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**Business-type Activities.** Business-type activities increased the City's net position by \$3,532,656, as compared to a \$5.4 million increase in the prior year. Key elements for the changes in net position during the fiscal year are as follows:

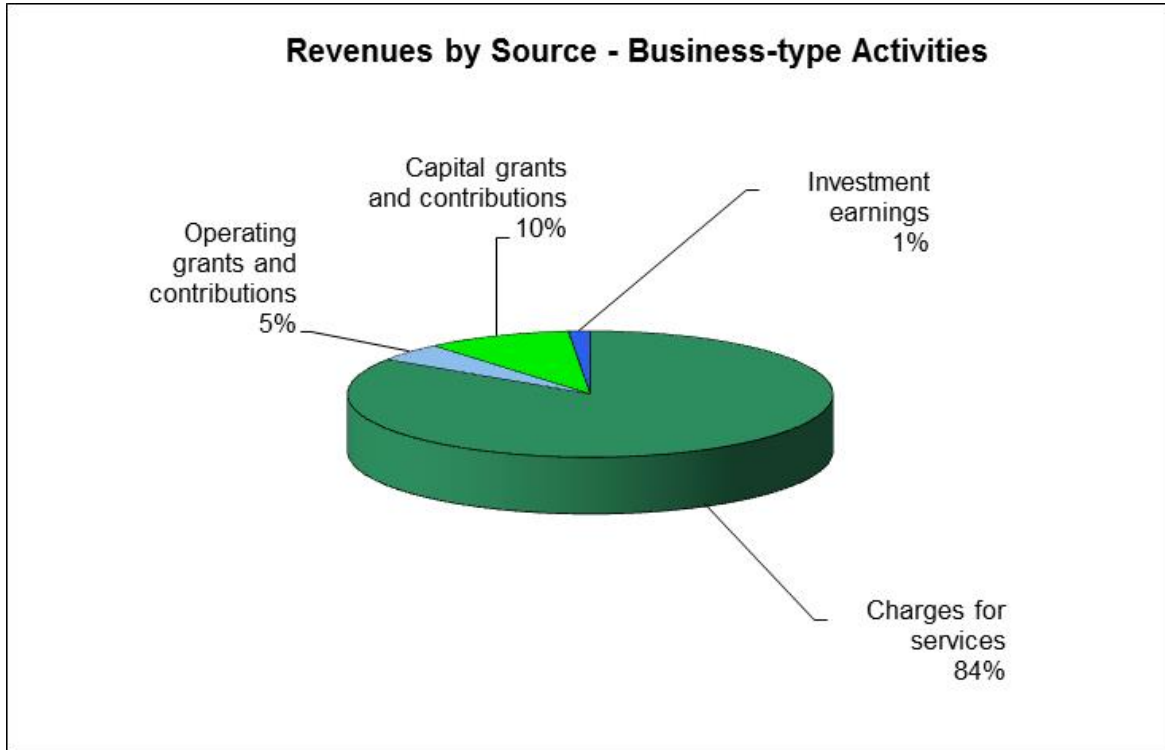
In comparison to the prior fiscal year, overall revenue, before transfers, decreased by \$7.1 million. Charges for services decreased by 1.7% (\$0.8 million). Lower water sales resulted from a focus on water conservation embraced by residents and businesses. There was also a 53.3% (\$6.2 million) decrease in capital grants and contributions. Additionally, business-type activities experienced a 15.1% (\$0.1 million) decrease in investment earnings. Offsetting these decreases, operating grants and contributions increased by 3.0% (less than \$0.1 million). The bulk of these increases are associated with contributed infrastructure and developer contributions to the Sanitation and Waterworks Funds.

Expenses decreased by 7.6% (\$4.6 million) as compared to the prior fiscal year. Most of the decreases occurred in the Waterworks enterprise fund, primarily due to decreases in water purchase costs, which were lower by 6.2% (\$3.4 million). This is due to a drop in demand, i.e. - lower water sales. Overall costs for maintenance projects decreased in the Sanitation enterprise fund by 0.1% (less than \$0.1 million) and decreased in the Waterworks enterprise fund by 0.5% (\$0.2 million). Other business-type activities expense changes are attributable to combined increases in salaries and benefits and depreciation of \$0.6 million along with other supplies and services decreases totaling \$1.4 million. The enterprise funds also experienced a combined

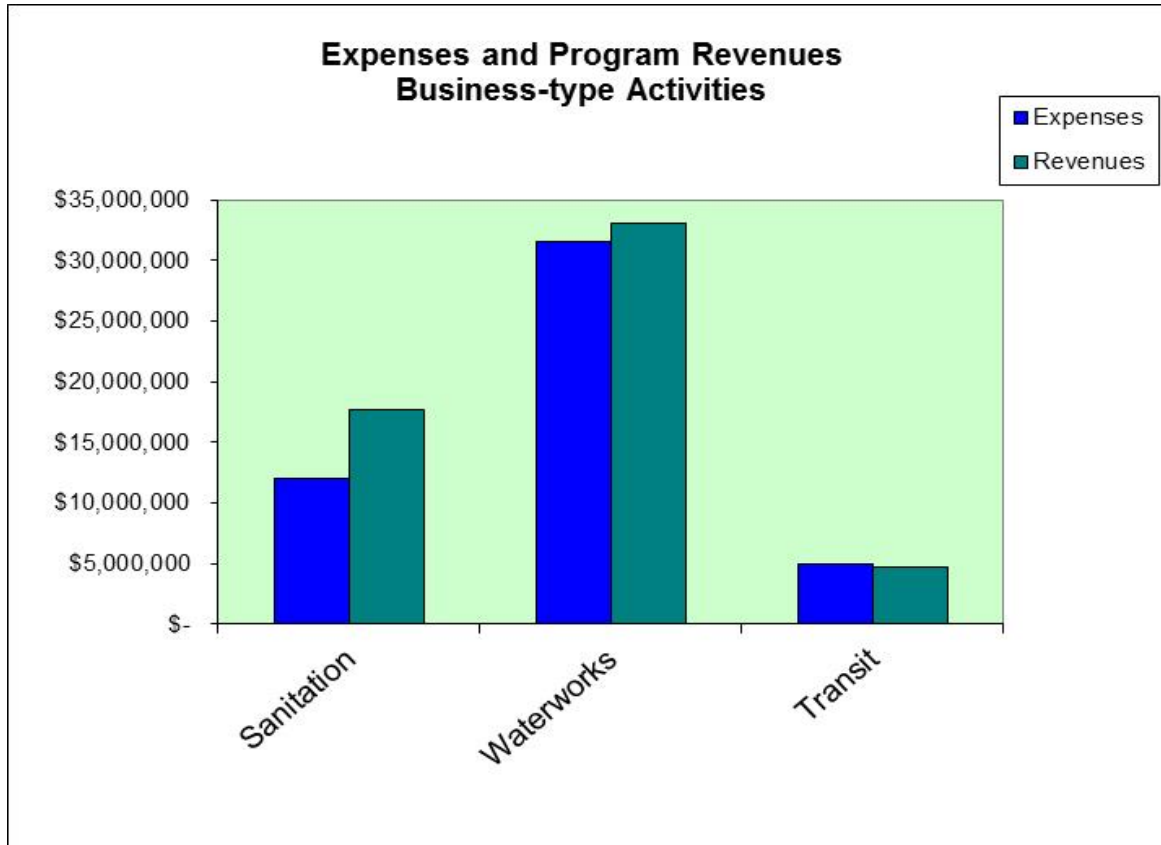
**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS  
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3.3% (\$1.5 million) decrease in their equitable share of internal service fund operating income for the fiscal year.

The Transit operation was funded by Federal and State grants. General fund monies are not applied to this enterprise fund.



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**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City's *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is necessary in assessing the City's financing requirements. The following fund balance categories may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

- *Non-spendable* fund balance represents funds that are not immediately available to support government operations. Examples are inventory and long-term receivables that will not be converted to cash in the near future.
- *Restricted* fund balance has constraints imposed by external parties such as creditors, grantors, or contributors; legislation or regulations of other governments; or imposed by constitutional provisions.
- *Committed* fund balance represents funds that can only be designated for specific purposes by formal City Council action. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.
- *Assigned* fund balance is similar to Committed fund balance except that the City Council can authorize the City Manager to designate the funds for specific

## CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

purposes. An example is budgeted line-item expenditures to which the City Manager has the authority to make administrative amendments, provided they do not have a significant policy impact or affect budgeted year-end fund balances.

- *Unassigned* fund balance is that portion of General fund balance that does not fall into any of the other fund balance categories. These funds are available for any legitimate government purpose and are customarily reported in the General fund. However, in governmental funds other than the General fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

At the end of the current fiscal year, the City's governmental funds reflect combined ending fund balances of \$84,609,133, an increase of \$3.8 million when compared to the prior year. Of this total amount, 18.6% (\$15.8 million) is *Non-spendable* in form, comprised of long-term receivables. Of the ending governmental fund balances, 38.7% (\$32.8 million) is *Restricted* for specific activities including housing programs, public improvements, streets, landscape, and law enforcement programs. Of the governmental fund balances, 31.5% is classified as *Committed*. \$15.0 million is *Committed* to street programs, retiree benefits, equipment replacement programs, and economic recovery. \$11.7 million is *Committed* to the General fund as a prudent reserve. The prudent reserve represents 17% (two months) of budgeted expenditures and transfers out. It is set aside for responses to catastrophic events such as earthquakes, fires, floods, civil disturbances, etc. 11.1% (\$9.4 million) of the fund balance is *Assigned* for Capital programs and improvements. The remaining negative 0.1% (<\$0.1> million) in governmental fund balances is *Unassigned*. This amount is attributable to negative fund balance in the Solar Capital Projects Fund for which expenditure reimbursements are pending.

The fund balance of the City's General fund increased by \$0.5 million during the current fiscal year. In comparison to last fiscal year, overall revenues in the General fund increased by \$2.8 million, expenditures and net transfers out decreased by \$2.6 million. This reflects ongoing movement in a positive direction toward improvement in the overall fiscal health of the City.

The net change in the fund balance of the Successor Housing Agency (SHA) to Community Development Housing Administration fund was an increase of \$1.3 million. As compared to the FY 2014-15, overall revenues decreased by \$0.5 million, and expenditures on housing programs increased by \$.7 million reflecting an uptick in affordable housing activity.

The fund balance of the Development Related Fees fund remained static from the prior year. For the most part, incoming revenues for the current year were offset by transfers out used largely for street projects, computer equipment replacement, and financial information system improvements. Other than two known residential developments gradually moving forward, development-related revenues remain static, and it is unlikely they will increase significantly in the future, as the City is moving toward build-out.

## CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The fund balance of the Streets and Roads fund increased by \$0.3 million. Budgeted projects in this fund are pre-funded with transfers from various funds. In addition, a significant portion of street expenditures is reimbursed by Federal grants. During this fiscal year, expenditures for street projects totaled \$2.2 million, but associated grant funding was only \$0.6 million.

The fund balance of the Public Facility Improvements fund decreased by \$0.1 million. Projects included in this fund include the replacement of the heating, ventilation, and air conditioning units at the Senior Center and the renovation of the Senior Center kitchen. Both projects are being funded by transfers from the General Fund.

**Proprietary Funds.** The information provided below about the City's proprietary funds is similar to the information about Business-type Activities found in the government-wide financial statements, but by individual funds rather than in aggregate.

During fiscal year 2015-16, the Sanitation, Waterworks and Transit funds showed increases <decreases> in net position of \$2,732,839, <\$747,386>, and \$1,380,723, respectively. Unrestricted net position of the Sanitation, Waterworks and Transit funds was \$14,564,584, \$7,875,737, and <\$3,589,014>, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Business-type activities on page 14.

### **General Fund Budgetary Highlights**

The General fund final amended expenditure budget of \$64.8 million was \$0.9 million greater than the original expenditure budget of \$63.9 million, the primary contributors of which and can be briefly summarized as follows:

- \$0.5 million in additional expenditures was appropriated for prior year commitments that were carried forward across all City departments. These consisted of approved expenditure increases in the communications, furnishings and equipment, operating supplies and professional services categories, and were offset by available fund balance. Examples of expenditure items include communication systems enhancements, software upgrades for the City Clerk's office, a retention consultant, contract services for hardware and software upgrades city-wide, as well as for internet services.
- \$0.2 million in increases to supplies and services expenditures across several departments; most of the increases had matching revenue offsets in the form of additional grants, contributions or donations. Examples of specific expenditures include those for tactical vests for the police department, upgrades to the Cultural Arts Center kitchen, homeless encampment, and the Civic Center LED lighting upgrades.

## CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Actual expenditures of \$61.3 million were \$3.5 million less than the General fund final amended expenditure budget of \$64.8 million. Significant variances are summarized as follows:

- \$3.5 million of expenditure savings were achieved in the Current Expenses category. This amount is comprised of savings of \$2.1 million in Salaries & Benefits, \$.7 million in Supplies & Materials, and \$.7 million in the Services category, which were offset by increases in reimbursement offsets for General Administration costs of \$0.1 million.

Actual revenues were \$1.7 million more than the final budgeted amount of \$59.8 million. Revenue from sales taxes, franchise taxes, business taxes, licenses and permits, other governments, service charges, use of money and property, and other revenues exceeded expected amounts by \$3.4 million. Alternately, collections from property taxes were \$1.7 million lower than anticipated. \$1.2 million of this amount is attributable to amounts expected from the Casden housing development, which have not yet materialized. The balance of the property tax variance is due to fewer than expected existing property sales and delays in residential new construction, which did not take shape.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Simi Valley's investment in capital assets for its governmental and business type activities as of June 30, 2016, amounts to \$374,926,495 (net of accumulated depreciation). This is an increase of \$5,199,960 as compared to the prior year.

The investment in capital assets includes land, plant and buildings, furnishings and equipment, computers and software, vehicles, and infrastructure consisting of roads and highways, and water and sewer distribution systems.

Major capital asset events during the current fiscal year included the following:

- \$2.8 million in street projects were completed
- \$4.3 million City Hall Expansion project was completed
- \$2.5 million in sanitation and waterworks infrastructure was donated by developers
- \$12.8 million in storm drains, roads, sidewalks and traffic lights were donated by developers

Additional information on the City's capital assets can be found in note III D of the notes to the financial statements.

**CITY OF SIMI VALLEY • MANAGEMENT’S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

**City of Simi Valley’s Capital Assets  
(net of depreciation)  
June 30, 2016 and 2015**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Land	\$ 10,613,683	\$ 10,613,683	\$ 1,216,994	\$ 1,216,994	\$ 11,830,677	\$ 11,830,677
Buildings and improvements	24,794,663	21,673,522	6,861,593	7,192,505	31,656,256	28,866,027
Furnishings and equipment	2,969,156	3,275,113	893,303	894,381	3,862,459	4,169,494
Computers	645,996	966,123	182,687	207,077	828,683	1,173,200
Vehicles	1,877,241	1,856,757	5,569,517	5,243,434	7,446,758	7,100,191
Infrastructure	183,991,419	178,365,854	109,707,015	109,182,263	293,698,434	287,548,117
Intangibles	4,850,884	5,293,132	21,760	25,387	4,872,644	5,318,519
Construction in progress	2,090,348	5,912,211	18,640,236	17,808,099	20,730,584	23,720,310
<b>Total</b>	<b>\$ 231,833,390</b>	<b>\$ 227,956,395</b>	<b>\$ 143,093,105</b>	<b>\$ 141,770,140</b>	<b>\$ 374,926,495</b>	<b>\$ 369,726,535</b>

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$20,315,876. This entire amount represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Simi Valley’s Outstanding Bonded Debt at June 30, 2016 and 2015.

	<u>Governmental</u> <u>Activities</u>	
	2016	2015
2014A lease revenue refunding bond	\$ 18,525,000	\$ 18,525,000
Add (less) deferred amounts	1,790,876	1,889,513
<b>Total</b>	<b>\$ 20,315,876</b>	<b>\$ 20,414,513</b>

Additional information on the City’s long-term debt can be found in note III H.



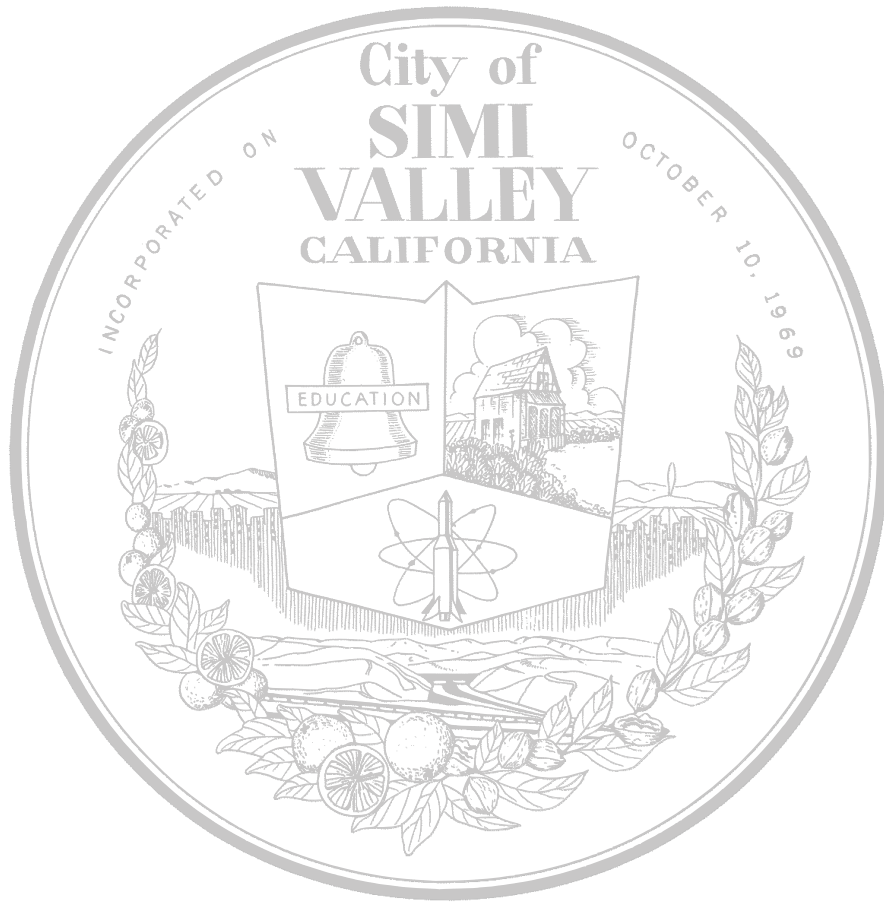
## **CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

### **Economic Factors and Next Year's Budgets and Rates**

- In June 2016, the City Council adopted the FY 2016-17 annual budget. The adopted budget is balanced in that resources have been identified to fully offset proposed expenditures. The City is moving towards fiscal sustainability in a phased transition as the City is still overcoming the losses of redevelopment funding and the restrictions to Transportation Development Act (TDA) funding. Steps the City has taken include, not utilizing carryovers from the prior year, not utilizing transfers from the Economic Stabilization Fund, rightsizing staff, reduction of overtime, and negotiation of increased employee contributions to their pensions.
- The General Fund Balance is projected to be approximately \$.5 million lower at the end of 2016-17 than at the beginning of the year. Following the pattern of more recent years, the City is focusing on future planning by reducing ongoing costs and eliminating a structural deficit while also ensuring that service impacts to Simi Valley residents are minimized.
- General Fund revenues are projected to show total growth of \$1.8 million (4.1%) in FY 2016-17 over the previous year. Property tax revenues are projected to increase by \$1.6 million (2.9%) in FY 2016-17 due to ongoing improvements in assessed values and the local economy. Sales and Use Tax revenues are projected to increase by \$0.3 million (1.8%) due to strong sales tax growth for new and existing local businesses.
- Air quality and development agreement funds will be used to supplement County/State/Federal grant funds for street repairs and road projects.
- According to the California Economic Development Department, the unemployment rate in Simi Valley has consistently remained below that in Ventura County, an indicator of the strength of the local economy with rates decreasing the past three years to the current 2016 rate of 4.4%.
- The City's assessed property values have increased by 4.3% in 2015-16 from 2014-15, signaling a return to strong property values and positive growth for the local economy.
- Current national economic indicators suggest that the economy will continue to recover at a very slow pace although economists do not think a recession is on the horizon. A lack of housing, rising home prices, and company defections continue to affect the local market.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Simi Valley's finances for all those with an interest in the City's financial condition. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Simi Valley, Department of Administrative Services, 2929 Tapo Canyon Road, Simi Valley CA 93063.



# Basic Financial Statements



# Government-Wide Financial Statements

**CITY OF SIMI VALLEY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments (note III A)	\$ 83,939,202	\$ 35,971,597	\$ 119,910,799
Accounts receivable (net of allowance for uncollectibles) (note III C)	994,584	6,418,626	7,413,210
Taxes receivable	5,891,245	314,207	6,205,452
Grants receivable	623,101	3,680,226	4,303,327
Interest receivable	130,026	59,627	189,653
Internal balances (note I D 2)	4,326,687	(4,326,687)	-
Inventories	-	1,530,403	1,530,403
Restricted cash and investments (note III A):			
Customer deposits	-	946,859	946,859
Connection fees	-	5,191,142	5,191,142
Total current assets	<u>95,904,845</u>	<u>49,786,000</u>	<u>145,690,845</u>
Noncurrent assets:			
Loans receivable (note III B)	22,709,077	-	22,709,077
Loan receivable - Successor Agency (note III B)	7,416,447	-	7,416,447
Capital assets (note III D):			
Capital assets not being depreciated	12,704,031	19,857,230	32,561,261
Capital assets being depreciated, net	<u>219,129,359</u>	<u>123,235,875</u>	<u>342,365,234</u>
Total noncurrent assets	<u>261,958,914</u>	<u>143,093,105</u>	<u>405,052,019</u>
Total assets	<u>357,863,759</u>	<u>192,879,105</u>	<u>550,742,864</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Related to loss on debt refunding (note III E)	233,851	-	233,851
Related to pensions (note IV D)	<u>19,314,576</u>	<u>4,034,603</u>	<u>23,349,179</u>
Total deferred outflows of resources	<u>19,548,427</u>	<u>4,034,603</u>	<u>23,583,030</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	2,107,181	3,681,382	5,788,563
Salaries and benefits payable	2,851,365	547,520	3,398,885
Accrued interest payable	199,464	-	199,464
Deposits	690,329	-	690,329
Liabilities payable from restricted assets	-	997,873	997,873
Unearned revenues	-	2,834,349	2,834,349
Current portion of long-term obligations	<u>5,281,322</u>	<u>94,969</u>	<u>5,376,291</u>
Total current liabilities	<u>11,129,661</u>	<u>8,156,093</u>	<u>19,285,754</u>
Noncurrent liabilities (note III H):			
Noncurrent portion of long-term obligations	<u>131,286,062</u>	<u>19,093,639</u>	<u>150,379,701</u>
Total liabilities	<u>142,415,723</u>	<u>27,249,732</u>	<u>169,665,455</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Related to pensions (note IV D)	<u>18,552,246</u>	<u>3,803,282</u>	<u>22,355,528</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	211,751,365	143,093,105	354,844,470
Restricted for:			
Capital projects	17,091,417	-	17,091,417
Community development	34,599,782	-	34,599,782
Other purposes	5,861,539	-	5,861,539
Sewer connection fees and water capital improvement charges	-	5,140,128	5,140,128
Unrestricted	<u>(52,859,886)</u>	<u>17,627,461</u>	<u>(35,232,425)</u>
Total net position	<u>\$ 216,444,217</u>	<u>\$ 165,860,694</u>	<u>\$ 382,304,911</u>

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

**CITY OF SIMI VALLEY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

				<b>Program Revenues</b>	
<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Full Cost by Function</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government:					
Governmental activities:					
General government	\$ 24,726,745	\$ (8,283,990)	\$ 16,442,755	\$ 1,606,097	\$ 298,596
Community services (CS)	6,397,826	-	6,397,826	1,109,053	4,577,152
Planning (ES)	5,781,371	526,850	6,308,221	2,738,543	-
Public ways and facilities (PW)	16,545,278	96,440	16,641,718	1,821,043	2,853,084
Public safety (PD)	31,286,515	-	31,286,515	771,002	1,914,881
Interest on long term debt	720,840	-	720,840	-	-
Total governmental activities	85,458,575	(7,660,700)	77,797,875	8,045,738	9,643,713
Business-type activities:					
Sanitation	11,986,144	2,859,800	14,845,944	16,047,248	-
Waterworks District No. 8	31,581,431	2,667,600	34,249,031	30,877,802	59,749
Transit	4,983,742	2,133,300	7,117,042	430,804	2,542,260
Total business-type activities	48,551,317	7,660,700	56,212,017	47,355,854	2,602,009
Total primary government	\$ 134,009,892	\$ -	\$ 134,009,892	\$ 55,401,592	\$ 12,245,722

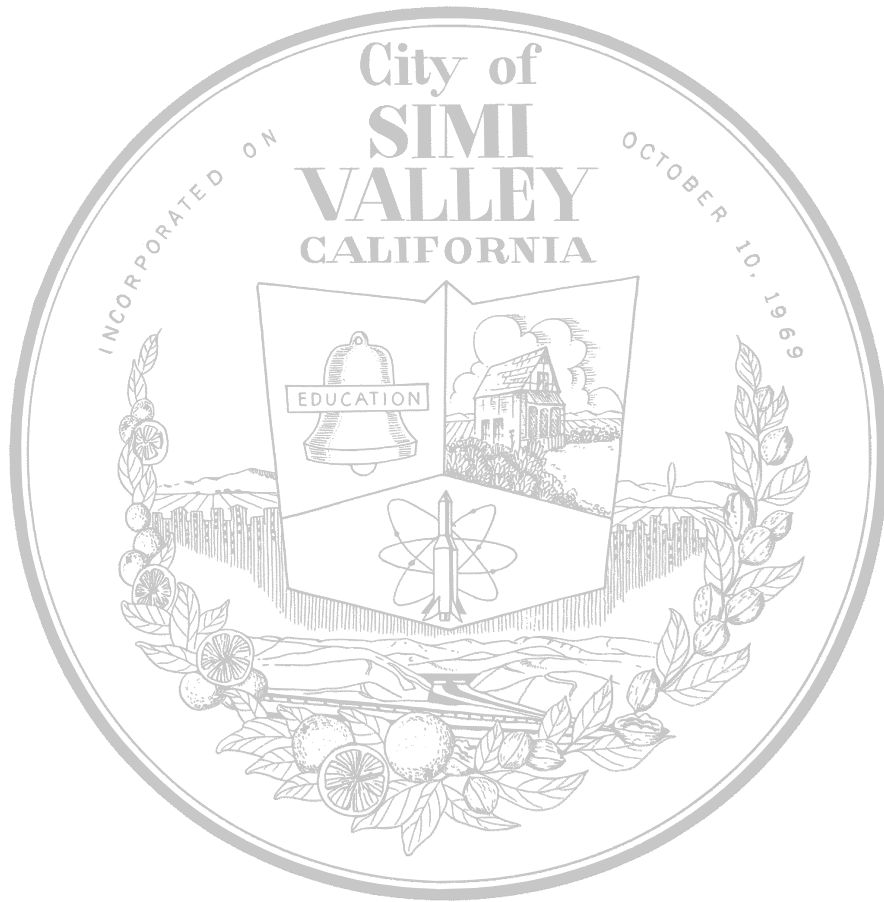
General revenues:  
Property taxes  
Sales taxes  
Franchise taxes  
Business tax  
Other taxes  
Investment earnings  
Miscellaneous  
Transfers  
Contributions to other governments  
Total general revenues, contributions and transfers  
Change in net position  
Net position-beginning  
Prior period adjustment (note IV F)  
Net position-beginning, as restated  
  
Net position-ending

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

**CITY OF SIMI VALLEY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Program Revenues	Net (Expense) Revenue and Changes in Net Position			Total	
	Primary Government				
Capital Grants and Contributions	Governmental Activities	Business-type Activities			
\$ -	\$ (14,538,062)	\$ -	\$ -	\$ (14,538,062)	Primary government:
-	(711,621)	-	-	(711,621)	Governmental activities:
-	(3,569,678)	-	-	(3,569,678)	General government
13,455,222	1,487,631	-	-	1,487,631	Community services (CS)
75,000	(28,525,632)	-	-	(28,525,632)	Planning (ES)
-	(720,840)	-	-	(720,840)	Public ways and facilities (PW)
					Public safety (PD)
					Interest on long term debt
<u>13,530,222</u>	<u>(46,578,202)</u>	<u>-</u>	<u>-</u>	<u>(46,578,202)</u>	Total governmental activities
1,603,830	-	2,805,134		2,805,134	Business-type activities:
2,177,936	-	(1,133,544)		(1,133,544)	Sanitation
1,676,548	-	(2,467,430)		(2,467,430)	Waterworks District No. 8
					Transit
<u>5,458,314</u>	<u>-</u>	<u>(795,840)</u>		<u>(795,840)</u>	Total business-type activities
<u>\$ 18,988,536</u>	<u>(46,578,202)</u>	<u>(795,840)</u>		<u>(47,374,042)</u>	Total primary government
	29,835,623	-		29,835,623	General revenues:
	17,432,505	-		17,432,505	Property taxes
	5,025,802	-		5,025,802	Sales taxes
	1,786,153	-		1,786,153	Franchise taxes
	2,587,113	-		2,587,113	Business tax
	835,387	811,714		1,647,101	Other taxes
	-	261,087		261,087	Investment earnings
	(3,255,695)	3,255,695		-	Miscellaneous
	(63,992)	-		(63,992)	Transfers
	<u>54,182,896</u>	<u>4,328,496</u>		<u>58,511,392</u>	Contributions to other governments
	<u>7,604,694</u>	<u>3,532,656</u>		<u>11,137,350</u>	Total general revenues, contributions and transfers
	209,469,761	162,328,038		371,797,799	Change in net position
	(630,238)	-		(630,238)	Net position-beginning
	<u>208,839,523</u>	<u>162,328,038</u>		<u>371,167,561</u>	Prior period adjustment (note IV F)
					Net position-beginning, as restated
<u>\$ 216,444,217</u>	<u>\$ 165,860,694</u>	<u>\$ 382,304,911</u>			Net position-ending

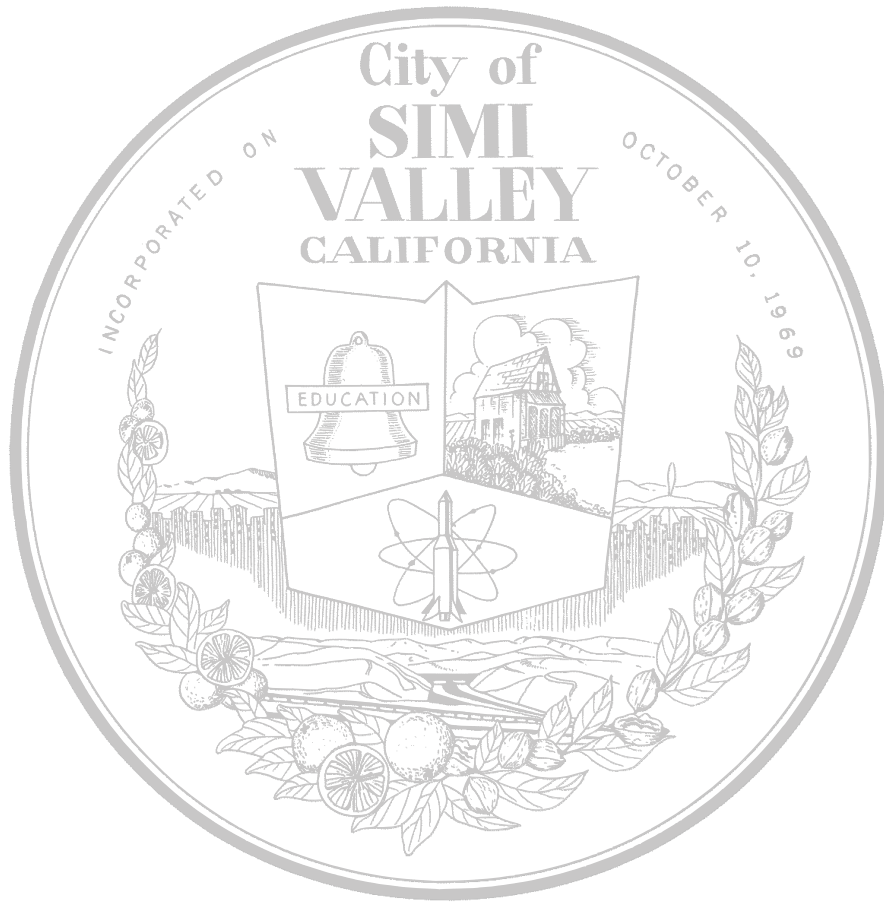
See accompanying independent auditors' report and notes to the basic financial statements.







# Fund Financial Statements



**CITY OF SIMI VALLEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<u>Special Revenue</u>		
	<u>General</u>	<u>SHA to Community Development Agency Housing Administration</u>	<u>Development Related Fees</u>
<b><u>ASSETS</u></b>			
Cash and investments:			
Held by City	\$ 22,315,116	\$ 5,267,798	\$ 16,167,026
Held by bond trustee	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	750,978	16,158	-
Taxes receivable	5,814,759	-	-
Grants receivable	-	-	-
Interest receivable	68,000	7,249	20,488
Due from other funds (note III G)	3,648,122	1,266	-
Loans receivable (note III B)	316,275	16,562,114	2,687,171
Loans receivable-Successor Agency (note III B)	7,416,447	-	-
Advances to other funds (note III G)	8,036,380	-	-
<b>TOTAL ASSETS</b>	<b>\$ 48,366,077</b>	<b>\$ 21,854,585</b>	<b>\$ 18,874,685</b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 1,088,550	\$ 79,505	\$ 65
Salaries and benefits payable	2,839,373	-	-
Due to other funds (note III G)	-	-	-
Advances from other funds (note III G)	-	-	-
Deposits	690,329	-	-
<b>TOTAL LIABILITIES</b>	<b>4,618,252</b>	<b>79,505</b>	<b>65</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenue-housing programs	-	16,562,114	2,687,171
Unavailable revenue-public safety	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>16,562,114</b>	<b>2,687,171</b>
<b><u>FUND BALANCES (note III I)</u></b>			
Nonspendable			
Long-term receivables	15,769,102	-	-
Restricted			
Housing programs	-	5,212,966	3,628,556
Public improvements	-	-	11,452,197
Streets and transportation	-	-	1,106,696
Landscape	-	-	-
Special programs	-	-	-
Law enforcement	-	-	-
Committed			
Streets	-	-	-
Retiree benefits	535,057	-	-
Special programs	319,322	-	-
Equipment	-	-	-
Economic recovery	6,084,838	-	-
Prudent reserve	11,665,494	-	-
Assigned			
Capital	9,374,012	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>43,747,825</b>	<b>5,212,966</b>	<b>16,187,449</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 48,366,077</b>	<b>\$ 21,854,585</b>	<b>\$ 18,874,685</b>

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

**CITY OF SIMI VALLEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

<u>Capital Projects</u>				
Streets & Roads	Public Facility Improvements	Nonmajor Governmental	Total Governmental Funds	
				<b><u>ASSETS</u></b>
				Cash and investments:
\$ 2,754,737	\$ 3,856,274	\$ 16,556,436	\$ 66,917,387	Held by City
-		-	-	Held by bond trustee
169,365	1,720	55,269	993,490	Accounts receivable (net of allowance for uncollectibles) (note III C)
-	-	76,486	5,891,245	Taxes receivable
6,351	-	616,750	623,101	Grants receivable
-	-	15,440	111,177	Interest receivable
-	-	-	3,649,388	Due from other funds (note III G)
-	-	3,143,517	22,709,077	Loans receivable (note III B)
-	-	-	7,416,447	Loans receivable-Successor Agency (note III B)
-	-	-	8,036,380	Advances to other funds (note III G)
<u>\$ 2,930,453</u>	<u>\$ 3,857,994</u>	<u>\$ 20,463,898</u>	<u>\$ 116,347,692</u>	<b>TOTAL ASSETS</b>
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
				<b><u>LIABILITIES</u></b>
\$ 141,311	\$ 12,440	\$ 580,871	\$ 1,902,742	Accounts payable
-		-	2,839,373	Salaries and benefits payable
-		546,547	546,547	Due to other funds (note III G)
-	3,348,380	-	3,348,380	Advances from other funds (note III G)
-	-	-	690,329	Deposits
<u>141,311</u>	<u>3,360,820</u>	<u>1,127,418</u>	<u>9,327,371</u>	<b>TOTAL LIABILITIES</b>
				<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>
-	-	3,143,517	22,392,802	Unavailable revenue-housing programs
-	-	18,386	18,386	Unavailable revenue-public safety
<u>-</u>	<u>-</u>	<u>3,161,903</u>	<u>22,411,188</u>	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>
				<b><u>FUND BALANCES (note III I)</u></b>
				Nonspendable
			15,769,102	Long-term receivables
				Restricted
		1,641,548	10,483,070	Housing programs
	497,174	-	11,949,371	Public improvements
		2,766,006	3,872,702	Streets and transportation
		1,404,310	1,404,310	Landscape
		2,199,119	2,199,119	Special programs
		2,852,712	2,852,712	Law enforcement
				Committed
2,789,142			2,789,142	Streets
			535,057	Retiree benefits
			319,322	Special programs
		5,306,436	5,306,436	Equipment
			6,084,838	Economic recovery
			11,665,494	Prudent reserve
				Assigned
		59,446	9,433,458	Capital
		(55,000)	(55,000)	Unassigned
<u>2,789,142</u>	<u>497,174</u>	<u>16,174,577</u>	<u>84,609,133</u>	<b>TOTAL FUND BALANCES (DEFICITS)</b>
				TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
<u>\$ 2,930,453</u>	<u>\$ 3,857,994</u>	<u>\$ 20,463,898</u>	<u>\$ 116,347,692</u>	

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

**CITY OF SIMI VALLEY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
JUNE 30, 2016**

Fund balances - total governmental funds		\$ 84,609,133
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the governmental funds (note III D).		231,833,390
Internal service funds are used by management to charge the costs of workers' compensation, general liability, GIS/Permits operations, and FIS operations. The assets and liabilities are included in governmental activities in the statement of net position.		(1,094,393)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds: Accrued interest payable		(199,464)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		22,411,188
Deferred outflows of resources related to pension contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year.		19,222,169
Deferred inflows of resources related to pensions will be recognized as pension expense in future fiscal years.		(18,467,246)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable	\$ (4,815,929)	
OPEB obligation	(9,473,903)	
Net pension liability	(87,463,660)	
2014A Lease Revenue Refunding	(18,525,000)	
Unamortized bond premium	(1,790,876)	
SCE on-bill financing loan	(35,043)	
Unamortized bond payable deferred on refunding	233,851	(121,870,560)
Net position of governmental activities		<u>\$ 216,444,217</u>

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



**CITY OF SIMI VALLEY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	General	Special Revenue		Capital Projects
		SHA to Community Development Agency Housing Administration	Development Related Fees	Streets & Roads
<b>REVENUES</b>				
Taxes	\$ 54,105,061	\$ -	\$ -	\$ -
Licenses and permits	2,561,293	-	-	-
Fines and forfeitures	597,889	-	-	-
Use of money and property	556,565	2,005,157	121,882	-
From other governments	476,302	-	-	-
Grants	186,517	-	-	621,521
Service charges	1,570,914	12,012	929,316	-
Other revenues	1,422,271	-	-	112,000
Total revenues	61,476,812	2,017,169	1,051,198	733,521
<b>EXPENDITURES</b>				
Current:				
General government	4,843,932	-	-	-
Community services (CS)	4,776,694	-	-	-
Planning (ES)	5,084,293	786,064	-	-
Public ways and facilities (PW)	14,346,914	-	82,442	-
Public safety (PD)	32,201,406	-	-	-
Total current expenditures	61,253,239	786,064	82,442	-
Capital outlay:				
Streets and roads	-	-	-	1,162,830
Other capital projects	-	-	-	-
Total capital outlay	-	-	-	1,162,830
Debt service:				
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	61,253,239	786,064	82,442	1,162,830
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	223,573	1,231,105	968,756	(429,309)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (note III G)	3,559,555	112,671	-	758,296
Transfers out (note III G)	(3,213,641)	-	(978,900)	(48)
Contributions from Successor Agency	250,000	-	-	-
Contributions to Successor Agency	(313,992)	-	-	-
Total other financing sources (uses)	281,922	112,671	(978,900)	758,248
NET CHANGE IN FUND BALANCES	505,495	1,343,776	(10,144)	328,939
FUND BALANCES (DEFICITS) - BEGINNING	43,872,568	3,869,190	16,197,593	2,460,203
PRIOR PERIOD ADJUSTMENT (note IV F)	(630,238)	-	-	-
FUND BALANCES (DEFICITS) - BEGINNING, AS RESTATED	43,242,330	3,869,190	16,197,593	2,460,203
FUND BALANCES (DEFICITS) - ENDING	\$ 43,747,825	\$ 5,212,966	\$ 16,187,449	\$ 2,789,142

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

**CITY OF SIMI VALLEY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Capital Projects**

Public Facility Improvements	Nonmajor Governmental	Total Governmental Funds	
			<b>REVENUES</b>
\$ -	\$ 2,562,135	\$ 56,667,196	Taxes
-	-	2,561,293	Licenses and permits
-	-	597,889	Fines and forfeitures
-	217,603	2,901,207	Use of money and property
1,720	7,237,724	7,715,746	From other governments
-	3,050,007	3,858,045	Grants
-	787,781	3,300,023	Service charges
-	198,262	1,732,533	Other revenues
1,720	14,053,512	79,333,932	Total revenues
			<b>EXPENDITURES</b>
			Current:
-	940,155	5,784,087	General government
-	1,804,356	6,581,050	Community services (CS)
-	376,559	6,246,916	Planning (ES)
41,095	1,518,417	15,988,868	Public ways and facilities (PW)
-	610,581	32,811,987	Public safety (PD)
41,095	5,250,068	67,412,908	Total current expenditures
			Capital outlay:
-	-	1,162,830	Streets and roads
62,436	2,137,609	2,200,045	Other capital projects
62,436	2,137,609	3,362,875	Total capital outlay
			Debt service:
-	806,625	806,625	Interest
-	1,150	1,150	Other
-	807,775	807,775	Total debt service
103,531	8,195,452	71,583,558	Total expenditures
(101,811)	5,858,060	7,750,374	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			<b>OTHER FINANCING SOURCES (USES)</b>
-	3,871,366	8,301,888	Transfers in (note III G)
-	(7,412,144)	(11,604,733)	Transfers out (note III G)
-	-	250,000	Contributions from other governments
-	-	(313,992)	Contributions to other governments
-	(3,540,778)	(3,366,837)	Total other financing sources (uses)
(101,811)	2,317,282	4,383,537	NET CHANGE IN FUND BALANCES
598,985	13,857,295	80,855,834	FUND BALANCES (DEFICITS) - BEGINNING
	-	(630,238)	PRIOR PERIOD ADJUSTMENT (note IV F)
598,985	13,857,295	80,225,596	FUND BALANCES (DEFICITS) - BEGINNING, AS RESTATED
\$ 497,174	\$ 16,174,577	\$ 84,609,133	FUND BALANCES (DEFICITS) - ENDING

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



**CITY OF SIMI VALLEY  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Net change in fund balances - total governmental funds \$ 4,383,537

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Infrastructure contributed by developers	\$ 12,833,547	
Capital outlay net of dispositions	4,122,988	
Depreciation expense	<u>(13,079,540)</u>	3,876,995

Issuance of long-term debt affects current financial resources in governmental funds, but increases long-term liabilities in the statement of net position.

Southern California Edison on-bill financing loan	(44,658)
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Repayment of long-term debt is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position.

Principal payment on So Calif Edison on-bill financing loan	9,615
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Expenditures that do not use current financial resources are not reported in governmental funds but are recorded as expenses in the statement of activities.

Amortized premium on bonds	98,637	
Amortized deferral on refunding	(12,852)	
Pension liability (net)	(5,838,706)	
Deferred pension related items	8,804,119	
Compensated absences (net)	63,291	
Unfunded OPEB liability	<u>(536,706)</u>	2,577,783

Loan receivable transactions offset by unavailable revenue are reported as revenue and expenditures in governmental funds, but they do not provide revenue or expenses in the statement of activities.

(3,966,403)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

3,928

Internal service funds are used by the City to account for liability, workers' compensation insurance, GIS/Permits operations, and FIS operations. A portion of the net expense of these funds is reported with governmental activities.

763,897

Change in net position of governmental activities	<u>\$ 7,604,694</u>
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See accompanying independent auditors' report and notes to the basic financial statements.

**CITY OF SIMI VALLEY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Taxes:				
Sales	\$ 16,323,000	\$ 16,322,996	\$ 17,432,505	\$ 1,109,509
Property	29,247,700	29,247,700	27,582,923	(1,664,777)
Franchise	4,590,000	4,590,000	4,716,367	126,367
Business and other	3,828,000	3,828,000	4,373,266	545,266
Licenses and permits	1,513,500	1,513,500	2,561,293	1,047,793
From other governments	411,000	411,000	476,302	65,302
Grants	195,000	195,000	186,517	(8,483)
Service charges	1,327,800	1,327,800	1,570,914	243,114
Fines and forfeitures	605,000	605,000	597,889	(7,111)
Use of money and property	408,900	407,900	556,565	148,665
Other revenues	1,326,030	1,326,030	1,422,271	96,241
Total revenues	<u>59,775,930</u>	<u>59,774,926</u>	<u>61,476,812</u>	<u>1,701,886</u>
<b><u>EXPENDITURES</u></b>				
Current:				
City administration	4,249,600	4,272,138	3,826,414	445,724
Attorney	1,159,200	1,159,200	1,036,158	123,042
Administrative services and city-wide support (AS)*	69,300	615,498	(18,640)	634,138
Community services (CS)	4,893,820	4,852,206	4,776,694	75,512
Planning (ES)	5,349,400	5,370,440	5,084,293	286,147
Public ways and facilities (PW)	15,169,600	15,389,796	14,346,914	1,042,882
Public safety (PD)	33,020,200	33,132,783	32,201,406	931,377
Total expenditures	<u>63,911,120</u>	<u>64,792,061</u>	<u>61,253,239</u>	<u>3,538,822</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,135,190)</u>	<u>(5,017,135)</u>	<u>223,573</u>	<u>5,240,708</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	4,332,400	4,328,900	3,559,555	(769,345)
Transfers out	(3,489,500)	(3,828,492)	(3,213,641)	614,851
Contributions from Successor Agency	250,000	250,000	250,000	-
Contributions to Successor Agency	(313,992)	(313,992)	(313,992)	-
Total other financing sources (uses)	<u>778,908</u>	<u>436,416</u>	<u>281,922</u>	<u>(154,494)</u>
NET CHANGE IN FUND BALANCE	(3,356,282)	(4,580,719)	505,495	5,086,214
FUND BALANCES (DEFICITS) - BEGINNING PRIOR PERIOD ADJUSTMENT (note IV F)	43,872,568	43,872,568	43,872,568	-
FUND BALANCES (DEFICITS) - BEGINNING, AS RESTATED	<u>(630,238)</u>	<u>(630,238)</u>	<u>(630,238)</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 39,886,048</u>	<u>\$ 38,661,611</u>	<u>\$ 43,747,825</u>	<u>\$ 5,086,214</u>

\*net of reimbursements

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

**CITY OF SIMI VALLEY**  
**SUCCESSOR HOUSING AGENCY TO COMMUNITY DEVELOPMENT AGENCY HOUSING ADMINISTRATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ 10,300	\$ 10,300	\$ 2,005,157	\$ 1,994,857
Service charges	-	-	12,012	12,012
Contributions from other governments	376,600	376,600	-	(376,600)
Total revenues	<u>386,900</u>	<u>386,900</u>	<u>2,017,169</u>	<u>1,630,269</u>
<b><u>EXPENDITURES</u></b>				
Planning (ES):				
Materials, supplies and services	<u>9,729,300</u>	<u>10,310,500</u>	<u>786,064</u>	<u>9,524,436</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,342,400)</u>	<u>(9,923,600)</u>	<u>1,231,105</u>	<u>11,154,705</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	<u>240,000</u>	<u>240,000</u>	<u>112,671</u>	<u>(127,329)</u>
NET CHANGE IN FUND BALANCES	(9,102,400)	(9,683,600)	1,343,776	11,027,376
FUND BALANCES (DEFICITS) - BEGINNING	<u>3,869,190</u>	<u>3,869,190</u>	<u>3,869,190</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ (5,233,210)</u>	<u>\$ (5,814,410)</u>	<u>\$ 5,212,966</u>	<u>\$ 11,027,376</u>

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

**CITY OF SIMI VALLEY  
DEVELOPMENT RELATED FEES  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Use of money and property	\$ 103,800	\$ 103,800	\$ 121,882	\$ 18,082
Grants	30,000	30,000	-	(30,000)
Service charges	796,000	796,000	929,316	133,316
Other revenues	60,000	60,000	-	(60,000)
Total revenues	<u>989,800</u>	<u>989,800</u>	<u>1,051,198</u>	<u>61,398</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public ways and facilities (PW):				
Materials, supplies and services	-	-	82,442	(82,442)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>989,800</u>	<u>989,800</u>	<u>968,756</u>	<u>61,398</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(3,205,300)</u>	<u>(3,289,300)</u>	<u>(978,900)</u>	<u>2,310,400</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(2,215,500)</u>	<u>(2,299,500)</u>	<u>(10,144)</u>	<u>2,371,798</u>
<b>FUND BALANCES (DEFICITS) - BEGINNING</b>	<u>16,197,593</u>	<u>16,197,593</u>	<u>16,197,593</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS) - ENDING</b>	<u>\$ 13,982,093</u>	<u>\$ 13,898,093</u>	<u>\$ 16,187,449</u>	<u>\$ 2,371,798</u>

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

**CITY OF SIMI VALLEY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Simi Valley Sanitation</b>	<b>Ventura County Waterworks District No. 8</b>	<b>Simi Valley Transit System</b>	<b>Total</b>	
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 21,460,476	\$ 11,676,772	\$ 2,834,349	\$ 35,971,597	\$ 17,021,815
Customer receivable	1,312,114	4,743,803	-	6,055,917	1,094
Other receivable	175,874	139,808	47,027	362,709	-
Taxes receivable	157,350	156,857	-	314,207	-
Grants receivable	-	52,493	3,627,733	3,680,226	-
Inventories	638,643	754,659	137,101	1,530,403	-
Interest receivable	36,715	22,912	-	59,627	18,849
Prepaid items	-	-	-	-	-
Restricted cash and investments:					
Customer deposits	-	946,859	-	946,859	-
Connection fees	5,140,128	51,014	-	5,191,142	-
Total current assets	<u>28,921,300</u>	<u>18,545,177</u>	<u>6,646,210</u>	<u>54,112,687</u>	<u>17,041,758</u>
Noncurrent assets:					
Capital assets (net of accumulated depreciation) (note III D):					
Land	765,660	451,334	-	1,216,994	-
Buildings and improvements	4,128,925	526,237	2,206,431	6,861,593	-
Furnishings and equipment	382,109	194,272	521,369	1,097,750	-
Vehicles	627,463	518,575	4,423,479	5,569,517	-
Distribution system	63,245,662	46,459,895	1,458	109,707,015	-
Construction-in-progress	5,691,226	10,409,770	2,539,240	18,640,236	-
Total noncurrent assets	<u>74,841,045</u>	<u>58,560,083</u>	<u>9,691,977</u>	<u>143,093,105</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>103,762,345</u>	<u>77,105,260</u>	<u>16,338,187</u>	<u>197,205,792</u>	<u>17,041,758</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions	1,778,382	1,334,881	921,340	4,034,603	92,407
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	584,800	2,972,218	124,364	3,681,382	204,439
Salaries and benefits payable	228,667	190,573	128,280	547,520	11,992
Compensated absences	47,188	33,155	14,626	94,969	4,020
Due to other funds (note III G)	-	-	3,102,841	3,102,841	-
Unearned revenue	-	-	2,834,349	2,834,349	-
Claims and legal services payable	-	-	-	-	4,786,209
Current liabilities payable from restricted assets:					
Water service prepayments	-	946,859	-	946,859	-
Accounts payable restricted	-	51,014	-	51,014	-
Total current liabilities	<u>860,655</u>	<u>4,193,819</u>	<u>6,204,460</u>	<u>11,258,934</u>	<u>5,006,660</u>
Noncurrent liabilities:					
Advances from other funds (note III F)	-	-	-	-	4,688,000
Compensated absences	424,696	298,397	131,634	854,727	36,184
Claims and legal services payable	-	-	-	-	9,228,522
Net pension liability	8,034,305	6,214,614	3,989,993	18,238,912	408,038
Total noncurrent liabilities	<u>8,459,001</u>	<u>6,513,011</u>	<u>4,121,627</u>	<u>19,093,639</u>	<u>14,360,744</u>
<b>TOTAL LIABILITIES</b>	<u>9,319,656</u>	<u>10,706,830</u>	<u>10,326,087</u>	<u>30,352,573</u>	<u>19,367,404</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to pensions	1,675,314	1,297,491	830,477	3,803,282	85,000
<b>NET POSITION</b>					
Invested in capital assets	74,841,045	58,560,083	9,691,977	143,093,105	-
Restricted for:					
Sewer connection fees and water capital improvement charges	5,140,128	-	-	5,140,128	-
Unrestricted	<u>14,564,584</u>	<u>7,875,737</u>	<u>(3,589,014)</u>	<u>18,851,307</u>	<u>(2,318,239)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 94,545,757</u>	<u>\$ 66,435,820</u>	<u>\$ 6,102,963</u>	<u>167,084,540</u>	<u>\$ (2,318,239)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Beginning adjustment to unrestricted net position				(1,390,326)	
Current adjustment to unrestricted net position				166,480	
Net position of business-type activities				<u>\$ 165,860,694</u>	

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

**CITY OF SIMI VALLEY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Ventura County</b>		<b>Simi Valley</b>		
	<b>Simi Valley Sanitation</b>	<b>Waterworks District No. 8</b>	<b>Transit System</b>	<b>Total</b>	
<b><u>OPERATING REVENUES</u></b>					
Charges for sales and services	\$ 16,047,248	\$ 30,877,802	\$ 430,804	\$ 47,355,854	\$ 4,546,700
<b><u>OPERATING EXPENSES</u></b>					
Salaries and benefits	5,997,455	4,421,961	3,182,144	13,601,560	284,756
Materials and supplies:					
Water purchases	-	23,135,260	-	23,135,260	-
Utilities	765,904	704,935	30,629	1,501,468	-
Chemicals	308,954	-	-	308,954	-
Other	144,925	507,196	424,351	1,076,472	233,646
Services:					
Maintenance projects	968,456	414,263	-	1,382,719	-
Other	1,297,258	1,045,646	397,970	2,740,874	-
Claims and legal expenses	-	-	-	-	2,583,821
General administration	2,859,800	2,667,600	2,133,300	7,660,700	668,800
Depreciation	2,550,621	1,397,522	1,022,347	4,970,490	-
Total operating expenses	<u>14,893,373</u>	<u>34,294,383</u>	<u>7,190,741</u>	<u>56,378,497</u>	<u>3,771,023</u>
OPERATING INCOME (LOSS)	<u>1,153,875</u>	<u>(3,416,581)</u>	<u>(6,759,937)</u>	<u>(9,022,643)</u>	<u>775,677</u>
<b><u>NONOPERATING REVENUES AND EXPENSES</u></b>					
Grants	-	59,749	2,542,260	2,602,009	-
Interest	212,097	599,617	-	811,714	107,550
Other	12,387	34,043	214,657	261,087	-
Total nonoperating revenues (expenses)	<u>224,484</u>	<u>693,409</u>	<u>2,756,917</u>	<u>3,674,810</u>	<u>107,550</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,378,359</u>	<u>(2,723,172)</u>	<u>(4,003,020)</u>	<u>(5,347,833)</u>	<u>883,227</u>
<b><u>CONTRIBUTIONS AND TRANSFERS</u></b>					
Capital contributions	1,603,830	2,177,936	1,676,548	5,458,314	-
Transfers in (note III G)	-	-	3,707,195	3,707,195	56,250
Transfers out (note III G)	(249,350)	(202,150)	-	(451,500)	(9,100)
Total contributions and transfers	<u>1,354,480</u>	<u>1,975,786</u>	<u>5,383,743</u>	<u>8,714,009</u>	<u>47,150</u>
CHANGE IN NET POSITION	<u>2,732,839</u>	<u>(747,386)</u>	<u>1,380,723</u>	<u>3,366,176</u>	<u>930,377</u>
NET POSITION - BEGINNING	<u>91,812,918</u>	<u>67,183,206</u>	<u>4,722,240</u>		<u>(3,248,616)</u>
NET POSITION - ENDING	<u>\$ 94,545,757</u>	<u>\$ 66,435,820</u>	<u>\$ 6,102,963</u>		<u>\$ (2,318,239)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>166,480</u>	
Current adjustment				<u>166,480</u>	
Change in net position of business-type activities				<u>\$ 3,532,656</u>	

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

**CITY OF SIMI VALLEY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Business-type Activities - Enterprise Funds**

	Business-type Activities - Enterprise Funds			Totals	Internal Service Funds
	Simi Valley Sanitation	Ventura County Waterworks District No. 8	Simi Valley Transit System		
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>					
Cash received from service charges and other revenues	\$ 15,298,347	\$ 31,247,548	\$ 623,965	\$ 47,169,860	\$ 4,546,700
Cash paid for salaries and benefits	(6,366,012)	(4,629,847)	(3,374,531)	(14,370,390)	(307,977)
Cash paid for supplies and materials	(1,299,860)	(24,191,607)	(354,364)	(25,845,831)	-
Cash paid for general administration	(2,859,800)	(2,667,600)	(2,133,300)	(7,660,700)	(668,800)
Cash paid for services	(2,265,713)	(1,459,909)	(357,240)	(4,082,862)	(193,410)
Cash paid for insurance premiums and claims	-	-	-	-	(3,451,863)
Net cash provided (used) by operating activities	<u>2,506,962</u>	<u>(1,701,415)</u>	<u>(5,595,470)</u>	<u>(4,789,923)</u>	<u>(75,350)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>					
Cash transfers from (to) other funds	(249,350)	(202,150)	-	(451,500)	47,150
Cash received from grants and other governments	-	7,256	4,301,661	4,308,917	-
Cash received from interfund borrowing	-	-	944,895	944,895	-
Net cash provided (used) by noncapital financing activities	<u>(249,350)</u>	<u>(194,894)</u>	<u>5,246,556</u>	<u>4,802,312</u>	<u>47,150</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>					
Sewer connection fees and water capital improvement charges	856,732	432,387	-	1,289,119	-
Contribution received from other governments	-	-	3,965,163	3,965,163	-
Acquisition of capital assets	(433,085)	(1,155,840)	(2,203,407)	(3,792,332)	-
Net cash provided (used) by capital and related financing activities	<u>423,647</u>	<u>(723,453)</u>	<u>1,761,756</u>	<u>1,461,950</u>	<u>-</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>					
Interest on investments	204,002	600,016	10,128	814,146	103,426
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,885,261	(2,019,746)	1,422,970	2,288,485	75,226
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	23,715,343	14,694,391	1,411,379	39,821,113	16,946,589
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 26,600,604</u>	<u>\$ 12,674,645</u>	<u>\$ 2,834,349</u>	<u>\$ 42,109,598</u>	<u>\$ 17,021,815</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>					
Operating income (loss)	\$ 1,153,875	\$ (3,416,581)	\$ (6,759,937)	\$ (9,022,643)	\$ 775,677
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,550,622	1,397,521	1,022,347	4,970,490	-
(Increase) decrease in prepaid expenses	170,270	127,807	88,213	386,290	26,558
(Increase) decrease in accounts receivable	(755,950)	344,415	(21,438)	(432,973)	-
(Increase) decrease in inventory	(115,716)	(70,173)	76,757	(109,132)	-
Increase (decrease) in accounts payable	35,640	225,958	64,530	326,128	113,570
Increase (decrease) in accrued payroll	12,221	34,212	12,943	59,376	1,657
Increase (decrease) in compensated absences	(25,949)	7,349	(5,666)	(24,266)	(5,573)
Increase (decrease) in water service prepayments	-	(5,573)	-	(5,573)	-
Increase (decrease) in claims and legal services payable	-	-	-	-	(967,934)
Increase (decrease) in net pension liability	(525,099)	(377,255)	(287,876)	(1,190,230)	-
Adjustment for revenues and expenses classified as nonoperating	7,048	30,905	214,657	252,610	(19,305)
Total adjustments	<u>1,353,087</u>	<u>1,715,166</u>	<u>1,164,467</u>	<u>4,232,720</u>	<u>(851,027)</u>
Net cash provided (used) by operating activities	<u>\$ 2,506,962</u>	<u>\$ (1,701,415)</u>	<u>\$ (5,595,470)</u>	<u>\$ (4,789,923)</u>	<u>\$ (75,350)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital additions	\$ (747,098)	\$ (1,745,549)	\$ -	\$ (2,492,647)	\$ -
Capital contributions	747,098	1,745,549	-	2,492,647	-
Services to be provided from settlement agreement	134,035	-	-	-	-

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

**CITY OF SIMI VALLEY  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016**

	<b>Private- Purpose Trust</b>	<b>Agency Funds</b>
<b><u>ASSETS</u></b>		
Cash and investments:		
Held by City	\$ 3,410,393	\$ 5,250,022
Held by bond trustee	2,101,788	987,342
Accounts receivable	-	1,490
Interest receivable	3,834	-
Capital assets not being depreciated	1,124,174	-
	6,640,189	-
<b>TOTAL ASSETS</b>	<b>6,640,189</b>	<b>\$ 6,238,854</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred loss on refunding	217,633	-
	217,633	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>217,633</b>	<b>-</b>
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued liabilities	1,150	36,916
Accrued interest payable	360,818	-
Deposits	-	4,054,003
Loans payable - City (note III B)	7,416,447	-
Due to bondholders	-	2,147,935
Long-term debt:		
Due within one year	1,010,000	-
Due in more than one year	20,973,742	-
	29,762,157	-
<b>TOTAL LIABILITIES</b>	<b>29,762,157</b>	<b>\$ 6,238,854</b>
<b><u>NET POSITION</u></b>		
Held in trust for other purposes	<b>\$ (22,904,335)</b>	

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



**CITY OF SIMI VALLEY  
STATEMENT OF CHANGES IN NET POSITION  
PRIVATE PURPOSE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Private- Purpose Trust</b>
<hr/>	
<b><u>ADDITIONS</u></b>	
Property taxes	\$ 2,874,073
Investment earnings	15,328
Contributions from other governments	<u>313,992</u>
 TOTAL ADDITIONS	 <u>3,203,393</u>
 <b><u>DEDUCTIONS</u></b>	
Administrative expenses	9,060
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	1,107,437
Contributions to other governments	<u>250,000</u>
 TOTAL DEDUCTIONS	 <u>1,366,497</u>
 CHANGE IN NET POSITION	 1,836,896
 NET POSITION - BEGINNING	 (25,371,469)
PRIOR PERIOD ADJUSTMENT (Note V)	630,238
NET POSITION - BEGINNING, as restated	<u>(24,741,231)</u>
 NET POSITION - ENDING	 <u>\$ (22,904,335)</u>

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

# Notes to the Basic Financial Statements

CITY OF SIMI VALLEY ● LISTING OF NOTES TO THE BASIC FINANCIAL  
STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

**I. Summary of significant accounting policies**

**A. Reporting entity**

The City of Simi Valley is a municipal corporation governed by an elected mayor and four-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The following blended component units are included in the City's financial statements:

- Ventura County Waterworks District No. 8 provides water services to the residents of the City of Simi Valley. The activity of the District is reported as an enterprise fund.
- Simi Valley Industrial Development Authority assists businesses in financing their capital projects. Through the Authority, businesses can access tax-exempt municipal bonds to finance capital projects such as land acquisition, construction, purchase of equipment, or rehabilitation of manufacturing facilities.
- Simi Valley Public Financing Authority provides a financing mechanism for various public projects. The activity of the Authority is reported in the debt service funds. Debt associated with this entity was fully retired during fiscal year 2014-15.
- Simi Valley Public Facilities Financing Authority, formation of which was approved by the City Council on June 23, 2014, provides a financing mechanism for various public projects. The activity of the Authority is reported in the debt service funds.

The four entities listed above are treated as "blended" component units based on the following criteria:

- The members of the City Council also act as the governing body of each entity.
- Each entity is managed by employees of the City in essentially the same manner as it manages its own activities.

Accordingly, separate financial statements are not prepared for the Ventura County Waterworks District No. 8, the Simi Valley Industrial Development Authority, the Simi Valley Public Financing Authority, or the Simi Valley Public Facilities Financing Authority.

**B. Financial statements**

The basic financial statements of the City are comprised of:

- Government-wide financial statements,
- Fund financial statements,
- Budget-to-actual comparisons for the General fund and major special revenue funds,
- Notes to the basic financial statements, and
- Required supplementary information.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

In addition, supplementary information is provided for:

Non-major governmental funds,  
Budget-to-actual comparisons for non-major special revenue funds,  
Internal service funds, and  
Fiduciary funds, which includes private-purpose trust funds.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net position, statement of activities, and a management's discussion and analysis section provides an analysis of the City's overall financial position and changes in financial position.

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fund financial statements for the City's governmental, enterprise, and internal service funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate.

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

**C. Measurement focus, basis of accounting, and financial statement presentation**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, with the exception of agency funds, which use the accrual basis of accounting but cannot be said to have a measurement focus. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the government are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the current financial resources measurement focus, only current assets and current

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) are considered a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except reimbursement grant revenues and interest, which are considered available, if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, service charges, rents, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The underlying accounting system of the City is based on funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The City reports the following major governmental and enterprise funds:

**General fund:**

The *General* fund is the City’s primary operating fund. It accounts for all financial resources of the government except those required to be accounted for in another fund.

**Special revenue funds:**

*Successor Housing Agency to Community Development Agency Housing Administration* fund accounts for housing set-aside funds used to reimburse the costs associated with the administration and coordination of affordable housing programs, processing of affordable housing agreements, amendment or update of the Housing element of the general plan, as well as any general plan amendments for affordable housing projects.

*Development Related Fees* fund accounts for fees paid by developers for infrastructure construction and improvements, traffic and air quality impact mitigation, and program participation in low- and moderate-income housing programs. This fund also accounts for performance and other deposits held by the City.

See independent auditors’ report.



CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

**Capital projects funds:**

*Streets and Roads* fund accounts for all street-related improvements. Grants, transfers of funds from special revenue funds, accumulated via service charges, or transfers from the General fund primarily fund these improvements.

*Public Facility Improvements fund* provides for the building needs of various City facilities, including the expansion of City Hall and the Senior Citizens' Center.

**Enterprise funds:**

*Simi Valley Sanitation* fund accounts for providing wastewater collection and treatment services in all the incorporated areas within the City of Simi Valley, as well as adjacent unincorporated areas.

*Ventura County Waterworks District No. 8* fund accounts for the activities of the District, a blended component unit of the government. The District provides water services to 60% of Simi Valley residents and businesses.

*Simi Valley Transit System* fund accounts for the activities of the City's transit system.

Additionally, the City reports the following fund types:

**Debt service funds:**

The City utilizes debt service funds to account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

**Internal service funds:**

The City utilizes four internal service funds to account for management services provided to other departments of the City, on a cost reimbursement basis.

*Liability Insurance* fund provides for losses arising from general liability, property, automobile, physical damage, employee fiduciary, and unemployment claims. It is financed through contributions paid by each operating program based on factors similar to those used by insurance companies (i.e. payroll, property values, and number of employees).

*Workers' Compensation Insurance* fund accounts for the workers' compensation program. It is financed through contributions paid by each operating program based on factors similar to those used by the State Compensation Insurance Fund in calculating premium amounts; i.e., percentage rates by class of employee applied against related payroll costs.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

*GIS Permits Operations* fund accounts for operational costs associated with the City's geographical information and permitting computer systems. It is financed through contributions paid by each operating program based on allocated use of the systems.

*FIS Operations* fund accounts for operational costs associated with the City's financial information computer systems. It is financed through contributions paid by each operating program based on allocated use of the systems.

**Fiduciary funds:**

The City accounts for assets held by the City in a trustee capacity or as an agent for individuals or private organizations in agency funds.

*City Agency Fund* accounts for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, or other governments. Such trust funds are used to report resources held and administered by the City. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*Assessment District* funds account for special assessments collected on the property tax roll by the City on behalf of the property owners.

*The Private Purpose Trust* fund accounts for the assets and liabilities of the former Community Development Agency and its allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

**D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance**

*1. Deposits and investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes and the City Investment Policy, authorize the government to invest in obligations of the U.S. Treasury, the State and local agencies, Federal Government-Sponsored Agency Securities, the State Treasurer's Investment Pool, and other public agency investment pools meeting specific criteria.

Investments are reported at fair value. The State Treasurer's Investment Pool and the California Asset Management Pool (CAMP) operate in accordance with applicable state laws and regulations. The reported value of the pool funds is the same as the fair value of the pool shares.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

*2. Receivables and payables*

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance Non-spendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Receivables are shown net of allowance for uncollectibles.

*3. Property taxes*

Property taxes in California are levied in accordance with Article 13A of the State Constitution and statutory provisions by the County Assessor for the secured and unsecured tax rolls, and State Board of Equalization for the utility property tax rolls. The tax levy to support general operations is limited to one percent of full value at time of purchase with subsequent annual increases up to two percent. Increase to full value is allowed for property improvements or upon change in ownership. Amounts required to finance voter-approved debt are excluded from this limitation and are calculated and levied each fiscal year. Property taxes are levied on both real and personal property. Secured property taxes are levied July 1, payable in two equal installments: the first is due November 1 and delinquent with penalties after December 10; the second is due on February 1 and delinquent with penalties after April 10. Unsecured property taxes become delinquent with penalties after August 31. Secured property taxes become a lien on the property on January 1.

The County of Ventura bills and collects the property taxes and remits them to the City throughout the year. Property tax revenue is recognized in the fiscal year for which taxes have been levied, provided the revenue is collected in the current period, or within 60 days thereafter.

*4. Inventories and prepaid items*

In governmental funds, the purchase method is used to account for inventories. Under this method, inventories are recorded as expenditures when purchased rather than capitalized as an asset. If inventory amounts are significant at year-end they are reported as an asset. Inventory amounts in the governmental funds were not significant in fiscal year 2015-16.

In proprietary funds, inventories are valued at cost. They are accounted for using the consumption method, on a first-in / first-out basis.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

5. *Restricted assets*

Customer deposits and connection fees are classified as restricted assets on the statement of net position, business-type activities. Customer deposits offset the liability for water service prepayments, and the cash received for water and sewer connection fees is restricted for infrastructure or plant improvements.

6. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (the infrastructure limit is \$25,000, the intangible limit is \$100,000) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Donated infrastructure assets are recorded at estimated historical cost provided by the developer.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	25
Vehicles	4-7
Furnishings, machinery and equipment	3-15
Water/Sewer lines	30-100
Intangibles	5-15
Infrastructure	25-50

7. *Compensated absences*

Vacation and sick leave benefits are consolidated into a leave benefit program. It is the City's policy to permit employees to accumulate earned but unused leave. Accumulations are capped at different levels, depending upon the employee group. All such leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

*8. Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

*9. Deferred inflows/outflows of resources*

In addition to assets, the statements of net position and governmental funds balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statements of net position and governmental funds balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, housing loans and forfeited assets. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Changes in the net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources related to pensions on the statements of net position.

*10. Fund equity*

Fund balance amounts are reported within one of the fund balance categories listed below.

- *Non-spendable* fund balance represents funds that are not immediately available to support government operations. The City's non-spendable fund balance

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represents long-term receivables that will not be converted to cash in the near future.

- *Restricted* fund balance has constraints imposed by external parties such as creditors, grantors, or contributors; legislation or regulations of other governments; or imposed by constitutional provisions.
- *Committed* fund balance represents funds that can only be designated for specific purposes by formal City Council action. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal ordinance action taken to establish the commitment.
- *Assigned* fund balance is similar to committed fund balance except that the City Council can authorize the City Manager, through resolution, to designate the funds for specific purposes. An example is budgeted line-item expenditures to which the City Manager has the authority to make administrative amendments, provided they do not have a significant policy impact or affect budgeted year-end fund balances.
- *Unassigned* fund balance is the portion of fund balance that does not fall into any of the other fund balance categories. These funds are available for any legitimate government purpose. The General fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the General fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned and then unassigned.

#### *11. Net position flow assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### *12. Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from the estimates.

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**II. Stewardship, compliance, and accountability**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General fund, enterprise funds, and all special revenue funds. Project-length budgets are adopted for the capital project funds. Debt service funds are not budgeted. Appropriations lapse at year end for all funds, with the exception of Capital Projects Funds, which have project length budgets.

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations that do not have a significant policy impact or affect budgeted year-end fund balances. The City Council may amend the budget at any time during the year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level for all funds except the General fund for which the legal level of budgetary control is the department level. Departments within the General fund include divisions as listed in the following table. A detailed City organizational chart is included in the introductory section of this document.

General Fund Program Areas by Department						
City administration	Attorney	Administrative services	Community services	Planning (ES)	Public ways and facilities (PW)	Public safety (PD)
City Manager	City Attorney	Budget	Animal Regulation	Advanced/Current Planning	Engineering	Communications
City Clerk		Customer Services	Code Enforcement	Building and Safety	Environmental Compliance	Crime Analysis
Human Resources		Fiscal Services	Community Information	CDBG Program	Maintenance Services	Detectives
		Information Services	Crossing Guards	Housing Programs	Parkway & Tree Maintenance	Dispatch
		Support Services	Cultural Arts Center	Managed Growth Program	Street Maintenance	Emergency Services
			Neighborhood Councils	Planning Commission	Traffic Engineering	Fiscal Services
			Senior Services		Vehicle & Equip. Maintenance	Maintenance
			Task Force on Homelessness			Patrol
			Youth Services			Records
						Special Operations
						Traffic

**B. Excess of expenditures over appropriations**

For fiscal year ended June 30, 2016, expenditures exceeded appropriations in the Development Related Fees (DRF) special revenue fund by \$82,442. In previous years, routine and preventive traffic signal maintenance was paid by the General Fund with an offsetting transfer in from DRF. After the budget was set during fiscal year 2015-16, it was deemed more appropriate to pay these expenditures directly from DRF. Expenditures exceeded appropriations in the Transportation (non-major) special revenue fund by \$17,407. The over-expenditure was the result of an obligation payable to the Rancho Simi Recreation and Park District for class 1 trail maintenance fees for the fiscal year. An annual budget for this recurring obligation is generally not established. Expenditures exceeded appropriations in the Community Development Block Grant (non-major) special revenue fund by \$145,719. This is related to additional expenditures for street projects for which grant funding received was \$217,391 in excess of the original budgeted revenue amount.

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**C. Deficit fund equity**

As of June 30, 2016, the Liability Insurance internal service fund reflects negative net position of \$2,350,720. Sufficient cash balances are currently available to cover actuarially determined claims and legal fee liabilities totaling \$5,280,062. However, funding is not available to fully cover an advance from the General Fund of \$2,344,000 which was incurred many years ago.

As of June 30, 2016, the Workers Compensation internal service fund reflects negative net position of \$651,492. Sufficient cash balances are currently available to cover actuarially determined claims and legal fee liabilities totaling \$8,734,669. However, funding is not available to fully cover an advance from the General Fund of \$2,344,000 which was incurred many years ago.

The Private Purpose Trust fund, a component of the City's Fiduciary funds, has a negative net position of \$22,904,335 as of June 30, 2016. During the current fiscal year, additions exceeded deductions by \$1,836,896. In addition, a prior period adjustment of \$630,238 was recognized during fiscal year 2015-16. Both of these items reduced the negative net position from the previous fiscal year. See Note V F.

**III. Detailed notes on all funds**

**A. Cash and investments**

The cash balances of all funds held by the City are pooled and invested for the purpose of increasing interest earnings through investment activities. The interest earned on these investments is allocated to participating funds based on their average daily cash balances.

**Cash and investments at June 30, 2016 are classified as follows:**

Statement of net position:	
Cash and investments	\$ 126,048,800
Fiduciary funds:	
Cash and investments	8,660,415
Cash and investments held by bond trustee	3,089,130
Total cash and investments	<u>\$ 137,798,345</u>

**Cash and investments at June 30, 2016 consisted of the following:**

Cash on hand	\$ 6,499
Deposits with financial institutions	8,011,803
Outstanding checks	(226,714)
Investments	130,006,757
Total cash and investments	<u>\$ 137,798,345</u>

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The following table identifies the **investment types** that are authorized by the California Government Code (or the City’s investment policy or debt agreements, whichever is more restrictive) subject to the prohibitions and limitations set forth in Sections 8.1 and 8.2 of the City’s Statement of Investment Policy. The table also identifies certain provisions of the California Government Code (or the City’s investment policy or debt agreements, whichever is more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**. Debt proceeds held by bond trustees are invested in accordance with the provisions of debt agreements of the City.

<b>Investment Type</b>	<b>State Code Limits</b>		<b>City Portfolio Limits</b>	
	<b>Max.</b>	<b>Authorized</b>	<b>Max.</b>	<b>Authorize</b>
Local Agency Bonds	5 Years	100%	5 Years	100%
U.S. Treasury Bills, Notes, and Bonds	5 Years	100%	5 Years	100%
CA State Registered Warrants	5 Years	100%	5 Years	100%
Notes and Bonds of other States	5 Years	100%	5 Years	100%
Federal Agency Bonds	5 Years	100%	5 Years	100%
Bankers’ Acceptances	180 Days	40%	180 Days	40%
Commercial Paper	270 Days	25%	*	*
Negotiable CD’s	5 Years	30%	5 Years	30%
Private Deposit Placements	5 Years	30%	5 Years	30%
Repurchase Agreements	1 Year	100%	*	*
Reverse Repurchase Agreements	92 Days	20%	*	*
Medium Term Notes	5 Years	30%	*	*
Money Market Mutual Funds	N/A	20%	N/A	20%
Collateralized Bank Deposits	5 Years	100%	5 Years	25%
Mortgage Pass-through Securities	5 Years	20%	*	*
LAIF	N/A	\$50 Million	N/A	\$50 Million
County Pooled Investment Funds	N/A	100%	N/A	\$50 Million

\* Prohibited by City Investment Policy (with limited authorization for repurchase or reverse repurchase agreements)

### Interest Rate Risk

To minimize the impact on portfolio fair value caused by changes in market interest rates, the City holds investments to maturity, matches investment maturities with specific cash flow requirements, invests in a combination of short, medium, and long term investments (laddered maturities), and invests in securities maturing in 5 years or less from the settlement date.

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

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<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity in Years</u>		
		<u>1 Year Or Less</u>	<u>1-2 Years</u>	<u>2-5 Years</u>
U.S. Agencies	\$ 47,144,510	\$ 5,001,440	\$ 36,063,950	\$ 6,079,120
U.S. Treasuries	21,038,510	10,018,390	11,020,120	-
Money market mutual funds	4,815,143	4,815,143	-	-
LAIF	53,919,463	53,919,463	-	-
<u>Held by bond trustees:</u>				
Money market mutual funds	3,089,130	3,089,130	-	-
<b>Total</b>	<b>\$ 130,006,756</b>	<b>\$ 76,843,566</b>	<b>\$ 47,084,070</b>	<b>\$ 6,079,120</b>

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Ratings as of Year End</u>					
			<u>S &amp; P AA+</u>	<u>S &amp; P AAAm</u>	<u>S &amp; P Not Rated</u>	<u>Moody's Aaa</u>	<u>Moody's Aaa-mf</u>	<u>Moody's Not Rated</u>
U.S. Agencies	\$ 47,144,510	N/A	\$ 44,144,450	\$ -	\$ 3,000,060	\$ 47,144,510	\$ -	\$ -
U.S. Treasuries	21,038,510	N/A	-	-	21,038,510	\$ 21,038,510	-	-
Money market mutual funds	4,815,143	N/A	-	4,815,143	-	-	-	4,815,143
LAIF	53,919,463	N/A	-	-	53,919,463	-	-	53,919,463
<u>Held by bond trustees:</u>								
Money market mutual funds	3,089,130	N/A	-	3,089,130	-	-	3,089,130	-
<b>Total</b>	<b>\$130,006,756</b>		<b>\$44,144,450</b>	<b>\$ 7,904,273</b>	<b>\$77,958,033</b>	<b>\$68,183,020</b>	<b>\$ 3,089,130</b>	<b>\$58,734,606</b>

### Concentration of Credit Risk

In addition to the limitations stipulated in the *Authorized Investments* table, the City's investment policy lists the following limitations:

- No more than 15% of the City's portfolio (exclusive of investments in U.S. Treasury Obligations, government agency issues, LAIF, and other investment pools in compliance with California Government code) shall be placed with any one financial institution.
- No more than 25% of the City's portfolio shall be invested in Collateralized Bank Deposits issued by savings and loan institutions.
- Certificates of Deposit (Negotiable) and Collateralized Bank Deposits placed by the City shall not constitute more than 15% of the total assets of the institution.
- Negotiable Certificates of Deposit placed by the City shall not exceed 5% of the City's portfolio, and no more than \$1 million shall be placed with any one (1) financial institution. Additionally, Negotiable Certificates of Deposit shall only be placed with institutions having total assets in excess of \$200 million and that

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- maintain a ratio of equity to total assets of at least 5%.
- Investments in LAIF, pursuant to California Government Code Section 16429.1, which has a maximum of \$50 million per agency/account.
- Bond proceeds held by Trustees and Fiscal Agents may be invested in LAIF, other investment pools, and other investment instruments in compliance with California Government Code and the bond indenture documents for each bond issue. For bond proceeds invested in LAIF, the City follows California's provisions stating bond proceeds are one-time deposits, have no maximum deposit amount, and are maintained on thirty day increments.
- To the extent bond documents require an alternate investment program than this investment policy, Trustees and Fiscal Agents shall follow the alternate investment instructions.

**Custodial Credit Risk**

All demand deposits and certificates of deposit held by the City are entirely insured or collateralized. The California Government Code Section 53652 requires California banks and savings and loan associations to secure a local government agency's deposits by pledging government securities with a market value equal to 110% of the deposits or pledging first trust deed mortgage notes with a market value equal to 150% of the total deposits.

Pursuant to California Government Code Section 53653, the City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

To protect investments against custodial credit risk caused by the collapse of individual securities dealers, all securities owned by the City are held by the City's custodial bank, a third party bank trust department, acting as agent for the City under the terms of a custody agreement.

Investments in any one issuer (other than U.S. Treasury Obligations, money market mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal National Mortgage Association	U.S. Agencies	\$11,019,780
Federal Farm Credit Bank	U.S. Agencies	13,000,490
Federal Home Loan Bank	U.S. Agencies	13,082,700
Federal Home Loan Mortgage Corporation	U.S. Agencies	10,041,540

As of June 30, 2016, the City had no investments which were not held in the City's name.

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**Investment in State Investment Pool**

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Code Section 16429.1-16429.4 under the oversight of the Treasurer of the State of California. In addition to the primary City account, LAIF accounts are also maintained for the following blended component units of the City: Waterworks District No. 8, Successor Agency to the Community Development Agency, and Industrial Development Authority. The City's investment in LAIF is highly liquid, as deposits can be converted to cash within twenty-four hours. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement 72. This statement recognizes a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted for identical assets or liabilities in an active market;
- Level 2: Investments reflect prices based on inputs other than quoted prices included within Level 1, that are observable for an asset or liability either directly or indirectly; and,
- Level 3: Investments reflect prices based on unobservable inputs for an asset or liability.

The City has the following fair value measurements as of June 30, 2016:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Hierarchy Category</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Agencies	\$ 47,144,510	\$ -	\$ 47,144,510	\$ -
U.S. Treasuries	21,038,510	-	21,038,510	-
<u>Held by bond trustees:</u>				
Money market mutual funds	3,089,130	-	3,089,130	-
Total investments measured at fair value:	71,272,150	\$ -	\$ 71,272,150	\$ -
Investments measured at amortized cost:				
Money market mutual funds	4,815,143			
LAIF	53,919,463			
Total investments:	<u>\$ 130,006,756</u>			

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**B. Loans receivable**

The City utilizes multiple sources for funding projects designed to improve, produce and preserve low- and moderate-income housing units. These include the City Local Housing fund, the CalHome fund, the HOME fund and the Successor Housing Agency to Community Development Agency Housing Administration fund. One of the primary means of providing affordable housing is through negotiation with developers to incorporate affordable units within new residential developments. In addition, the City maintains an active home rehabilitation program, offering 2% interest, deferred payment loans to very-low, and low-income homeowners to preserve the City's housing stock.

Affordable Housing Program

- Casa de Paz Apartments  
In July 2001, the Agency entered into an affordable housing agreement with Casa de Paz Housing, Inc. to provide financial assistance for the acquisition and rehabilitation of a 14-unit apartment complex, restricting occupancy to very low-income persons with disabilities. The City and Agency approved an amended affordable agreement on November 20, 2001, to incorporate additional provisions required by HUD. The loan is due 50 years from the certificate of occupancy dated October 25, 2002.
- ARC Ventura Co.  
In April 2002, the Agency entered into an affordable housing agreement with ARC, Ventura County, Inc., to provide financial assistance for the acquisition of four condominium units for occupancy by very low-income, developmentally disabled persons. The loan is due and payable 55 years from the affordable housing agreement dated August 16, 2002, or within 60 days after HUD provides notice to the developer that it will no longer provide project-based rental assistance.
- Paseo Simi Senior Apartments (Vintage Paseo Apartments)  
In December 2002, the Agency entered into an affordable housing agreement with Paseo Simi Senior Apartments, L.P. to provide financial assistance for the construction and operation of a 176-unit multifamily senior apartment complex located at the southeast corner of Tapo Canyon Road and Avenida Simi. The agreement restricts the rental of 86 units to very low- and low-income senior households. Interest accrues up to the end of the 7<sup>th</sup> year following the commencement of bond amortization. Repayment of the note is to be made from residual receipts and begins in the 8<sup>th</sup> year following commencement of bond amortization; the note becomes due and payable 55 years from the last certificate of occupancy dated December 16, 2004.
- Alamo & Fairbanks Associates (Plaza del Sol Apartments)  
In September 2003, the Agency entered into an amended affordable housing agreement with Alamo & Fairbanks Associates, to assist with the financing for

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constructing and operating a 70-unit multi-family apartment project, Plaza del Sol Apartments. The agreement restricts the rental of 34 units to very low- and low-income households. The note is to be repaid from residual receipts and is due and payable 55 years from the last certificate of occupancy dated August 11, 2005.

- Many Mansions (La Rahada Apartments)  
In June 2008, the Agency entered into an affordable housing agreement with Many Mansions to provide financial assistance for the acquisition and rehabilitation of an 8-unit apartment complex, La Rahada Apartments, for occupancy by extremely low-income, mentally disabled, and homeless individuals. The note is due and payable 55 years from issuance of the promissory note dated June 17, 2008.
  
- Many Mansions (Peppertree Apartments)  
In June 2011, the Agency entered into an affordable housing agreement with Many Mansions to provide financial assistance in the form of both a bridge and permanent loan for the acquisition and rehabilitation of a 12-unit apartment complex, Peppertree Apartments, for occupancy by extremely low-income, mentally disabled, and homeless individuals. The bridge loan, with terms of due and payable 18 months from issuance, was paid off in January, 2015. The permanent loan is due and payable 55 years from issuance of the promissory note dated October 14, 2013.
  
- Camino Esperanza Senior Apartment Complex  
In December, 2015, the Agency entered into an affordable housing agreement with Cabrillo Economic Development Corporation to provide a \$500,000 loan to develop a 31-unit senior housing complex. The note is due and payable 55 years from issuance of the promissory note dated December 8, 2015.

#### Home Rehabilitation Program

- This Program was established in 1981. The Program offers low interest deferred loans to very low- and low-income homeowners. Qualified owners of detached single-family residences are eligible for a deferred 2% loan that accrues interest for a maximum of 15 years. Full repayment is required when the property is sold, refinanced, leased, or changes title. The maximum loan amount is \$50,000.

In response to the dissolution of state redevelopment program funding (a result of California Assembly Bill 1X 26) the City Council authorized suspension of two affordable housing programs - the First Time Home Buyer Program and the Mobile Home Rehab Program. Over its many years of operation, the FTHB program generated several different loan types, the most recent of which would provide \$50,000 per bedroom up to \$200,000. On June 6, 2016, the City Council approved reinstatement of the FTHB assistance program utilizing remaining grant funds from the 2011 CalHome award. The

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City maintains 262 loans generated by this program, many of which are due and payable at the end of a 55-year term of affordability.

The Mobile Home Rehabilitation Program provided \$10,000 rehabilitation loans to low-income mobile home owners. These loans were generated from 2008 to 2011 and are forgiven 20% for each year that the owner remained in the home. Of these, one remaining loan with a balance of \$9,450 will be forgiven by June of 2017.

Other loans receivable of the City are comprised of:

- Simi Valley Cultural Arts Center Foundation  
During Fiscal Years 1995 – 1996 the City entered into a loan agreement with the Simi Valley Cultural Arts Center Foundation to fund start-up costs of the Center. One dollar of this loan is retired for every three dollars deposited in the Simi Valley Cultural Arts Center Foundation endowment fund, or provided for operations in excess of the annual support campaign.
- El Rancho Simi Cemetery District (formerly Simi Valley Public Cemetery District)  
During Fiscal Years 1991 – 1993 the City funded capital improvements at the Cemetery for \$256,797. This amount was a loan from the City to the Cemetery at an interest rate of 6.08 percent to be repaid in 10 years. The Cemetery fell into financial hardship and was unable to repay this loan. In fiscal year 1996, the repayment terms of the loan were revised, and the Cemetery's property tax pass-thru funds were to be applied to retire the loan until there was a change in the Cemetery's ability to repay the loan. Effective, July 1, 2011, the County's pass-thru program was eliminated as part of redevelopment dissolution. The Cemetery's property tax share is now paid directly to the district, thereby removing the City's ongoing ability to directly collect upon the debt. The receivable balance reflects only outstanding principal. Because of the District's ongoing poor financial health, accrued interest has been considered uncollectible and therefore is not included in the receivable balance. In November, 2015, Cemetery staff submitted an informal request for consideration of complete loan forgiveness by the City; no action has been taken. However, in March, 2016, the Cemetery District remitted a \$23,873 payment toward the loan balance.

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Loans receivable balances at June 30, 2016 were as follows:

	<u>Interest Rate</u>	<u>Term (Yrs)</u>	<u>Year Due</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
<b>Affordable Housing Program:</b>						
Casa de Paz Apartments	0.0%	50	2052	\$ 122,551	\$ -	\$ 122,551
ARC Ventura Co.	0.0%	55	2057	175,000	-	175,000
Vintage Paseo Apartments	3.0%	55	2059	1,672,500	202,548	1,875,048
Plaza del Sol Apartments	3.0%	55	2060	1,900,000	503,818	2,403,818
La Rahada Apartments	3.0%	55	2063	250,000	60,292	310,292
Peppertree Apartments	3.0%	55	2068	575,000	46,551	621,551
Camino Esperanza	3.0%	55	2071	200,000	-	200,000
Total Affordable Housing Program				4,895,051	813,209	5,708,260
<b>First Time Homebuyer Program:</b>						
				<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
FTHB - CDA				10,428,499	-	10,428,499
FTHB - LHF				2,539,200	-	2,539,200
FTHB - HOME				1,066,944	-	1,066,944
FTHB - CDBG				20,800	-	20,800
<b>First Time Homebuyer Program</b>	Equity Share			14,055,443	-	14,055,443
<b>Home Rehabilitation Program:</b>						
				<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
Home Rehab - CDA				370,607	54,748	425,355
Home Rehab - LHF				139,166	8,805	147,971
Home Rehab - CalHome				1,086,806	42,471	1,129,276
Home Rehab - HOME				209,744	61,661	271,404
Home Rehab - CDBG				268,542	50,429	318,971
Home Rehab Earthquake - HOME				188,806	44,642	233,447
Home Rehab Earthquake - CDBG				78,980	23,694	102,674
<b>Home Rehabilitation Program</b>	0.0 - 3.0%			2,342,650	286,450	2,629,099
Housing loans receivable				21,293,144	1,099,659	22,392,803
Other City loans receivable:						
Cultural Arts Center Foundation	0.0%			161,651	-	161,651
Cemetery District	0.0%			154,623	-	154,623
City loans receivable				316,275	-	316,275
<b>Total loans receivable</b>	1,276,688			<b>\$ 21,609,419</b>	<b>\$ 1,099,659</b>	<b>\$ 22,709,077</b>

Loan receivable – Successor Agency:

As of June 30, 2016, advances made to the former CDA from the City totaled \$7,416,447. On September 23, 2013, the Simi Valley Oversight Board adopted Resolution OB 2013 – 12 confirming the November 10, 2010 Loan between the City and the CDA was for legitimate redevelopment purposes. In correspondence dated November 5, 2013, the California Department of Finance approved the Simi Valley Oversight Board's adoption of Resolution OB 2013 – 12. Therefore, the Simi Valley Successor Agency may now include the repayment of the loan on future Recognized Obligations Payment Schedules (ROPS). The repayment is subject to the formula outlined in California Health and Safety Code Section 34191.4(b)(2).

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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The composition of loans between the City and the Successor Agency for the year ended June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balance June 30, 2015</u>	<u>Prior Period Adjustment *</u>	<u>Debt Incurred</u>	<u>Debt Retired</u>	<u>Balance June 30, 2016</u>
General Fund	Successor Agency - Merged Tapo Canyon and West End tax increment	\$ 8,610,041	\$ (630,238)	\$ -	\$ (563,356)	\$ 7,416,447

**C. Accounts receivable**

Accounts receivable as of year-end are reported net of allowance for uncollectibles as follows:

	<u>Accounts receivable</u>	<u>Allowance for uncollectibles</u>	<u>Total accounts receivable, net</u>	
<b>General Fund</b>	\$ 1,571,100	(820,122)	\$ 750,978	
<b>Successor Agency to CDA Housing Admin</b>	16,158	-	16,158	
<b>Streets and Roads</b>	169,365	-	169,365	
<b>Public Facility Improvements</b>	1,720	-	1,720	
<b>Nonmajor Governmental Funds</b>	55,269	-	55,269	
subtotal	<u>1,813,612</u>	<u>(820,122)</u>	<u>993,490</u>	Governmental Funds
<b>Internal Service Funds</b>	1,094	-	1,094	
Total	<u>\$ 1,814,706</u>	<u>\$ (820,122)</u>	<u>\$ 994,584</u>	Governmental Activities

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**D. Capital assets**

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 10,613,683	\$ -	\$ -	\$ 10,613,683
Construction-in-progress	5,912,211	3,272,227	(7,094,090)	2,090,348
Total capital assets, not being depreciated	<u>16,525,894</u>	<u>3,272,227</u>	<u>(7,094,090)</u>	<u>12,704,031</u>
Capital assets, being depreciated:				
Buildings and improvements	41,702,812	4,266,686	-	45,969,498
Furnishings and equipment	7,966,063	232,221	(54,931)	8,143,353
Computers	5,639,546	14,851	(657,914)	4,996,483
Vehicles	5,959,922	510,550	(198,552)	6,271,920
Infrastructure	310,329,011	15,660,952	-	325,989,963
Intangibles	9,747,758	222,431	-	9,970,189
Total capital assets being depreciated	<u>381,345,112</u>	<u>20,907,691</u>	<u>(911,397)</u>	<u>401,341,406</u>
Less accumulated depreciation for:				
Buildings and improvements	(20,029,290)	(1,145,545)	-	(21,174,835)
Furnishings and equipment	(4,690,950)	(538,178)	54,931	(5,174,197)
Computers	(4,673,423)	(253,422)	576,358	(4,350,487)
Vehicles	(4,103,165)	(442,329)	150,815	(4,394,679)
Infrastructure	(131,963,157)	(10,035,387)	-	(141,998,544)
Intangibles	(4,454,626)	(664,679)	-	(5,119,305)
Total accumulated depreciation	<u>(169,914,611)</u>	<u>(13,079,540)</u>	<u>782,104</u>	<u>(182,212,047)</u>
Total capital assets, being depreciated, net	<u>211,430,501</u>	<u>7,828,151</u>	<u>(129,293)</u>	<u>219,129,359</u>
Governmental activities capital assets, net	<u>\$ 227,956,395</u>	<u>\$ 11,100,378</u>	<u>\$ (7,223,383)</u>	<u>\$ 231,833,390</u>

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,216,994	\$ -	\$ -	\$ 1,216,994
Construction-in-progress	17,808,099	2,182,745	(1,350,607)	18,640,236
Total capital assets, not being depreciated	<u>19,025,093</u>	<u>2,182,745</u>	<u>(1,350,607)</u>	<u>19,857,230</u>
Capital assets, being depreciated:				
Buildings and improvements	13,919,777	-	-	13,919,777
Furnishings and equipment	6,200,268	115,922	(36,136)	6,280,053
Vehicles	12,577,952	1,543,780	(3,096,076)	11,025,656
Distribution system	194,177,477	3,885,821	-	198,063,298
Total capital assets being depreciated	<u>226,875,474</u>	<u>5,545,523</u>	<u>(3,132,212)</u>	<u>229,288,784</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,727,272)	(330,912)	-	(7,058,184)
Furnishings and equipment	(5,073,423)	(145,017)	36,137	(5,182,303)
Vehicles	(7,334,519)	(1,133,490)	3,011,870	(5,456,139)
Distribution system	(84,995,213)	(3,361,070)	-	(88,356,283)
Total accumulated depreciation	<u>(104,130,427)</u>	<u>(4,970,489)</u>	<u>3,048,007</u>	<u>(106,052,909)</u>
Total capital assets, being depreciated, net	<u>122,745,047</u>	<u>575,034</u>	<u>(84,205)</u>	<u>123,235,875</u>
Business-type activities capital assets, net	<u>\$ 141,770,140</u>	<u>\$ 2,757,779</u>	<u>\$ (1,434,812)</u>	<u>\$ 143,093,105</u>

**Depreciation expense was charged to functions/programs of the primary government as follows:**

**Governmental activities:**

General Government	\$ 10,614,035
Community Services	261,413
Public Ways & Facilities (PW)	2,050,880
Public Safety	153,213
Total depreciation expense-governmental activities	<u>\$ 13,079,540</u>

**Business-type activities:**

Sanitation	\$ 2,550,621
Waterworks	1,397,522
Transit	1,022,347
Total depreciation expense-business-type activities	<u>\$ 4,970,489</u>

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**E. Deferred outflows of resources**

In accordance with GASB Statement 63, in addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then.

The following is a summary of deferred outflows of resources for the fiscal year ended June 30, 2016:

	<b>Balances</b>	<b>Amortization</b>	<b>Balances</b>
	<b><u>June 30, 2015</u></b>		<b><u>June 30, 2016</u></b>
<b>Governmental activities:</b>			
2014 lease revenue refunding bonds:			
Deferred loss amount	\$ (246,703)	\$ 12,852	\$ (233,851)
Deferred outflows related to pensions	(8,321,807)	(10,992,769)	(19,314,576)
<b>Total governmental activities</b>	<b><u>\$ (8,568,510)</u></b>	<b><u>\$ (10,979,917)</u></b>	<b><u>\$ (19,548,427)</u></b>
 <b>Business-type activities:</b>			
Deferred outflows related to pensions	<u>\$ (1,535,111)</u>	<u>\$ (2,499,492)</u>	<u>\$ (4,034,603)</u>

**F. Construction commitments**

The City has active construction projects as of June 30, 2016. The commitments for governmental fund projects are included in the reserved fund balances. The project commitments for enterprise funds at year end are as follows:

Project Name	Contract Amount*	Expenditures to date as of June 30, 2016	Remaining Commitments*
Street construction and improvements	\$ 702,950	\$ 112,334	\$ 590,616

\* Amount includes possible contingency

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**G. Interfund receivables, payables, and transfers**

The interfund amounts between the General fund, the Simi Valley Transit enterprise fund and non-major governmental funds are for short-term loans to cover operations. The interfund amount between the Successor to Community Development Agency Housing Administration and non-major governmental funds is also for short-term loans to cover operations.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Simi Valley Transit System	\$ 3,102,841
	Nonmajor governmental funds	545,281
Local Housing	Nonmajor governmental funds	1,266
Total		<u>\$ 3,649,388</u>
 <b>Advances from / to other funds</b>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Public Facility Improvements	\$ 3,348,380
	Internal Service funds	4,688,000
Total		<u>\$ 8,036,380</u>

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**CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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The composition of interfund transfers for the year ended June 30, 2016 is as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General	Successor Housing Agency to		
	CDA-Housing Administration	\$ 112,671	Fund housing programs
	Streets and Roads	658,296	Fund street projects
	Nonmajor		Fund Landscape zones, scheduled debt service,
	governmental funds	2,423,924	and contributions to replacement funds
	Internal service funds	18,750	Fund FIS operations
		<u>3,213,641</u>	
Development related	Streets and roads	100,000	Fund street projects
fees funds	Nonmajor		Fund Landscape zones, scheduled debt service,
	governmental funds	878,900	and contributions to replacement funds
		<u>978,900</u>	
Streets and roads	Nonmajor		
	governmental funds	48	Return excess funds
Nonmajor	General fund	3,391,155	Fund administration of public works, library
governmental funds	Simi Valley Transit System	3,707,195	and police programs
	Nonmajor		Fund transit operations
	governmental funds	313,794	Contributions to replacement funds and public
		<u>7,412,144</u>	facility improvements
Total governmental funds		<u>11,604,733</u>	
<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
Proprietary funds	General Fund	168,400	Contributions for pension costs
Proprietary funds	Nonmajor		
	governmental funds	245,600	Contributions to replacement funds
Proprietary funds	Internal service funds	37,500	Fund FIS operations
		<u>451,500</u>	
Internal service funds	Nonmajor governmental funds	9,100	Contributions to replacement funds
Total proprietary funds		<u>460,600</u>	
Total transfers		<u>\$12,065,333</u>	

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**H. Long-term debt**

The Simi Valley Public Facilities Financing Authority (SVPFFA) was created in June, 2014. It is a blended component unit of the City which has authority to issue bonded debt on behalf of the City for certain types of financing structures, such as lease revenue bonds and certificates of participation. At year-end, outstanding long-term bonded debt was comprised of the following:

- City of Simi Valley 2014A Lease Revenue Refunding Bonds (LRRB): Original issue amount \$18,795,000; interest rates at 2.00% to 3.75%, maturing October 1, 2014-2034. The LRRB are payable in annual installments ranging from \$270,000 to \$1,445,000. They were issued at a premium, which has been added to the new debt and is being amortized over the life of the bonds. These LRRB were issued to provide financing for full redemption of the 2004 Simi Valley Public Financing Authority Certificates of Participation (COP). Through the refunding of the COP, the City realized net present value savings of \$3.2 million or 14.9% of the refunded bonds. The annual lease/debt service payments will be supported by contributions from various City funds based on the benefit received. The identified funds have the long-term financial capacity to support the required payments. As of June 30, 2016, total interest and principal remaining on the bonds is \$27,290,806.

Other long-term debt of the City is comprised of:

- Claims and legal services payable of \$14,014,731, consisting of general liability and workers' compensation liability. These liabilities are estimates based on the requirements of Governmental Accounting Standards Board Statement No. 10, and include actuarially estimated claims incurred but not yet reported as of June 30, 2016.
- Compensated absences liability of \$5,805,829 at fiscal year-end. This liability consists of accumulated earned but unused leave of employees charged to the General fund, Enterprise funds and the Workers' Compensation – Internal Service fund. The liability is liquidated from the funds to which an employee is charged. The largest portion of the liability (83.5%) is attributable to the General fund.
- Southern California Edison (SCE) on-bill-financing liability of \$35,403. The City enrolled in the SCE On-Bill Financing (OBF) program to help finance the Civic Center parking lot lighting LED retrofit project. SCE finances qualifying energy efficiency projects for zero interest and no fees.
- Other Post Employment Benefits (OPEB) liability of \$9,473,903. This liability consists of the unfunded portion of the actuarially determined Annual Required Contribution (ARC) for Fiscal Years 2008-16. OPEB funds health insurance benefits for retired employees.

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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- Net pension liability of \$106,110,610. This liability consists of the actuarially determined liability attributable to the General fund, Enterprise funds and the Workers' Compensation – Internal Service fund. The liability is liquidated from the funds to which an employee is charged. The largest portion of the liability (82.7%) is attributable to the General fund. See Note IV D for additional detail regarding this debt.

**Annual debt service requirements to maturity**

<b>2014A Lease Revenue Refunding Bonds</b>			
<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30:</b>			
2017	\$ -	\$ 806,625	\$ 806,625
2018	675,000	793,125	1,468,125
2019	705,000	765,525	1,470,525
2020	735,000	738,225	1,473,225
2021	765,000	705,900	1,470,900
2022-2026	4,450,000	2,900,125	7,350,125
2027-2031	5,715,000	1,644,406	7,359,406
2032-2034	5,480,000	411,875	5,891,875
	<b>\$ 18,525,000</b>	<b>\$ 8,765,806</b>	<b>\$ 27,290,806</b>

**Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2016, was as follows:

	<b>Balances</b>	<b>Debt</b>	<b>Debt</b>	<b>Balances</b>	<b>Due Within</b>
	<b>June 30, 2015</b>	<b>Incurred</b>	<b>Retired</b>	<b>June 30, 2016</b>	<b>One Year</b>
<b>Governmental activities:</b>					
2014A lease revenue refunding bond	\$ 18,525,000	\$ -	\$ -	\$ 18,525,000	\$ -
Add (less) deferred amounts:					
Bond premium	1,889,513	-	(98,637)	1,790,876	
Total bonds payable	20,414,513	-	(98,637)	20,315,876	-
Claims and legal services	14,982,666	1,796,961	(2,764,896)	14,014,731	4,786,209
Compensated absences	4,924,997	353,731	(422,595)	4,856,133	485,613
SoCal Edison on-bill financing	-	44,658	(9,615)	35,043	9,500
Net OPEB obligation	8,937,197	1,994,333	(1,457,627)	9,473,903	-
Net pension liability	81,998,069	13,274,246	(7,400,617)	87,871,698	-
Governmental activity long-term liabilities	<b>\$ 131,257,442</b>	<b>\$ 17,463,929</b>	<b>\$ (12,153,987)</b>	<b>\$ 136,567,384</b>	<b>\$ 5,281,322</b>
<b>Business-type activities:</b>					
Compensated absences	\$ 973,962	\$ 50,946	\$ (75,212)	\$ 949,696	\$ 94,969
Net pension liability	16,714,237	2,942,654	(1,417,979)	18,238,912	-
Business-type activity long-term liabilities	<b>\$ 17,688,199</b>	<b>\$ 2,993,600</b>	<b>\$ (1,493,191)</b>	<b>\$ 19,188,608</b>	<b>\$ 94,969</b>

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For governmental activities, the pension, other postemployment benefits, and compensated absences obligations are generally liquidated by the General fund.

**I. Fund balance designations**

Fund balance is categorized as Nonspendable, Restricted, Committed, Assigned or Unassigned. The City Council adopts and amends committed fund balance amounts through an ordinance. The City Manager authorizes assigned amounts for specific purposes pursuant to the policy-making powers granted to him through a resolution. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**J. Assessment district bonds**

The City has formed several special assessment districts and subsequently issued bonds for the construction of public improvements within these districts. The City acts as an agent for the property owners in collecting assessments for the payment of principal and interest amounts due by the property owners to the assessment district bondholders, and initiating foreclosure proceedings, if appropriate. However, the City is not obligated in any manner for repayment of these special assessment bonds, and the bonds are not reported in the accompanying financial statements.

The outstanding assessment district bonds at June 30, 2016, consisted of the following:

Community Facilities District (District No. 04-1)	\$6,530,000
Madera Royal (District No. 98-1)	1,665,000

**K. Conduit debt obligations**

The City has been associated with the issuance of several housing, mortgage and commercial development debt issues. These debt obligations were issued under provisions of State and Federal laws that explicitly state that they do not constitute any indebtedness of the City. The total amount of conduit debt outstanding at June 30, 2016 was \$19,410,000. The City is not involved with these bonds in any manner; as such, the conduit debt obligations are not reflected in the accompanying financial statements. Listed below is a brief description of the bonds outstanding at year-end:

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- Subordinate Multifamily Housing Revenue Bonds, Subordinate Series 2002B were issued in the amount of \$3,000,000 to finance the Vintage Paseo Senior Apartments; the outstanding principal at June 30, 2016, is \$2,495,000.
- Multifamily Housing Revenue Bonds, Series 2002A were issued in the amount of \$12,000,000 to finance the Vintage Paseo Senior Apartments; the outstanding principal at June 30, 2016, is \$9,915,000.
- Multifamily Construction Note was issued December 24, 2015, the amount of \$7,000,000 to finance the Camino Esperanza Senior Apartments; the outstanding principal at June 30, 2016, is \$7,000,000.

**IV. Additional notes to the basic financial statements**

**A. Arbitrage rebate liability**

The City is required to rebate to the federal government the excess investment earnings on bond proceeds if the yield on those earnings exceeds the effective yield on the related bonds issued. Rebates are payable every five years or upon the maturity of the bonds, whichever is earlier. At June 30, 2016, no such amounts were due.

**B. Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Two of the City's four Internal Service Funds, General Liability and Workers' Compensation, account for and finance the agency's uninsured risks of loss.

Under this program, the City is self-insured for up to \$1 million for each general liability claim and up to \$750,000 for each workers' compensation claim. The City purchases commercial insurance for property loss, as well as for claims in excess of the preceding coverage amounts.

All operating funds of the City participate in the program and make payments to the General Liability and Workers' Compensation funds based on actuarial estimates of the amounts needed to pay prior and current-year claims and legal expenses.

Liabilities are estimated when a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an amount for claims that have been incurred, but not reported as of the end of the year. Changes in the combined balances of General Liability and Workers' Compensation funds' claims and legal liability during the past two years are as follows:

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	<u>Year ended June 30, 2016</u>	<u>Year ended June 30, 2015</u>
Unpaid claims beginning of fiscal year	\$ 14,982,666	\$ 10,752,014
Incurred claims (including IBNRs)	1,796,961	6,363,809
Claims payments	<u>(2,764,896)</u>	<u>(2,133,157)</u>
Unpaid claims, end of fiscal year	<u>\$ 14,014,731</u>	<u>\$ 14,982,666</u>

**C. Deferred compensation plans**

The City offers its employees deferred compensation plans in accordance with Internal Revenue Code Sections 401(k) and 457 (as amended on August 20, 1996 per additional subsection (g)). The plans permit participants to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or the occurrence of an unforeseeable emergency. Since the City neither owns the funds nor has any administrative involvement and does not perform the investing function for these plans, the assets and related liabilities are not recorded in the City's financial statements.

**D. Pension plans**

The City participates in the statewide California Public Employees' Retirement System (CalPERS) that covers all employees, and the Public Agency Retirement System (PARS) for executive management employees.

**California Public Employees' Retirement System**

Plan Description - All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website - <http://www.calpers.ca.gov>.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the 1957 Survivor Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50-55
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.05 to 2.5%
Required employee contribution rates	7%	7%
Required employer contribution rates	18.997%	18.997%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%
Required employee contribution rates	9%	9%
Required employer contribution rates	33.091%	33.091%

At June 30, 2015, the following employees were covered by the benefit terms for each Plan\*:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	517	144
Inactive employees entitled to but not yet receiving benefits	226	18
Active employees	411	123
Total	1,154	285

\*The most recent data available from CalPERS is from the actuarial valuation dated June 30, 2015.

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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**Funding Policy** - Participants are required to contribute 7% (9% or 12% for safety employees) of their annual covered salary. Except for members of the General Unit, the City makes a portion of the contributions required of City employees hired before January 1, 2013 on their behalf and for their account. General Unit employees hired are required to contribute the full 7% of their covered salary. Non-sworn management employees hired prior to July 1, 2010 are required to contribute 2% of their covered salary, and the City contributes 5%. Non-sworn management hired after July 1, 2010 are required to contribute the full 7% of their covered salary. Sworn employees hired prior to July 1, 2010 are required to contribute 4.50% of their covered salary, and the City contributes 4.50%. Sworn employees hired after July 1, 2013, and are considered new members to the CalPERS system, are required to contribute 12% of their covered salary.

The City is also required to contribute an employer's cost share at an actuarially determined rate; the rate is 18.997% for miscellaneous (non-safety) employees. Non-sworn management employees hired prior to July 1, 2010 are required to contribute 3.0% of this cost. For police (safety) employees, the employer rate is 33.091% of annual covered payroll for the year ended June 30, 2015. Sworn employees hired prior to July 1, 2010 are required to contribute 3.0% this cost. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

**Net Pension Liability** - The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

	Miscellaneous	Safety
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.5% (1)	7.5% (1)
Mortality	Derived using CalPERS' Membership Data for all Funds	
Payroll Growth	Protection Allowance Floor on Purchasing Power applies, thereafter:	
	3.00%	3.00%

(1) Net of pension plan investment and administrative expenses, including inflation

The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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**Discount Rate** – The discount rate used to measure the total pension liability was 7.65% for each Plan. This is a change from the prior year rate of 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

The table below reflects projected earnings on pension plan investments:

<u>Miscellaneous Plan</u>	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) x (b) x (c)
Beginning Plan Fiduciary Net Position excluding Receivables (1)	\$ 183,589,182	100%	7.65%	\$ 14,044,572
Plan to Plan Resource Movement	(50)	50%	7.65%	(2)
Employer Contributions	4,865,538	50%	7.65%	186,107
Employee Contributions	2,022,358	50%	7.65%	77,355
Benefit Payments, including Refunds of Employee Contributions	(10,197,516)	50%	7.65%	(390,055)
Administrative Expense	(208,581)	50%	7.65%	(7,978)
Total Projected Earnings				<u>\$13,909,999</u>

(1) Contribution receivables for employee service buybacks, totaling \$753,957 as of June 30, 2014, were excluded for purposes of calculating projected earnings on pension plan investments

<u>Safety Plan</u>	Amount for Period (a)	Portion of Period (b)	Projected Rate of Return (c)	Projected Earnings (a) x (b) x (c)
Beginning Plan Fiduciary Net Position excluding Receivables (1)	\$ 108,200,456	100%	7.65%	\$ 8,277,335
Plan to Plan Resource Movement	0	50%	7.65%	0
Employer Contributions	3,953,058	50%	7.65%	151,204
Employee Contributions	1,170,676	50%	7.65%	44,778
Benefit Payments, including Refunds of Employee Contributions	(6,616,558)	50%	7.65%	(253,083)
Administrative Expense	(122,781)	50%	7.65%	(4,696)
Total Projected Earnings				<u>\$8,215,538</u>

(1) Contribution receivables for employee service buybacks, totaling \$110,278 as of June 30, 2014, were excluded for purposes of calculating projected earnings on pension plan investments

CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges, and manages those asset class allocations within their policy ranges. CalPERS Investment Belief No. 6 recognizes that strategic asset allocation is the dominant determinant of portfolio risk and return. On February 19, 2014, the CalPERS Board of Administration adopted changes to the current asset allocation as shown in the Policy Target Allocation below expressed as a percentage of total assets. The asset allocation has an expected long term blended rate of return of 7.5 percent.

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The asset allocation and market value of assets shown below reflect the values of the Public Employees' Retirement Fund (PERF) in its entirety as of June 30, 2015. The assets for City's Miscellaneous and Safety Plans are part of the PERF and are invested accordingly.

Asset Class	New Market Value (\$Billion)	Policy Target Allocation
Global Equity	162.5	51.00%
Private Equity	29.0	10.00%
Global Fixed Income	53.1	20.00%
Liquidity	7.5	1.00%
Real Assets	31.8	12.00%
Inflation Sensitive Assets	15.6	6.00%
Other	2.4	0.00%
Total	\$301.9	100.0%

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**Changes in the Net Pension Liability** – The changes in the Net Pension Liability for each Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
<b>Miscellaneous Plan:</b>			
Balance at June 30, 2015 (measured as of June 30, 2014)	\$ 242,470,577	\$ 184,343,139	\$ 58,127,438
Changes in the year:			
Service cost	4,219,980	-	4,219,980
Interest on the total pension liability	17,854,875	-	17,854,875
Plan to Plan Resource Movement	-	(50)	50
Differences between actual and expected experience	(1,925,185)	-	(1,925,185)
Changes in assumptions	(4,159,555)	-	(4,159,555)
Contributions - employer	-	4,865,538	(4,865,538)
Contributions - employee (paid by employer)	-	440,861	(440,861)
Contributions - employee	-	1,581,497	(1,581,497)
Net investment income	-	4,079,193	(4,079,193)
Administrative expenses	-	(208,581)	208,581
Benefit payments, including refunds of employee contributions	(10,197,516)	(10,197,516)	-
Net changes	5,792,599	560,942	5,231,657
Balance at June 30, 2016 (measured as of June 30, 2015)	<u>\$ 248,263,176</u>	<u>\$ 184,904,081</u>	<u>\$ 63,359,095</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
<b>Safety Plan:</b>			
Balance at June 30, 2015 (measured as of June 30, 2014)	\$ 148,895,602	\$ 108,310,734	\$ 40,584,868
Changes in the year:			
Service cost	3,224,243	-	3,224,243
Interest on the total pension liability	10,911,459	-	10,911,459
Differences between actual and expected experience	(1,874,182)	-	(1,874,182)
Changes in assumptions	(2,691,829)	-	(2,691,829)
Contributions - employer	-	3,953,058	(3,953,058)
Contributions - employee (paid by employer)	-	409,730	(409,730)
Contributions - employee	-	760,946	(760,946)
Net investment income	-	2,402,091	(2,402,091)
Administrative expenses	-	(122,781)	122,781
Benefit payments, including refunds of employee contributions	(6,616,558)	(6,616,558)	-
Net changes	2,953,133	786,486	2,166,647
Balance at June 30, 2016 (measured as of June 30, 2015)	<u>\$ 151,848,735</u>	<u>\$ 109,097,220</u>	<u>\$ 42,751,515</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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	Miscellaneous	Safety
1% Decrease	6.65%	6.65%
Net Pension Liability	\$ 94,849,866	\$ 63,301,408
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 63,359,095	\$ 42,751,515
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 37,015,161	\$ 25,788,006

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions –

For the measurement period ended June 30, 2015, the City recognized total pension expense of \$6,006,795. The Miscellaneous Plan portion of pension expense was \$2,818,884, and Safety Plan portion of pension expense was \$3,187,911. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,979,361	\$ -
Differences between actual and expected experience	-	(1,184,729)
Changes in assumptions	-	(2,559,726)
Net differences between projected and actual earnings on plan investments	7,864,645	(9,474,365)
Total	\$ 13,844,006	\$ (13,218,820)
	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,854,415	\$ -
Differences between actual and expected experience	-	(1,466,751)
Changes in assumptions	-	(2,106,649)
Net differences between projected and actual earnings on plan investments	4,650,758	(5,563,308)
Total	\$ 9,505,173	\$ (9,136,708)

\$10,833,776 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

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Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous	Safety
2016	\$ (4,157,431)	\$ (2,052,823)
2017	(2,596,130)	(1,684,358)
2018	(1,191,962)	(1,684,358)
2019	1,966,162	567,124
2020	-	-
Thereafter	-	-

At June 30, 2016, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016. Pension liability and expense is allocated to the City's proprietary funds based on the portion of Citywide pensionable earnings paid to employees from those funds.

**Public Agency Retirement System, Retirement Enhancement Plan (PARS-REP)**

Plan Description - The City established a Public Agency Retirement System, Retirement Enhancement Plan (PARS-REP) for executive management staff: City Council members, City Managers, Assistant City Managers, City Attorneys, and Department heads employed by the City on or after July 1, 2001 and prior to August 30, 2010. This is a single employer post-employment benefit plan. The plan is closed to any new employees hired after August 30, 2010. PARS is a defined benefit 401(a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to CalPERS. US Bank is the PARS Trustee. Upon meeting the eligibility requirements, plan members receive a monthly lifetime benefit of one-twelfth the sum of: 0.4% of the employee's final average compensation for service prior to July 1, 2001 plus 0.5% of the employee's final average compensation for service from July 1, 2001 through August 30, 2010. Employees are eligible to retire the first of the month following or coincident with attainment of age 60, with four or more years of service at termination. Employees must be retired under CalPERS to be eligible to retire under PARS. An annual cost-of-living adjustment is provided annually following commencement of benefits equal to 2% per annum. The City has full discretionary authority to control, amend, modify or terminate this plan at any time.

Funding Policy - The City's annual pension contribution for PARS was \$74,000. Plan assets held in trust at June 30, 2016 totaled \$885,872. PARS funding is based on the bi-annual actuarially required contribution calculated by an independent consultant. Because the PARS benefit has been frozen, the PARS funding is no longer based on a percentage of gross payroll for Executive Management. The funding amount is based on the demographics of actual remaining plan participants, both active and retired and future plan costs derived from the bi-annual actuarial study. The most recent study was completed for June 30, 2016.

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*Employees covered.* At Jun 30, 2016, the following employees were covered under PARS:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	7
Active employees	5
	20

**Net Pension Liability - PARS**

The City's net pension liability for the PARS plan was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Investment rate of return	7%, net of pension plan investment expense

Mortality rates were based on the following:

Pre-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.

Post-Retirement: CalPERS 1997-2011 Healthy Retiree Tables (sex-distinct) with an assumed base year of 2008 and full generational projections using Scale AA.

The long-term expected rate of return on pension investment was determined by adding expected inflation to expect long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of July 1, 2016. The target allocation and best estimates of the real rates of return for each major asset class are summarized in the following table:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	9.20%	0.42%	0.41%
US Core Fixed Income	Barclays Aggregate	62.79%	2.12%	1.99%
US Equity Market	Russell 3000 MSCI EAFE NR	21.68%	5.12%	3.81%
Foreign Developed Equity	MSCI EM NR	4.79%	5.85%	4.20%
Emerging Markets Equity		1.54%	8.07%	4.79%
		100.00%		
Assumed Inflation - Mean			2.32%	2.30%
Assumed Inflation - Standard Deviation			1.89%	1.89%
Portfolio Real Mean Return			2.89%	2.71%
Portfolio Nominal Mean Return			5.20%	5.07%
Portfolio Standard Deviation				5.44%
<b>Long-Term Expected Rate of Return</b>				<b>6.00%</b>

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*Discount Rate.* As of June 30, 2016 the plan's fiduciary net position was projected to make all projected future benefit payments of current active and inactive employees. Therefore, the total pension liability is based on a discount rate of 7.0%.

Changes in the Net Pension Liability – PARS Plan

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2015	\$ 1,888,853	\$ 856,523	\$ 1,032,330
Changes for the year:			
Service Cost	-		-
Interest on total pension liability	84,413		84,413
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	-		-
Effect of assumptions, changes or inputs	(497,741)		(497,741)
Benefit payments	(68,001)	(68,001)	-
Contributions - employer		74,000	(74,000)
Member contributions		-	-
Net investment income		23,763	(23,763)
Administrative expense		(413)	413
Balances at 6/30/2016	<u>\$ 1,407,524</u>	<u>\$ 885,872</u>	<u>\$ 521,652</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 1,570,117	\$ 1,407,524	\$ 1,270,561
Fiduciary net position	885,872	885,872	885,872
Net pension liability	684,245	521,652	384,689

The General Fund is liable for PARS plan expenditures. Because the net PARS liability is not material in nature, the City has not reported this liability in the government-wide statement of net position.

**E. Other post employment benefits**

The City provides post-retirement health benefits to the various employee groups, which vary depending upon a retiree's years of service and bargaining unit. Defined-benefit post-retirement health care coverage is available only to employees hired up to June 20, 2010. Depending on the employee group, those hired after June 20, 2010, receive a defined contribution amount of either \$200 or \$300 per month, which is deposited into a health retirement account (HRA). There is a five-year employment

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vesting period before the HRA account can be held by the employee. As newer employees are hired by the agency, a greater percentage will be covered by the defined contribution plan, which allows the City to better control the overall cost of health benefits.

Plan Description - The Simi Valley Other Post Employment Benefit Plan (SVOPEB) is a single-employer defined benefit plan administrated by PFM Asset Management, LLC, partnering with US National Bank Association as Trustee. SVOPEB provides medical and dental benefits to eligible employees and their spouses. PFM issues financial statements for the Plan, which may be obtained by writing to PFM Asset Management LLC, 50 California Street, Suite 2300, San Francisco, CA 94111.

Management, Sworn Management, and Sworn (police) employees' retiree health benefits are provided per resolution numbers 2014-18, 2013-60, and 2013-55, respectively. The benefits vary depending upon a retiree's years of service and employee unit. The City currently contributes up to \$1,500/month for Management employees for employee only, or employee plus one dependent. The City currently pays 100 percent of premiums for health care coverage for employee, or employee plus one dependent, for a specified period, for the Sworn Management and Sworn Units. Additionally, the City provides funding for retiree health benefits to General Unit employees under a defined contribution plan, per resolution numbers 2002-55 and 2014-03. The defined contribution is currently set by contract at 1.00% of salary for General Unit members.

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A summary of plan benefits by employee groups is as follows:

	Less Than 10 Years Service	10 or More Years Service		
<b>Management employees:*</b>				
Employee only	PEMHCA	10 years	1 additional year for each year over 20 (\$1,500 monthly cap)	
Employee plus one dependent	Minimum**	5 years	Additional 6 months for each year over 20 (\$1,500 monthly cap)	
	Less Than 10 Years Service	10 to 19 Years Service	20-24 Years Service	25 or More Years Service
<b>Police Managers' Association (PMA):***</b>				
Employee only	PEMHCA	10 years	20 years	lifetime coverage
Employee plus one dependent	Minimum**	5 years	20 years	lifetime coverage
<b>Police Officers' Association (POA):***</b>				
Employee only	2 years	10 years	up to 20 years	lifetime coverage
Employee plus one dependent	1 year	5 years	up to 20 years	lifetime coverage
	Less Than 10 Years Service	10 Years Service	More Than 10 Years Service	
<b>General Unit employees:****</b>				
Employee only	PEMHCA	2 years	4 months for each additional year over 10 up to maximum of 8 years	
Employee plus one dependent	Minimum**	1 year	2 months for each additional year over 10 up to maximum of 4 years	

Only employees who retire from the City are eligible to receive these benefits. Retirees who do not qualify for listed benefits (or who have exhausted listed benefits) will continue to receive the PEMHCA Minimum, as described below.

- \* This benefit is only for employees hired on or prior to June 20, 2010. Employees hired on or after June 21, 2010 receive a contribution of \$200/month to a retiree health savings account.
- \*\* PEMHCA Minimum: Public Employees' Medical and Hospital Care Act monthly minimum contribution, which was \$6.10 in 2015 and \$12.50 in 2016.
- \*\*\* Employees hired on or after January 1, 2010 (POA) or on or after June 20, 2010 (PMA) are not eligible for retiree medical benefits but will receive a \$300/month contribution to a retiree health savings account.
- \*\*\*\* For employees who were hired on or before June 30, 2010, subject to monthly cap for 2015: \$493.40 (Employee Only)/\$986.80 (Employee plus dependent); and for 2016: \$568.19 (Employee Only)/\$1,136.37 (Employee plus dependent). Employees hired on or after July 1, 2010 are not eligible to receive retiree medical benefits.

The City provides a defined contribution of \$100,000 per year to the Police Officers' Association (POA) to be used by the Association for dental and vision coverage for its sworn members. In addition, any forfeitures of health savings account amounts received by the City are remitted to the POA as supplementary contributions to their members' dental and vision coverage.

**Funding Policy** – The contribution requirement of Management employees is established and may be amended by the City Council. Contribution requirements of Sworn and General Unit employees can be amended via the negotiation process. Currently, contributions are not required from Management and Sworn Plan members. The actuarially determined annual required contribution (ARC), based on parameters of GASB Statement No. 45, was partially funded for Fiscal Year 2015-16 in the amount of

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\$1,457,627. Each employee group's funds are currently maintained in a separate trust for the benefit of that particular group.

**Net OPEB Obligation**

Annual required contribution	\$ 2,245,906
Interest on net OPEB obligation	290,458
Adjustment to annual required contribution	<u>(542,031)</u>
Annual OPEB cost (expense)	1,994,333
Contributions made	<u>1,457,627</u>
Increase/(decrease) in Net OPEB obligation	536,706
Net OPEB obligation - beginning of year	<u>8,937,197</u>
Net OPEB obligation - end of year	<u><u>\$ 9,473,903</u></u>

Annual OPEB Costs and Net OPEB Obligation - For Fiscal Year 2015-16, the City's annual OPEB cost (expense) of \$1,994,333 was less than the ARC of \$2,245,906. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the annual normal cost and the amortization of unfunded actuarial liabilities (UAL) over a thirty-year period. Three-year trend information for the net OPEB obligation is presented in the following table. The General fund and Enterprise funds generally fund annual OPEB costs.

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	<b>Adjusted Annual Required Contribution (ARC)</b>	<b>Interest on Net OPEB Obligation</b>	<b>ARC Adjustment</b>	<b>Annual Post-Employment Benefit Cost</b>	<b>Actual Contribution</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Change in Net OPEB Obligation</b>	<b>Net OPEB Obligation</b>
<u>Misc. Employees - Management</u>								
<u>Fiscal Year</u>								
06/30/2014	\$ 1,086,227	\$ 49,370	\$ 92,055	\$ 1,043,542	\$ 672,927	64%	\$ 370,615	\$ 2,016,267
06/30/2015	\$ 583,289	\$ 65,529	\$ 119,039	\$ 529,779	\$ 583,109	110%	\$ (53,330)	\$ 1,962,937
06/30/2016	\$ 583,289	\$ 63,795	\$ 119,050	\$ 528,034	\$ 613,061	116%	\$ (85,027)	\$ 1,877,910
<u>Sworn Employees - Management</u>								
<u>Fiscal Year</u>								
06/30/2014	\$ 485,624	\$ 23,237	\$ 43,328	\$ 465,533	\$ 231,356	50%	\$ 234,177	\$ 1,008,744
06/30/2015	\$ 324,569	\$ 32,784	\$ 59,556	\$ 297,797	\$ 253,720	85%	\$ 44,077	\$ 1,052,821
06/30/2016	\$ 324,569	\$ 34,217	\$ 63,852	\$ 294,934	\$ 201,412	68%	\$ 93,522	\$ 1,146,343
<u>Sworn Employees - Officers</u>								
<u>Fiscal Year</u>								
06/30/2014	\$ 1,795,960	\$ 120,946	\$ 225,518	\$ 1,691,388	\$ 443,846	26%	\$ 1,247,542	\$ 5,279,090
06/30/2015	\$ 960,016	\$ 171,570	\$ 311,673	\$ 819,913	\$ 412,406	50%	\$ 407,507	\$ 5,686,597
06/30/2016	\$ 960,016	\$ 184,814	\$ 344,886	\$ 799,944	\$ 478,574	60%	\$ 321,370	\$ 6,007,967
<u>Misc. Employees - General Unit</u>								
<u>Fiscal Year</u>								
06/30/2014	\$ 189,038	\$ 8,211	\$ 15,310	\$ 181,939	\$ 124,278	68%	\$ 57,661	\$ 331,351
06/30/2015	\$ 378,032	\$ 10,769	\$ 19,563	\$ 369,238	\$ 465,747	126%	\$ (96,509)	\$ 234,842
06/30/2016	\$ 378,032	\$ 7,632	\$ 14,243	\$ 371,421	\$ 164,580	44%	\$ 206,841	\$ 441,683

**Funded Status and Funding Progress** – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the possibility of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The OPEB trust was established and partially funded in June 2009.

**Management Employees (non-sworn)** - As of the most recent actuarial valuation date of January 1, 2015, the plan was 11.2% funded. The actuarial accrued liability (AAL) for benefits was \$9,415,637 and the book value of plan assets was \$1,058,033 resulting in an unfunded actuarial accrued liability (UAAL) of \$8,354,604. The covered payroll (annual payroll of active employees covered by the plan) was \$15,063,811, and the ratio of the UAAL to the covered payroll was 55.5%.

**Sworn Management Employees** - As of the most recent actuarial valuation date of January 1, 2015, the plan was 4.8% funded. The AAL for benefits was \$4,362,353, and the book value of plan assets was \$207,675, resulting in an UAAL of \$4,154,678. The covered payroll was \$1,765,541, and the ratio of the UAAL to the covered payroll was 235.3%.

See independent auditors' report.



CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

Sworn Employees - As of the most recent actuarial valuation date of January 1, 2015, the plan was 5.5% funded. The AAL for benefits was \$16,055,012, and the book value of plan assets was \$875,701, resulting in an UAAL of \$15,180,111. The covered payroll was \$9,802,289, and the ratio of the UAAL to the covered payroll was 154.9%.

General Unit Employees - As of the most recent actuarial valuation date of January 1, 2015, the plan was 23.7% funded. The AAL for benefits was \$3,806,322, and the book value of plan assets was \$903,786 resulting in an UAAL of \$2,902,536. The covered payroll was \$10,740,077, and the ratio of the UAAL to the covered payroll was 27.0%.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Actuarial Methods and Assumptions – Projection of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) based on written plan documents and historical information regarding practices with respect to employer and employee contributions and other factors. In the January 1, 2015 actuarial valuation, the Entry Age Normal method, using level percentage of payroll to allocate OPEB costs over years of service was used. This method determines an attribution period as the difference between the date of hire and the expected date of retirement. Actuarial assumptions used for each of the City's covered employee groups are presented in the table below. The UAAL is amortized using a closed amortization period of thirty years. Since the January 1, 2015 actuarial valuation is being used, the City has not made an election with respect to an asset smoothing formula, or method.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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A summary of actuarial methods and assumptions for the SVOPEB Plan is as follows:

	<u>Miscellaneous Employees Management</u>	<u>Safety Employees Sworn and Management</u>	<u>Miscellaneous Employees General Unit</u>
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Interest rate assumption	6.00%	6.00%	6.00%
Inflation assumption	2.75%	3.00%	3.00%
Health inflation assumption	4.00%	4.00%	4.00%
Mortality	2009 CalPERS Mortality for Miscellaneous employees	2009 CalPERS Mortality for Sworn employees	CalPERS for Miscellaneous employees
Retirement rates	2% at 55 if hired prior to 1/1/2013  2% at 60 if hired after 12/31/2012	3% at 55 if hired prior to 7/1/2013  2% at 50 if hired after 7/01/2013	2% at 55 if hired prior to 1/1/2013  2% at 60 if hired after 12/31/2012
Vesting percentage	100%	100%	100%
Vesting period	Varies by benefit duration	Varies by benefit duration	Varies by benefit duration
Turnover	CalPERS for Miscellaneous employees	CalPERS for Sworn employees	CalPERS for Miscellaneous employees

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

**F. Prior period adjustments**

Beginning net position of Governmental Activities and Beginning General Fund Balance have both been restated by \$630,238 to reflect the correct loan repayment amount to the General Fund from the Successor Agency to the Simi Valley Community Development Agency (SA to SVCDA). The loan between the General Fund and the SA to SVCDA existed before redevelopment agencies were dissolved in 2012 and subsequently was approved for repayment through the Recognized Obligation Payment Schedule (ROPS) by the State of California. During FY 2013-14 and 2014-15, repayments of the loan by the Successor Agency were recorded net of the required 20% set-aside which, instead of being applied to the loan principal, was transferred to the Successor Housing Agency. During Fiscal year 2015-16, clarification was received from the California Department of Finance that 100% of the loan payments received through the ROPS process must be applied to the outstanding loan balance. After that, the City must provide 20% of the loan repayment amount from its own resources, i.e., the General Fund, to the Successor Housing Agency. This change in accounting methodology reduces the remaining outstanding loan balance between the General Fund and the Successor Agency to the Simi Valley Community Development Agency.

	<b>Net Position -</b>		<b>Net Position -</b>
	<b><u>Beginning Balance</u></b>	<b><u>Adjustment</u></b>	<b><u>Beginning Balance</u></b>
			<b><u>as Restated</u></b>
Governmental activities	\$ 209,469,761	\$ -	\$ 209,469,761
FY 2013-14 20% Housing Set-Aside	-	(253,650)	(253,650)
FY 2014-15 20% Housing Set-Aside	-	(376,588)	(376,588)
	<u>\$ 209,469,761</u>	<u>\$ (630,238)</u>	<u>\$ 208,839,523</u>

	<b>Fund Balance -</b>		<b>Fund Balance -</b>
	<b><u>Beginning Balance</u></b>	<b><u>Adjustment</u></b>	<b><u>Beginning Balance</u></b>
			<b><u>as Restated</u></b>
General Fund	\$ 43,872,568	\$ -	\$ 43,872,568
FY 2013-14 20% Housing Set-Aside	-	(253,650)	(253,650)
FY 2014-15 20% Housing Set-Aside	-	(376,588)	(376,588)
	<u>\$ 43,872,568</u>	<u>\$ (630,238)</u>	<u>\$ 43,242,330</u>

**G. Subsequent events**

On May 16, 2016, the City Council adopted a resolution of intention to issue tax exempt obligations to fund City energy efficiency and conservation measures and other City equipment and facilities. The Council also adopted a resolution of intention to issue clean renewable energy bond obligations for solar power systems. On September 27, 2016, \$9,226,619 in Federal New Clean Renewable Energy Bonds (NCREBs) were issued and \$740,459 in Tax-Exempt Lease Bonds were issued.

See independent auditors' report.

## **Pending Litigation**

As a result of the normal course of operations, the City is involved in a number of legal matters. The accompanying financial statements reflect management's reasonable estimate of the potential liability associated with these matters, although the actual liability may be more or less than the estimate.

## **H. Governmental Accounting Standards Board (GASB) Statements issued but not yet effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2016, that have effective dates which may impact future financial presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of the City.

GASB No. 73 – GASB has issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The provisions of this Statement are effective for reporting periods beginning after June 15, 2016.

GASB No. 74 – GASB has issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The provisions of this Statement are effective for reporting periods beginning after June 15, 2016.

GASB No. 75 – GASB has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB No. 77 – GASB has issued Statement No. 77, Tax Abatement Disclosures. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

provisions of this Statement are effective for reporting periods beginning after December 15, 2015.

GASB No. 79 – GASB has issued Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015.

GASB No. 80 – GASB has issued Statement No. 80, Blending Requirements for Certain Component Units. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

GASB No. 82 – GASB has issued Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

Original pronouncements can be found on the GASB's website: [www.gasb.org](http://www.gasb.org).

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

**V. Successor Agency to the Simi Valley Community Development Agency  
Private-Purpose Trust Fund**

**A. Reporting entity**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Simi Valley that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 30, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-06.

After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The Successor Agency is allocated revenue only in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

**B. Cash and investments**

Cash and investments reported in the accompanying financial statements for the Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund consisted of the following:

Cash and investments pooled with the City	\$ 3,410,393
Cash and investments with fiscal agent	<u>2,101,788</u>
Total cash and investments	<u>\$ 5,512,181</u>

See independent auditors’ report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

**C. Capital assets**

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balance</u>
Land	\$ 1,124,174	\$	-	\$	-	\$	1,124,174
Capital assets, net	\$ 1,124,174	\$	-	\$	-	\$	1,124,174

**D. Deferred outflows of resources**

In accordance with GASB Statement 63, in addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then.

The following is a summary of deferred outflows of resources for the fiscal year ended June 30, 2016:

	<u>Balances June 30, 2015</u>		<u>Amortization</u>		<u>Balances June 30, 2016</u>
<b>Fiduciary activities:</b>					
2003 tax allocation bonds					
Deferred loss amount	\$ (246,115)	\$	28,482	\$	(217,633)

**E. Long-term debt**

The Community Development Agency (CDA), formerly a blended component unit of the City, issued tax allocation bonds on behalf of the City. Effective February 1, 2012, this debt was transferred from the CDA to the Successor Agency (private purpose / fiduciary fund) as a result of dissolution. A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2016, follows:

- Successor Agency to Community Development Agency 2003 Tax Allocation Bonds:

Original issue amount \$31,795,000; interest rates at 2.0% to 5.0%, maturing September 1, 2003-2030. The bonds are payable in annual installments ranging from \$360,000 to \$2,000,000. These bonds were issued to fully refund the 1993 Revenue Bond issue with a carrying amount of \$30,245,000. They were issued at a premium, which has been added to the new debt and is being amortized over the

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

life of the bonds. The excess reacquisition price has been netted against the new debt and is being amortized over the remaining life of the refunded debt. The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total interest and principal remaining on the bonds is \$30,948,053, payable through September 2030. For the current fiscal year, principal and interest paid was \$2,078,375, and the Redevelopment Property Tax Trust Fund revenue received was \$2,874,073.

Annual debt service requirements to maturity, including interest, for the outstanding debt are as follows:

<b>2003 Tax Allocation Refunding Bond</b>			
<b>Year Ending</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
<b>June 30:</b>			
2017	\$ 1,010,000	\$ 1,066,906	\$ 2,076,906
2018	1,055,000	1,022,366	2,077,366
2019	1,100,000	970,412	2,070,412
2020	1,160,000	911,088	2,071,088
2021	1,220,000	848,613	2,068,613
2022-2026	7,110,000	3,202,919	10,312,919
2027-2030	9,090,000	1,180,750	10,270,750
	<b>\$ 21,745,000</b>	<b>\$ 9,203,053</b>	<b>\$ 30,948,053</b>

Fiduciary fund long-term liability activity for the year ended June 30, 2016, was as follows:

	<b>Balances</b>	<b>Debt</b>	<b>Debt</b>	<b>Balances</b>	<b>Due Within</b>
	<b><u>June 30, 2015</u></b>	<b><u>Incurred</u></b>	<b><u>Retired</u></b>	<b><u>June 30, 2016</u></b>	<b><u>One Year</u></b>
<b>Fiduciary activities:</b>					
2003 tax allocation bonds	\$ 22,715,000	\$ -	\$ (970,000)	\$ 21,745,000	\$ 1,010,000
Add (less) deferred amounts:					
Bond premium	255,049	-	(16,307)	238,742	-
Fiduciary long-term liabilities	<b>\$ 22,970,049</b>	<b>\$ -</b>	<b>\$ (986,307)</b>	<b>\$ 21,983,742</b>	<b>\$ 1,010,000</b>

See independent auditors' report.



CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

**F. Deficit fund equity**

As of June 30, 2016, the Private Purpose Trust, a component of the City's Fiduciary funds, has a negative net position of \$22,904,335. Below is a summary of the net position.

Net Position - Beginning Balance	\$ (25,371,469)
Prior Period Adjustment (Note V H)	<u>630,238</u>
Net Position - Beginning, as restated	<u>(24,741,231)</u>
Total additions for the year ended June 30, 2016	3,203,393
Total deductions for the year ended June 30, 2016	<u>(1,366,497)</u>
Change in net position	<u>1,836,896</u>
Net Position - Ending Balance	<u>\$ (22,904,335)</u>

**G. Insurance**

The Successor Agency is covered under the City of Simi Valley's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note IV B.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2016

**H. Prior period adjustment**

Beginning net position for the Private Purpose Trust Fund has been restated by \$630,238 to reflect the correct loan repayment amount to the General Fund from the Successor Agency to the Simi Valley Community Development Agency (SA to SVCDA). The loan between the General Fund and the SA to SVCDA existed before redevelopment agencies were dissolved in 2012 and subsequently was approved for repayment through the Recognized Obligation Payment Schedule (ROPS) by the State of California. During FY 2013-14 and 2014-15, repayments of the loan by the Successor Agency were recorded net of the required 20% set-aside which, instead of being applied to the loan principal, was transferred to the Successor Housing Agency. During Fiscal year 2015-16, clarification was received from the California Department of Finance that 100% of the loan payments received through the ROPS process must be applied to the outstanding loan balance. After that, the City must provide 20% of the loan repayment amount from its own resources, i.e., the General Fund, to the Successor Housing Agency. This change in accounting methodology reduces the remaining outstanding loan balance between the General Fund and the Successor Agency to the Simi Valley Community Development Agency.

	<b>Net Position - Beginning Balance</b>	<b>Adjustment</b>	<b>Net Position - Beginning Balance as Restated</b>
Fiduciary Fund - Successor Agency	\$ (25,371,469)	\$ -	\$ (25,371,469)
FY 2013-14 20% Housing Set-Aside	-	253,650	253,650
FY 2014-15 20% Housing Set-Aside	-	376,588	376,588
	<b>\$ (25,371,469)</b>	<b>\$ 630,238</b>	<b>\$ (24,741,231)</b>

See independent auditors' report.

# Required Supplementary Information (UNAUDITED)

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2016

**City of Simi Valley  
California Public Employees' Retirement System (CalPERS)  
Miscellaneous Plan  
Last Ten Years\***

Schedule of Changes in Net Pension Liability and Related Ratios

Measurement Period	<u>2014-15<sup>1</sup></u>	<u>2013-14</u>
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 4,219,980	\$ 4,456,595
Interest	17,854,875	17,085,147
Changes of Assumptions	(4,159,555)	-
Difference Between Expected and Actual Experience	(1,925,185)	-
Benefit Payments, including Refunds of Employee Contributions	(10,197,516)	(9,289,664)
Net Change in Total Pension Liability	5,792,599	12,252,078
Total Pension Liability - Beginning	242,470,577	230,218,499
Total Pension Liability - Ending (a)	<u>\$ 248,263,176</u>	<u>\$ 242,470,577</u>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 4,865,538	\$ 4,450,276
Contributions - Employee	2,022,358	2,146,980
Net Investment Income <sup>2</sup>	4,079,193	27,589,396
Benefit Payments, including Refunds of Employee Contributions	(10,197,516)	(9,289,664)
Plan to Plan Resource Movement	(50)	-
Administrative Expense	(208,581)	-
Net Change in Fiduciary Net Position	560,942	24,896,988
Plan Fiduciary Net Positions - Beginning	184,343,139	159,446,151
Plan Fiduciary Net Positions - Ending (b)	<u>\$ 184,904,081</u>	<u>\$ 184,343,139</u>
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 63,359,095</u>	<u>\$ 58,127,438</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.48%	76.03%
Covered-Employee Payroll	\$ 23,365,800	\$ 28,976,557
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	271.16%	200.60%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Net of administrative expenses.

**Notes to Schedule:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes of Assumptions:** The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

\* Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

See independent auditors' report.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2016

**City of Simi Valley  
California Public Employees' Retirement System (CalPERS)  
Last Ten Years\***

**Miscellaneous Plan - Schedule of Plan Contributions<sup>1</sup>**

<i>Miscellaneous Plan - Schedule of Plan Contributions<sup>1</sup></i>		
	<b>Fiscal Year 2014-15</b>	<b>Fiscal Year 2013-14</b>
Actuarially Determined Contribution <sup>2</sup>	\$ 4,865,538	\$ 4,450,276
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(4,865,538)	(4,450,276)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll <sup>3,4</sup>	\$ 23,365,800	\$ 28,976,557
Contributions as a Percentage of Covered-Employee Payroll <sup>3</sup>	20.82%	15.36%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

<sup>3</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

<sup>4</sup> Payroll from prior year of \$27,539,612 was assumed to increase by the 3.00 percent payroll growth assumption.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2012 Funding Valuation Report.
Asset Valuation Method	Actuarial Value of Assets. For details see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Preretirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

\*Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

See independent auditors' report.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2016

**City of Simi Valley  
California Public Employees' Retirement System (CalPERS)  
Safety Plan  
Last Ten Years\***

Schedule of Changes in Net Pension Liability and Related Ratios

Measurement Period	<u>2014-15<sup>1</sup></u>	<u>2013-14</u>
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 3,224,243	\$ 3,396,111
Interest	10,911,459	10,489,579
Changes of Assumptions	(2,691,829)	-
Difference Between Expected and Actual Experience	(1,874,182)	-
Benefit Payments, including Refunds of Employee Contributions	(6,616,558)	(6,306,201)
Net Change in Total Pension Liability	2,953,133	7,579,489
Total Pension Liability - Beginning	148,895,602	141,316,113
Total Pension Liability - Ending (a)	<u>\$ 151,848,735</u>	<u>\$ 148,895,602</u>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 3,953,058	\$ 3,604,044
Contributions - Employee	1,170,676	1,080,530
Net Investment Income <sup>2</sup>	2,402,091	16,230,427
Benefit Payments, including Refunds of Employee Contributions	(6,616,558)	(6,306,201)
Administrative Expense	(122,781)	-
Net Change in Fiduciary Net Position	786,486	14,608,800
Plan Fiduciary Net Positions - Beginning	108,310,734	93,701,934
Plan Fiduciary Net Positions - Ending (b)	<u>\$ 109,097,220</u>	<u>\$ 108,310,734</u>
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 42,751,515</u>	<u>\$ 40,584,868</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.85%	72.74%
Covered-Employee Payroll	\$ 12,340,656	\$ 12,471,030
Plan Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	346.43%	325.43%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

\*Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

See independent auditors' report.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2016

**City of Simi Valley  
California Public Employees' Retirement System (CalPERS)  
Last Ten Years\***

**Safety Plan - Schedule of Plan Contributions<sup>1</sup>**

	Fiscal Year 2014-15	Fiscal Year 2013-14
Actuarially Determined Contribution <sup>2</sup>	\$ 3,953,058	\$ 3,604,044
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(3,953,058)	(3,604,044)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll <sup>3,4</sup>	\$ 12,340,656	\$ 12,471,030
Contributions as a Percentage of Covered-Employee Payroll <sup>3</sup>	32.03%	28.90%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

<sup>3</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

<sup>4</sup> Payroll from prior year of \$11,981,219 was assumed to increase by the 3.00 percent payroll growth assumption.

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2012 Funding Valuation Report.
Asset Valuation Method	Actuarial Value of Assets. For details see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Preretirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

\*Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

CITY OF SIMI VALLEY ● REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2016

**City of Simi Valley  
Schedule of Funding Progress  
Simi Valley Other Post Employment Benefit Plan (SVOPEB)**

The following three-year trend of funding progress is related to SVOPEB, a single-employer defined benefit pension plan.

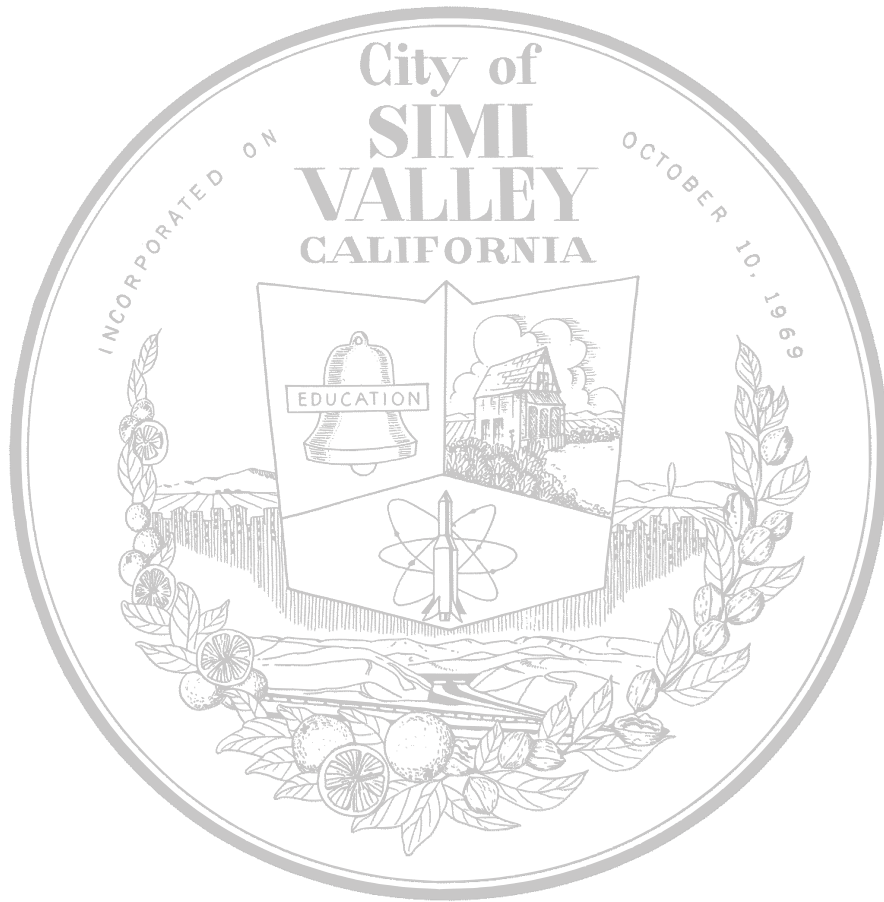
**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Book Value of Plan Assets		Actuarial Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratios	Covered Payroll	UAAL as a Percentage of Covered Payroll
	<u>06/30/2014</u>					<u>06/30/2014</u>	
01/01/2013	\$ 1,000,092	<sup>1</sup>	\$ 15,400,659	\$ 14,400,567	6.5%	\$ 14,623,475	98.5%
	134,683	<sup>2</sup>	7,436,829	7,302,146	1.8%	1,603,353	455.4%
	824,286	<sup>3</sup>	23,130,186	22,305,900	3.6%	9,270,473	240.6%
	528,367	<sup>4</sup>	2,048,905	1,520,538	25.8%	11,597,033	13.1%
	<u>06/30/2015</u>					<u>06/30/2015</u>	
01/01/2015	\$ 1,033,333	<sup>1</sup>	\$ 9,412,637	\$ 8,379,304	11.0%	\$ 14,961,345	56.0%
	204,531	<sup>2</sup>	4,362,353	4,157,822	4.7%	1,651,780	251.7%
	853,800	<sup>3</sup>	16,055,812	15,202,012	5.3%	9,668,897	157.2%
	889,531	<sup>4</sup>	3,806,322	2,916,791	23.4%	11,221,340	26.0%
	<u>06/30/2016</u>					<u>06/30/2016</u>	
01/01/2015	\$ 1,058,033	<sup>1</sup>	\$ 9,412,637	\$ 8,354,604	11.2%	\$ 15,063,811	55.5%
	207,675	<sup>2</sup>	4,362,353	4,154,678	4.8%	1,765,541	235.3%
	875,701	<sup>3</sup>	16,055,812	15,180,111	5.5%	9,802,289	154.9%
	903,786	<sup>4</sup>	3,806,322	2,902,536	23.7%	10,740,077	27.0%

- <sup>1</sup> Management (non-sworn)
- <sup>2</sup> Sworn Management
- <sup>3</sup> Sworn
- <sup>4</sup> General Unit (defined contribution)

See independent auditors' report.





# Supplementary Information



Nonmajor  
Governmental Funds

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

*CalHOME Fund* accounts for the allocation of State funds to support low-income housing programs.

*HOME Grant fund* accounts for allocation of Federal funds, administered by the State of California, for low- and moderate-income housing programs.

*Public, Education, and Government fund* accounts for one-percent franchise fees remitted by cable television providers restricted by federal and state legislation for program related expenditures.

*Gasoline Tax fund* - Portions of the tax per gallon levied by the State of California on all gasoline purchases are allocated to cities throughout the State on a population basis. These revenues are restricted to expenditures for street-related purposes.

*Transportation funds* account for Article 3, Article 8, and Proposition 1B funds received pursuant to State of California, Transportation Development Act and Port Security Bond Act of 2006. These funds are restricted for the improvement and maintenance of street systems, and State allocations for street, mass transit, and safety and security improvements.

*Green Projects fund* accounts for grant funding and other revenues used for expenditures to promote sustainable programs, practices, and activities through training, education, research, and marketing efforts; and to fund City-sponsored projects aimed at conservation of energy and other resources utilized in the normal course of City operations.

*Library Services fund* accounts for property tax revenue funding and donations from Simi Valley Friends of the Library (a non-profit organization) used for expenditures to operate the Simi Valley Public Library.

*Police Grants funds* account for funding received from various governmental entities for police activities. Current programs and funding sources include:

- Reimbursement for City's participation in joint agency drug enforcement efforts from the U.S. Department of Justice, Drug Enforcement Administration, and the State of California,
- State funding for front-line municipal police services, including anti-gang and community crime prevention programs, and
- Local Law Enforcement Block Grant funding from the Bureau of Justice Assistance, U.S. Department of Justice for purchasing police equipment, or expanding existing capabilities.

*Community Development Block Grant (CDBG) fund* accounts for the receipt and expenditure of CDBG funds allocated to the City by the U.S. Department of Housing and Urban Development.

*Landscape Maintenance District No. 1 fund* accounts for benefit assessments, primarily perimeter landscaping in the public rights-of-way. The general fund finances landscape maintenance costs not associated with specific neighborhoods.

### **Debt Service Funds**

*2014A Lease Revenue Refunding Bonds fund* was established to account for the debt service transactions related to the sale of variable rate lease revenue bonds issued for the purpose of fully refunding the 2004 Certificates of Participation (“2004 Certificates”).

### **Capital Project Funds**

*Equipment Replacement funds* account for the replacement of personal computers, terminals, and printers; and establish a reserve for the replacement of vehicles.

*Geographic Information System (GIS) fund* accounts for geographic based information related to economic development, land use, demographic information, mapping for crime analysis, traffic safety management, permit issuance, and work order administration.

*Financial Information System (FIS) fund* was established to replace the City's legacy Financial Management Information System with a new Financial Information System, and is used to maintain and optimize the FIS system.

*Police Capital Projects fund* accounts for capital projects related to the police department such as the police shooting range.

*Solar Capital Projects fund* accounts for the design and construction of solar power systems and other related improvements at City facilities.



**CITY OF SIMI VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	Special Revenue			
	CalHome Grant	HOME Grant	Public, Education & Government Fees	Gasoline Tax
<b><u>ASSETS</u></b>				
Cash and investments:				
Held by City	\$ -	\$ 1,650,402	\$ 1,284,425	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Taxes receivable	-	-	76,486	-
Grants receivable	213,914	-	-	-
Interest receivable	-	-	1,762	-
Loans receivable (net of allowance for uncollectibles)	1,129,276	1,571,796	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,343,190</b>	<b>\$ 3,222,198</b>	<b>\$ 1,362,673</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 3,311	\$ -	\$ -	\$ -
Due to other funds	208,741	10,716	-	-
<b>TOTAL LIABILITIES</b>	<b>212,052</b>	<b>10,716</b>	<b>-</b>	<b>-</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue-housing programs	1,129,276	1,571,796	-	-
Unavailable revenue-public safety	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,129,276</b>	<b>1,571,796</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>				
Restricted				
Housing programs	1,862	1,639,686	-	-
Streets and transportation	-	-	-	-
Landscape	-	-	-	-
Special programs	-	-	1,362,673	-
Law enforcement	-	-	-	-
Committed				
Equipment	-	-	-	-
Assigned				
Capital	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>1,862</b>	<b>1,639,686</b>	<b>1,362,673</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,343,190</b>	<b>\$ 3,222,198</b>	<b>\$ 1,362,673</b>	<b>\$ -</b>

**CITY OF SIMI VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

**Special Revenue**

Transportation Funds	Green Projects	Library Services	Police Grants	
<b><u>ASSETS</u></b>				
				Cash and investments:
\$ 2,765,026	\$ -	\$ 960,095	\$ 2,921,388	Held by City
-	-	265	-	- Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	- Taxes receivable
-	1,280	-	144,009	Grants receivable
980	-	-	4,177	Interest receivable
-	-	-	-	- Loans receivable (net of allowance for uncollectibles)
<b>\$ 2,766,006</b>	<b>\$ 1,280</b>	<b>\$ 960,360</b>	<b>\$ 3,069,574</b>	<b>TOTAL ASSETS</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b><u>LIABILITIES</u></b>				
\$ -	\$ -	\$ 124,192	\$ 52,028	Accounts payable
-	1,280	-	146,448	Due to other funds
-	1,280	124,192	198,476	<b>TOTAL LIABILITIES</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
-	-	-	-	- Unavailable revenue-housing programs
-	-	-	18,386	Unavailable revenue-public safety
-	-	-	18,386	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>
<b><u>FUND BALANCES</u></b>				
Restricted				
-	-	-	-	- Housing programs
2,766,006	-	-	-	- Streets and transportation
-	-	-	-	- Landscape
-	-	836,168	-	- Special programs
-	-	-	2,852,712	Law enforcement
Committed				
-	-	-	-	- Equipment
Assigned				
-	-	-	-	- Capital
-	-	-	-	- Unassigned
<b>2,766,006</b>	<b>-</b>	<b>836,168</b>	<b>2,852,712</b>	<b>TOTAL FUND BALANCES (DEFICITS)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>\$ 2,766,006</b>	<b>\$ 1,280</b>	<b>\$ 960,360</b>	<b>\$ 3,069,574</b>	

(continued)



**CITY OF SIMI VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	Special Revenue			Debt Service
	Community Development Block Grant	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds	2014A Lease Revenue Refunding Bonds
<b>ASSETS</b>				
Cash and investments:				
Held by City	\$ -	\$ 1,566,697	\$ 11,148,033	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	265	-
Taxes receivable	-	-	76,486	-
Grants receivable	257,547	-	616,750	-
Interest receivable	-	2,965	9,884	-
Loans receivable (net of allowance for uncollectibles)	442,445	-	3,143,517	-
<b>TOTAL ASSETS</b>	<b>\$ 699,992</b>	<b>\$ 1,569,662</b>	<b>\$ 14,994,935</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 77,907	\$ 165,352	\$ 422,790	\$ -
Due to other funds	179,362	-	546,547	-
<b>TOTAL LIABILITIES</b>	<b>257,269</b>	<b>165,352</b>	<b>969,337</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-housing programs	442,445	-	3,143,517	-
Unavailable revenue-public safety	-	-	18,386	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>442,445</b>	<b>-</b>	<b>3,161,903</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted				
Housing programs	-	-	1,641,548	-
Streets and transportation	-	-	2,766,006	-
Landscape	-	1,404,310	1,404,310	-
Special programs	278	-	2,199,119	-
Law enforcement	-	-	2,852,712	-
Committed				
Equipment	-	-	-	-
Assigned				
Capital	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>278</b>	<b>1,404,310</b>	<b>10,863,695</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 699,992</b>	<b>\$ 1,569,662</b>	<b>\$ 14,994,935</b>	<b>\$ -</b>

**CITY OF SIMI VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

**Capital Projects**

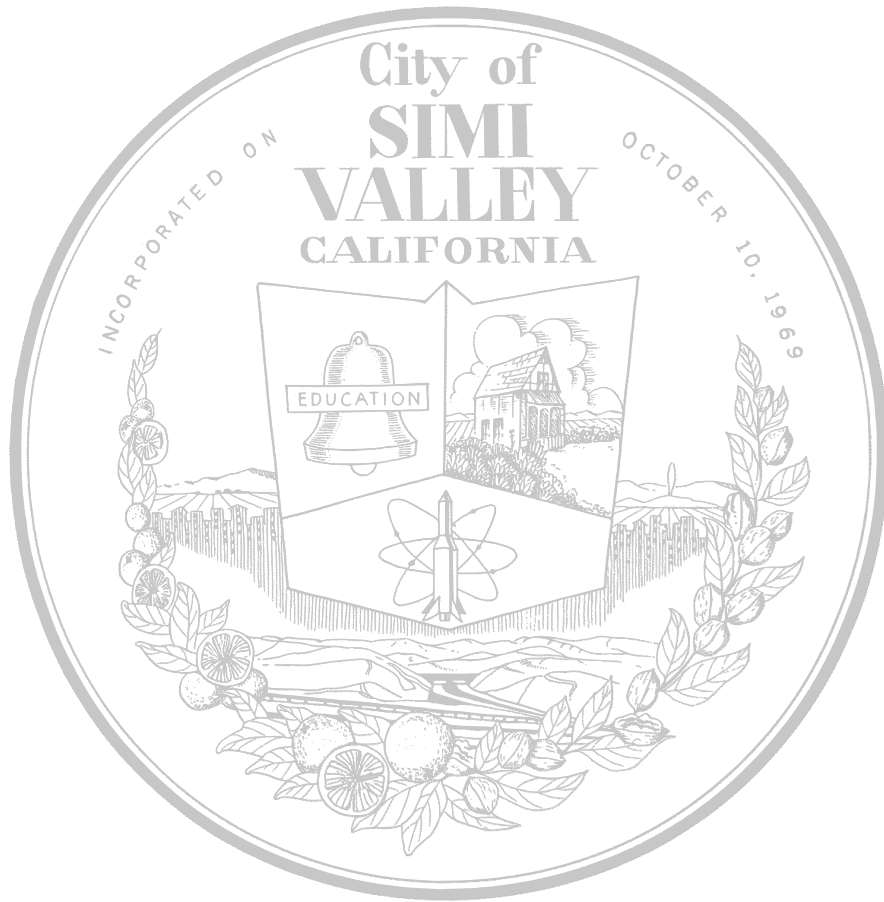
Equipment Replacement	Geographic Information System (GIS)	Financial Information System (FIS)	
<b>ASSETS</b>			
			Cash and investments:
\$ 2,538,864	\$ 1,684,073	\$ 1,168,172	Held by City
-	-	-	Accounts receivable (net of allowance for uncollectibles)
-	-	-	Taxes receivable
-	-	-	Grants receivable
560	2,627	2,189	Interest receivable
-	-	-	Loans receivable (net of allowance for uncollectibles)
\$ 2,539,424	\$ 1,686,700	\$ 1,170,361	<b>TOTAL ASSETS</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
\$ 36,490	\$ -	\$ 53,559	Accounts payable
-	-	-	Due to other funds
36,490	-	53,559	<b>TOTAL LIABILITIES</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
-	-	-	Unavailable revenue-housing programs
-	-	-	Unavailable revenue-public safety
-	-	-	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>
<b>FUND BALANCES</b>			
Restricted			
-	-	-	Housing programs
-	-	-	Streets and transportation
-	-	-	Landscape
-	-	-	Special programs
-	-	-	Law enforcement
Committed			
2,502,934	1,686,700	1,116,802	Equipment
Assigned			
-	-	-	Capital
-	-	-	Unassigned
2,502,934	1,686,700	1,116,802	<b>TOTAL FUND BALANCES (DEFICITS)</b>
\$ 2,539,424	\$ 1,686,700	\$ 1,170,361	<b>TOTAL LIABILITIES AND FUND BALANCES</b>

(continued)

**CITY OF SIMI VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	Capital Projects			Total Nonmajor Capital Projects			Total Nonmajor Funds	
	Police Capital Projects	Solar Projects						
<b><u>ASSETS</u></b>								
Cash and investments:								
Held by City	\$ 17,294	\$ -	\$ -	\$ 5,408,403	\$ -	\$ -	\$ 16,556,436	
Accounts receivable (net of allowance for uncollectibles)	55,004	-	-	55,004	-	-	55,269	
Taxes receivable	-	-	-	-	-	-	76,486	
Grants receivable	-	-	-	-	-	-	616,750	
Interest receivable	180	-	-	5,556	-	-	15,440	
Loans receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	3,143,517	
<b>TOTAL ASSETS</b>	<b>\$ 72,478</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,468,963</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,463,898</b>	
 <b>LIABILITIES AND FUND BALANCES</b>								
<b><u>LIABILITIES</u></b>								
Accounts payable	\$ 13,032	\$ 55,000	\$ -	\$ 158,081	\$ -	\$ -	\$ 580,871	
Due to other funds	-	-	-	-	-	-	546,547	
<b>TOTAL LIABILITIES</b>	<b>13,032</b>	<b>55,000</b>	<b>-</b>	<b>158,081</b>	<b>-</b>	<b>-</b>	<b>1,127,418</b>	
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>								
Unavailable revenue-housing programs	-	-	-	-	-	-	3,143,517	
Unavailable revenue-public safety	-	-	-	-	-	-	18,386	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,161,903</b>	
 <b><u>FUND BALANCES</u></b>								
Restricted								
Housing programs	-	-	-	-	-	-	1,641,548	
Streets and transportation	-	-	-	-	-	-	2,766,006	
Landscape	-	-	-	-	-	-	1,404,310	
Special programs	-	-	-	-	-	-	2,199,119	
Law enforcement	-	-	-	-	-	-	2,852,712	
Committed								
Equipment	-	-	-	5,306,436	-	-	5,306,436	
Assigned								
Capital	59,446	-	-	59,446	-	-	59,446	
Unassigned	-	(55,000)	-	(55,000)	-	-	(55,000)	
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>59,446</b>	<b>(55,000)</b>	<b>-</b>	<b>5,310,882</b>	<b>-</b>	<b>-</b>	<b>16,174,577</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 72,478</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,468,963</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,463,898</b>	

(concluded)



**CITY OF SIMI VALLEY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Special Revenue			
	CalHome Grant	HOME Grant	Public, Education & Government Fees	Gasoline Tax
<b><u>REVENUES</u></b>				
Taxes	\$ -	\$ -	\$ 309,435	\$ -
Use of money and property	9,813	107,156	7,744	-
From other governments	-	-	-	2,748,314
Grants	501,088	-	-	-
Service charges	-	-	-	-
Other revenues	-	-	-	-
Total revenues	510,901	107,156	317,179	2,748,314
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	-	-
Community services (CS)	-	-	15,714	-
Planning (ES)	344,104	10,716	-	-
Public ways and facilities (PW)	-	-	-	-
Public safety (PD)	-	-	-	-
Total current expenditures	344,104	10,716	15,714	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Other	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	344,104	10,716	15,714	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	166,797	96,440	301,465	2,748,314
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	(14,200)	(2,748,314)
Total other financing sources (uses)	-	-	(14,200)	(2,748,314)
NET CHANGE IN FUND BALANCES	166,797	96,440	287,265	-
FUND BALANCES (DEFICITS) - BEGINNING	(164,935)	1,543,246	1,075,408	-
FUND BALANCES (DEFICITS) - ENDING	\$ 1,862	\$ 1,639,686	\$ 1,362,673	\$ -

**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Special Revenue**

Transportation Funds	Green Projects	Library Services	Police Grants	
				<b>REVENUES</b>
\$ -	\$ -	\$ 2,252,700	\$ -	Taxes
5,784	-	1,041	19,554	Use of money and property
4,489,410	-	-	-	From other governments
-	-	17,000	1,699,274	Grants
-	-	6,337	-	Service charges
-	2,868	110,094	6,300	Other revenues
<u>4,495,194</u>	<u>2,868</u>	<u>2,387,172</u>	<u>1,725,128</u>	Total revenues
				<b>EXPENDITURES</b>
				Current:
-	1,588	-	-	General government
-	-	1,788,642	-	Community services (CS)
-	1,280	-	-	Planning (ES)
25,407	-	-	-	Public ways and facilities (PW)
-	-	-	610,581	Public safety (PD)
<u>25,407</u>	<u>2,868</u>	<u>1,788,642</u>	<u>610,581</u>	Total current expenditures
-	-	-	-	Capital outlay
				Debt service:
-	-	-	-	Interest
-	-	-	-	Other
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total debt service
<u>25,407</u>	<u>2,868</u>	<u>1,788,642</u>	<u>610,581</u>	Total expenditures
<u>4,469,787</u>	<u>-</u>	<u>598,530</u>	<u>1,114,547</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
				<b>OTHER FINANCING SOURCES (USES)</b>
48	-	-	-	Transfers in
(3,707,195)	-	(290,200)	(352,641)	Transfers out
<u>(3,707,147)</u>	<u>-</u>	<u>(290,200)</u>	<u>(352,641)</u>	Total other financing sources (uses)
<u>762,640</u>	<u>-</u>	<u>308,330</u>	<u>761,906</u>	NET CHANGE IN FUND BALANCES
<u>2,003,366</u>	<u>-</u>	<u>527,838</u>	<u>2,090,806</u>	FUND BALANCES (DEFICITS)-BEGINNING
<u>\$ 2,766,006</u>	<u>\$ -</u>	<u>\$ 836,168</u>	<u>\$ 2,852,712</u>	FUND BALANCES (DEFICITS)-ENDING

(continued)

**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Special Revenue			Debt Service
	Community Development Block Grant	Landscape Maintenance District No. 1	Total Nonmajor Special Revenue Funds	2014A Lease Revenue Refunding Bonds
<b><u>REVENUES</u></b>				
Taxes	\$ -	\$ -	\$ 2,562,135	\$ -
Use of money and property	29,943	12,521	193,556	-
From other governments	-	-	7,237,724	-
Grants	832,645	-	3,050,007	-
Service charges	-	781,444	787,781	-
Other revenues	-	-	119,262	-
Total revenues	862,588	793,965	13,950,465	-
<b><u>EXPENDITURES</u></b>				
Current:				
General government	842,127	96,440	940,155	-
Community services (CS)	-	-	1,804,356	-
Planning (ES)	20,459	-	376,559	-
Public ways and facilities (PW)	-	1,493,010	1,518,417	-
Public safety (PD)	-	-	610,581	-
Total current expenditures	862,586	1,589,450	5,250,068	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	806,625
Other	-	-	-	1,150
Total debt service	-	-	-	807,775
Total expenditures	862,586	1,589,450	5,250,068	807,775
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2	(795,485)	8,700,397	(807,775)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	966,212	966,260	799,812
Transfers out	-	-	(7,112,550)	-
Total other financing sources (uses)	-	966,212	(6,146,290)	799,812
NET CHANGE IN FUND BALANCES	2	170,727	2,554,107	(7,963)
FUND BALANCES (DEFICITS)-BEGINNING	276	1,233,583	8,309,588	7,963
FUND BALANCES (DEFICITS)-ENDING	\$ 278	\$ 1,404,310	\$ 10,863,695	\$ -

**CITY OF SIMI VALLEY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<b>Capital Projects</b>			
<b>Equipment Replacement</b>	<b>Geographic Information System (GIS)</b>	<b>Financial Information System (FIS)</b>	
\$	-	\$	-
2,136	11,667	-	9,558
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	4,000
<u>2,136</u>	<u>11,667</u>	<u>-</u>	<u>13,558</u>
			<b>REVENUES</b>
			Taxes
			Use of money and property
			From other governments
			Grants
			Service charges
			Other revenues
			Total revenues
			<b>EXPENDITURES</b>
			Current:
			General government
			Community services (CS)
			Planning (ES)
			Public ways and facilities (PW)
			Public safety (PD)
			Total current expenditures
			Capital outlay
			Debt service:
			Interest
			Other
			Total debt service
			Total expenditures
			EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
(835,906)	2,557	(1,075,576)	
			<b>OTHER FINANCING SOURCES (USES)</b>
1,387,300	-	717,994	Transfers in
(299,594)	-	-	Transfers out
<u>1,087,706</u>	<u>-</u>	<u>717,994</u>	Total other financing sources (uses)
<u>251,800</u>	<u>2,557</u>	<u>(357,582)</u>	NET CHANGE IN FUND BALANCES
<u>2,251,134</u>	<u>1,684,143</u>	<u>1,474,384</u>	FUND BALANCES (DEFICITS) - BEGINNING
<u>\$ 2,502,934</u>	<u>\$ 1,686,700</u>	<u>\$ 1,116,802</u>	FUND BALANCES (DEFICITS) - ENDING

(continued)



**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Capital Projects</u>			<u>Total Nonmajor Funds</u>
	<u>Police Capital Projects</u>	<u>Solar Capital Projects</u>	<u>Total Nonmajor Capital Projects</u>	
<b><u>REVENUES</u></b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,562,135
Use of money and property	686	-	24,047	217,603
From other governments	-	-	-	7,237,724
Grants	-	-	-	3,050,007
Service charges	-	-	-	787,781
Other revenues	75,000	-	79,000	198,262
Total revenues	<u>75,686</u>	<u>-</u>	<u>103,047</u>	<u>14,053,512</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	-	940,155
Community services (CS)	-	-	-	1,804,356
Planning (ES)	-	-	-	376,559
Public ways and facilities (PW)	-	-	-	1,518,417
Public safety (PD)	-	-	-	610,581
Total current expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,250,068</u>
Capital outlay	146,323	55,000	2,137,609	2,137,609
Debt service:				
Interest	-	-	-	806,625
Other	-	-	-	1,150
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>807,775</u>
Total expenditures	<u>146,323</u>	<u>55,000</u>	<u>2,137,609</u>	<u>8,195,452</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(70,637)</u>	<u>(55,000)</u>	<u>(2,034,562)</u>	<u>5,858,060</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	2,105,294	3,871,366
Transfers out	-	-	(299,594)	(7,412,144)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,805,700</u>	<u>(3,540,778)</u>
NET CHANGE IN FUND BALANCES	<u>(70,637)</u>	<u>(55,000)</u>	<u>(228,862)</u>	<u>2,317,282</u>
FUND BALANCES (DEFICITS) - BEGINNING	<u>130,083</u>	<u>-</u>	<u>5,539,744</u>	<u>13,857,295</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 59,446</u>	<u>\$ (55,000)</u>	<u>\$ 5,310,882</u>	<u>\$ 16,174,577</u>

(concluded)



Schedules-Budget and  
Actual-Individual Funds

**CITY OF SIMI VALLEY  
CALHOME  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Grants	\$ 500,000	\$ 501,088	\$ 1,088
Use of money and property	-	9,813	9,813
Total revenues	<u>500,000</u>	<u>510,901</u>	<u>10,901</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Planning (ES):			
Housing programs	470,000	312,341	157,659
Reimbursed expenditures	30,000	31,763	(1,763)
Total expenditures	<u>500,000</u>	<u>344,104</u>	<u>155,896</u>
 NET CHANGE IN FUND BALANCES	 -	 166,797	 166,797
FUND BALANCES (DEFICITS) - BEGINNING	<u>(164,935)</u>	<u>(164,935)</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ (164,935)</u>	<u>\$ 1,862</u>	<u>\$ 166,797</u>

**CITY OF SIMI VALLEY  
HOME GRANT  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Use of money and property	\$ 2,400	\$ 107,156	\$ 104,756
<b><u>EXPENDITURES</u></b>			
Current:			
Planning:			
Materials, supplies, and services	250,000	-	250,000
Reimbursements to general fund	200	10,716	(10,516)
Total expenditures	250,200	10,716	239,484
 NET CHANGE IN FUND BALANCES	 (247,800)	 96,440	 344,240
FUND BALANCES (DEFICITS) - BEGINNING	1,543,246	1,543,246	-
FUND BALANCES (DEFICITS) - ENDING	\$ 1,295,446	\$ 1,639,686	\$ 344,240

**CITY OF SIMI VALLEY  
PUBLIC EDUCATION AND GOVERNMENT FEES  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Taxes	\$ 275,000	\$ 309,435	\$ 34,435
Use of money and property	1,600	7,744	6,144
Total revenues	<u>276,600</u>	<u>317,179</u>	<u>40,579</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Community services:			
Materials, supplies and services	<u>641,000</u>	<u>15,714</u>	<u>625,286</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(364,400)</u>	<u>301,465</u>	<u>665,865</u>
<b><u>OTHER FINANCING (USES)</u></b>			
Transfers out	<u>(14,200)</u>	<u>(14,200)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(378,600)	287,265	665,865
FUND BALANCES (DEFICITS) - BEGINNING	<u>1,075,408</u>	<u>1,075,408</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 696,808</u>	<u>\$ 1,362,673</u>	<u>\$ 665,865</u>

**CITY OF SIMI VALLEY**  
**GASOLINE TAX**  
**SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<hr/>			
<b><u>REVENUES</u></b>			
From other governments	\$ 3,429,700	\$ 2,748,314	\$ (681,386)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	(3,429,700)	(2,748,314)	681,386
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES (DEFICITS) - BEGINNING	-	-	-
FUND BALANCES (DEFICITS) - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SIMI VALLEY  
TRANSPORTATION FUNDS  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b><u>REVENUES</u></b>			
Use of money and property	\$ 100	\$ 5,784	\$ 5,684
From other governments	4,463,681	4,489,410	25,729
Total revenues	4,463,781	4,495,194	31,413
<b><u>EXPENDITURES</u></b>			
Current:			
Public ways and facilities:			
Materials, supplies and services	8,000	25,407	(17,407)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	4,455,781	4,469,787	14,006
<b><u>OTHER FINANCING (USES)</u></b>			
Transfers in	-	48	48
Transfers out	(6,017,500)	(3,707,195)	2,310,305
Total other financing (uses)	(6,017,500)	(3,707,147)	2,310,353
<b>NET CHANGE IN FUND BALANCES</b>	(1,561,719)	762,640	2,324,359
<b>FUND BALANCES (DEFICITS) - BEGINNING</b>	2,003,366	2,003,366	-
<b>FUND BALANCES (DEFICITS) - ENDING</b>	\$ 441,647	\$ 2,766,006	\$ 2,324,359

**CITY OF SIMI VALLEY  
LIBRARY SERVICES  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Taxes	\$ 2,252,700	\$ 2,252,700	\$ -
Fines and forfeitures	20,000	40,185	20,185
Use of money and property	5,200	1,041	(4,159)
Grants	18,626	17,000	(1,626)
Service charges	5,100	6,337	1,237
Other revenues	106,547	69,909	(36,638)
Total revenues	<u>2,408,173</u>	<u>2,387,172</u>	<u>(21,001)</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Community services:			
Materials, supplies and services	<u>2,059,612</u>	<u>1,788,642</u>	<u>270,970</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>348,561</u>	<u>598,530</u>	<u>249,969</u>
<b><u>OTHER FINANCING (USES)</u></b>			
Transfers out	<u>(290,200)</u>	<u>(290,200)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	58,361	308,330	249,969
FUND BALANCES (DEFICITS) - BEGINNING	<u>527,838</u>	<u>527,838</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 586,199</u>	<u>\$ 836,168</u>	<u>\$ 249,969</u>



**CITY OF SIMI VALLEY  
POLICE GRANTS  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

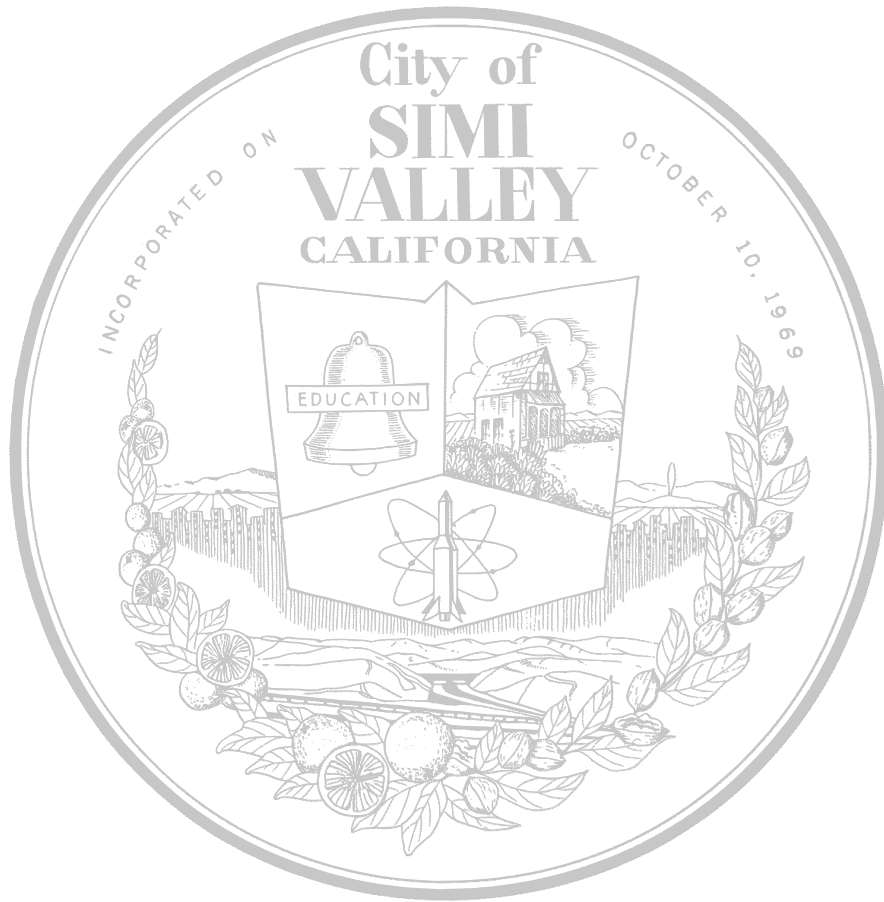
	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b><u>REVENUES</u></b>			
Use of money and property	\$ 1,000	\$ 19,554	\$ 18,554
Grants	667,124	1,699,274	1,032,150
Other revenues	-	6,300	6,300
Total revenues	<u>668,124</u>	<u>1,725,128</u>	<u>1,057,004</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Public safety:			
Material, supplies and services	<u>1,164,913</u>	<u>610,581</u>	<u>554,332</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(496,789)</u>	<u>1,114,547</u>	<u>1,611,336</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	<u>(606,600)</u>	<u>(352,641)</u>	<u>253,959</u>
NET CHANGE IN FUND BALANCES	(1,103,389)	761,906	1,865,295
FUND BALANCES (DEFICITS) - BEGINNING	<u>2,090,806</u>	<u>2,090,806</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 987,417</u>	<u>\$ 2,852,712</u>	<u>\$ 1,865,295</u>

**CITY OF SIMI VALLEY  
COMMUNITY DEVELOPMENT BLOCK GRANT  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b><u>REVENUES</u></b>			
Use of money and property	\$ -	\$ 29,943	\$ 29,943
Grants	615,254	832,645	217,391
Total revenues	<u>615,254</u>	<u>862,588</u>	<u>247,334</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government:			
Reimbursement to general fund	102,034	102,034	-
Other programs	334,390	740,093	(405,703)
Total general government	<u>436,424</u>	<u>842,127</u>	<u>(405,703)</u>
Planning:			
Social programs	280,443	20,459	259,984
Total expenditures	<u>716,867</u>	<u>862,586</u>	<u>(145,719)</u>
NET CHANGE IN FUND BALANCES	(101,613)	2	101,615
FUND BALANCES (DEFICITS) - BEGINNING	<u>276</u>	<u>276</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ (101,337)</u>	<u>\$ 278</u>	<u>\$ 101,615</u>

**CITY OF SIMI VALLEY  
LANDSCAPE MAINTENANCE DISTRICT NO. 1  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Use of money and property	\$ 10,091	\$ 12,521	\$ 2,430
Service charges	787,849	781,444	(6,405)
Total revenues	<u>797,940</u>	<u>793,965</u>	<u>(3,975)</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government:			
Reimbursement to general fund	<u>101,807</u>	<u>96,440</u>	<u>5,367</u>
Public ways and facilities:			
Landscape maintenance contract	1,190,294	1,166,194	24,100
Utilities	591,400	326,816	264,584
Total public ways and facilities	<u>1,781,694</u>	<u>1,493,010</u>	<u>288,684</u>
Total expenditures	<u>1,883,501</u>	<u>1,589,450</u>	<u>294,051</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,085,561)</u>	<u>(795,485)</u>	<u>290,076</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	<u>966,712</u>	<u>966,212</u>	<u>500</u>
NET CHANGE IN FUND BALANCES	(118,849)	170,727	289,576
FUND BALANCES (DEFICITS) - BEGINNING	<u>1,233,583</u>	<u>1,233,583</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 1,114,734</u>	<u>\$ 1,404,310</u>	<u>\$ 289,576</u>





Internal Service and  
Fiduciary Funds

**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2016**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<b><u>ASSETS</u></b>					
Current assets:					
Cash and investments	\$ 5,341,670	\$ 10,984,250	\$ 129,011	\$ 566,884	\$ 17,021,815
Customer receivable	-	1,094	-	-	1,094
Interest receivable	6,167	11,851	107	724	18,849
<b>TOTAL ASSETS</b>	<b>5,347,837</b>	<b>10,997,195</b>	<b>129,118</b>	<b>567,608</b>	<b>17,041,758</b>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>					
Deferred pension contributions	-	92,407	-	-	92,407
<b><u>LIABILITIES</u></b>					
Current liabilities:					
Accounts payable	74,495	117,191	753	12,000	204,439
Salaries and benefits payable	-	11,992	-	-	11,992
Compensated absences	-	4,020	-	-	4,020
Claims and legal services payable	2,249,267	2,536,942	-	-	4,786,209
Total current liabilities	2,323,762	2,762,552	753	12,000	5,099,067
Noncurrent liabilities:					
Advances from other funds	2,344,000	2,344,000	-	-	4,688,000
Compensated absences	-	36,184	-	-	36,184
Claims and legal services payable	3,030,795	6,197,727	-	-	9,228,522
Net pension liability	-	408,038	-	-	408,038
Total noncurrent liabilities	5,374,795	8,985,949	-	-	14,360,744
<b>TOTAL LIABILITIES</b>	<b>7,698,557</b>	<b>11,748,501</b>	<b>753</b>	<b>12,000</b>	<b>19,459,811</b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>					
Deferred pension trust earnings	-	85,000	-	-	85,000
<b><u>NET POSITION</u></b>					
Unrestricted	(2,350,720)	(651,492)	128,365	555,608	(2,318,239)
<b>TOTAL NET POSITION</b>	<b>\$ (2,350,720)</b>	<b>\$ (651,492)</b>	<b>\$ 128,365</b>	<b>\$ 555,608</b>	<b>\$ (2,318,239)</b>

**CITY OF SIMI VALLEY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<b><u>OPERATING REVENUES</u></b>					
Total charges for sales and services	\$ -	\$ 4,275,200	\$ 91,500	\$ 180,000	\$ 4,546,700
<b><u>OPERATING EXPENSES</u></b>					
Salaries and benefits	-	284,756	-	-	284,756
Excess insurance premiums	408,643	334,676	-	-	743,319
Claims and legal expenses	1,134,632	705,870	-	-	1,840,502
General administration	184,700	484,100	-	-	668,800
Other	16,847	6,017	132,223	78,559	233,646
Total operating expenses	1,744,822	1,815,419	132,223	78,559	3,771,023
OPERATING INCOME (LOSS)	(1,744,822)	2,459,781	(40,723)	101,441	775,677
NONOPERATING REVENUES AND EXPENSES:					
Interest	34,669	69,053	437	3,391	107,550
INCOME (LOSS) BEFORE TRANSFERS	(1,710,153)	2,528,834	(40,286)	104,832	883,227
<b><u>TRANSFERS</u></b>					
Transfers in	-	-	56,250	-	56,250
Transfers out	(4,400)	(4,700)	-	-	(9,100)
Total transfers	(4,400)	(4,700)	56,250	-	47,150
CHANGE IN NET POSITION	(1,714,553)	2,524,134	15,964	104,832	930,377
NET POSITION-BEGINNING	(636,167)	(3,175,626)	112,401	450,776	(3,248,616)
NET POSITION-ENDING	\$ (2,350,720)	\$ (651,492)	\$ 128,365	\$ 555,608	\$ (2,318,239)

**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>					
Cash received from service charges and other revenues (net of refunds)	\$ -	\$ 4,275,200	\$ 91,500	\$ 180,000	\$ 4,546,700
Cash paid for salaries and benefits	-	(307,977)	-	-	(307,977)
Cash paid for general administration	(184,700)	(484,100)	-	-	(668,800)
Cash paid for services	(10,852)	(6,017)	(132,540)	(44,001)	(193,410)
Cash paid for insurance premiums and claims	(1,577,393)	(1,874,470)	-	-	(3,451,863)
Net cash provided (used) by operating activities	<u>(1,772,945)</u>	<u>1,602,636</u>	<u>(41,040)</u>	<u>135,999</u>	<u>(75,350)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>					
Transfers from other funds	-	-	56,250	-	56,250
Transfers to other funds	(4,400)	(4,700)	-	-	(9,100)
Net cash provided (used) by noncapital financing activities	<u>(4,400)</u>	<u>(4,700)</u>	<u>56,250</u>	<u>-</u>	<u>47,150</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>					
Interest on investments	34,454	65,661	418	2,893	103,426
Net cash provided (used) by investing activities	<u>34,454</u>	<u>65,661</u>	<u>418</u>	<u>2,893</u>	<u>103,426</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,742,891)	1,663,597	15,628	138,892	75,226
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,084,561	9,320,653	113,383	427,992	16,946,589
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,341,670</u>	<u>\$ 10,984,250</u>	<u>\$ 129,011</u>	<u>\$ 566,884</u>	<u>\$ 17,021,815</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>					
Operating income (loss)	\$ (1,744,822)	\$ 2,459,781	\$ (40,723)	\$ 101,441	\$ 775,677
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(increase) decrease in prepaid expenses	-	-	-	26,558	26,558
Increase (decrease) in accounts payable	5,995	99,892	(317)	8,000	113,570
Increase (decrease) in accrued payroll	-	1,657	-	-	1,657
Increase (decrease) in compensated absences	-	(5,573)	-	-	(5,573)
Increase (decrease) in claims and legal services payable	(34,118)	(933,816)	-	-	(967,934)
Increase (decrease) net pension liability	-	(19,305)	-	-	(19,305)
Total adjustments	<u>(28,123)</u>	<u>(857,145)</u>	<u>(317)</u>	<u>34,558</u>	<u>(851,027)</u>
Net cash provided (used) by operating activities	<u>\$ (1,772,945)</u>	<u>\$ 1,602,636</u>	<u>\$ (41,040)</u>	<u>\$ 135,999</u>	<u>\$ (75,350)</u>



**CITY OF SIMI VALLEY  
COMBINING SCHEDULE OF NET POSITION  
PRIVATE PURPOSE TRUST FUND  
JUNE 30, 2016**

**Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund**

	<b>Community Development Agency Administration</b>	<b>Merged Tapo Canyon &amp; West End Tax Increment</b>	<b>LMIH- Residual</b>	<b>Redevelopment Obligation Retirement</b>
<b><u>ASSETS</u></b>				
Cash and investments:				
Held by City	\$ -	\$ (110,369)	\$ -	\$ 606
Held by bond trustee	-	-	-	-
Interest receivable	-		1	1
Capital assets not being depreciated	-	1,124,174	-	-
<b>TOTAL ASSETS</b>	<b>-</b>	<b>1,013,805</b>	<b>1</b>	<b>607</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred charge on refunding	-	-	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	-	-	-	-
Accrued interest payable	-	-	-	-
Loans payable - City	-	7,416,447	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>7,416,447</b>	<b>-</b>	<b>-</b>
<b><u>NET POSITION</u></b>				
Held in trust for other purposes	\$ -	\$ (6,402,642)	\$ 1	\$ 607

(continued)

**CITY OF SIMI VALLEY  
COMBINING SCHEDULE OF NET POSITION  
PRIVATE PURPOSE TRUST FUND  
JUNE 30, 2016**

<u>Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund</u>			
2003 Tax Allocation Refunding Bonds	CDA Projects	Total Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund	
\$ 1,562,390	\$ 1,957,766	\$ 3,410,393	<b><u>ASSETS</u></b>
2,101,788	-	2,101,788	Cash and investments:
756	3,076	3,834	Held by City
-	-	1,124,174	Held by bond trustee
3,664,934	1,960,842	6,640,189	Interest receivable
			Capital assets not being depreciated
			<b>TOTAL ASSETS</b>
217,633	-	217,633	<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>
217,633	-	217,633	Deferred charge on refunding
			<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>
1,150	-	1,150	<b><u>LIABILITIES</u></b>
360,818	-	360,818	Accounts payable and accrued liabilities
-	-	7,416,447	Accrued interest payable
1,010,000	-	1,010,000	Loans payable - City
20,973,742	-	20,973,742	Long-term debt:
22,345,710	-	29,762,157	Due within one year
			Due in more than one year
			<b>TOTAL LIABILITIES</b>
\$ (18,463,143)	\$ 1,960,842	\$ (22,904,335)	<b><u>NET POSITION</u></b>
			Held in trust for other purposes

(concluded)

**CITY OF SIMI VALLEY  
COMBINING SCHEDULE OF CHANGES IN NET POSITION  
PRIVATE PURPOSE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund**

	<b>Community Development Agency Administration</b>	<b>Merged Tapo Canyon &amp; West End Tax Increment</b>	<b>LMIH- Residual</b>	<b>Redevelopment Obligation Retirement</b>
<b><u>ADDITIONS</u></b>				
Property taxes	\$ -	\$ -	\$ -	\$ 2,874,073
Investment earnings	-	-	-	-
Contributions from other governments	-	313,992	-	-
Transfers in	250,000	563,356	-	-
<b>TOTAL ADDITIONS</b>	<b>250,000</b>	<b>877,348</b>	<b>-</b>	<b>2,874,073</b>
<b><u>DEDUCTIONS</u></b>				
Administrative expenses	-	-	-	-
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	-	-	151	1
Contributions to other governments	250,000	-	-	-
Transfers out	-	-	613	2,874,073
<b>TOTAL DEDUCTIONS</b>	<b>250,000</b>	<b>-</b>	<b>764</b>	<b>2,874,074</b>
<b>CHANGE IN NET POSITION</b>	<b>-</b>	<b>877,348</b>	<b>(764)</b>	<b>(1)</b>
<b>NET POSITION - BEGINNING</b>	<b>-</b>	<b>(7,910,228)</b>	<b>765</b>	<b>608</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>630,238</b>	<b>-</b>	<b>-</b>
<b>NET POSITION - BEGINNING, as restated</b>	<b>-</b>	<b>(7,279,990)</b>	<b>765</b>	<b>608</b>
<b>NET POSITION - ENDING</b>	<b>\$ -</b>	<b>\$ (6,402,642)</b>	<b>\$ 1</b>	<b>\$ 607</b>

(continued)

**CITY OF SIMI VALLEY  
 COMBINING SCHEDULE OF CHANGES IN NET POSITION  
 PRIVATE PURPOSE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund</u>			
2003 Tax Allocation Refunding Bonds	CDA Projects	Total Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund	
			<b><u>ADDITIONS</u></b>
\$ -	\$ -	2,874,073	Property taxes
2,547	12,781	15,328	Investment earnings
-	-	313,992	Contributions from other governments
2,061,330	-	2,874,686	Transfers in
<u>2,063,877</u>	<u>12,781</u>	<u>6,078,079</u>	TOTAL ADDITIONS
			<b><u>DEDUCTIONS</u></b>
9,060	-	9,060	Administrative expenses
1,107,285	-	1,107,437	Interest and fiscal agency expenses of former Simi Valley Community Development Agency
-	-	250,000	Contributions to other governments
-	-	2,874,686	Transfers out
<u>1,116,345</u>	<u>-</u>	<u>4,241,183</u>	TOTAL DEDUCTIONS
947,532	12,781	1,836,896	CHANGE IN NET POSITION
(19,410,675)	1,948,061	(25,371,469)	NET POSITION - BEGINNING
-	-	630,238	PRIOR PERIOD ADJUSTMENT
<u>(19,410,675)</u>	<u>1,948,061</u>	<u>(24,741,231)</u>	NET POSITION - BEGINNING, as restated
<u>\$ (18,463,143)</u>	<u>\$ 1,960,842</u>	<u>\$ (22,904,335)</u>	NET POSITION - ENDING

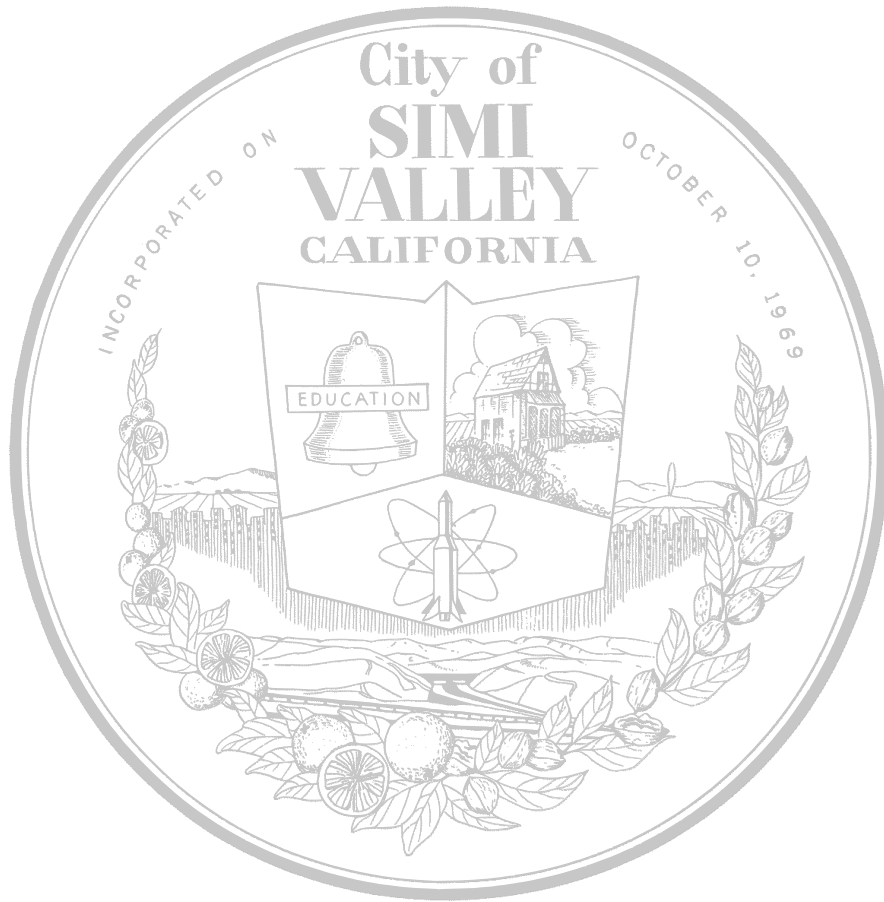
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**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF NET POSITION  
AGENCY FUNDS  
JUNE 30, 2016**

	<b>City Agency Fund</b>	<b>Assessment Districts - City of Simi Valley</b>	<b>Total Agency Funds</b>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments:			
Held by City	\$ 4,087,659	\$ 1,162,363	\$ 5,250,022
Held by bond trustee	-	987,342	987,342
Accounts receivable	-	1,490	1,490
TOTAL ASSETS	\$ 4,087,659	\$ 2,151,195	\$ 6,238,854
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 33,656	\$ 3,260	\$ 36,916
Deposits	4,054,003	-	4,054,003
Due to bondholders	-	2,147,935	2,147,935
TOTAL LIABILITIES	\$ 4,087,659	\$ 2,151,195	\$ 6,238,854

**CITY OF SIMI VALLEY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance at June 30, 2015	Additions	Deductions	Balance at June 30, 2016
<b>AGENCY FUND - CITY OF SIMI VALLEY</b>				
ASSETS:				
Cash and investments held by City	\$ 3,966,401	\$ 605,315	\$ 484,057	\$ 4,087,659
<b>TOTAL ASSETS</b>	<b>\$ 3,966,401</b>	<b>\$ 605,315</b>	<b>\$ 484,057</b>	<b>\$ 4,087,659</b>
LIABILITIES:				
Accounts payable	\$ 192,409	\$ 284,022	\$ 442,775	\$ 33,656
Deposits	3,773,992	594,196	314,185	4,054,003
<b>TOTAL LIABILITIES</b>	<b>\$ 3,966,401</b>	<b>\$ 878,218</b>	<b>\$ 756,960</b>	<b>\$ 4,087,659</b>
<b>ASSESSMENT DISTRICTS - CITY OF SIMI VALLEY</b>				
ASSETS:				
Cash and investments held by City	\$ 1,400,477	\$ 867,891	\$ 1,106,005	\$ 1,162,363
Cash and investments held by bond trustee	997,202	723,530	733,390	987,342
Accounts receivable	1,359	2,850	2,719	1,490
<b>TOTAL ASSETS</b>	<b>\$ 2,399,038</b>	<b>\$ 1,594,271</b>	<b>\$ 1,842,114</b>	<b>\$ 2,151,195</b>
LIABILITIES:				
Accounts payable	3,040	1,035,454	1,035,234	3,260
Due to bondholders	2,395,998	558,817	806,880	2,147,935
<b>TOTAL LIABILITIES</b>	<b>\$ 2,399,038</b>	<b>\$ 1,594,271</b>	<b>\$ 1,842,114</b>	<b>\$ 2,151,195</b>
<b>TOTAL AGENCY FUNDS</b>				
ASSETS:				
Cash and investments held by City	\$ 5,366,878	\$ 1,473,206	\$ 1,590,062	\$ 5,250,022
Cash and investments held by bond trustee	997,202	723,530	733,390	987,342
Accounts receivable	1,359	2,850	2,719	1,490
<b>TOTAL ASSETS</b>	<b>\$ 6,365,439</b>	<b>\$ 2,199,586</b>	<b>\$ 2,326,171</b>	<b>\$ 6,238,854</b>
LIABILITIES:				
Accounts payable	195,449	1,319,476	1,478,009	36,916
Deposits	3,773,992	594,196	314,185	4,054,003
Due to bondholders	2,395,998	558,817	806,880	2,147,935
<b>TOTAL LIABILITIES</b>	<b>\$ 6,365,439</b>	<b>\$ 2,472,489</b>	<b>\$ 2,599,074</b>	<b>\$ 6,238,854</b>



# STATISTICAL SECTION



**STATISTICAL SECTION  
(UNAUDITED)**

This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

	<b>PAGE</b>
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. ....	140
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. ....	150
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. ....	156
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. ..	160
<u>Operating Information</u> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. ....	162

**SOURCE:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**CITY OF SIMI VALLEY  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>				
	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Governmental activities					
Net investment in capital assets	\$ 153,537,599	\$ 157,564,195	\$ 180,128,561	\$ 192,161,001	\$ 193,042,793
Restricted	60,444,524	76,340,295	84,285,014	87,739,866	86,293,818
Unrestricted	42,886,026	39,459,540	8,499,742	257,677	2,314,831
Total governmental activities net position	<u>\$ 256,868,149</u>	<u>\$ 273,364,030</u>	<u>\$ 272,913,317</u>	<u>\$ 280,158,544</u>	<u>\$ 281,651,442</u>
Business-type activities					
Net investment in capital assets	\$ 109,436,007	\$ 112,913,342	\$ 121,094,906	\$ 126,957,605	\$ 130,816,874
Restricted	18,981,595	17,622,173	9,527,814	8,239,133	6,755,144
Unrestricted	27,974,098	31,027,488	35,330,465	39,436,550	42,011,607
Total business-type activities net position	<u>\$ 156,391,700</u>	<u>\$ 161,563,003</u>	<u>\$ 165,953,185</u>	<u>\$ 174,633,288</u>	<u>\$ 179,583,625</u>
Primary Government					
Net investment in capital assets	\$ 262,973,606	\$ 270,477,537	\$ 301,223,467	\$ 319,118,606	\$ 323,859,667
Restricted	79,426,119	93,962,468	93,812,828	95,978,999	93,048,962
Unrestricted	70,860,124	70,487,028	43,830,207	39,694,227	44,326,438
Total primary government net position	<u>\$ 413,259,849</u>	<u>\$ 434,927,033</u>	<u>\$ 438,866,502</u>	<u>\$ 454,791,832</u>	<u>\$ 461,235,067</u>

Continued

**CITY OF SIMI VALLEY  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

Fiscal Year					
2011-12	2012-13	2013-14	2014-15	2015-16	
					Governmental activities
\$ 185,373,875	\$ 182,759,929	\$ 186,806,245	\$ 207,788,585	\$ 211,751,365	Net investment in capital assets
68,151,365	61,520,939	58,246,665	57,372,815	57,552,738	Restricted
37,498,659	34,169,932	37,002,698	(55,691,639)	(52,859,886)	Unrestricted
<u>\$ 291,023,899</u>	<u>\$ 278,450,800</u>	<u>\$ 282,055,608</u>	<u>\$ 209,469,761</u>	<u>\$ 216,444,217</u>	Total governmental activities net position
					Business-type activities
\$ 131,301,986	\$ 129,933,391	\$ 132,775,502	\$ 141,770,140	\$ 143,093,105	Net investment in capital assets
6,472,751	5,886,068	4,894,656	4,716,713	5,140,128	Restricted
43,346,788	42,641,507	38,232,485	15,841,185	17,627,461	Unrestricted
<u>\$ 181,121,525</u>	<u>\$ 178,460,966</u>	<u>\$ 175,902,643</u>	<u>\$ 162,328,038</u>	<u>\$ 165,860,694</u>	Total business-type activities net position
					Primary Government
\$ 316,675,861	\$ 312,693,320	\$ 319,581,747	\$ 349,558,725	\$ 354,844,470	Net investment in capital assets
74,624,116	67,407,007	63,141,321	62,089,528	62,692,866	Restricted
80,845,447	76,811,439	75,235,183	(39,850,454)	(35,232,425)	Unrestricted
<u>\$ 472,145,424</u>	<u>\$ 456,911,766</u>	<u>\$ 457,958,251</u>	<u>\$ 371,797,799</u>	<u>\$ 382,304,911</u>	Total primary government net position

Concluded

**CITY OF SIMI VALLEY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Expenses</b>					
Governmental activities:					
General government	\$ 18,475,995	\$ 21,311,700	\$ 21,908,817	\$ 27,176,047	\$ 23,126,537
Community services	3,645,993	4,076,877	3,952,073	4,124,494	3,925,587
Planning	9,229,296	11,839,627	9,621,707	9,188,637	8,970,708
Public ways and facilities	16,326,888	17,695,954	16,951,872	16,224,562	15,796,789
Public safety	26,677,974	30,600,433	29,911,781	31,040,123	30,259,418
Interest on long-term debt	3,232,084	3,123,397	3,256,626	3,040,452	2,976,163
Refunding bond issuance costs	-	-	-	-	-
Total governmental activities expenses	<u>77,588,230</u>	<u>88,647,988</u>	<u>85,602,876</u>	<u>90,794,315</u>	<u>85,055,202</u>
Business-type activities:					
Sanitation	13,144,836	14,391,154	14,329,152	14,165,394	14,617,402
Waterworks district no. 8	26,668,732	28,067,587	28,899,962	29,110,566	31,868,849
Transit	5,747,532	6,271,344	6,468,506	6,453,772	5,963,797
Total business-type activities expenses	<u>45,561,100</u>	<u>48,730,085</u>	<u>49,697,620</u>	<u>49,729,732</u>	<u>52,450,048</u>
Total primary government expenses	<u>\$ 123,149,330</u>	<u>\$ 137,378,073</u>	<u>\$ 135,300,496</u>	<u>\$ 140,524,047</u>	<u>\$ 137,505,250</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 495,979	\$ 304,549	\$ 438,812	\$ 395,880	\$ 324,088
Community services	171,938	200,067	150,084	214,853	199,441
Planning	4,156,265	3,168,280	1,885,710	1,506,323	3,668,347
Public ways and facilities	2,782,618	2,605,869	1,811,768	1,711,132	1,728,219
Public safety	982,303	950,923	914,693	766,149	770,606
Operating grants and contributions	9,025,966	11,082,867	8,532,799	7,436,473	6,903,665
Capital grants and contributions	7,683,123	1,623,965	5,077,276	21,281,299	8,467,152
Total governmental activities program revenues	<u>25,298,192</u>	<u>19,936,520</u>	<u>18,811,142</u>	<u>33,312,109</u>	<u>22,061,518</u>
Business-type activities:					
Charges for services:					
Sanitation	13,725,483	14,767,859	14,780,226	14,783,194	14,527,144
Waterworks district no. 8	27,250,693	28,247,611	30,138,375	30,010,924	31,426,920
Transit	546,520	524,771	542,194	517,745	465,502
Operating grants and contributions	2,480,838	2,285,871	2,606,392	2,352,998	2,179,217
Capital grants and contributions	707,834	312,537	1,969,465	7,118,535	4,991,973
Total business-type activities program revenues	<u>44,711,368</u>	<u>46,138,649</u>	<u>50,036,652</u>	<u>54,783,396</u>	<u>53,590,756</u>
Total primary governmental program revenues	<u>\$ 70,009,560</u>	<u>\$ 66,075,169</u>	<u>\$ 68,847,794</u>	<u>\$ 88,095,505</u>	<u>\$ 75,652,274</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	(52,290,038)	(68,711,468)	(66,791,734)	(57,482,206)	(62,993,684)
Business-type activities	(849,732)	(2,591,436)	339,032	5,053,664	1,140,708
Total primary government net expense	<u>\$ (53,139,770)</u>	<u>\$ (71,302,904)</u>	<u>\$ (66,452,702)</u>	<u>\$ (52,428,542)</u>	<u>\$ (61,852,976)</u>

Continued

**CITY OF SIMI VALLEY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

		Fiscal Year					
	2011-12	2012-13	2013-14	2014-15	2015-16		
						<b>Expenses</b>	
						Governmental activities:	
\$	15,257,184	\$ 19,086,724	\$ 19,924,154	\$ 19,604,979	\$ 16,442,755	General government	
	4,385,668	4,441,851	6,042,418	6,264,358	6,397,826	Community services	
	7,606,116	5,852,282	5,665,265	5,699,916	6,308,221	Planning	
	16,585,197	16,902,636	17,004,864	16,822,400	16,641,718	Public ways and facilities	
	33,242,551	31,460,391	30,566,135	31,445,540	31,286,515	Public safety	
	2,044,426	1,206,096	1,059,055	265,922	720,840	Interest on long-term debt	
	-	-	-	194,069	-	Refunding bond issuance costs	
	<u>79,121,142</u>	<u>78,949,980</u>	<u>80,261,891</u>	<u>80,297,184</u>	<u>77,797,875</u>	Total governmental activities expenses	
						Business-type activities:	
	14,286,220	15,050,164	17,180,903	16,136,164	14,845,944	Sanitation	
	33,913,655	37,542,008	40,980,119	37,984,287	34,249,031	Waterworks district no. 8	
	6,087,068	6,369,369	6,207,520	6,722,692	7,117,042	Transit	
	<u>54,286,943</u>	<u>58,961,541</u>	<u>64,368,542</u>	<u>60,843,143</u>	<u>56,212,017</u>	Total business-type activities expenses	
	<u>\$ 133,408,085</u>	<u>\$ 137,911,521</u>	<u>\$ 144,630,433</u>	<u>\$ 141,140,327</u>	<u>\$ 134,009,892</u>	Total primary government expenses	
						<b>Program Revenues</b>	
						Governmental activities:	
						Charges for services:	
\$	298,136	\$ 281,940	\$ 380,835	\$ 531,683	\$ 1,606,097	General government	
	686,018	788,384	911,308	882,739	1,109,053	Community services	
	1,893,951	1,915,769	2,191,796	2,202,730	2,738,543	Planning	
	1,795,810	1,651,506	3,322,178	1,913,193	1,821,043	Public ways and facilities	
	844,549	837,559	854,386	866,031	771,002	Public safety	
	9,208,075	8,946,791	11,617,046	12,519,780	9,643,713	Operating grants and contributions	
	1,799,184	4,959,909	11,108,870	28,819,982	13,530,222	Capital grants and contributions	
	<u>16,525,723</u>	<u>19,381,858</u>	<u>30,386,419</u>	<u>47,736,138</u>	<u>31,219,673</u>	Total governmental activities program revenues	
						Business-type activities:	
						Charges for services:	
	14,600,252	14,733,151	14,831,706	14,567,947	16,047,248	Sanitation	
	33,332,611	35,285,062	37,042,247	33,215,428	30,877,802	Waterworks district no. 8	
	467,415	427,115	415,476	401,369	430,804	Transit	
	2,656,313	2,376,527	2,573,874	2,526,193	2,602,009	Operating grants and contributions	
	1,832,677	1,172,661	4,016,047	11,698,157	5,458,314	Capital grants and contributions	
	<u>52,889,268</u>	<u>53,994,516</u>	<u>58,879,350</u>	<u>62,409,094</u>	<u>55,416,177</u>	Total business-type activities program revenues	
	<u>\$ 69,414,991</u>	<u>\$ 73,376,374</u>	<u>\$ 89,265,769</u>	<u>\$ 110,145,232</u>	<u>\$ 86,635,850</u>	Total primary governmental program revenues	
						<b>Net (Expense)/Revenue</b>	
	(62,595,419)	(59,568,122)	(49,875,472)	(32,561,046)	(46,578,202)	Governmental activities	
	(1,397,675)	(4,967,025)	(5,489,192)	1,565,951	(795,840)	Business-type activities	
	<u>\$ (63,993,094)</u>	<u>\$ (64,535,147)</u>	<u>\$ (55,364,664)</u>	<u>\$ (30,995,095)</u>	<u>\$ (47,374,042)</u>	Total primary government net expense	

Continued

**CITY OF SIMI VALLEY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
<b>General Revenues</b>					
<b>and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 22,717,838	\$ 24,296,361	\$ 24,367,498	\$ 24,022,375	\$ 22,864,848
Tax increment	18,945,240	20,185,134	21,359,827	21,138,010	19,170,235
Sales tax	17,705,751	16,894,319	13,955,998	12,969,115	14,632,972
Motor fuel tax	711,694	552,184	427,121	369,992	641,204
Franchise tax	3,686,160	3,708,972	4,756,938	4,304,353	4,719,987
Business tax	1,778,116	1,851,630	1,698,692	1,659,666	1,751,072
Other taxes	2,417,554	1,939,615	1,733,444	1,560,873	1,578,252
Contributions from other governments	-	-	-	-	-
Investment earnings	5,472,452	5,382,599	3,894,585	2,255,728	1,604,653
Gain (loss) on asset disposition	-	-	-	-	-
Capital contributions-unrestricted <sup>1</sup>	3,178,901	2,910,688	-	-	-
Extraordinary gain on dissolution of redevelopment agency	-	-	-	-	-
Transfers	(2,463,585)	(2,207,435)	(2,306,909)	(2,326,794)	(2,476,641)
Contributions to other governments	-	-	-	-	-
<b>Total governmental activities</b>	<u>74,150,121</u>	<u>75,514,067</u>	<u>69,887,194</u>	<u>65,953,318</u>	<u>64,486,582</u>
Business-type activities:					
Investment earnings	2,484,909	2,598,413	1,956,342	1,301,289	930,122
Miscellaneous	128,494	186,032	343,518	180,356	438,359
Capital contributions-unrestricted <sup>1</sup>	3,275,376	2,770,859	-	-	-
Transfers	2,463,585	2,207,435	2,306,909	2,326,794	2,476,641
<b>Total business-type activities</b>	<u>8,352,364</u>	<u>7,762,739</u>	<u>4,606,769</u>	<u>3,808,439</u>	<u>3,845,122</u>
<b>Total primary government</b>	<u>\$ 82,502,485</u>	<u>\$ 83,276,806</u>	<u>\$ 74,493,963</u>	<u>\$ 69,761,757</u>	<u>\$ 68,331,704</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 21,860,083	\$ 6,802,599	\$ 3,095,460	\$ 8,471,112	\$ 1,492,898
Business-type activities	7,502,632	5,171,303	4,945,801	8,862,103	4,985,830
<b>Total primary government</b>	<u>\$ 29,362,715</u>	<u>\$ 11,973,902</u>	<u>\$ 8,041,261</u>	<u>\$ 17,333,215</u>	<u>\$ 6,478,728</u>

Continued

NOTES:

1. In FY 2008-09 capital contributions - unrestricted was re-classified to program revenues.

**CITY OF SIMI VALLEY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

Fiscal Year					
2011-12	2012-13	2013-14	2014-15	2015-16	
					<b>General Revenues</b>
					<b>and Other Changes in Net Position</b>
					Governmental activities:
					Taxes:
\$ 23,461,856	\$ 24,823,215	\$ 27,438,436	\$ 28,340,047	\$ 29,835,623	Property taxes
9,262,457	-	-	-	-	Tax increment
15,018,520	15,617,678	15,440,917	15,944,424	17,432,505	Sales tax
-	-	-	-	-	Motor fuel tax
4,789,947	4,809,762	4,849,204	4,757,607	5,025,802	Franchise tax
1,509,209	1,536,743	1,601,785	1,742,469	1,786,153	Business tax
1,692,627	1,857,033	1,975,930	2,128,115	2,587,113	Other taxes
1,280,200	457,220	3,074,897	373,512	-	Contributions from other governments
1,041,686	228,258	1,046,411	819,685	835,387	Investment earnings
-	-	-	-	-	Gain (loss) on asset disposition
-	-	-	-	-	Capital contributions-unrestricted <sup>1</sup>
-	-	-	-	-	Extraordinary gain on dissolution of redevelopment agency
16,832,057	-	-	-	-	Transfers
(2,143,949)	(1,844,949)	(1,672,300)	(2,869,014)	(3,255,695)	Contributions to other governments
-	-	-	-	(63,992)	Total governmental activities
<u>72,744,610</u>	<u>47,484,960</u>	<u>53,755,280</u>	<u>51,236,845</u>	<u>54,182,896</u>	
					Business-type activities:
697,813	345,334	1,030,711	955,624	811,714	Investment earnings
93,813	116,183	227,858	105,367	261,087	Miscellaneous
-	-	-	-	-	Capital contributions-unrestricted <sup>1</sup>
2,143,949	1,844,949	1,672,300	2,869,014	3,255,695	Transfers
<u>2,935,575</u>	<u>2,306,466</u>	<u>2,930,869</u>	<u>3,930,005</u>	<u>4,328,496</u>	Total business-type activities
<u>\$ 75,680,185</u>	<u>\$ 49,791,426</u>	<u>\$ 56,686,149</u>	<u>\$ 55,166,850</u>	<u>\$ 58,511,392</u>	Total primary government
					<b>Change in Net Position</b>
\$ 10,149,191	\$ (12,083,162)	\$ 3,879,808	\$ 18,675,799	\$ 7,604,694	Governmental activities
1,537,900	(2,660,559)	(2,558,323)	5,495,956	3,532,656	Business-type activities
<u>\$ 11,687,091</u>	<u>\$ (14,743,721)</u>	<u>\$ 1,321,485</u>	<u>\$ 24,171,755</u>	<u>\$ 11,137,350</u>	Total primary government

Concluded

**CITY OF SIMI VALLEY  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
General fund					
Reserved	\$ 16,758,264	\$ 17,270,243	\$ 16,947,665	\$ 19,550,414	
Unreserved	20,594,252	20,134,592	19,161,964	16,176,234	
Nonspendable, reported in:					
Long-term receivables					\$ 19,752,241
Committed, reported in:					
Retiree benefits					628,659
Special programs					
Economic recovery					
Prudent reserve					-
Assigned, reported in:					
Capital					9,209,774
Unassigned					9,799,992
Total general fund	<u>\$ 37,352,516</u>	<u>\$ 37,404,835</u>	<u>\$ 36,109,629</u>	<u>\$ 35,726,648</u>	<u>\$ 39,390,666</u>
All other government funds					
Reserved	\$ 12,313,808	\$ 23,160,249	\$ 27,405,118	\$ 11,750,943	
Unreserved, reported in:					
Special revenue funds	30,922,948	33,772,808	35,983,148	30,816,901	
Debt service	-	-	-	-	
Capital projects funds	13,981,864	14,481,613	14,356,308	12,519,153	
Non-spendable, reported in:					
Long-term receivables					\$ 2,500,000
Restricted, reported in:					
Housing programs					17,176,503
Public improvements					21,277,646
Streets					849,804
Lighting					5,892,439
Landscape					1,373,263
Debt service					6,763,374
Special programs					638,599
Law enforcement					265,017
Committed, reported in:					
Streets					3,853,912
Equipment					3,284,875
Assigned, reported in:					
Capital					1,018,979
Unassigned					(13,848,190)
Total all other governmental funds	<u>\$ 57,218,620</u>	<u>\$ 71,414,670</u>	<u>\$ 77,744,574</u>	<u>\$ 55,086,997</u>	<u>\$ 51,046,221</u>

Continued

**NOTE:**

Prior to fiscal year 2010-2011, fund balances were presented in the categories of Reserved and Unreserved. In fiscal year 2010-2011, the Governmental Accounting Standards Board (GASB) statement 54 was implemented. GASB 54 requires the fund balance amounts to be properly reported within one of the expanded fund balance categories of: Non-spendable, Restricted, Committed, Assigned or Unassigned.

In fiscal year 2013-14, the reporting of fund balance set aside for Prudent reserve was corrected, moving the amount from the Unassigned category to the Committed category.



**CITY OF SIMI VALLEY  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

Fiscal Year					
2011-12	2012-13	2013-14	2014-15	2015-16	
					General fund
					Reserved
					Unreserved
					Nonspendable, reported in:
					Long-term receivables
					Committed, reported in:
					Retiree benefits
					Special programs
					Economic recovery
					Prudent reserve
					Assigned, reported in:
					Capital
					Unassigned
\$ 19,384,570	\$ 22,246,241	\$ 18,509,076	\$ 16,988,891	\$ 15,769,102	Total general fund
805,028	630,447	846,723	863,564	535,057	
229,687	185,195	272,722	283,828	319,322	
	6,839,684	6,084,838	6,084,838	6,084,838	
-	-	11,881,778	11,682,715	11,665,494	
9,304,096	4,198,811	6,029,111	7,968,732	9,374,012	
10,059,954	11,406,896	-	-	-	
<u>\$ 39,783,335</u>	<u>\$ 45,507,274</u>	<u>\$ 43,624,248</u>	<u>\$ 43,872,568</u>	<u>\$ 43,747,825</u>	
					All other government funds
					Reserved
					Unreserved, reported in:
					Special revenue funds
					Debt service
					Capital projects funds
					Non-spendable, reported in:
					Long-term receivables
					Restricted, reported in:
					Housing programs
					Public improvements
					Streets
					Lighting
					Landscape
					Debt service
					Special programs
					Law enforcement
					Committed, reported in:
					Streets
					Equipment
					Assigned, reported in:
					Capital
					Unassigned
\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	Total all other governmental funds
5,432,733	6,045,598	6,389,178	8,376,955	10,483,070	
19,029,472	16,794,452	15,748,357	12,760,231	11,949,371	
889,134	869,822	2,314,747	3,075,194	3,872,702	
7,241,174	-	-	-	-	
929,495	952,063	848,183	1,233,583	1,404,310	
2,635,890	2,637,044	1,656,157	7,963	-	
493,194	792,788	1,037,576	1,603,522	2,199,119	
406,183	892,103	774,724	2,090,806	2,852,712	
3,117,412	1,996,149	2,531,276	2,460,203	2,789,142	
3,525,143	3,858,038	4,421,827	5,409,661	5,306,436	
216,560	129,089	143,103	130,083	59,446	
-	(42,047)	(108,051)	(164,935)	(55,000)	
<u>\$ 46,416,390</u>	<u>\$ 34,925,099</u>	<u>\$ 35,757,077</u>	<u>\$ 36,983,266</u>	<u>\$ 40,861,308</u>	

Concluded

**CITY OF SIMI VALLEY  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Revenues</b>					
Taxes	\$ 48,305,419	\$ 48,690,897	\$ 46,635,899	\$ 44,026,482	\$ 45,736,089
Tax increment	18,945,240	20,185,134	21,359,827	21,138,010	19,170,235
Licenses and permits	2,446,051	1,863,206	1,229,773	1,150,132	1,200,244
Fines and forfeitures	608,633	639,866	644,896	489,711	566,057
Use of money and property	6,030,520	5,875,792	4,293,281	2,715,919	2,437,963
From other governments	9,178,483	7,562,068	8,914,197	9,287,441	7,412,657
Grants	8,154,157	2,824,043	2,852,825	4,917,901	3,502,622
Service charges	3,330,461	2,743,227	2,311,017	2,197,536	1,990,630
Other revenues	2,736,158	4,705,669	1,015,381	825,701	3,092,920
Contributions from other governments	-	-	-	-	-
Total revenues	<u>99,735,122</u>	<u>95,089,902</u>	<u>89,257,096</u>	<u>86,748,833</u>	<u>85,109,417</u>
<b>Expenditures</b>					
Current:					
General government	6,254,640	5,478,843	5,113,701	4,605,291	5,865,259
Community services	3,714,488	4,062,966	3,986,859	3,992,786	3,957,419
Planning	10,449,668	9,728,843	9,737,257	12,369,305	11,524,418
Public ways and facilities	16,165,062	17,794,518	16,488,718	15,462,223	14,871,235
Public safety	28,625,276	30,020,374	30,202,106	28,094,953	28,081,837
Capital outlay	11,720,213	9,542,356	8,345,726	8,687,535	6,029,063
Debt service:					
Principal	1,750,000	1,805,000	1,870,000	1,955,000	2,045,000
Interest	3,674,962	3,410,710	3,316,982	3,038,631	2,962,880
Refunding escrow	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Other	217,473	31,863	14,569	12,838	16,441
Intergovernmental	6,260,334	6,455,707	7,198,990	13,109,707	7,423,382
Total expenditures	<u>88,832,116</u>	<u>88,331,180</u>	<u>86,274,908</u>	<u>91,328,269</u>	<u>82,776,934</u>
Excess (deficiency) of revenues over expenditures	<u>10,903,006</u>	<u>6,758,722</u>	<u>2,982,188</u>	<u>(4,579,436)</u>	<u>2,332,483</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	28,486,035	26,256,128	30,315,435	25,099,047	26,735,331
Transfers out	(30,944,420)	(28,459,763)	(32,616,244)	(27,418,641)	(29,444,572)
Bonds issued	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Gain on property held for sale	-	-	-	-	-
Contributions from other governments	-	-	-	-	-
Contributions to other governments	-	-	-	-	-
Total other financing sources (uses)	<u>(2,458,385)</u>	<u>(2,203,635)</u>	<u>(2,300,809)</u>	<u>(2,319,594)</u>	<u>(2,709,241)</u>
Extraordinary gain	-	-	-	-	-
Net change in fund balances	<u>\$ 8,444,621</u>	<u>\$ 4,555,087</u>	<u>\$ 681,379</u>	<u>\$ (6,899,030)</u>	<u>\$ (376,758)</u>
Debt service as a percentage of noncapital expenditures	6.69%	6.66%	6.59%	6.08%	6.50%

Continued

**CITY OF SIMI VALLEY  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>					
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	
					<b>Revenues</b>
\$ 46,313,876	\$ 48,405,537	\$ 51,630,610	\$ 54,024,712	\$ 56,667,196	Taxes
9,262,457	-	-	-	-	Tax increment
1,549,642	1,526,942	1,641,301	1,965,120	2,561,293	Licenses and permits
590,625	562,301	567,379	613,301	597,889	Fines and forfeitures
1,401,486	1,308,808	1,371,779	2,901,802	2,901,207	Use of money and property
7,885,687	7,485,213	9,875,682	9,489,007	7,715,746	From other governments
2,089,328	6,209,316	3,795,247	4,650,237	3,858,045	Grants
1,992,262	1,861,540	3,247,246	2,111,740	3,300,023	Service charges
1,438,435	2,320,567	2,411,592	1,865,966	1,732,533	Other revenues
1,280,200	464,854	3,073,464	376,588	-	Contributions from other governments
<u>73,803,998</u>	<u>70,145,078</u>	<u>77,614,300</u>	<u>77,998,473</u>	<u>79,333,932</u>	Total revenues
					<b>Expenditures</b>
					Current:
5,024,456	6,760,196	8,977,728	6,764,233	5,784,087	General government
4,274,451	4,366,229	5,759,582	6,245,135	6,581,050	Community services
7,961,160	7,395,246	8,954,977	6,440,023	6,246,916	Planning
14,710,961	14,558,261	14,683,649	14,791,346	15,988,868	Public ways and facilities
28,845,564	28,918,401	29,922,421	31,605,027	32,811,987	Public safety
3,544,377	9,466,790	4,346,397	4,987,471	3,362,875	Capital outlay
					Debt service:
2,130,000	1,360,000	3,220,000	270,000	-	Principal
1,940,460	1,242,425	1,129,784	742,212	806,625	Interest
-	-	-	1,396,316	-	Refunding escrow
-	-	-	194,069	-	Bond issuance costs
13,032	7,933	6,710	1,150	1,150	Other
39,517	-	-	-	-	Intergovernmental
<u>68,483,978</u>	<u>74,075,481</u>	<u>77,001,248</u>	<u>73,436,982</u>	<u>71,583,558</u>	Total expenditures
					Excess (deficiency) of revenues over expenditures
<u>5,320,020</u>	<u>(3,930,403)</u>	<u>613,052</u>	<u>4,561,491</u>	<u>7,750,374</u>	
					<b>Other Financing Sources (Uses)</b>
16,499,059	27,577,674	16,997,812	12,214,657	8,301,888	Transfers in
(18,635,008)	(29,414,623)	(18,661,912)	(15,503,671)	(11,604,733)	Transfers out
-	-	-	20,767,747	-	Bonds issued
-	-	-	(20,565,715)	-	Payment to escrow agent
-	-	-	-	-	Gain on property held for sale
-	-	-	-	250,000	Contributions from other governments
-	-	-	-	(313,992)	Contributions to other governments
<u>(2,135,949)</u>	<u>(1,836,949)</u>	<u>(1,664,100)</u>	<u>(3,086,982)</u>	<u>(3,366,837)</u>	Total other financing sources (uses)
<u>(7,622,494)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Extraordinary gain
<u>\$ (4,438,423)</u>	<u>\$ (5,767,352)</u>	<u>\$ (1,051,048)</u>	<u>\$ 1,474,509</u>	<u>\$ 4,383,537</u>	Net change in fund balances
6.24%	3.86%	6.24%	1.46%	1.20%	Debt service as a percentage of noncapital expenditures

Concluded

**CITY OF SIMI VALLEY  
 ASSESSED VALUE AND ESTIMATED ACTUAL  
 VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS (See Notes)**

<b>Gross Assessed Valuation <sup>1</sup></b>					
<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property</b>	<b>Total Secured Property <sup>2</sup></b>
2006-07	\$ -	\$ -	\$ -	\$ -	\$ 13,749,651,553
2007-08	12,654,513,868	1,395,948,255	647,727,757	225,074,657	14,923,264,537
2008-09	12,764,384,581	1,457,184,696	697,258,339	187,763,850	15,106,591,466
2009-10	12,013,607,753	1,540,170,605	723,979,340	185,199,559	14,462,957,257
2010-11	12,066,510,905	1,442,565,044	707,039,142	191,146,637	14,407,261,728
2011-12	12,088,027,336	1,344,027,796	674,653,809	193,996,193	14,300,705,134
2012-13	11,938,025,471	1,363,564,876	683,204,414	213,010,276	14,197,805,037
2013-14	12,406,140,958	1,380,245,496	698,325,303	219,989,056	14,704,700,813
2014-15	13,233,479,645	1,373,427,652	709,886,529	235,133,683	15,551,927,509
2015-16	13,911,611,419	1,363,302,305	726,776,926	253,789,491	16,255,480,141

Continued

NOTES:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and this is the data used for taxation purposes. It is subject to the limitations described above.

1. For comparison purposes, gross assessed valuations includes homeowners' exemption. Although this exemption reduces property tax collections, a portion of the revenue loss is reimbursed by the State of California. As such, gross assessed valuation is the revenue base used in establishing property tax-related revenues.

2. Secured assessed valuation data by major component not available prior to FY 2007-08.

3. Valuations are established by the County Assessor of the County of Ventura, except for property owned by private utility companies, which is valued by the State of California.

SOURCE:

California Municipal Statistics, Inc.

**CITY OF SIMI VALLEY  
 ASSESSED VALUE AND ESTIMATED ACTUAL  
 VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS (See Notes)**

<u>Gross Assessed Valuation <sup>1</sup></u>					
<u>Utility <sup>3</sup></u>	<u>Unsecured</u>	<u>Total</u>	<u>Percent Change</u>	<u>Total Direct Tax Rate</u>	<u>Fiscal Year</u>
\$ 3,821,485	\$ 361,949,212	\$ 14,115,422,250	15.9%	1.00%	2006-07
2,626,282	396,920,281	15,322,811,100	8.6%	1.00%	2007-08
2,626,282	401,827,296	15,511,045,044	1.2%	1.00%	2008-09
2,626,282	402,295,019	14,867,878,558	-4.1%	1.00%	2009-10
2,322,792	384,620,402	14,794,204,922	-0.5%	1.00%	2010-11
2,322,792	369,287,100	14,672,315,026	-0.8%	1.00%	2011-12
2,322,792	358,752,359	14,558,880,188	-0.8%	1.00%	2012-13
2,322,792	348,853,900	15,055,877,505	3.4%	1.00%	2013-14
2,322,792	354,410,454	15,908,660,755	5.7%	1.00%	2014-15
144,746	340,321,787	16,595,946,674	4.3%	1.00%	2015-16
					Concluded

SOURCE:  
 California Municipal Statistics, Inc.

**CITY OF SIMI VALLEY  
DIRECT AND OVERLAPPING GOVERNMENTS  
PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(rate per \$100 of assessed value)**

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Basic Tax Levy per Article 13A of California State Constitution	1.000000	1.000000	1.000000	1.000000	1.000000
City	-	-	-	-	-
Total direct	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
County Flood Control District	-	-	-	-	-
Simi Valley Unified School District	0.048900	0.048300	0.048400	0.051900	0.054400
Metropolitan Water District	0.004700	0.004500	0.004300	0.004300	0.003700
Ventura Community College District	0.012700	0.005000	0.015200	0.013900	0.015100
Total direct and overlapping	<u><u>1.066300</u></u>	<u><u>1.057800</u></u>	<u><u>1.067900</u></u>	<u><u>1.070100</u></u>	<u><u>1.073200</u></u>

Continued

NOTES:

The tax rate information provided is for Tax Rate Area 09006, the largest tax rate area in the City.

Overlapping rates are those of local and county governments that apply to property owners within the City of Simi Valley. Not all overlapping rates apply to all Simi Valley property owners; for example, although the county property tax rates apply to all city property owners, the Flood Control District rates apply only to city property owners whose property is located within that district's geographic boundaries.

**CITY OF SIMI VALLEY  
DIRECT AND OVERLAPPING GOVERNMENTS  
PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(rate per \$100 of assessed value)**

<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	
1.000000	1.000000	1.000000	1.000000	1.000000	Basic Tax Levy per Article 13A of California State Constitution
-	-	-	-	-	City
<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	Total direct
-	-	-	-	-	County Flood Control District
0.057800	0.061500	0.059800	0.061800	0.054100	Simi Valley Unified School District
0.003700	0.003500	0.003500	0.003500	0.003500	Metropolitan Water District
0.014000	0.019100	0.016700	0.017600	0.013000	Ventura Community College District
<u>1.075500</u>	<u>1.084100</u>	<u>1.080000</u>	<u>1.082900</u>	<u>1.070600</u>	Total direct and overlapping

Concluded

SOURCE:  
California Municipal Statistics, Inc.

**CITY OF SIMI VALLEY  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2016</u>			<u>2007</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Taxable Assessed Value</u>
Tishman Archstone & Smith	\$ 117,850,329	1	0.72%	-		
Fountains Apartments Ltd	81,307,804	2	0.50%	\$ 72,347,957	3	0.47%
NF Creekside Apartments LLC	71,580,245	3	0.44%	-		
Runkle Canyon LLC	62,235,000	4	0.38%	-		
SRGMF II Country Club Simi	52,743,600	5	0.32%	-		
Target Corporation	44,387,561	6	0.27%	-		
Mountain Gate Associates LLC	45,389,105	7	0.28%	39,361,855	7	0.26%
SE-Shadow Ridge LLC	44,346,779	8	0.27%	-		
ESG Properties I LLC	43,080,778	9	0.27%	38,511,843	10	0.25%
South Street Center LLC	39,576,957	10	0.24%	-		
Simi Valley Mall LLC	-			146,604,806	1	0.96%
Countrywide Funding Corporation	-			96,656,231	2	0.63%
Jefferson at Simi Valley LP	-			64,140,419	4	0.42%
Fairfield Rancho Corrales	-			48,475,088	5	0.32%
Big Sky Country Club	-			41,932,250	6	0.27%
Tapo Canyon Warehouse Inc	-			38,964,000	8	0.25%
Stone Creek Investors	-			38,917,562	9	0.25%
<b>Total Taxable Assessed Value Ten Largest Taxpayers</b>	<b>\$ 602,498,158</b>		<b>3.71%</b>	<b>\$ 625,912,011</b>		<b>4.08%</b>

SOURCE:  
HdL Coren Cone



**CITY OF SIMI VALLEY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2006-07	29,433,179 <sup>1</sup>	26,664,943	90.59%	521,815	27,186,758	92.37%
2007-08	32,687,821	29,366,179	89.84%	411,715	29,777,894	91.10%
2008-09	34,099,599	30,065,640	88.17%	169,049	30,234,689	88.67%
2009-10	33,690,500	27,706,277	82.24%	82,600	27,788,877	82.48%
2010-11	32,672,899	28,924,095	88.53%	90,305	29,014,400	88.80%
2011-12	31,380,139	27,921,798	88.98%	86,053	28,007,851	89.25%
2012-13	31,451,572	28,397,076	90.29%	103,656	28,500,732	90.62%
2013-14	32,257,545	29,392,698	91.12%	165,908	29,558,606	91.63%
2014-15	34,131,863	33,369,651	97.77%	142,770	33,512,421	98.19%
2015-16	37,179,612	34,029,242	91.53%		34,029,242	91.53%

1. Only the secured property tax data for the City of Simi Valley and its Redevelopment Agency is presented in this table.

**NOTES:**

The Ventura County Tax Collector is responsible for all property tax roll levies and collections within the City of Simi Valley.

The City of Simi Valley has not levied a general purpose property tax subsequent to the passage of Proposition 13.

Collections presented do not include penalty charges or interest collected.

SOURCE:  
Ventura County Controller-Auditor

**City of Simi Valley  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Total Primary Government	Percent of Personal Income <sup>5</sup>	Debt Per Capita <sup>5</sup>
	Tax Allocation Bonds <sup>1,2</sup>	Lease Revenue Bonds	Certificates of Participation <sup>2</sup>			
2007	29,231,527	6,690,000	25,845,159	61,766,686	1.51%	490.84
2008	28,513,702	6,095,000	25,352,273	59,960,975	1.41%	475.35
2009	27,775,878	5,470,000	24,844,386	58,090,264	1.34%	459.94
2010	27,008,054	4,815,000	24,311,499	56,134,553	1.41%	444.35
2011	26,210,230	4,120,000	23,758,612	54,088,842	1.22%	428.03
2012	-	3,385,000	23,185,726	26,570,726	0.63%	210.09
2013	-	2,610,000 <sup>3</sup>	22,587,840	25,197,843	0.55%	198.68
2014	-	-	21,964,953 <sup>4</sup>	21,964,957	0.45%	173.24
2015	-	20,414,513 <sup>2,4</sup>	-	20,414,513	0.45%	160.96
2016	-	20,315,876 <sup>2,4</sup>	-	20,315,876	0.43%	159.88

**NOTES:**

1. As of June 30, 2012, the tax allocation bond debt is an obligation of private purpose trust funds, not governmental activities. Assembly Bill 1X 26 provides for the dissolution of all redevelopment agencies in the State of California. As of February 1, 2012, assets and liabilities of the former redevelopment agency, including the tax allocation bonds, were transferred from governmental funds of the City to the Fiduciary (private purpose trust) fund. In future fiscal years, the Fiduciary fund will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated. See note disclosure V E.

2. Presented net of original issuance premiums, discounts, and adjustments. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

3. On August 12, 2013, the Council approved the early repayment of 1995 Simi Valley Public Financing Authority Lease Revenue Bonds and a call for full redemption of the bonds occurred on October 1, 2013.

4. In August 2014, the City issued \$18,795,000 of 2014A Lease Revenue Refunding Bonds for the purpose of fully refunding the 2004 Certificates of Participation issue with a carrying amount of \$21,705,000. The 2004 Certificates were refunded in full on August 26, 2014 and no portion of the 2004 Certificates remained outstanding as of June 30, 2015.

5. See Schedule of Demographic and Economic Statistics for personal income and population data.

There is no general bonded outstanding debt in the governmental funds.

SOURCE:  
City of Simi Valley  
US Census Bureau

**CITY OF SIMI VALLEY  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2016 (See Notes)**

	Outstanding Debt 6/30/16	Percentage Applicable <sup>1</sup>	Estimated Share of Overlapping Debt 6/30/16
<u>Overlapping and Assessment Debt Repaid with Property Taxes</u>			
Metropolitan Water District	\$ 92,865,000	0.677 %	\$ 628,696
Ventura County Community College District	297,490,041	13.979	41,586,133
Simi Valley Unified School District	97,538,876	96.939	94,553,211
City of Simi Valley Community Facilities Dist No.2004-1	6,530,000	100.000	6,530,000
City of Simi Valley 1915 Act Bonds	1,665,000	100.000	1,665,000
<u>Overlapping Other Debt</u>			
Ventura County General Fund Obligations	371,995,000	13.974	51,982,581
Ventura County Superintendent of Schools Certificates	10,425,000	13.974	1,456,790
Simi Valley Unified School District Certificates	8,215,000	96.939	7,963,539
Total overlapping and assessment debt			206,365,950
<u>City Direct Debt</u>			
City of Simi Valley 2014A Lease Revenue Refunding Bond	20,315,876	100.000	20,315,876
Total direct debt			20,315,876
Total direct and overlapping debt			<u>\$ 226,681,826</u>

NOTES:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. The process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

1. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

There is no general bonded outstanding debt in the governmental funds.

SOURCE:  
City of Simi Valley  
California Municipal Statistics, Inc.

**City of Simi Valley  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 529,328,334	\$ 574,605,416	\$ 581,664,189	\$ 557,545,466	\$ 554,782,685
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 529,328,334</u>	<u>\$ 574,605,416</u>	<u>\$ 581,664,189</u>	<u>\$ 557,545,466</u>	<u>\$ 554,782,685</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Continued

NOTE:

1. California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

SOURCE:  
California Municipal Statistics, Inc.

**City of Simi Valley  
Legal Debt Margin Information  
Last Ten Fiscal Years**

Fiscal Year						
2012	2013	2014	2015	2016		
\$ 550,211,813	\$ 545,958,007	\$ 564,595,406	\$ 596,574,778	\$ 622,348,000		Debt limit
-	-	-	-	-		Total net debt applicable to limit
<u>\$ 550,211,813</u>	<u>\$ 545,958,007</u>	<u>\$ 564,595,406</u>	<u>\$ 596,574,778</u>	<u>\$ 622,348,000</u>		Legal debt margin
0%	0%	0%	0%	0%		Total net debt applicable to the limit as a percentage of debt limit
						Concluded

**Legal Debt Margin Calculation for Fiscal Year 2016**

Assessed value	\$	16,595,946,674
Debt limit (3.75% of assessed value) <sup>1</sup>	\$	622,348,000
General obligation bonds		-
Legal debt margin	\$	622,348,000

SOURCE:  
California Municipal Statistics, Inc.

**CITY OF SIMI VALLEY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income<sup>1</sup></b>	<b>Median Age</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>
2007	125,840	4,085,521	32,466	35.8	21,040	3.8%
2008	126,142	4,246,949	33,668	35.9	21,700	5.0%
2009	126,300	4,338,026	34,347	38.8	21,500	8.5%
2010	126,329	3,978,227	31,491	37.4	20,681	8.8%
2011	126,366	4,436,078	35,105	36.0	20,340	8.5%
2012	126,474	4,191,222	33,139	37.0	19,998	7.6%
2013	126,827	4,600,269	36,272	37.2	18,360	6.1%
2014	126,786	4,832,195	38,113	41.1	18,047	5.1%
2015	126,827	4,586,318	36,162	39.8	17,431	4.6%
2016	127,070	4,763,346	37,486	39.0	17,015	4.8%

**NOTE:**

1. Per capita income for year 2010 was obtained from the US Census Bureau. Per capita income for interim years has been inflation adjusted by the US Census Bureau.

**SOURCES:**

City of Simi Valley  
 Simi Valley Unified School District  
 State of California Employment Development Department  
 US Census Bureau  
 Ventura County Statistical Abstract

**CITY OF SIMI VALLEY  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Employed Labor Force</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Employed Labor Force</b>
Simi Valley Unified School District	1,993	1	2.88%	2,100	2	3.11%
Simi Valley Hospital - Adventist Health	733	2	1.06%	633	5	0.94%
Meggitt Safety Systems, Inc	525	3	0.76%	400	7	0.59%
City of Simi Valley	503	4	0.73%	662	4	0.98%
Aerovironment, Inc.	500	5	0.72%	-		
Rancho Simi Parks & Recreation District	477	6	0.69%	362	8	0.54%
Wal-Mart, Inc.	475	7	0.69%	-		
Albertson's (includes Vons* & Pavilions)	420	8	0.61%	334	10	0.49%
Milgard Windows & Doors	340	9	0.49%	341	9	0.51%
Costco	242	10	0.35%	-		
Countrywide Home Loans <sup>1</sup>	-			3,500	1	5.19%
Farmers Insurance Group	-			900	3	1.33%
Vons Grocery Stores*	-			417	6	0.62%
<b>Total</b>	<b><u>6,208</u></b>		<b><u>8.98%</u></b>	<b><u>9,649</u></b>		<b><u>14.29%</u></b>

NOTE:

1. From 1998 to 2008 Countrywide Home Loans was ranked as the number one principal employer. In July 2008, Bank of America acquired Countrywide Financial Corp. Due to security reasons, Bank of America will not disclose the number of employees at their Simi Valley locations.

Of eighty employers surveyed by the City of Simi Valley, sixty-one employers responded (76%).

SOURCES:

City of Simi Valley  
State of California, Employment Development Department  
Labor Market Information Division

**CITY OF SIMI VALLEY  
CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Full &amp; Part Time Employees as of June 30 <sup>1</sup></b>									
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General government	70	68	62	55	57	55	57	57	61	53
Community services	35	35	34	34	32	29	28	29	31	27
Planning	62	60	56	54	51	49	42	40	39	36
Public ways and facilities	110	102	102	97	92	92	89	88	90	87
Public safety										
Sworn police personnel	125	127	122	118	119	123	120	119	123	121
Civilians	68	64	58	57	55	52	52	52	52	49
Sanitation	53	60	54	54	54	53	56	51	54	47
Waterworks district no. 8	38	37	41	43	43	43	44	45	43	45
Transit	<u>46</u>	<u>46</u>	<u>47</u>	<u>46</u>	<u>42</u>	<u>40</u>	<u>41</u>	<u>38</u>	<u>39</u>	<u>38</u>
<b>Total</b>	<b><u>607</u></b>	<b><u>599</u></b>	<b><u>576</u></b>	<b><u>558</u></b>	<b><u>545</u></b>	<b><u>536</u></b>	<b><u>529</u></b>	<b><u>519</u></b>	<b><u>532</u></b>	<b><u>503</u></b>

NOTE:

1. Totals do not include temporary employees or part-time crossing guards.

SOURCE:  
City of Simi Valley



**CITY OF SIMI VALLEY  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General government</b>										
Business tax applications and renewals	8,675	8,735	9,253	10,310	10,177	10,257	9,764	9,709	9,643	9,709
Business tax receipts issued	8,316	8,211	8,312	8,352	9,463	9,196	9,060	8,936	8,563	9,480
Business tax revenues (\$)	1,778,116	1,851,630	1,698,692	1,662,604	1,751,072	1,509,209	1,536,702	1,601,875	1,742,469	1,786,153
<b>Community services</b>										
Cultural arts center events	227	211	380	372	349	334	344	362	354	378
Cultural arts center attendance	31,345	31,070	40,475	40,682	40,994	35,418	39,388	38,643	36,403	39,473
Senior center attendance	126,838	141,528	162,961	184,511	187,968	189,302	192,107	182,368	172,233	160,805 <sup>1</sup>
Library card holders <sup>2</sup>	-	-	-	-	-	-	-	20,498	28,298	33,830
Library total collection <sup>3</sup>	-	-	-	-	-	-	-	139,104	146,623	158,596
Library total circulation <sup>3</sup>	-	-	-	-	-	-	-	344,358	330,838	333,068
<b>Planning</b>										
Building permits	2,004	1,700	1,232	1,196	1,362	1,623	1,590	2,382	2,054	2,200
Plumbing, mechanical, and electrical permits	3,716	2,691	2,366	1,899	2,284	2,590	2,592	3,473	3,213	2,950
Permit valuation (thousands \$)	99,392	74,530	38,025	34,197	37,685	49,992	47,316	55,300	41,766	66,800
<b>Public Safety</b>										
Arrests	3,552	4,170	4,051	3,310	3,507	3,857	3,472	2,961	3,459	3,377
Enforcement citations	10,905	10,280	10,941	6,350	7,301	6,827	7,688	8,518	8,308	8,300
<b>Public ways and facilities</b>										
Street resurfacing (miles)	7.68	0.46	13.57	16.57	9.66	2.23	6.66	5.67	3.93	3.73
<b>Sanitation</b>										
Wastewater customers	35,289	35,451	36,483	36,428	36,250	36,604	36,704	36,796	36,761	36,769
Average dry weather flow (MGD)	8.80	10.00	9.50	9.30	9.20	8.80	8.60	8.50	8.10	7.80
<b>Waterworks district no. 8</b>										
Customers	25,375	25,452	25,642	24,920	24,942	25,059	25,156	25,093	25,585	25,664 <sup>4</sup>
Water delivered (million gallons)	8,137.0	8,679.0	7,981.4	7,192.0	6,502.0	6,305.1	7,352.8	8,083.5	6,517.0	5,176.0
<b>Transit</b>										
Fixed-route revenue miles	509,743	477,005	464,784	471,267	415,973	420,295	400,425	426,057	426,057	404,857
Fixed-route passengers	483,653	454,440	477,032	479,456	435,416	417,156	434,512	347,929	378,452	333,619
Fixed-route revenue hours	30,893	30,768	31,189	31,223	26,177	25,776	24,882	25,551	25,551	25,346
Paratransit revenue miles	240,979	199,570	189,810	189,264	179,944	180,763	184,074	183,407	172,444	158,604
Paratransit passengers	45,210	43,457	48,123	51,204	47,054	45,756	46,290	50,308	45,364	43,485
Paratransit revenue hours	18,959	17,976	17,663	17,571	17,604	17,486	18,966	17,984	17,009	17,356

NOTE:

1. Due to State Budget cuts, Senior programs were reduced, resulting in lower attendance.
2. Effective 7/01/13, the City assumed responsibility for library operations from the County.
3. Includes Print, Audio, Video and Ebooks. 2015 totals have been restated.
4. Balance of community, approximately 13,461 customers, serviced by Golden State Water Co. during fiscal year 2016.

SOURCE:  
City of Simi Valley  
Golden State Water Co.

**CITY OF SIMI VALLEY  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fleet size	97	97	93	90	91	91	94	96	97	99
Public ways and facilities										
Streets (miles)	308.62	321.00	322.71	324.10	324.10	324.91	324.91	326.91	332.69	336.41
Streetlights <sup>1</sup>	7,660	7,701	7,687	7,815	7,932	7,937	7,942	8,241	8,225	8,223
Traffic signals <sup>2</sup>	117	117	118	118	121	121	121	121	121	121
Sanitation										
Sewerlines (miles) <sup>3</sup>	400	400	362	362	362	374	374	374	374	374
Treatment capacity (millon gallons per day)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Waterworks district no. 8										
Water mains (miles)	375	375	375	375	375	375	375	380	380	380
Fire hydrants	2,750	2,755	2,773	2,844	2,844	2,844	2,844	2,844	2,844	2,844
Storage capacity (million gallons)	53.5	53.5	53.5	55.8	55.8	55.8	55.8	55.8	55.8	55.8
Transit										
Buses - 40 foot	11	11	11	11	11	11	11	11	8	8
Buses - 35 foot	2	2	2	2	2	0	0	0	3	3
Paratransit Vehicles	12	12	10	12	12	11	11	11	11	11

NOTES:

No capital asset indicators are available for the general government, community services or planning function.

1. Streetlights are owned by Southern California Edison.
2. Traffic signals listed are those owned by the City. Fourteen additional signals, owned by Caltrans, are located at freeway ramps.
3. Collection system information was estimated for FY2007 and FY2008, and obtained from the City's Geographical Information System for FY2009 through the current year.

Sources:  
City of Simi Valley  
Southern California Edison