

Fiscal Year Ended  
**June 30, 2019**



City of Simi Valley, California

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
2018-19**

Prepared by Administrative Services Department

Fiscal Year Ended  
**June 30, 2019**



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FISCAL YEAR ENDED JUNE 30, 2019

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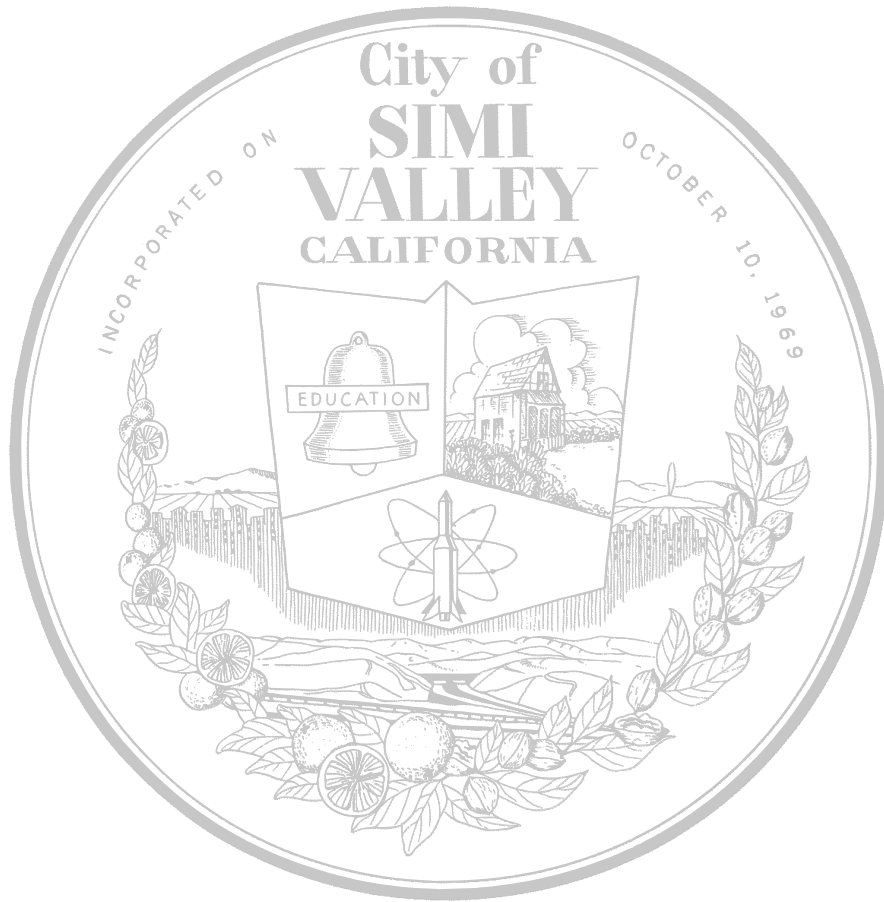
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# INTRODUCTORY SECTION

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# CITY OF SIMI VALLEY

February 28, 2020

*Home of The Ronald Reagan Presidential Library*

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, 2019.

This report consists of management's representations concerning the finances of the City. Accordingly, 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. The cost of internal controls should not outweigh their benefits, therefore 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, 2019, 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, 2019, 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 128,678, 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, 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 the City Clerk, and serves as the City Treasurer.

Four operating departments report to the City Manager: Police, Public Works, Administrative Services, and Environmental Services. The Simi Valley Public Library, Cultural Arts Center and Senior Center all operate under the umbrella of City Administration. The City has its own sanitation division that 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 draft proposed budgets, requests for budget increases (Policy Items), requests for replacement of equipment items (Capital Asset Requests), and possible budget reductions (Reduction Proposal) to the Budget Officer in early March. The City

Manager and his/her staff conduct a series of budget review meetings with departments and agencies in late March. The City Manager then presents a Proposed Budget and Draft Five-Year Capital Improvement Program 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 (legal level of budgetary control, that is, the level at which management cannot overspend the budget without the approval of the governing body), 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 to be prepared and submitted to the City Council at the end of the second quarter of each fiscal year and are available for public review in advance of their presentation at regularly scheduled City Council meetings. Interim financial reports can be 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.** Fiscal year 2018-19 locally generated revenues from property, sales, franchise, and business taxes increased by \$3.6 million or 12.2%, over the prior fiscal year. Over the past year, total General Fund revenues increased by \$6.0 million, or 9.1%, primarily due to increases in sales tax (\$1.1 million) and property tax (\$1.4 million).

At the City level, following national and state trends, the revenue increase experienced in FY 2018-19 can be considered positive evidence of a slowly growing economy. The City remains in strong financial shape in comparison to many 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, 2019 was 3.4%, three tenths of a percentage point lower 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 continue to rise exceeding the units produced in 2017-18, which is reflective of the Governor and State Legislature's state-wide housing production mandates. Significant production of single-family homes in the Westerly and Woodlands subdivisions, multi-family apartments and condominiums throughout Patricia Avenue Neighborhood and Tapo Street Corridor, and various accessory dwelling units peppered throughout the City added a variety of new units to the housing stock. As Simi Valley is approaching General Plan buildout with less undeveloped land on the valley floor, the community's wish to preserve and protect Simi Valley's hillsides though the Hillside Performance Standard could steer bulk of the City's future developments toward smaller in-fill projects on underutilized and/or nonconforming properties, inward and upward, with intensified density. 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 continuing, thus further additions to the City's property tax roll are anticipated. Fiscal year 2018-19 showed continued positive improvement, with property tax increasing by 2.1%, and sales tax increasing by 1.7%. The State's recent response to the housing crisis mandates the City, and all other local jurisdictions, to zone and cause housing production at a level that could reach the City's General Plan build-out. As a result, development revenues could increase through housing production in the coming years. This is beyond the pending Lost Canyons residential development project, the approved Sycamore Landing very high-density residential apartment community (currently securing necessary financing and plan check approval), the approved Enclave high-density residential and commercial mixed-use project, and smaller in-fill developments that were approved and currently under construction.

Both discretionary and non-discretionary employment and post-employment benefits such as health insurance and mandated 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 remain near 2% annually. Property and sales tax revenues are projected to increase by 3% per year from FY 2019-20 through FY 2024-25, and revenue projected for specific

development projects is projected to remain flat through FY 2024-25. The projection plan also includes assumptions that the current staffing level would be continued and that General Fund monies appropriated to the City's Streets and Roads Program for FY 2020-21 would be increased each year afterwards.

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 \$39.6 million, with debt service requirements of approximately \$1.6 million (principal only) per year for fiscal year ending in 2019. Thereafter, annual debt service requirements will be approximately \$1.8 million.

The total debt of the Successor Agency to the CDA, reported in the fiduciary funds, is \$18.8 million, with debt service requirements of approximately \$2.1 million per year (principal and interest), 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 \$4,077,119. The City intends to develop structurally balanced budgets that will put the organization a strong financial foundation. Programs and services may be reduced in future budget cycles as the city will have to grapple with making tough decisions on the level of services that can be provided within financial means. 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. In August 2017, the Council formed a Budget Advisory Committee, comprised of five members of the public who have been tasked with working with staff to complete an in-depth review of the City's budget and financial operations. The committee brought forward recommendations that were incorporated into the FY 2018-19 budget cycle and are continuing to be incorporated. The City will continue to work with the Budget Advisory Committee as an effort to strengthen the City's financial outlook.

### **Major Initiatives**

- Continuing with implementation of the next phase of the integrated Enterprise Resource System that includes human resources, payroll, and permitting modules
- Continuing to invest in maintaining City infrastructure utilizing funds from the Road Maintenance and Rehabilitation Program
- Security enhancements (video security, employee keycard entry, etc.) at several City facilities, including City Hall, the Police Department, Senior Center, and Sanitation and Water plants

- Facility improvements at the Senior Center, City Hall, Library, and Cultural Arts Center

### **Recent and Planned Changes**

- An effort to find operational efficiencies through process improvement and changing the way certain operations are conducted. The goals are to reduce demands and workloads on staff, maximize budgetary appropriations, and ultimately provide a better level of service to the public.
- 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.
- The onset of the significant increases in CalPERS costs will prove challenging. The reductions in filled staff positions has caused a recognized stress to the organization. It is our task to prioritize the services and programs the City provides and ensure that revenues are sufficient to sustain them in the future budgets.

**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, 2019, was \$76,595,354. 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, 2018. This was the thirty-ninth consecutive year (fiscal years ended 1980-2018) 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.

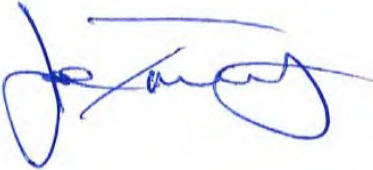
A Certificate of Achievement is valid for a period of one year only. The City believes that its current CAFR continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Fiscal Services and Administration Division. |

would also like to express my appreciation to all members within various City departments 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 blue ink, appearing to read "Joseph D. Toney". The signature is fluid and cursive, with a prominent initial "J" and a long horizontal stroke extending to the right.

Joseph D. Toney  
Administrative Services Director

**OFFICIALS OF THE CITY OF SIMI VALLEY**  
(as of June 30, 2019)

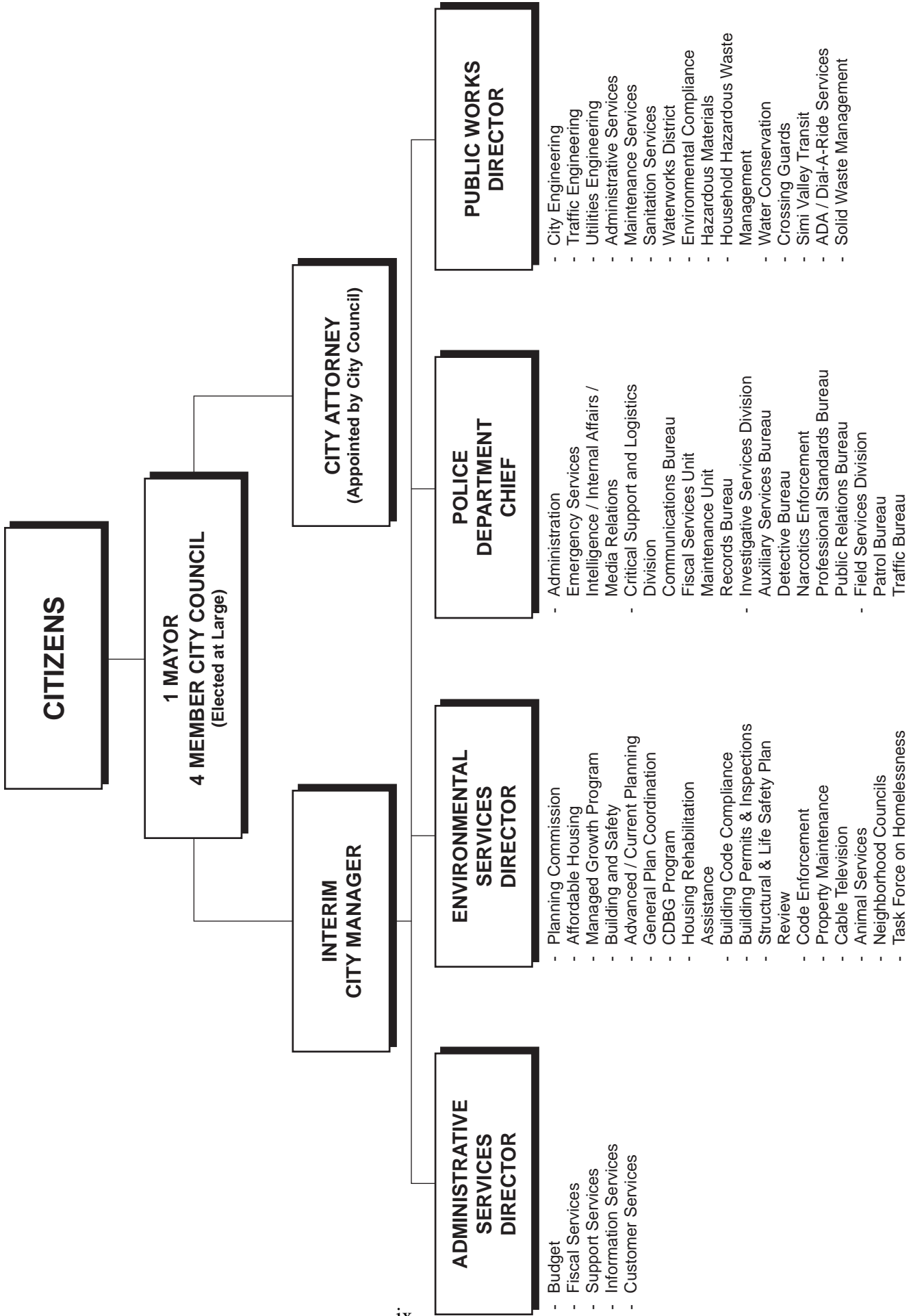
**Members of the City Council**

KEITH MASHBURN, Mayor  
DEE DEE CAVANAUGH, Mayor Pro Tem  
MIKE JUDGE, Council Member  
RUTH LUEVANOS, Council Member  
ELAINE LITSTER, Council Member

**Administrative Staff**

Brian P. Gabler ..... Interim City Manager  
Lonnie Eldridge ..... City Attorney  
Joseph D. Toney ..... Administrative Services Director  
Ted Drago ..... Environmental Services Director (Interim)  
Ron Fuchiwaki ..... Public Works Director  
David Livingstone ..... Chief of Police

# ORGANIZATION of the City of SIMI VALLEY



**CITIZENS**

**1 MAYOR**  
**4 MEMBER CITY COUNCIL**  
(Elected at Large)

**CITY ATTORNEY**  
(Appointed by City Council)

**INTERIM CITY MANAGER**

**ADMINISTRATIVE SERVICES DIRECTOR**

- Budget
- Fiscal Services
- Support Services
- Information Services
- Customer Services

**ENVIRONMENTAL SERVICES DIRECTOR**

- Planning Commission
- Affordable Housing
- Managed Growth Program
- Building and Safety
- Advanced / Current Planning
- General Plan Coordination
- CDBG Program
- Housing Rehabilitation Assistance
- Building Code Compliance
- Building Permits & Inspections
- Structural & Life Safety Plan Review
- Code Enforcement
- Property Maintenance
- Cable Television
- Animal Services
- Neighborhood Councils
- Task Force on Homelessness

**POLICE DEPARTMENT CHIEF**

- Administration
- Emergency Services
- Intelligence / Internal Affairs / Media Relations
- Critical Support and Logistics Division
- Communications Bureau
- Fiscal Services Unit
- Maintenance Unit
- Records Bureau
- Investigative Services Division
- Auxiliary Services Bureau
- Detective Bureau
- Narcotics Enforcement
- Professional Standards Bureau
- Public Relations Bureau
- Field Services Division
- Patrol Bureau
- Traffic Bureau

**PUBLIC WORKS DIRECTOR**

- City Engineering
- Traffic Engineering
- Utilities Engineering
- Administrative Services
- Maintenance Services
- Sanitation Services
- Waterworks District
- Environmental Compliance
- Hazardous Materials
- Household Hazardous Waste Management
- Water Conservation
- Crossing Guards
- Simi Valley Transit
- ADA / Dial-A-Ride Services
- Solid Waste Management





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, 2018**

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION

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## **INDEPENDENT AUDITOR'S 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, 2019, 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.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simi Valley, California, as of June 30, 2019, 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 101 through 106 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.

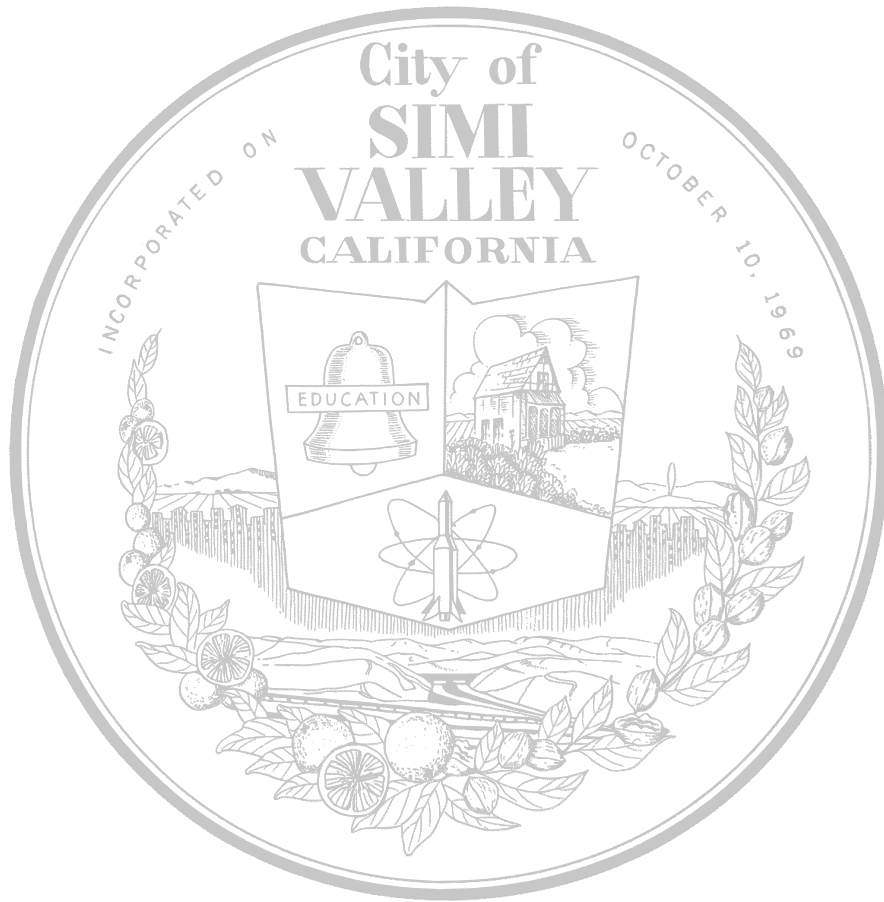


The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

**Glendale, California  
February 28, 2020**



# 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, 2019. 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 \$349,701,094.
- The City's total net position increased by \$3,795,112. This amount was comprised of a \$10.4 million increase in net investment in capital assets, a \$10.3 million decrease in the restricted net position category, and a \$3.7 million decrease in unrestricted net deficit. One factor attributing to the increase in total net position is due to a decrease in total long-term liabilities of the City by \$5.3 million from the prior fiscal year for both governmental and business activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$93,267,679, a decrease of \$3,160,553 in comparison with the prior year. Of the ending fund balance, approximately 10.7% or \$10,017,212 is Non-spendable in form; 42.6% or \$39,711,417 is Restricted for housing programs, public improvements, streets & transportation, landscape zones, debt service obligations, and law enforcement; 27.7% or \$25,874,375 is Committed to street projects, retiree benefits, equipment replacement, economic recovery, and the prudent reserve; 19.1%, or \$17,873,825 is Assigned to capital projects; and <0.2%>, or <\$209,150> is Unassigned.
- At the end of the current fiscal year, the *Prudent Reserve* established by the City Council totaled \$12,670,975. 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 decreased by \$4.5 million during the current fiscal year. This is comprised of a <\$0.7 million> combined decrease in accounts payable, salaries and benefits payable, unearned revenues, and other liabilities, and a \$5.2 million decrease in debt service, other post-employment benefits obligations and net pension liability. See Notes section IV D for more detailed information on the net pension liability and Notes section IV E for other post employment benefits.

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

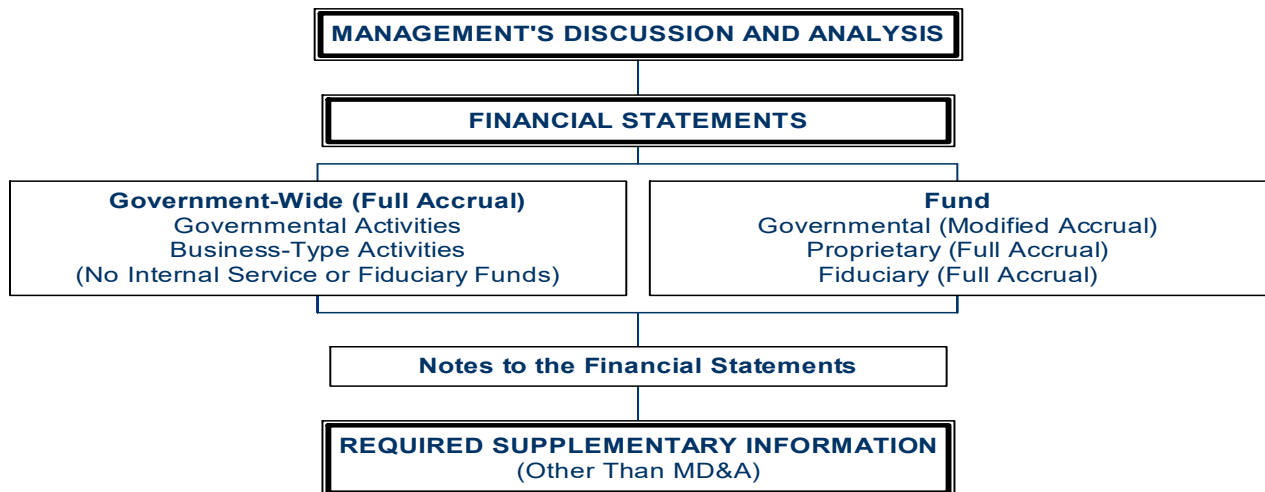
## Overview of the Financial Statements

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 deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference 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).

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) 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 and sub-funds in its financial system and presents them grouped by related activities as 4 major and 22 non-major separate governmental funds for this report. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the four major funds: the General fund, the Successor Agency to Community Development Agency Housing Administration fund, the Development Related Fees fund, and the Streets and Roads fund. Data from the other 22 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

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

comparison schedules are also provided for the budgeted non-major special revenue funds in the *Supplementary Information* section.

**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 except for any residual balances outstanding between the governmental activities and business-type activities which are reported in the government-wide financial statements as "internal balances."

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.

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

**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 and postemployment 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 \$349,701,094 at the close of the most recent fiscal year.

A significant portion of the City's net position (99.2%) 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 (19.6%) 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 (deficit) due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in Fiscal Year 2014-15 and GASB Statement No. 75 in Fiscal Year 2017-18. As a result of GASB 68 and GASB 75, all local governments must now recognize on their statements of net position the full impact of the local government's unfunded pension and other postemployment liabilities. These liabilities are long-term in nature and repayment is factored into future year funding contributions to be made to the trusts as determined by plan actuaries.

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

**City of Simi Valley's Net Position  
June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$137,311,335	\$139,340,239	\$68,123,125	\$59,792,150	\$205,434,460	\$199,132,389
Capital assets	244,146,957	237,663,455	137,805,536	139,670,875	381,952,493	377,334,330
Total assets	<u>381,458,292</u>	<u>377,003,694</u>	<u>205,928,661</u>	<u>199,463,025</u>	<u>587,386,953</u>	<u>576,466,719</u>
Deferred outflows	<u>20,284,946</u>	<u>29,147,613</u>	<u>3,354,799</u>	<u>5,832,492</u>	<u>23,639,745</u>	<u>34,980,105</u>
Long-term liabilities outstanding	206,257,838	208,689,382	30,775,609	31,143,687	237,033,447	239,833,069
Other liabilities	12,025,700	12,890,250	7,520,741	8,399,461	19,546,441	21,289,711
Total liabilities	<u>218,283,538</u>	<u>221,579,632</u>	<u>38,296,350</u>	<u>39,543,148</u>	<u>256,579,888</u>	<u>261,122,780</u>
Deferred inflows	<u>4,327,630</u>	<u>4,042,664</u>	<u>418,086</u>	<u>375,398</u>	<u>4,745,716</u>	<u>4,418,062</u>
Net position:						
Net investment in capital assets	208,951,633	196,724,305	137,805,536	139,670,875	346,757,169	336,395,180
Restricted	60,704,865	71,851,898	7,874,785	7,011,040	68,579,650	78,862,938
Unrestricted	(90,524,428)	(88,047,192)	24,888,703	18,695,056	(65,635,725)	(69,352,136)
Total net position	<u>\$179,132,070</u>	<u>\$180,529,011</u>	<u>\$170,569,024</u>	<u>\$165,376,971</u>	<u>\$349,701,094</u>	<u>\$345,905,982</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, and for all categories of net position in 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 new accounting requirements for all local governments to now recognize their liability for unfunded pension and other postemployment 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  
(UNAUDITED)**

**City of Simi Valley's Changes in Net Position  
Years Ended June 30, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 12,233,260	\$ 11,551,625	\$ 61,961,280	\$ 63,456,439	\$ 74,194,540	\$ 75,008,064
Operating grants and contributions	11,987,812	9,348,042	2,673,492	2,667,120	14,661,304	12,015,162
Capital grants and contributions	1,619,868	2,117,322	1,952,893	2,064,181	3,572,761	4,181,503
<b>General Revenues:</b>						
Property taxes	34,011,044	32,303,044	-	-	34,011,044	32,303,044
Other taxes	28,849,343	26,974,433	-	-	28,849,343	26,974,433
Interest on investments	2,496,426	1,290,234	2,041,917	821,540	4,538,343	2,111,774
Other	-	-	119,552	119,408	119,552	119,408
<b>Total revenues</b>	<b>91,197,753</b>	<b>83,584,700</b>	<b>68,749,134</b>	<b>69,128,688</b>	<b>159,946,887</b>	<b>152,713,388</b>
<b>Expenses:</b>						
General government	25,974,419	26,872,935	-	-	25,974,419	26,872,935
Community services	7,024,763	7,278,061	-	-	7,024,763	7,278,061
Planning	5,884,254	5,750,860	-	-	5,884,254	5,750,860
Public ways and facilities	19,553,737	19,484,170	-	-	19,553,737	19,484,170
Public safety	36,836,767	38,809,004	-	-	36,836,767	38,809,004
Interest on long-term debt	1,440,347	1,230,782	-	-	1,440,347	1,230,782
Indirect expense allocation	(7,828,700)	(7,214,600)	7,828,700	7,214,600	-	-
Sanitation	-	-	14,101,618	15,339,016	14,101,618	15,339,016
Water	-	-	37,842,417	40,402,123	37,842,417	40,402,123
Transit	-	-	7,542,803	7,303,350	7,542,803	7,303,350
<b>Total expenses</b>	<b>88,885,587</b>	<b>92,211,212</b>	<b>67,315,538</b>	<b>70,259,089</b>	<b>156,201,125</b>	<b>162,470,301</b>
Change in net position before transfers and contributions	2,312,166	(8,626,512)	1,433,596	(1,130,401)	3,745,762	(9,756,913)
Transfers	(3,758,457)	(3,512,087)	3,758,457	3,512,087	-	-
Contributions from other governments	49,350	2,082,766	-	-	49,350	2,082,766
<b>Change in Net Position</b>	<b>(1,396,941)</b>	<b>(10,055,833)</b>	<b>5,192,053</b>	<b>2,381,686</b>	<b>3,795,112</b>	<b>(7,674,147)</b>
Net position - beginning of the year	180,529,011	212,377,875	165,376,971	166,755,191	345,905,982	379,133,066
Prior period adjustment	-	(21,793,031)	-	(3,759,906)	-	(25,552,937)
<b>Net Position - ending</b>	<b>\$179,132,070</b>	<b>\$180,529,011</b>	<b>\$170,569,024</b>	<b>\$165,376,971</b>	<b>\$349,701,094</b>	<b>\$345,905,982</b>

During the current fiscal year, City-wide revenues increased by \$7.2 million, and expenses decreased by \$6.3 million as compared to the prior year. The combination of these amounts provided a net increase of \$3.8 million toward net position. Revenue categories with increases from the prior year consisted of operating grants and contributions (\$2.6 million), taxes (\$3.6 million), and interest on investments (\$2.4 million) offset by decreases in the categories of charges for services (<\$0.8 million) and capital grants and contributions (<\$0.6 million). Property tax revenue increased by \$1.7 million, and revenue for sales, franchise, business and other tax showed a combined increase of \$1.9 million. Capital grants and contributions decreased by \$0.6 million. The decrease in capital grants and contributions can be largely attributable to decreases in reimbursements for surface transportation grants and water capital improvement charges. Charges for services and miscellaneous revenue decreased by \$0.8 million due to a slight decrease in water rates. Other increases include investment earnings,

**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS  
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operating grants and contributions, and other revenues of \$5.1 million based largely on higher interest rates and revenue from California Gas Tax Section 2030.

**Governmental Activities.** Governmental activities decreased the City's net position by \$1,396,941 as compared to a decrease of \$10,055,833 in the prior year. This is an increase of \$8.7 million from the prior year. Business-type activities accounted for most of the City's combined increase in net position of \$3.8 million.

For governmental activities, total revenues increased by 7.6% from the prior fiscal year. Property taxes posted a significant increase of 5.3% (\$1.7 million), and combined revenue for sales, franchise, business and other taxes increased by 7.0% (\$1.9 million). Operating grants and contributions increased by 28.2% (\$2.6 million), due largely to revenue received from the State of California Gas Tax Section 2030 which was only partially in effect in the prior year, while capital grants and contributions decreased by 23.5% (\$0.5 million). The capital grants decrease is due in large part to a decrease in grant reimbursements of \$0.3 million. Service charges increased by 5.9% (\$0.7 million) partly due to increases in building permits and plan check services. Investment earnings increased by 93.5% (\$1.2 million) due to a rapidly increasing yield on the securities in which the City invests. Governmental funds also reflect a 97.6% (\$2.0 million) net decrease in contributions from other governments mostly due to a loan repayment from the Successor Agency Fund as part of Enforceable Obligations that was recorded in the next fiscal year.

Changes in expenses in the functional areas ranged from a decrease of 5.1% (\$2.0 million) in public safety to an increase of 17.0% (\$0.2 million) for payment of interest on long-term debt in comparison with the previous fiscal year.

General government expenses decreased by 3.3% (\$0.9 million). A component of this decrease includes a \$1.1 million reduction in personnel due to vacancies.

Community services expenses decreased by 3.5% (\$0.3 million). Operational expenses of salaries and benefits, and supplies and services decreased by \$0.2 million.

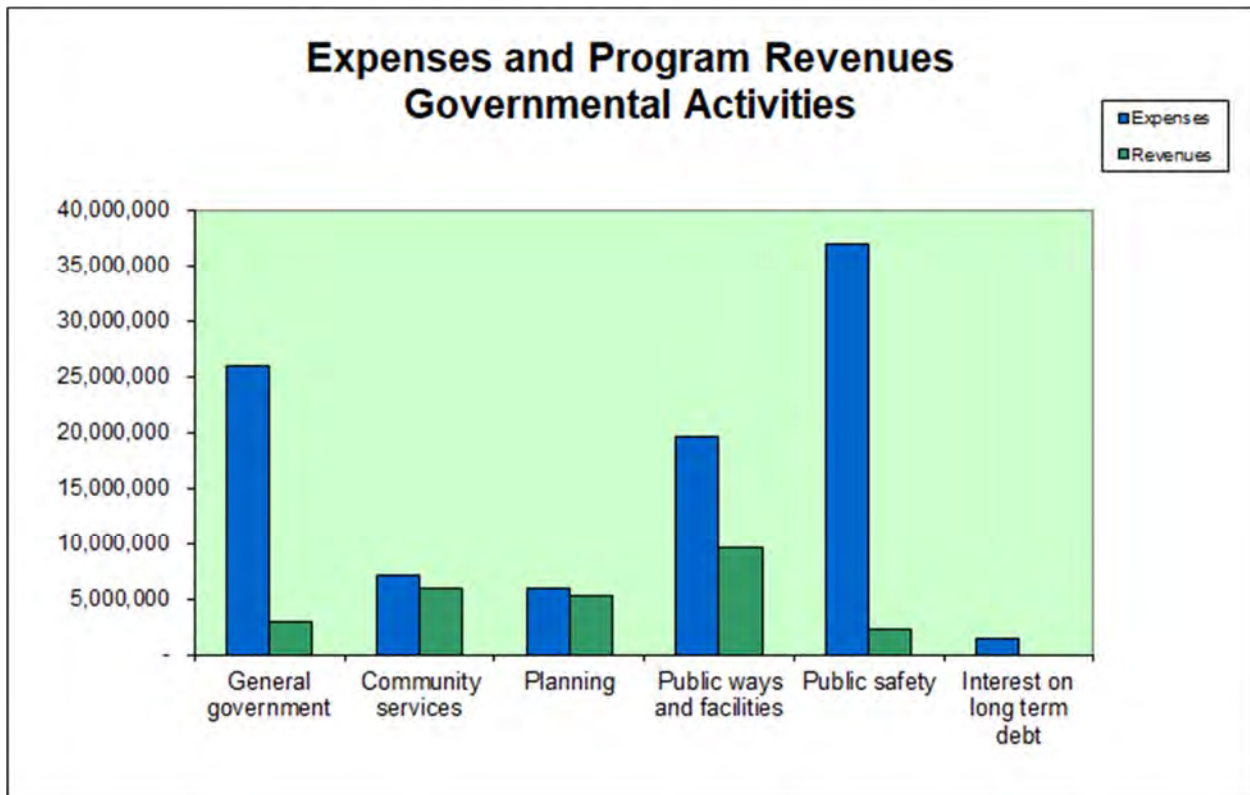
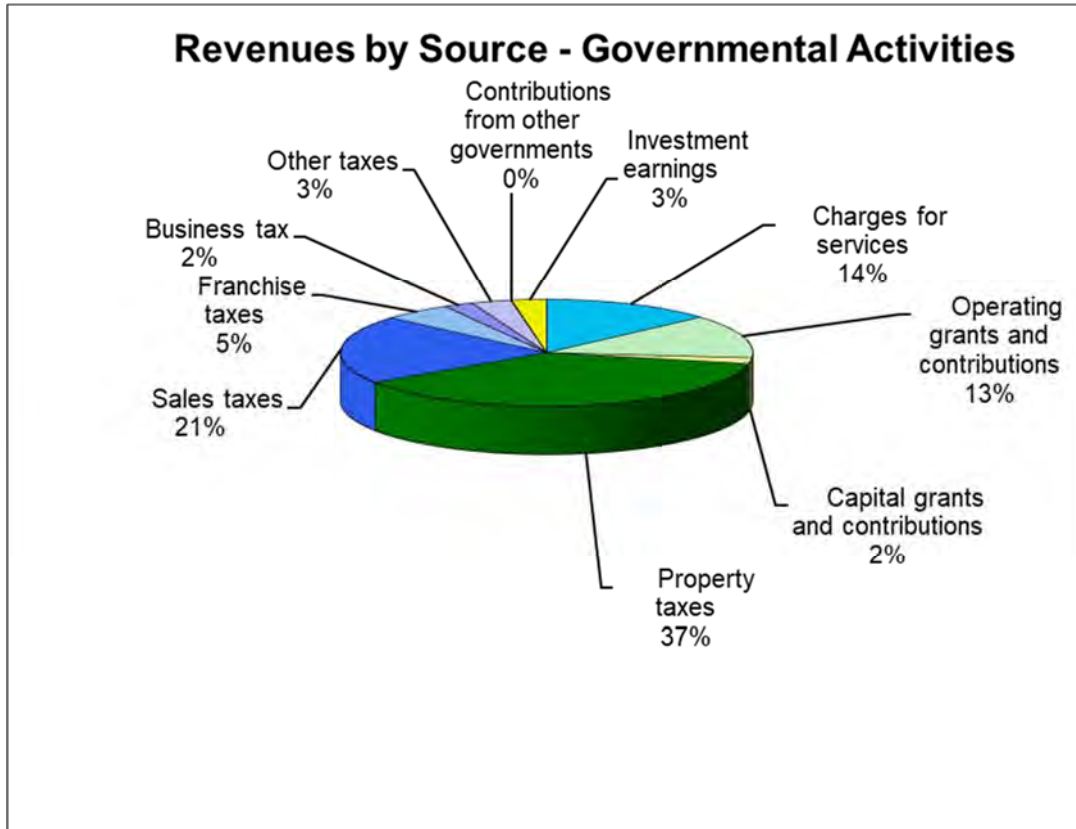
Planning expenses increased slightly by 2.3% (\$0.1 million) representing increases in pension OPEB expenses.

Public ways and facilities expenses increased by less than 0.1% (\$0.1 million) remaining static from the prior year.

Public safety expenses decreased by 5.1% (\$2.0 million) primarily because of a decrease in pension benefit costs.



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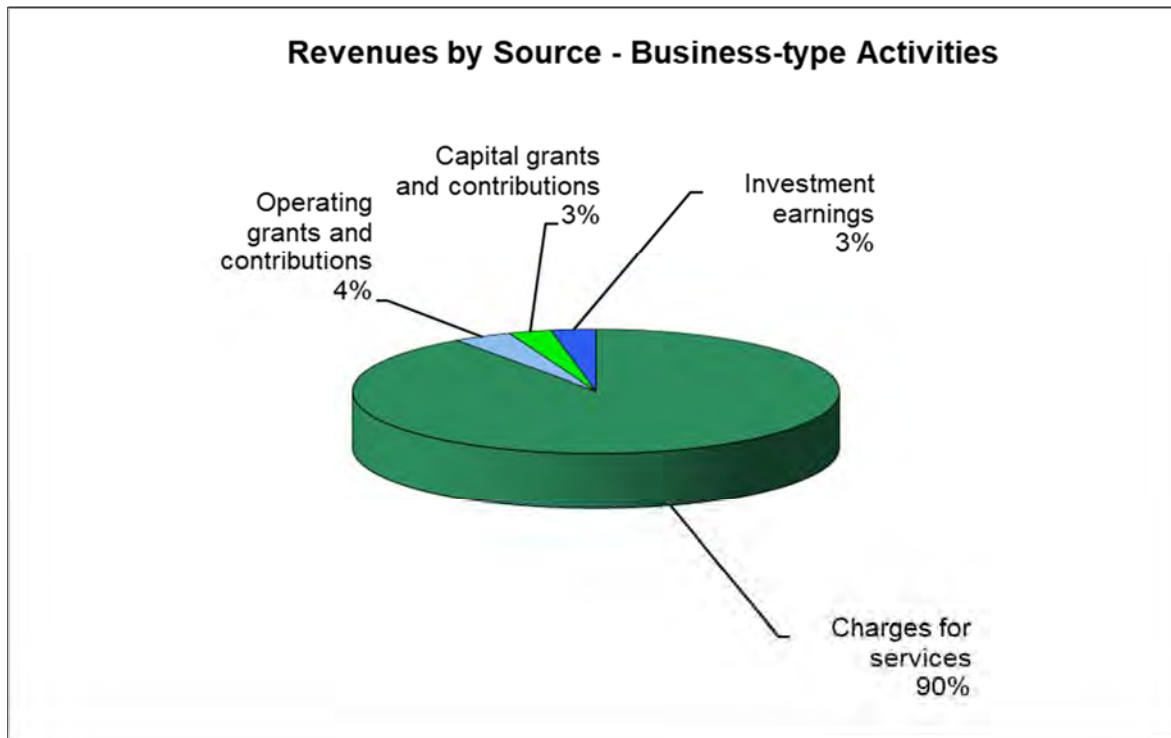
**CITY OF SIMI VALLEY • MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Business-type Activities.** Business-type activities increased the City's net position by \$5,192,053 as compared to a \$2,381,686 increase in the prior year. Key elements for the changes in net position during the fiscal year are as follows:

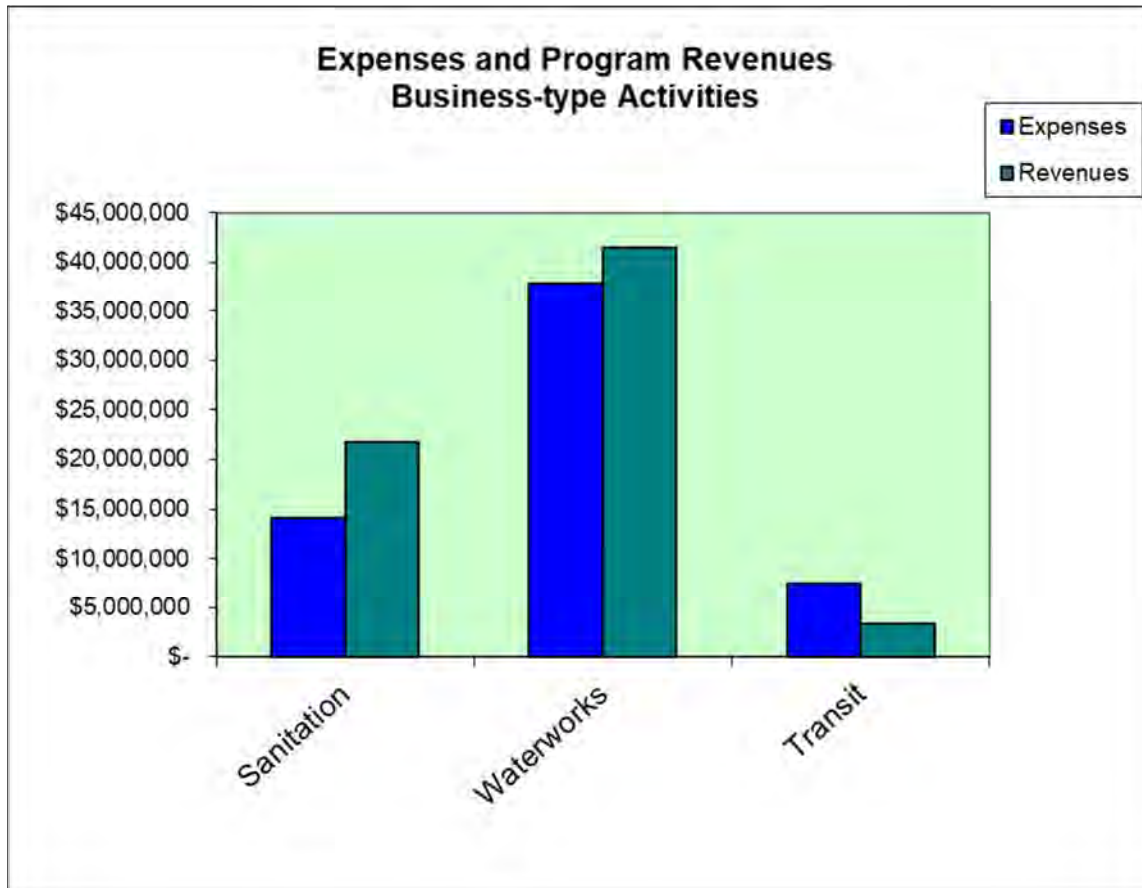
In comparison to the prior fiscal year, overall revenue, before transfers, remained flat with a small decrease of \$0.4 million. Charges for services decreased by 2.4% (\$1.5 million) resulting from a slight decrease in water rates. There was a decrease of 5.4% (\$0.1 million) in capital grants and contributions and a 148.6% (\$1.2 million) increase in investment earnings. There was a nominal increase in operating grants and contributions of 0.2% (less than \$0.01 million).

Expenses decreased by 4.4% (\$2.9 million) as compared to the prior fiscal year. A large portion of this decrease comes from decreased rates for water purchases in the Waterworks fund (\$1.9 million) and a decrease in maintenance projects (\$1.7 million) across the enterprise funds due in some part to \$1.2 million in expenses for a major project replacing electrical power distribution equipment at the City's Water Quality Control Plant. The enterprise funds also experienced a combined \$0.9 million increase in their equitable share of internal service fund operating income for the fiscal year.

The Transit operation was funded by Federal and State grants. During this fiscal year, General fund monies of \$0.7 million were applied to this Enterprise fund to cover a deficit with the farebox recovery ratio to prevent disallocation of grant funding in future years.



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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.

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

- *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 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 \$93,267,679, a decrease of \$3.2 million when compared to the prior year. Of this total amount, 10.7% (\$10.0 million) is *Non-spendable* in form, comprised of long-term receivables. Of the ending governmental fund balances, 42.6% (\$39.7 million) is *Restricted* for specific activities including housing programs, public improvements, streets and transportation, landscape, debt service, special programs, and law enforcement programs. Of the governmental fund balances, 27.7% is classified as *Committed*. \$13.2 million is *Committed* to street projects, retiree benefits, equipment replacement programs, and economic recovery. \$12.7 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. 19.2% (\$17.9 million) of the fund balance is *Assigned* for Capital programs and improvements. The remaining negative 0.2% (\$0.2 million) in governmental fund balances is *Unassigned*. This amount is mostly attributable to negative fund balance in the Public Facility Improvements Fund for which expenditure reimbursements are pending.

The fund balance of the City's General fund increased by \$4.1 million during the current fiscal year, for a total ending balance of \$46.1 million. In comparison to last fiscal year, overall revenues in the General fund increased by \$6.0 million, expenditures and net transfers out decreased by \$2.1 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 Agency Housing Administration fund was an increase of \$0.3 million. As compared to FY 2017-18, overall revenues and expenditures reflects nominal movement reflecting only slight activity in the affordable housing market.

The fund balance of the Development Related Fees fund increased by \$0.9 million from the prior year. For the most part, incoming revenues for the current year were offset by transfers out used largely for computer equipment replacement, public facility improvement projects, the financial information system improvements, and senior center services.

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The fund balance of the Streets and Roads fund decreased by \$1.6 million due mostly to a contribution from the Successor Agency that was approved as an enforceable obligation for street projects in the prior fiscal year. In general, 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 \$6.2 million for several major and minor street projects that were completed, but associated grant funding was only \$1.3 million.

**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 2018-19, the Sanitation, Waterworks and Transit funds showed increases <decreases> in net position of \$5,691,121, \$2,025,031, and <\$1,213,454>, respectively. Unrestricted net position of the Sanitation, Waterworks and Transit funds was \$20,052,454, \$10,824,701, and <\$4,949,302>, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Business-type activities above.

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

### General Fund Budgetary Highlights

The General fund final amended expenditure budget of \$68.9 million was \$1.0 million greater than the original expenditure budget of \$67.9 million, the primary contributors of which and can be briefly summarized as follows:

- \$0.4 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 mobile radios, workstation configurations and installations, and communication systems enhancements.
- \$1.1 million in increases to supplies and services expenditures across several departments. Many of the increases had matching revenue offsets in the form of additional grants, contributions or donations. Examples of specific expenditures include those for professional engineering plan check services, funds to provide for maintenance of city-owned streetlights, and transfer of funds for a debt service payment.

Actual expenditures of \$62.8 million were \$6.1 million less than the General fund final amended expenditure budget of \$68.9 million mostly due to savings in the Salaries & Benefits category of \$2.9 million and in the Services category of \$1.9 million.

Actual revenues were \$4.0 million more than the final budgeted amount of \$67.2 million. Revenue from sales taxes, business taxes, other governments, grants, and other revenues exceeded expected amounts by \$2.9 million. Additionally, property taxes, franchise taxes, licenses and permits, service charges, fines and forfeitures, and use of money and property increased by \$1.1 million.

### 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, 2019, amounts to \$381,952,493 (net of accumulated depreciation). This is an increase of \$4,618,163 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:

- \$1.2 million in street projects were completed
- \$0.1 million in infrastructure was donated by developers

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

- \$1.4 million in vehicles were purchased (\$0.8 million in general government vehicles, \$0.6 million in sanitation and waterworks vehicles)

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's Capital Assets  
(net of depreciation)  
June 30, 2019 and 2018**

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	2019	2018	2019	2018	2019	2018
Land	\$ 10,621,811	\$ 10,613,683	\$ 1,216,994	\$ 1,216,993	\$ 11,838,805	\$ 11,830,676
Buildings and improvements	31,064,988	32,533,175	6,496,852	6,474,308	37,561,840	39,007,483
Furnishings and equipment	1,742,823	2,199,514	3,017,423	1,553,982	4,760,246	3,753,496
Computers	471,414	506,623	116,953	138,429	588,366	645,052
Vehicles	2,209,408	2,078,437	3,900,530	4,622,931	6,109,938	6,701,368
Infrastructure	173,393,991	176,295,154	115,736,612	112,784,172	289,130,603	289,079,326
Intangibles	3,703,805	3,923,064	10,727	14,404	3,714,532	3,937,468
Construction-in-progress	20,938,717	9,513,805	7,309,446	12,865,656	28,248,163	22,379,461
<b>Total</b>	<b>\$ 244,146,957</b>	<b>\$ 237,663,455</b>	<b>\$ 137,805,536</b>	<b>\$ 139,670,875</b>	<b>\$ 381,952,493</b>	<b>\$ 377,334,330</b>

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$39,632,519. 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, 2019 and 2018.

	Governmental	
	<u>Activities</u>	
	2019	2018
2014A lease revenue refunding bond	\$ 17,145,000	\$ 17,850,000
2016 New Clean Renewable Energy Bonds (NCREBs)	8,590,779	8,925,835
2016 NCREBs tax exempt	683,595	713,416
2017 lease agreement	6,062,337	6,408,600
2018 lease agreement	5,655,845	5,655,845
Bond premium (discount)	1,494,963	1,593,601
<b>Total</b>	<b>\$ 39,632,519</b>	<b>\$ 41,147,297</b>

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

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

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

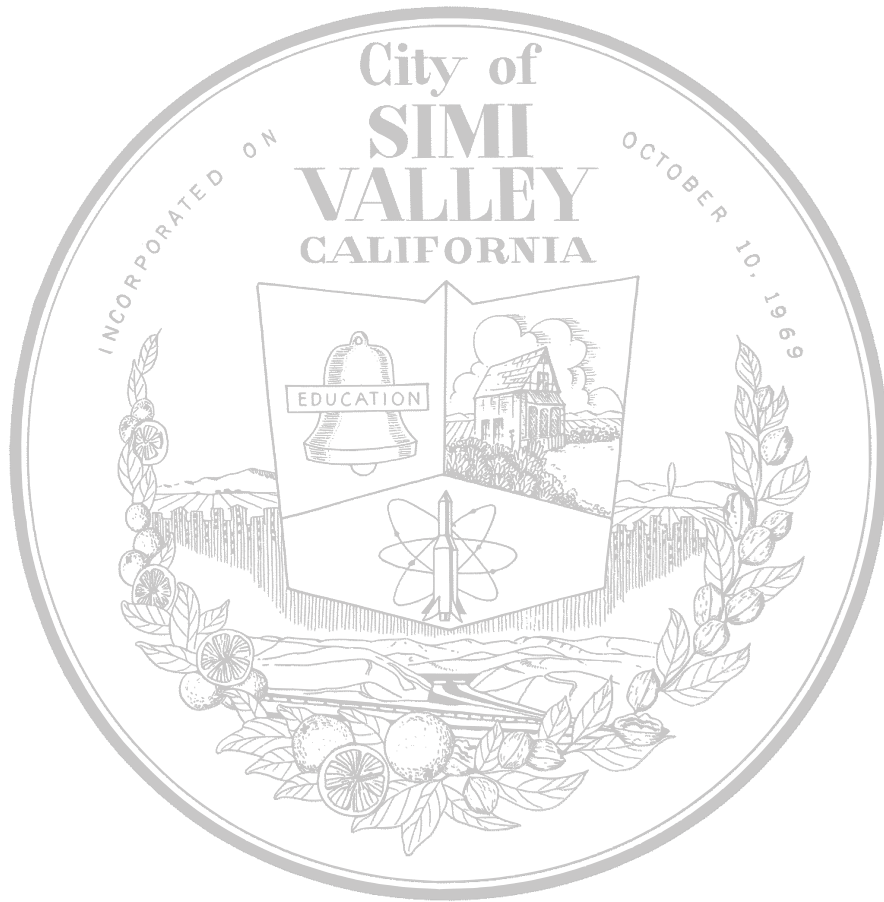
- In June 2019, the City Council adopted the FY 2019-20 annual budget. The adopted budget is balanced in that resources have been identified to offset proposed expenditures. The City is moving towards fiscal sustainability with the intention of developing a structurally balanced budget for FY 2020-21. The City will need to review programs and services in order to ensure that ongoing operating expenditures do not exceed ongoing revenues. Included in this effort will be a review of processes to streamline and improve operations with a process improvement ethos.
- The General Fund Balance is projected to have nominal changes at the end of 2019-20 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 \$3.9 million (5.6%) in FY 2019-20 over the previous year. Property tax revenues are projected to increase by \$1.5 million (4.6%) in FY 2019-20 due to ongoing improvements in assessed values and the local economy. Sales and Use Tax revenues are projected to also increase with an uptick due to the economic forecasting of a future slowdown in the economy.
- According to the Bureau of Labor Statistics, 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 continuing to decrease over the past four years to the preliminary annual rate for 2019 of 3.4%.
- The City's gross assessed property values have increased by an estimated 4.2% in 2019-20 from 2018-19 and has averaged 4.275% increases year-over-year for the last four years, demonstrating strong property values and positive growth for the local economy.
- While current national and international politics have impacted the economy, a recession is not anticipated during the current Fiscal Year. Indications are that the national economy will continue to grow. The yield curve inverted in August of 2019, but has since reverted back to long term treasury yields higher than short term. Gross Domestic Product is projected to remain above 2.0% and national unemployment is nearing 3.0%. The local unemployment rate at as of October 31, 2019, is 2.6% and should remain near all-time lows. Residential development activity in the City continues to rise with overall activity in both residential and commercial real estate market expanding. The City will carry on efforts in economic development to further enhance the City's financial outlook. A lack of housing, rising home prices, a difficult brick and mortar retail environment, and company defections continue to affect the local market. Simi Valley, however, with over 800,000 square feet of industrial space approved and moving toward construction, will provide a new industrial product, which is in demand, and future job growth opportunities.



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

**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, 2019**

	<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)	\$ 94,251,359	\$ 50,216,221	\$ 144,467,580
Accounts receivable (net of allowance for uncollectibles) (note III C)	1,947,204	6,137,030	8,084,234
Taxes receivable	5,491,934	258,294	5,750,228
Grants receivable	218,796	8,458,862	8,677,658
Interest receivable	505,615	288,949	794,564
Internal balances (note I E 2)	7,984,235	(7,984,235)	-
Inventories	-	1,633,436	1,633,436
Restricted cash and investments (note III A):			
Customer deposits	-	994,600	994,600
Connection fees	-	8,119,968	8,119,968
Total current assets	<u>110,399,143</u>	<u>68,123,125</u>	<u>178,522,268</u>
Noncurrent assets:			
Loans receivable (note III B)	22,818,658	-	22,818,658
Loan receivable - Successor Agency (note III B)	4,093,534	-	4,093,534
Capital assets (note III D):			
Capital assets not being depreciated	31,560,528	8,526,440	40,086,968
Capital assets being depreciated, net	<u>212,586,429</u>	<u>129,279,096</u>	<u>341,865,525</u>
Total noncurrent assets	<u>271,059,149</u>	<u>137,805,536</u>	<u>408,864,685</u>
Total assets	<u>381,458,292</u>	<u>205,928,661</u>	<u>587,386,953</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Related to loss on debt refunding	195,295	-	195,295
Related to pensions (note IV D)	18,586,088	3,199,328	21,785,416
Related to other post employment benefits (note IV E)	<u>1,503,563</u>	<u>155,471</u>	<u>1,659,034</u>
Total deferred outflows of resources	<u>20,284,946</u>	<u>3,354,799</u>	<u>23,639,745</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	3,277,745	4,040,792	7,318,537
Salaries and benefits payable	2,267,546	223,786	2,491,332
Accrued interest payable	642,482	-	642,482
Deposits	955,242	-	955,242
Liabilities payable from restricted assets	-	1,239,783	1,239,783
Unearned revenues	-	1,914,101	1,914,101
Current portion of long-term obligations	<u>4,882,685</u>	<u>102,279</u>	<u>4,984,964</u>
Total current liabilities	<u>12,025,700</u>	<u>7,520,741</u>	<u>19,546,441</u>
Noncurrent liabilities (note III G):			
Noncurrent portion of long-term obligations	<u>206,257,838</u>	<u>30,775,609</u>	<u>237,033,447</u>
Total liabilities	<u>218,283,538</u>	<u>38,296,350</u>	<u>256,579,888</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Related to pensions (note IV D)	3,452,645	372,736	3,825,381
Related to other post employment benefits (note IV E)	<u>874,985</u>	<u>45,350</u>	<u>920,335</u>
Total deferred inflows of resources	<u>4,327,630</u>	<u>418,086</u>	<u>4,745,716</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	208,951,633	137,805,536	346,757,169
Restricted for:			
Capital projects	15,816,992	-	15,816,992
Community development	36,711,036	-	36,711,036
Other purposes	8,176,837	-	8,176,837
Sewer connection fees and water capital improvement charges	-	7,874,785	7,874,785
Unrestricted	<u>(90,524,428)</u>	<u>24,888,703</u>	<u>(65,635,725)</u>
Total net position	<u>\$ 179,132,070</u>	<u>\$ 170,569,024</u>	<u>\$ 349,701,094</u>

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

				<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	\$ 25,974,419	\$ (8,253,976)	\$ 17,720,443	\$ 2,580,241	\$ 311,005
Community services	7,024,763	209,600	7,234,363	1,086,783	4,870,842
Planning	5,884,254	117,812	6,002,066	4,742,278	521,090
Public ways and facilities	19,553,737	97,864	19,651,601	2,927,559	5,051,026
Public safety	36,836,767	-	36,836,767	896,399	1,233,849
Interest on long term debt	1,440,347	-	1,440,347	-	-
Total governmental activities	96,714,287	(7,828,700)	88,885,587	12,233,260	11,987,812
Business-type activities:					
Sanitation	14,101,618	3,273,700	17,375,318	20,591,589	-
Waterworks District No. 8	37,842,417	2,710,100	40,552,517	40,967,174	1,920
Transit	7,542,803	1,844,900	9,387,703	402,517	2,671,572
Total business-type activities	59,486,838	7,828,700	67,315,538	61,961,280	2,673,492
Total primary government	\$ 156,201,125	\$ -	\$ 156,201,125	\$ 74,194,540	\$ 14,661,304

General revenues:  
Property taxes  
Sales taxes  
Franchise taxes  
Business tax  
Other taxes  
Investment earnings  
Miscellaneous  
Transfers  
Contributions from Successor Agency  
Total general revenues, contributions and transfers  
Change in net position  
Net position-beginning  
  
Net position-ending

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Program Revenues	Net (Expense) Revenue and Changes in Net Position			Total	
	Primary Government				
Capital Grants and Contributions	Governmental Activities	Business-type Activities			
\$ -	\$ (14,829,197)	\$ -	\$ (14,829,197)		Primary government:
-	(1,276,738)	-	(1,276,738)		Governmental activities:
-	(738,698)	-	(738,698)		General government
1,539,043	(10,133,973)	-	(10,133,973)		Community services
80,825	(34,625,694)	-	(34,625,694)		Planning
-	(1,440,347)	-	(1,440,347)		Public ways and facilities
					Public safety
					Interest on long term debt
<u>1,619,868</u>	<u>(63,044,647)</u>	<u>-</u>	<u>(63,044,647)</u>		Total governmental activities
1,119,347	-	4,335,618	4,335,618		Business-type activities:
519,901	-	936,478	936,478		Sanitation
313,645	-	(5,999,969)	(5,999,969)		Waterworks District No. 8
					Transit
<u>1,952,893</u>	<u>-</u>	<u>(727,873)</u>	<u>(727,873)</u>		Total business-type activities
<u>\$ 3,572,761</u>	<u>(63,044,647)</u>	<u>(727,873)</u>	<u>(63,772,520)</u>		Total primary government
	34,011,044	-	34,011,044		General revenues:
	18,961,367	-	18,961,367		Property taxes
	4,931,918	-	4,931,918		Sales taxes
	2,106,344	-	2,106,344		Franchise taxes
	2,849,714	-	2,849,714		Business tax
	2,496,426	2,041,917	4,538,343		Other taxes
	-	119,552	119,552		Investment earnings
	(3,758,457)	3,758,457	-		Miscellaneous
	49,350	-	49,350		Transfers
	<u>61,647,706</u>	<u>5,919,926</u>	<u>67,567,632</u>		Contributions from Successor Agency
	(1,396,941)	5,192,053	3,795,112		Total general revenues, contributions and transfers
	<u>180,529,011</u>	<u>165,376,971</u>	<u>345,905,982</u>		Change in net position
					Net position-beginning
<u>\$ 179,132,070</u>	<u>\$ 170,569,024</u>	<u>\$ 349,701,094</u>			Net position-ending

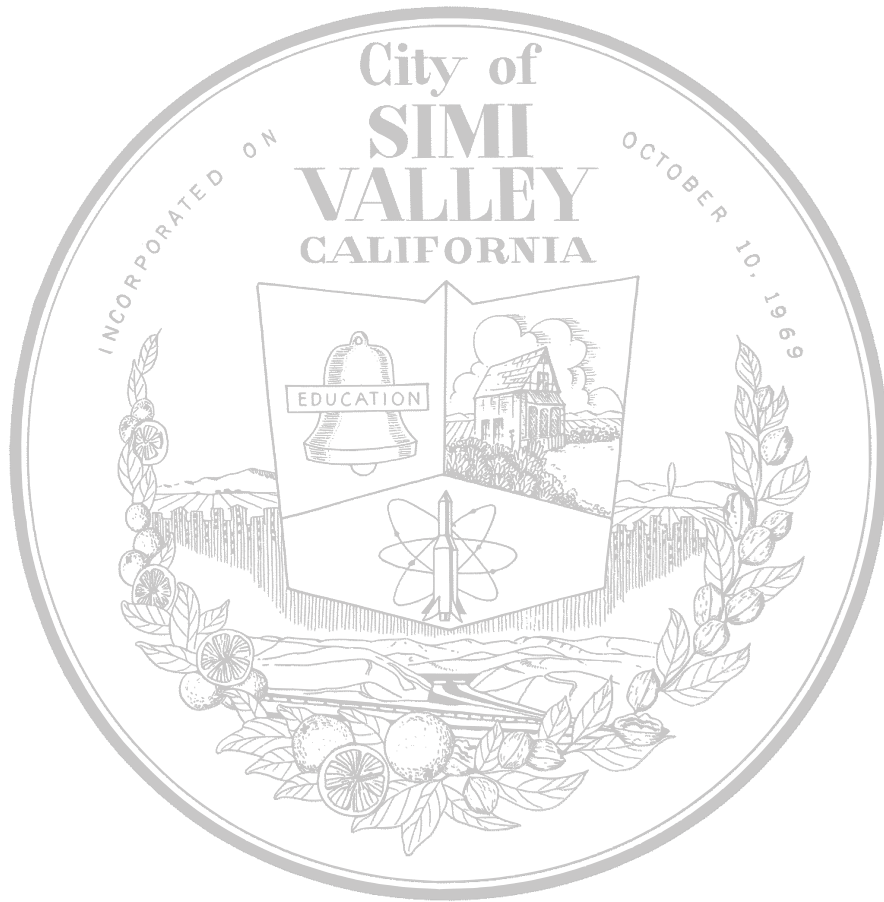
See accompanying notes to the basic financial statements.







## **FUND FINANCIAL STATEMENTS**



**CITY OF SIMI VALLEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	General	Special Revenue	
		SHA to Community Development Agency Housing Administration	Development Related Fees
<b>ASSETS</b>			
Cash and investments:			
Held by City	\$ 26,187,540	\$ 4,848,442	\$ 16,778,848
Held by bond trustee	-	-	-
Accounts receivable (net of allowance for uncollectibles) (note III C)	1,091,146	56,524	-
Taxes receivable	5,421,556	-	-
Grants receivable	-	-	-
Interest receivable	275,933	24,303	52,111
Due from other funds (note III F)	7,714,016	299	-
Loans receivable (note III B)	231,298	16,517,355	2,289,690
Loans receivable-Successor Agency (note III B)	4,093,534	-	-
Advances to other funds (note III F)	5,692,380	-	-
<b>TOTAL ASSETS</b>	<b>\$ 50,707,403</b>	<b>\$ 21,446,923</b>	<b>\$ 19,120,649</b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,192,735	\$ 76,534	\$ -
Salaries and benefits payable	2,248,939	6,913	-
Due to other funds (note III F)	359	-	-
Advances from other funds (note III F)	-	-	-
Deposits	955,242	-	-
<b>TOTAL LIABILITIES</b>	<b>4,397,275</b>	<b>83,447</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-housing programs	-	16,517,355	2,289,690
Unavailable revenue-public safety	-	-	-
Unavailable revenue-community services	212,106	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>212,106</b>	<b>16,517,355</b>	<b>2,289,690</b>
<b>FUND BALANCES (note III H)</b>			
Nonspendable			
Long-term receivables	10,017,212	-	-
Restricted			
Housing programs	-	4,846,121	6,949,595
Public improvements	-	-	8,873,545
Streets and transportation	-	-	1,007,819
Landscape	-	-	-
Debt service	-	-	-
Special programs	-	-	-
Law enforcement	-	-	-
Committed			
Streets	-	-	-
Retiree benefits	30,008	-	-
Special programs	421,164	-	-
Equipment	-	-	-
Economic recovery	5,084,838	-	-
Prudent reserve	12,670,975	-	-
Assigned			
Capital	17,873,825	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>46,098,022</b>	<b>4,846,121</b>	<b>16,830,959</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 50,707,403</b>	<b>\$ 21,446,923</b>	<b>\$ 19,120,649</b>

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

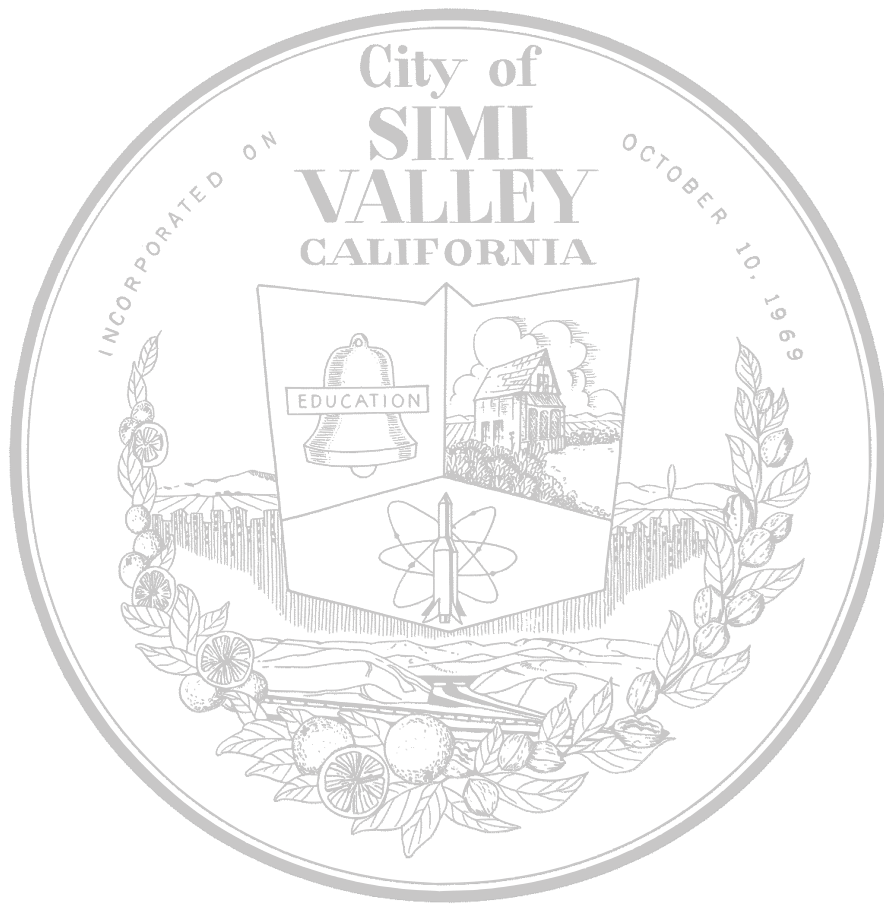
<u>Capital Projects</u>				
Streets & Roads	Nonmajor Governmental	Total Governmental Funds		
				<b>ASSETS</b>
				Cash and investments:
\$ 3,345,997	\$ 22,895,111	\$ 74,055,938		Held by City
-	4,237,730	4,237,730		Held by bond trustee
245,976	552,751	1,946,397		Accounts receivable (net of allowance for uncollectibles) (note III C)
-	70,378	5,491,934		Taxes receivable
-	218,796	218,796		Grants receivable
-	61,236	413,583		Interest receivable
-	6,243	7,720,558		Due from other funds (note III F)
-	3,780,315	22,818,658		Loans receivable (note III B)
-	-	4,093,534		Loans receivable-Successor Agency (note III B)
-	-	5,692,380		Advances to other funds (note III F)
<u>\$ 3,591,973</u>	<u>\$ 31,822,560</u>	<u>\$ 126,689,508</u>		<b>TOTAL ASSETS</b>
				<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>
				<b>LIABILITIES</b>
\$ 1,026,493	\$ 951,416	\$ 3,247,178		Accounts payable
-	7,932	2,263,784		Salaries and benefits payable
-	775,114	775,473		Due to other funds (note III F)
-	3,348,380	3,348,380		Advances from other funds (note III F)
-	-	955,242		Deposits
<u>1,026,493</u>	<u>5,082,842</u>	<u>10,590,057</u>		<b>TOTAL LIABILITIES</b>
				<b>DEFERRED INFLOWS OF RESOURCES</b>
-	3,780,315	22,587,360		Unavailable revenue-housing programs
-	32,306	32,306		Unavailable revenue-public safety
-	-	212,106		Unavailable revenue-community services
<u>-</u>	<u>3,812,621</u>	<u>22,831,772</u>		<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>
				<b>FUND BALANCES (note III H)</b>
				Nonspendable
-	-	10,017,212		Long-term receivables
				Restricted
-	1,213,015	13,008,731		Housing programs
-	75,806	8,949,351		Public improvements
-	4,983,495	5,991,314		Streets and transportation
-	693,379	693,379		Landscape
-	4,241,900	4,241,900		Debt service
-	3,972,856	3,972,856		Special programs
-	2,853,886	2,853,886		Law enforcement
				Committed
2,565,480	-	2,565,480		Streets
-	-	30,008		Retiree benefits
-	-	421,164		Special programs
-	5,101,910	5,101,910		Equipment
-	-	5,084,838		Economic recovery
-	-	12,670,975		Prudent reserve
				Assigned
-	-	17,873,825		Capital
-	(209,150)	(209,150)		Unassigned
<u>2,565,480</u>	<u>22,927,097</u>	<u>93,267,679</u>		<b>TOTAL FUND BALANCES (DEFICITS)</b>
				<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>
<u>\$ 3,591,973</u>	<u>\$ 31,822,560</u>	<u>\$ 126,689,508</u>		

See accompanying 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, 2019**

Fund balances - total governmental funds		\$ 93,267,679
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.		244,146,957
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.		2,650,148
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(642,482)
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.		22,831,772
Deferred outflows of resources related to pensions and other post employment benefits are not current financial resources and therefore, are not reported in the governmental funds.		
Related to pensions	\$ 18,516,746	
Related to other post employment benefits	<u>1,501,841</u>	20,018,587
Deferred inflows of resources related to pensions and other post employment benefits are not current obligations and therefore, are not reported in the governmental funds.		
Related to pensions	(3,435,160)	
Related to other post employment benefits	<u>(874,359)</u>	(4,309,519)
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	(5,383,842)	
Net OPEB obligation	(34,140,762)	
Net pension liability	(119,864,484)	
2014A Lease Revenue Refunding	(17,145,000)	
2016 New Clean Renewable Energy Bonds	(8,590,779)	
2016 NCREBs Tax Exempt	(683,595)	
2017 Lease agreement	(6,062,337)	
2018 Lease agreement	(5,655,845)	
Unamortized bond premium	(1,494,963)	
SCE on-bill financing loan	(4,760)	
Unamortized bond payable deferred on refunding	<u>195,295</u>	<u>(198,831,072)</u>
Net position of governmental activities		<u>\$ 179,132,070</u>

See accompanying 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, 2019**

	General	Special Revenue	
		SHA to Community Development Agency Housing Administration	Development Related Fees
<b>REVENUES</b>			
Taxes	\$ 60,104,474	\$ -	\$ -
Licenses and permits	2,618,558	-	-
Fines and forfeitures	562,503	-	-
Use of money and property	1,528,378	545,105	470,466
From other governments	358,270	-	-
Grants	314,088	-	-
Service charges	2,228,231	2,608	1,160,847
Other revenues	3,539,630	-	1,075,000
Total revenues	71,254,132	547,713	2,706,313
<b>EXPENDITURES</b>			
Current:			
General government	6,084,977	-	-
Community services	4,624,105	-	-
Planning	4,345,750	578,966	-
Public ways and facilities	13,949,485	-	114,000
Public safety	33,768,652	-	-
Total current expenditures	62,772,969	578,966	114,000
Capital outlay:			
Streets and roads	-	-	-
Other capital projects	-	-	-
Total capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
Total debt service	-	-	-
Total expenditures	62,772,969	578,966	114,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,481,163	(31,253)	2,592,313
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (note III F)	3,514,408	319,962	-
Transfers out (note III F)	(7,967,802)	-	(1,733,300)
Contributions from Successor Agency	49,350	-	-
Total other financing sources (uses)	(4,404,044)	319,962	(1,733,300)
NET CHANGE IN FUND BALANCES	4,077,119	288,709	859,013
FUND BALANCES (DEFICITS) - BEGINNING	42,020,903	4,557,412	15,971,946
FUND BALANCES (DEFICITS) - ENDING	\$ 46,098,022	\$ 4,846,121	\$ 16,830,959

See accompanying 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, 2019**

<u>Capital Projects</u>			
Streets & Roads	Nonmajor Governmental	Total Governmental Funds	
			<b><u>REVENUES</u></b>
\$ -	\$ 2,755,913	\$ 62,860,387	Taxes
-	-	2,618,558	Licenses and permits
-	-	562,503	Fines and forfeitures
-	505,822	3,049,771	Use of money and property
-	9,656,528	10,014,798	From other governments
1,343,659	1,275,888	2,933,635	Grants
-	793,587	4,185,273	Service charges
176,500	190,956	4,982,086	Other revenues
<u>1,520,159</u>	<u>15,178,694</u>	<u>91,207,011</u>	Total revenues
			<b><u>EXPENDITURES</u></b>
			Current:
-	224,797	6,309,774	General government
-	2,049,361	6,673,466	Community services
-	608,481	5,533,197	Planning
-	1,547,210	15,610,695	Public ways and facilities
-	388,021	34,156,673	Public safety
-	<u>4,817,870</u>	<u>68,283,805</u>	Total current expenditures
			Capital outlay:
6,206,212	-	6,206,212	Streets and roads
-	11,084,928	11,084,928	Other capital projects
<u>6,206,212</u>	<u>11,084,928</u>	<u>17,291,140</u>	Total capital outlay
			Debt service:
-	1,416,140	1,416,140	Principal
-	1,326,672	1,326,672	Interest
-	2,900	2,900	Other
-	<u>2,745,712</u>	<u>2,745,712</u>	Total debt service
<u>6,206,212</u>	<u>18,648,510</u>	<u>88,320,657</u>	Total expenditures
<u>(4,686,053)</u>	<u>(3,469,816)</u>	<u>2,886,354</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
			<b><u>OTHER FINANCING SOURCES (USES)</u></b>
3,124,151	13,463,233	20,421,754	Transfers in (note III F)
(35,129)	(16,781,780)	(26,518,011)	Transfers out (note III F)
-	-	49,350	Contributions from Successor Agency
<u>3,089,022</u>	<u>(3,318,547)</u>	<u>(6,046,907)</u>	Total other financing sources (uses)
<u>(1,597,031)</u>	<u>(6,788,363)</u>	<u>(3,160,553)</u>	NET CHANGE IN FUND BALANCES
<u>4,162,511</u>	<u>29,715,460</u>	<u>96,428,232</u>	FUND BALANCES (DEFICITS) - BEGINNING
<u>\$ 2,565,480</u>	<u>\$ 22,927,097</u>	<u>\$ 93,267,679</u>	FUND BALANCES (DEFICITS) - ENDING

See accompanying 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, 2019**

Net change in fund balances - total governmental funds \$ (3,160,553)

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.

Capital outlay net of dispositions	17,101,025	
Depreciation expense	<u>(10,617,523)</u>	6,483,502

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 2014A lease revenue refunding bond	705,000	
Principal payment on 2016 New Clean Renewable Energy Bonds	335,056	
Principal payment on 2016 New Clean Renewable Energy Bonds (Tax Exempt)	29,821	
Principal payment on 2017 lease agreement	346,263	
Principal payment on So Calif Edison on-bill financing loan	<u>9,305</u>	1,425,445

Expenditures that do not use current financial resources are not reported in governmental funds but are recorded as expenses in the statement of activities.

Debt service interest accrual (net)	(199,461)	
Amortized premium on bonds	98,638	
Amortized deferral on refunding	(12,852)	
Pension liability (net)	1,471,307	
Deferred pension related items	(8,153,505)	
Deferred OPEB related items	(931,712)	
Compensated absences (net)	284,039	
Unfunded OPEB liability	<u>293,354</u>	(7,150,192)

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.

(4,815)

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

149,762

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.

859,910

Change in net position of governmental activities

\$ (1,396,941)

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>REVENUES</u></b>				
Taxes:				
Sales	\$ 17,815,200	\$ 17,815,200	\$ 18,961,367	\$ 1,146,167
Property	31,230,400	31,230,400	31,255,131	24,731
Franchise	4,600,000	4,600,000	4,931,918	331,918
Business and other	4,800,000	4,800,000	4,956,058	156,058
Licenses and permits	2,482,000	2,482,000	2,618,558	136,558
From other governments	245,000	245,000	358,270	113,270
Grants	213,100	213,100	314,088	100,988
Service charges	2,308,700	2,308,700	2,228,231	(80,469)
Fines and forfeitures	550,000	550,000	562,503	12,503
Use of money and property	826,500	826,500	1,528,378	701,878
Other revenues	2,129,900	2,177,454	3,539,630	1,362,176
Total revenues	<u>67,200,800</u>	<u>67,248,354</u>	<u>71,254,132</u>	<u>4,005,778</u>
<b><u>EXPENDITURES</u></b>				
Current:				
City administration	4,163,300	4,199,372	3,654,796	544,576
Attorney	1,293,000	1,293,000	1,312,992	(19,992)
Administrative services and city-wide support*	269,400	815,172	1,117,189	(302,017)
Community services	5,628,600	5,680,016	4,624,105	1,055,911
Planning	4,950,900	4,954,705	4,345,750	608,955
Public ways and facilities	15,482,400	15,728,528	13,949,485	1,779,043
Public safety	36,095,800	36,248,254	33,768,652	2,479,602
Total expenditures	<u>67,883,400</u>	<u>68,919,047</u>	<u>62,772,969</u>	<u>6,146,078</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(682,600)</u>	<u>(1,670,693)</u>	<u>8,481,163</u>	<u>10,151,856</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	3,982,700	4,139,454	3,514,408	(625,046)
Transfers out	(4,388,100)	(5,616,100)	(7,967,802)	(2,351,702)
Contributions from Successor Agency	49,400	49,400	49,350	(50)
Total other financing sources (uses)	<u>(356,000)</u>	<u>(1,427,246)</u>	<u>(4,404,044)</u>	<u>(2,976,798)</u>
NET CHANGE IN FUND BALANCE	(1,038,600)	(3,097,939)	4,077,119	7,175,058
FUND BALANCES - BEGINNING	<u>42,020,903</u>	<u>42,020,903</u>	<u>42,020,903</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 40,982,303</u>	<u>\$ 38,922,964</u>	<u>\$ 46,098,022</u>	<u>\$ 7,175,058</u>

\*net of reimbursements

See accompanying 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, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>REVENUES</u></b>				
Use of money and property	\$ 52,500	\$ 52,500	\$ 545,105	\$ 492,605
Service charges	-	-	2,608	2,608
Total revenues	<u>52,500</u>	<u>52,500</u>	<u>547,713</u>	<u>495,213</u>
<b><u>EXPENDITURES</u></b>				
Planning (ES):				
Materials, supplies and services	<u>1,062,900</u>	<u>1,062,900</u>	578,966	483,934
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,010,400)</u>	<u>(1,010,400)</u>	<u>(31,253)</u>	<u>979,147</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	<u>320,000</u>	<u>320,000</u>	319,962	(38)
Total other financing sources (uses)	<u>320,000</u>	<u>320,000</u>	<u>319,962</u>	<u>(38)</u>
NET CHANGE IN FUND BALANCES	(690,400)	(690,400)	288,709	979,109
FUND BALANCES (DEFICITS) - BEGINNING	<u>4,557,412</u>	<u>4,557,412</u>	<u>4,557,412</u>	-
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 3,867,012</u>	<u>\$ 3,867,012</u>	<u>\$ 4,846,121</u>	<u>\$ 979,109</u>

See accompanying 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, 2019**

	<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	\$ 145,400	\$ 145,400	\$ 470,466	\$ 325,066
Service charges	335,500	335,500	1,160,847	825,347
Other revenues	-	-	1,075,000	1,075,000
Total revenues	<u>480,900</u>	<u>480,900</u>	<u>2,706,313</u>	<u>2,225,413</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public ways and facilities (PW):				
Materials, supplies and services	<u>136,700</u>	<u>136,700</u>	114,000	22,700
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>344,200</u>	<u>344,200</u>	2,592,313	2,248,113
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(1,733,300)</u>	<u>(1,733,300)</u>	<u>(1,733,300)</u>	-
Total other financing sources (uses)	<u>(1,733,300)</u>	<u>(1,733,300)</u>	<u>(1,733,300)</u>	-
NET CHANGE IN FUND BALANCES	(1,389,100)	(1,389,100)	859,013	2,248,113
FUND BALANCES (DEFICITS) - BEGINNING	<u>15,971,946</u>	<u>15,971,946</u>	<u>15,971,946</u>	-
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 14,582,846</u>	<u>\$ 14,582,846</u>	<u>\$ 16,830,959</u>	<u>\$ 2,248,113</u>

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019**

	<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	\$ 31,491,850	\$ 16,810,270	\$ 1,914,101	\$ 50,216,221	\$ 15,957,691
Customer receivable	181,585	4,857,890	-	5,039,475	807
Other receivable	769,700	306,651	21,204	1,097,555	-
Taxes receivable	258,294	-	-	258,294	-
Grants receivable	-	-	8,458,862	8,458,862	-
Inventories	646,149	807,333	179,954	1,633,436	-
Interest receivable	196,976	91,973	-	288,949	92,032
Restricted cash and investments:					
Customer deposits	-	994,600	-	994,600	-
Connection fees	7,874,785	245,183	-	8,119,968	-
Total current assets	<u>41,419,339</u>	<u>24,113,900</u>	<u>10,574,121</u>	<u>76,107,360</u>	<u>16,050,530</u>
Noncurrent assets:					
Capital assets (net of accumulated depreciation) (note III D):					
Land	765,660	451,334	-	1,216,994	-
Buildings and improvements	3,990,872	738,619	1,767,361	6,496,852	-
Furnishings and equipment	815,397	1,755,254	574,451	3,145,102	-
Vehicles	585,159	538,411	2,776,960	3,900,530	-
Distribution system	64,024,938	51,711,674	-	115,736,612	-
Construction-in-progress	2,153,620	3,867,106	1,288,720	7,309,446	-
Total noncurrent assets	<u>72,335,646</u>	<u>59,062,398</u>	<u>6,407,492</u>	<u>137,805,536</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>113,754,985</u>	<u>83,176,298</u>	<u>16,981,613</u>	<u>213,912,896</u>	<u>16,050,530</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions	1,385,646	1,105,758	707,924	3,199,328	69,342
Related to other postemployment benefits	68,702	46,781	39,988	155,471	1,722
Total deferred outflow of resources	<u>1,454,348</u>	<u>1,152,539</u>	<u>747,912</u>	<u>3,354,799</u>	<u>71,064</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	888,217	3,007,198	145,377	4,040,792	30,567
Salaries and benefits payable	102,019	66,112	55,655	223,786	3,762
Compensated absences	52,565	25,762	23,952	102,279	3,321
Due to other funds (note III F)	-	-	6,945,085	6,945,085	-
Unearned revenue	-	-	1,914,101	1,914,101	-
Claims and legal services payable	-	-	-	-	2,786,013
Current liabilities payable from restricted assets:					
Water service prepayments	-	994,600	-	994,600	-
Accounts payable restricted	-	245,183	-	245,183	-
Total current liabilities	<u>1,042,801</u>	<u>4,338,855</u>	<u>9,084,170</u>	<u>14,465,826</u>	<u>2,823,663</u>
Noncurrent liabilities:					
Advances from other funds (note III F)	-	-	-	-	2,344,000
Compensated absences	473,085	231,859	215,567	920,511	29,887
Claims and legal services payable	-	-	-	-	8,692,579
Net pension liability	11,429,198	8,476,977	5,936,518	25,842,693	554,170
Net other postemployment benefits obligation	1,846,304	1,141,747	1,024,354	4,012,405	48,186
Total noncurrent liabilities	<u>13,748,587</u>	<u>9,850,583</u>	<u>7,176,439</u>	<u>30,775,609</u>	<u>11,668,822</u>
<b>TOTAL LIABILITIES</b>	<u>14,791,388</u>	<u>14,189,438</u>	<u>16,260,609</u>	<u>45,241,435</u>	<u>14,492,485</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to pensions	132,591	240,829	(684)	372,736	17,485
Related to other postemployment benefits	22,469	11,471	11,410	45,350	626
Total deferred inflow of resources	<u>155,060</u>	<u>252,300</u>	<u>10,726</u>	<u>418,086</u>	<u>18,111</u>
<b>NET POSITION</b>					
Invested in capital assets	72,335,646	59,062,398	6,407,492	137,805,536	-
Restricted for:					
Sewer connection fees and water capital improvement charges	7,874,785	-	-	7,874,785	-
Unrestricted	<u>20,052,454</u>	<u>10,824,701</u>	<u>(4,949,302)</u>	<u>25,927,853</u>	<u>1,610,998</u>
<b>TOTAL NET POSITION</b>	<u>\$ 100,262,885</u>	<u>\$ 69,887,099</u>	<u>\$ 1,458,190</u>	<u>\$ 171,608,174</u>	<u>\$ 1,610,998</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Beginning adjustment to unrestricted net position				271,495	
Current adjustment to unrestricted net position				<u>(1,310,645)</u>	
Net position of business-type activities				<u>\$ 170,569,024</u>	

See accompanying 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, 2019**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</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><u>OPERATING REVENUES</u></b>					
Charges for sales and services	\$ 20,591,589	\$ 40,967,174	\$ 402,517	\$ 61,961,280	\$ 6,007,900
<b><u>OPERATING EXPENSES</u></b>					
Salaries and benefits	8,019,268	4,905,222	4,459,568	17,384,058	350,990
Materials and supplies:					
Water purchases	-	28,090,019	-	28,090,019	-
Utilities	618,044	722,577	24,885	1,365,506	-
Chemicals	368,467	-	-	368,467	-
Other	173,575	475,503	370,771	1,019,849	121,156
Services:					
Maintenance projects	501,248	265,591	235,850	1,002,689	-
Other	1,194,113	1,369,007	442,869	3,005,989	-
Insurance	376,400	204,600	316,200	897,200	-
Claims and legal expenses	-	-	-	-	8,122,491
General administration	3,273,700	2,710,100	1,844,900	7,828,700	530,600
Depreciation	2,295,660	1,525,480	1,221,276	5,042,416	-
Total operating expenses	<u>16,820,475</u>	<u>40,268,099</u>	<u>8,916,319</u>	<u>66,004,893</u>	<u>9,125,237</u>
OPERATING INCOME (LOSS)	<u>3,771,114</u>	<u>699,075</u>	<u>(8,513,802)</u>	<u>(4,043,613)</u>	<u>(3,117,337)</u>
<b><u>NONOPERATING REVENUES AND EXPENSES</u></b>					
Grants	-	1,920	2,671,572	2,673,492	-
Interest	1,054,436	987,481	-	2,041,917	328,802
Other	41,524	12,254	65,774	119,552	-
Total nonoperating revenues (expenses)	<u>1,095,960</u>	<u>1,001,655</u>	<u>2,737,346</u>	<u>4,834,961</u>	<u>328,802</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	4,867,074	1,700,730	(5,776,456)	791,348	(2,788,535)
<b><u>CONTRIBUTIONS AND TRANSFERS</u></b>					
Capital contributions	1,119,347	519,901	313,645	1,952,893	-
Transfers in (note III F)	-	-	4,249,357	4,249,357	2,344,000
Transfers out (note III F)	(295,300)	(195,600)	-	(490,900)	(6,200)
Total contributions and transfers	<u>824,047</u>	<u>324,301</u>	<u>4,563,002</u>	<u>5,711,350</u>	<u>2,337,800</u>
CHANGE IN NET POSITION	5,691,121	2,025,031	(1,213,454)	6,502,698	(450,735)
NET POSITION-BEGINNING	<u>94,571,764</u>	<u>67,862,068</u>	<u>2,671,644</u>		<u>2,061,733</u>
NET POSITION - ENDING	<u>\$ 100,262,885</u>	<u>\$ 69,887,099</u>	<u>\$ 1,458,190</u>		<u>\$ 1,610,998</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Current adjustment				<u>(1,310,645)</u>	
Change in net position of business-type activities				<u>\$ 5,192,053</u>	

See accompanying notes to the basic financial statements.

**CITY OF SIMI VALLEY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>Simi Valley</b>	<b>Ventura County</b>	<b>Simi Valley</b>	<b>Totals</b>	<b>Internal Service Funds</b>
	<b>Sanitation</b>	<b>Waterworks District No. 8</b>	<b>Transit System</b>		
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>					
Cash received from service charges and other revenues	\$ 20,506,313	\$ 43,215,626	\$ 470,340	\$ 64,192,279	\$ 6,007,900
Cash paid for salaries and benefits	(7,011,934)	(4,323,078)	(3,864,791)	(15,199,803)	(305,247)
Cash paid for supplies and materials	(1,142,050)	(29,397,349)	(504,436)	(31,043,835)	-
Cash paid for general administration	(3,273,700)	(2,710,100)	(1,844,900)	(7,828,700)	(530,600)
Cash paid for services	(2,246,790)	(1,964,064)	(870,412)	(5,081,266)	(6,292,921)
Cash paid for insurance premiums and claims	-	-	-	-	(3,339,839)
Net cash provided (used) by operating activities	<u>6,831,839</u>	<u>4,821,035</u>	<u>(6,614,199)</u>	<u>5,038,675</u>	<u>(4,460,707)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>					
Cash transfers from (to) other funds	(295,300)	(195,600)	4,249,357	3,758,457	(6,200)
Cash received from grants and other governments	-	1,920	(560,208)	(558,288)	-
Cash received from interfund borrowing	-	-	2,122,414	2,122,414	-
Net cash provided (used) by noncapital financing activities	<u>(295,300)</u>	<u>(193,680)</u>	<u>5,811,563</u>	<u>5,322,583</u>	<u>(6,200)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>					
Sewer connection fees and water capital improvement charges	1,090,754	439,424	-	1,530,178	-
Acquisition of capital assets	(1,519,292)	(1,451,960)	(7,821)	(2,979,073)	-
Net cash provided (used) by capital and related financing activities	<u>(428,538)</u>	<u>(1,012,536)</u>	<u>(7,821)</u>	<u>(1,448,895)</u>	<u>-</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>					
Interest on investments	973,985	942,174	45,102	1,961,261	307,638
NET INCREASE IN CASH AND INVESTMENTS	7,081,986	4,556,993	(765,355)	10,873,624	(4,159,269)
CASH AND INVESTMENTS, BEGINNING OF YEAR	32,284,649	13,493,060	2,679,456	48,457,165	20,116,960
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 39,366,635</u>	<u>\$ 18,050,053</u>	<u>\$ 1,914,101</u>	<u>\$ 59,330,789</u>	<u>\$ 15,957,691</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>					
Operating income (loss)	\$ 3,771,114	\$ 699,075	\$ (8,513,802)	\$ (4,043,613)	\$ (3,117,337)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,295,660	1,525,480	1,221,276	5,042,416	-
(Increase) decrease in prepaid expenses	1,117,410	712,986	647,297	2,477,693	49,564
(Increase) decrease in accounts receivable	(85,276)	2,229,716	2,133	2,146,573	-
(Increase) decrease in inventory	(66,705)	(89,606)	(19,706)	(176,017)	-
Increase (decrease) in accounts payable	(55,238)	(139,508)	35,348	(159,398)	(82,348)
Increase (decrease) in accrued payroll	12,616	11,663	10,537	34,816	(121)
Increase (decrease) in compensated absences	(21,501)	(32,138)	25,007	(28,632)	1,194
Increase (decrease) in water service prepayments	-	14,079	-	14,079	-
Increase (decrease) in claims and legal services payable	-	-	-	-	(1,306,764)
Increase (decrease) in net pension liability	(92,305)	(105,830)	(83,550)	(281,685)	(4,647)
Increase (decrease) in net other postemployment benefits liability	(8,886)	(4,537)	(4,513)	(17,936)	(248)
Adjustment for revenues and expenses classified as nonoperating	(35,050)	(345)	65,774	30,379	-
Total adjustments	<u>3,060,725</u>	<u>4,121,960</u>	<u>1,899,603</u>	<u>9,082,288</u>	<u>(1,343,370)</u>
Net cash provided (used) by operating activities	<u>\$ 6,831,839</u>	<u>\$ 4,821,035</u>	<u>\$ (6,614,199)</u>	<u>\$ 5,038,675</u>	<u>\$ (4,460,707)</u>
<b><u>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>					
Capital additions	\$ (28,593)	\$ (80,477)	\$ -	\$ (109,070)	\$ -
Capital contributions	28,593	80,477	-	109,070	-
Services to be provided from settlement agreement	134,035	-	-	-	-

**CITY OF SIMI VALLEY  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019**

	<b>Private- Purpose Trust</b>	<b>Agency Funds</b>
<b><u>ASSETS</u></b>		
Cash and investments:		
Held by City (note III A)	\$ 3,522,912	\$ 6,762,280
Held by bond trustee (note III A)	2,129,909	1,016,096
Accounts receivable	-	5,629
Interest receivable	10,096	-
Capital assets not being depreciated (note V C)	1,124,174	-
<b>TOTAL ASSETS</b>	<b>6,787,091</b>	<b>\$ 7,784,005</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred loss on refunding (note V D)	132,187	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>132,187</b>	
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued liabilities	-	\$ 90,282
Accrued interest payable	309,582	-
Deposits	-	5,429,254
Loans payable - City (note III B)	4,093,534	-
Due to bondholders	-	2,264,469
Long-term debt (note V E):		
Due within one year	1,160,000	-
Due in more than one year	17,609,824	-
<b>TOTAL LIABILITIES</b>	<b>23,172,940</b>	<b>\$ 7,784,005</b>
<b><u>NET POSITION (DEFICIT)</u></b>		
Held in trust for other purposes	<b>\$ (16,253,662)</b>	

See accompanying 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, 2019**

	<b>Private- Purpose Trust</b>
<hr/>	
<b><u>ADDITIONS</u></b>	
Property taxes	\$ 4,045,725
Investment earnings	<u>49,175</u>
 TOTAL ADDITIONS	 <u>4,094,900</u>
 <b><u>DEDUCTIONS</u></b>	
Administrative expenses	7,250
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	967,439
Contributions to other governments	<u>49,350</u>
 TOTAL DEDUCTIONS	 <u>1,024,039</u>
 CHANGE IN NET POSITION	 3,070,861
 NET POSITION (DEFICIT) - BEGINNING	 (19,324,523)
 NET POSITION (DEFICIT) - ENDING	 <u><u>\$ (16,253,662)</u></u>

See accompanying 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, 2019

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STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

**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.

In addition, supplementary information is provided for:

- Non-major governmental funds,
- Budget-to-actual comparisons for non-major special revenue funds,

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

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.

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,

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

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 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,

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

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.

**Capital projects fund:**

*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.

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

**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:

**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.

*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

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

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.

*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. Implementation of new accounting pronouncements**

During the fiscal year ended June 30, 2019, the City adopted the following new Statements of the Governmental Accounting Standards Board (GASB):

GASB Statement No. 83 – In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, “Certain Asset Retirement Obligations.” This Statement is effective for financial statements for fiscal year beginning after June 15, 2018 and did not impact the City.

GASB Statement No. 88 – In March 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.” The requirements of this Statement are effective for financial statements for the period beginning after June 15, 2018. The Statement’s objective is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Accordingly, the City has updated the debt disclosures to comply with the requirements of this new Statement.

**E. 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.

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

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.

*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 2018-19.

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

*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 \$5,000 or more (the infrastructure threshold is \$25,000, the intangible threshold 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 infrastructure assets are recorded at estimated historical cost provided by the developer. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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

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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.

*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. Pensions*

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan and Public Agency Retirement Services (PARS) Retirement Enhancement plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*10. Postemployment benefits other than pensions*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the City of Simi Valley Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

*11. 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

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consumption of net position that applies to a future period(s) and 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 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 and OPEB liability not included in pension and OPEB expense are reported as deferred outflows of resources or deferred inflows of resources related to pensions and OPEB on the statements of net position.

*12. 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 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

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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.

*13. 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.

*14. 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.

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

**A. Budgetary information**

The City is a general law city in the State of California and does not legally require a budget. However, the City Council annually adopts budgets on a basis consistent with generally accepted accounting principles for the General fund, enterprise funds, special revenue funds, and internal service funds. Annual budgeting for operations facilitates management evaluation and control. 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. Unexpended or unencumbered appropriations lapse at the end of the fiscal year but may be eligible for reappropriation upon City Manager approval. Encumbered appropriations are reappropriated in the ensuing year's budget after review and approval by the City Manager.

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, by policy, the level of budgetary control is the department level. Departments within the

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

**B. Excess of expenditures over appropriations**

For fiscal year ended June 30, 2019, expenditures exceeded appropriations in the HOME Grant (non-major) special revenue fund by \$55,049. Home rehabilitation costs approved and budgeted in fiscal year 2018 were delayed and subsequently performed and posted in fiscal year 2019, causing the excess of expenditures over appropriations. Staff will monitor the timing of home rehab costs relative to their approved budgets in future years to ensure this does not reoccur. Expenditures exceeded appropriations in the Transportation (non-major) special revenue fund by \$8,184. The necessary budget amount was underestimated when completing the budget for this fund in fiscal year 2019, but staff will explore remedies to correct this in the budget for the following year.

**C. Deficit fund equity**

As of June 30, 2019, the Public Facility Improvements Capital Project non-major fund reflects a negative fund balance of \$567,908. This project is funded by a tax-exempt equipment lease agreement, and transfers from other City funds. The lease agreement portion of the funding was not executed by June 30, 2019, and as such, the negative fund balance represents project costs that will be covered by the proceeds from the lease agreement.

The Private Purpose Trust fund, a component of the City's Fiduciary funds, has a negative net position of \$16,253,662 as of June 30, 2019. During the current fiscal year, additions exceeded deductions by \$3,070,861 thereby reducing the negative net position from the previous fiscal year. See Note V F.

The Liability Insurance fund, an internal service fund, has a negative net position of \$580,893 as of June 30, 2019. In future years, the premiums budgeted in contributing funds will increase to address the deficit net position.



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**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, 2019 are classified as follows:**

Statement of net position:	
Cash and investments	\$ 149,344,418
Cash and investments held by bond trustee	4,237,730
Fiduciary funds:	
Cash and investments	10,285,192
Cash and investments held by bond trustee	3,146,005
Total cash and investments	<u>\$ 167,013,345</u>

**Cash and investments at June 30, 2019 consisted of the following:**

Cash on hand	\$ 6,400
Deposits with financial institutions	14,098,409
Outstanding checks	(2,517,211)
Investments	155,425,747
Total cash and investments	<u>\$ 167,013,345</u>

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 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.

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<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 Instrumentality Securities	5 Years	100%	5 Years	100%
Supranational Securities	5 Years	30%	5 Years	30%
Bankers' Acceptances	180 Days	40%	180 Days	40%
Commercial Paper	270 Days	25%	270 Days	25%
Non Negotiable CD's	5 Years	None	5 Years	30%
Negotiable CD's	5 Years	30%	5 Years	30%
Private Deposit Placements	5 Years	30%	5 Years	30%
Repurchase Agreements	1 Year	100%	1 Year	100%
Reverse Repurchase Agreements	92 Days	20%	*	*
Medium Term Notes	5 Years	30%	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	\$ 43,005,890	\$ 24,939,970	\$ 13,011,460	\$ 5,054,460
U.S. Treasuries	7,962,420	6,471,675	1,490,745	-
U.S. Corporates	20,767,031	11,694,080	4,030,510	5,042,441
Money market mutual funds	5,035,560	5,035,560	-	-
LAIF	75,508,841	75,508,841	-	-
<u>Held by bond trustees:</u>				
Money market mutual funds	3,146,005	3,146,005	-	-
<b>Total</b>	<b>\$ 155,425,747</b>	<b>\$ 126,796,131</b>	<b>\$ 18,532,715</b>	<b>\$ 10,096,901</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>Moody's Ratings as of Year End</u>								
			<u>Aaa/Aaa-mf</u>	<u>Aa1</u>	<u>Aa2</u>	<u>Aa3</u>	<u>A1</u>	<u>A2</u>	<u>A3</u>	<u>Not Rated</u>	
U.S. Agencies	\$ 43,005,890	N/A	\$43,005,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	7,962,420	N/A	7,962,420	-	-	-	-	-	-	-	-
U.S. Corporates	20,767,031	A3	998,810	1,002,530	999,060	3,743,920	6,020,390	6,990,800	1,011,520	-	-
Money market mutual funds	5,035,560	N/A	-	-	-	-	-	-	-	-	5,035,560
LAIF	75,508,841	N/A	-	-	-	-	-	-	-	-	75,508,841
<u>Held by bond trustees:</u>											
Money market mutual funds	3,146,005	N/A	3,146,005	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$155,425,747</b>		<b>\$55,113,125</b>	<b>\$1,002,530</b>	<b>\$ 999,060</b>	<b>\$3,743,920</b>	<b>\$6,020,390</b>	<b>\$6,990,800</b>	<b>\$1,011,520</b>	<b>\$80,544,401</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:

- Authorized supranational securities must have a maximum maturity not exceeding five years from the date of trade settlement and shall be rated at least "AA" or its equivalent by a nationally recognized statistical rating organization (NRSRO) at the time of purchase. Investments in supranational securities shall not exceed 30% of the portfolio
- Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States with a final maturity not exceeding five years from the date of trade settlement and rated at least "A" or the equivalent by a NRSRO at the time of purchase. No more than 5% of the portfolio shall be

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invested in any one issuer, and the aggregate investment in medium-term notes shall not exceed 30% of the portfolio.

- State Obligations and Local Agency Issues must be rated at least “A+” or the equivalent by a NRSRO at the time of purchase with maturities not exceeding five years from the date of trade settlement. No more than 5% of the City’s total portfolio shall be invested in any one municipal issuer and the aggregate investment in municipal bonds may not exceed 30% of the portfolio.
- No more than 5% of the portfolio shall be invested in the commercial paper of any one issuer and the aggregate investment in commercial paper shall not exceed 25% of the portfolio.
- Purchases of negotiable certificates of deposit may not exceed 30% of the portfolio with no more than 5% held in any one issuer.
- 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:

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<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal National Mortgage Association	U.S. Agencies	\$10,048,410
Federal Farm Credit Bank	U.S. Agencies	14,982,690
Federal Home Loan Bank	U.S. Agencies	7,998,650
Federal Home Loan Mortgage Corporation	U.S. Agencies	9,976,140

As of June 30, 2019, the City had no investments which were not held in the City's name.

**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, 2019:

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<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	\$ 43,005,890	\$ -	\$ 43,005,890	\$ -
U.S. Treasuries	7,962,420	-	7,962,420	-
U.S. Corporates	20,767,031	-	20,767,031	-
<u>Held by bond trustees:</u>				
Money market mutual funds	3,146,005	-	3,146,005	-
Total investments measured at fair value:	74,881,346	\$ -	\$ 74,881,346	\$ -
Investments measured at amortized cost:				
Money market mutual funds	5,035,560			
LAF	75,508,841			
Total investments:	<u>\$ 155,425,747</u>			

The City and the third-party trustees that hold the City’s assets utilize the market approach in valuing the investment portfolio through the use of the pricing service that utilize matrix pricing. The market approach utilizes prices and other relevant data from market transactions for similar assets.

**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 (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 lower-income homeowners to preserve the City’s housing stock.

**Affordable Housing Program**

- Casa de Paz Housing, Inc., an affiliate of Many Mansions (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 of Ventura County, Inc. (Vista Del Monte Rental Condominiums)  
In April 2002, the Agency entered into an affordable housing agreement with ARC of Ventura County, Inc., to provide financial assistance for the acquisition of four condominium units for occupancy by very low-income, developmentally disabled

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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, LP., an affiliate of USA Properties Fund Inc. (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, an affiliate of Cabrillo Economic Development Corporation (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 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.

- La Rahada, LLC., an affiliate of 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.

- Peppertree SV, LLC., an affiliate of 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.

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- Camino Esperanza, LP., an affiliate of Cabrillo Economic Development Corporation (Camino Esperanza Senior Apartments)

In December 2015, the City entered into an affordable housing agreement with Cabrillo Economic Development Corporation to provide a \$500,000 permanent loan to develop a 31-unit senior housing complex. The permanent loan shall bear 3% simple interest per annum beginning on the 18<sup>th</sup> anniversary of the promissory note dated December 1, 2015. Subsequently, the City provided an additional \$186,279 interest-free loan for the project in May 2018, and amended the affordable housing agreement terms to add an additional 10 years of affordability. The first note is due and payable 55 years from issuance of the promissory note dated December 1, 2015. The second note is due and payable 65 years from issuance of the final Certificate of Occupancy dated June 28, 2016.

#### Home Rehabilitation Program

- This Program was established in 1981. The Program offers low interest deferred loans to lower-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, changes title, or 30 years from issuance of the promissory note, whichever occurs first. 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 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.

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

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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. Additionally, the receivable balance is stated as net of an uncollectible allowance of \$74,397. In November, 2015, Cemetery staff submitted an informal request for consideration of complete loan forgiveness by the City; as of June 30, 2019, no action has been taken.

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Loans receivable (net of allowance for uncollectibles) balances at June 30, 2019 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 of Ventura County	0.0%	55	2057	175,000	-	175,000
Vintage Paseo Apartments	3.0%	55	2059	1,597,725	-	1,597,725
Plaza del Sol Apartments	3.0%	55	2060	1,900,000	580,448	2,480,448
La Rahada Apartments	3.0%	55	2063	250,000	82,792	332,792
Peppertree Apartments	3.0%	55	2068	575,000	98,301	673,301
Camino Esperanza Senior Apartments	3.0%	55	2071	500,000	-	500,000
Camino Esperanza Amendment #1	0.0%	65	2083	186,279	-	186,279
<b>Affordable Housing Program</b>				<u>5,306,555</u>	<u>761,541</u>	<u>6,068,096</u>
<b>First Time Homebuyer Program:</b>				<b><u>Principal Due</u></b>	<b><u>Interest Due</u></b>	<b><u>Total</u></b>
FTHB - Successor Housing Agency				10,083,892	-	10,083,892
FTHB - LHF				2,151,400	-	2,151,400
FTHB - CalHome				60,000	-	60,000
FTHB - HOME				807,700	-	807,700
FTHB - CDBG				20,800	-	20,800
<b>First Time Homebuyer Program</b>	Equity Share			<u>13,123,792</u>	<u>-</u>	<u>13,123,792</u>
<b>Home Rehabilitation Program:</b>				<b><u>Principal Due</u></b>	<b><u>Interest Due</u></b>	<b><u>Total</u></b>
Home Rehab - Successor Housing Agency				303,972	61,395	365,367
Home Rehab - LHF				127,055	11,235	138,290
Home Rehab - CalHome				1,053,825	103,312	1,157,137
Home Rehab - HOME				1,060,235	64,500	1,124,735
Home Rehab - CDBG				238,542	54,779	293,321
Home Rehab Earthquake. - HOME				188,806	44,642	233,448
Home Rehab Earthquake - CDBG				63,980	19,194	83,174
<b>Home Rehabilitation Program</b>	0.0 - 3.0%			<u>3,036,415</u>	<u>359,057</u>	<u>3,395,472</u>
Housing loans receivable				<u>21,466,762</u>	<u>1,120,598</u>	<u>22,587,360</u>
Other City loans receivable:						
Cultural Arts Center Foundation	0.0%			156,901	-	156,901
Cemetery District	0.0%			74,397	-	74,397
City loans receivable				<u>231,298</u>	<u>-</u>	<u>231,298</u>
<b>Total loans receivable</b>				<b><u>\$ 21,698,060</u></b>	<b><u>\$ 1,120,598</u></b>	<b><u>\$ 22,818,658</u></b>

Loan receivable – Successor Agency:

As of June 30, 2019, advances made to the former CDA from the City totaled \$4,093,534. 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 a 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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The composition of loans between the City and the Successor Agency for the year ended June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balance June 30, 2018</u>	<u>Debt Incurred</u>	<u>Debt Retired</u>	<u>Balance June 30, 2019</u>
General Fund	Successor Agency - Merged Tapo Canyon and West End tax increment	\$ 5,693,346	\$ -	\$ (1,599,812)	\$ 4,093,534

**C. Accounts receivable**

Accounts receivable reported under governmental activities 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>	\$ 1,202,905	(111,759)	\$ 1,091,146
<b>Special Revenue - SHA to CDA Housing Administration</b>	56,524	-	56,524
<b>Streets and Roads</b>	245,976	-	245,976
<b>Nonmajor Governmental Funds</b>	552,751	-	552,751
subtotal	<u>2,058,156</u>	<u>(111,759)</u>	<u>1,946,397</u>
<b>Internal Service Funds</b>	807	-	807
Total	<u>\$ 2,058,963</u>	<u>\$ (111,759)</u>	<u>\$ 1,947,204</u>

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**D. Capital assets**

Capital asset activity for the year ended June 30, 2019, 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	\$ 8,128	\$ -	\$ 10,621,811
Construction-in-progress	9,513,805	15,914,710	(4,489,798)	20,938,717
Total capital assets, not being depreciated	<u>20,127,488</u>	<u>15,922,838</u>	<u>(4,489,798)</u>	<u>31,560,528</u>
Capital assets, being depreciated:				
Buildings and improvements	56,285,401	43,263	-	56,328,664
Furnishings and equipment	8,464,493	128,545	(7,079)	8,585,959
Computers	4,203,770	65,618	(10,641)	4,258,747
Vehicles	6,782,094	756,208	(485,096)	7,053,206
Infrastructure	332,656,053	4,446,210	-	337,102,263
Intangibles	10,408,619	243,176	-	10,651,795
Total capital assets being depreciated	<u>418,800,430</u>	<u>5,683,020</u>	<u>(502,816)</u>	<u>423,980,634</u>
Less accumulated depreciation for:				
Buildings and improvements	(23,752,226)	(1,511,450)	-	(25,263,676)
Furnishings and equipment	(6,264,979)	(585,236)	7,079	(6,843,136)
Computers	(3,697,147)	(96,073)	5,887	(3,787,333)
Vehicles	(4,703,657)	(614,956)	474,815	(4,843,798)
Infrastructure	(156,360,899)	(7,347,373)	-	(163,708,272)
Intangibles	(6,485,555)	(462,435)	-	(6,947,990)
Total accumulated depreciation	<u>(201,264,463)</u>	<u>(10,617,523)</u>	<u>487,781</u>	<u>(211,394,205)</u>
Total capital assets, being depreciated, net	<u>217,535,967</u>	<u>(4,934,503)</u>	<u>(15,035)</u>	<u>212,586,429</u>
Governmental activities capital assets, net	<u>\$ 237,663,455</u>	<u>\$ 10,988,335</u>	<u>\$ (4,504,833)</u>	<u>\$ 244,146,957</u>

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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	12,865,656	2,381,097	(7,937,307)	7,309,446
Total capital assets, not being depreciated	<u>14,082,650</u>	<u>2,381,097</u>	<u>(7,937,307)</u>	<u>8,526,440</u>
Capital assets, being depreciated:				
Buildings and improvements	14,200,462	359,336		14,559,798
Furnishings and equipment	7,081,976	1,635,130	(17,048)	8,700,058
Vehicles	12,392,647	560,392	(255,811)	12,697,228
Distribution system	207,731,575	6,178,428		213,910,003
Total capital assets being depreciated	<u>241,406,660</u>	<u>8,733,286</u>	<u>(272,859)</u>	<u>249,867,087</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,726,154)	(336,792)		(8,062,946)
Furnishings and equipment	(5,375,161)	(196,843)	17,048	(5,554,956)
Vehicles	(7,769,716)	(1,282,793)	255,811	(8,796,698)
Distribution system	(94,947,403)	(3,225,988)		(98,173,391)
Total accumulated depreciation	<u>(115,818,434)</u>	<u>(5,042,416)</u>	<u>272,859</u>	<u>(120,587,991)</u>
Total capital assets, being depreciated, net	<u>125,588,226</u>	<u>3,690,870</u>	<u>-</u>	<u>129,279,096</u>
Business-type activities capital assets, net	<u>\$ 139,670,876</u>	<u>\$ 6,071,967</u>	<u>\$ (7,937,307)</u>	<u>\$ 137,805,536</u>

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

**Governmental activities:**

General Government	\$ 7,591,815
Community Services	306,858
Planning (ES)	6,938
Public Ways & Facilities (PW)	2,370,507
Public Safety	341,405
Total depreciation expense-governmental activities	<u>\$ 10,617,523</u>

**Business-type activities:**

Sanitation	\$ 2,295,660
Waterworks	1,525,480
Transit	1,221,276
Total depreciation expense-business-type activities	<u>\$ 5,042,416</u>

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**E. Construction commitments**

The City has active construction projects as of June 30, 2019. The commitments for governmental fund projects are included in the restricted 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, 2019	Remaining Commitments*
Easy, Fifth, Ventura Sewerline Rehab	\$ 871,748	\$ 526,901	\$ 344,847
Crown Hill Drive Waterline Project	382,428	363,307	19,121
Total commitments	<u>\$ 1,254,176</u>	<u>\$ 890,208</u>	<u>\$ 363,968</u>

\* Amount includes possible contingency

**F. 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 amounts between the Successor Housing Agency to Community Development Agency Housing Administration and non-major governmental funds and the General Fund is also for short-term loans to cover operations.

**Due to / from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Simi Valley Transit System	\$ 6,945,085
	Nonmajor governmental funds	768,931
SHA to CDA Housing Administration	General	299
Nonmajor governmental funds		6,243
Total		<u>\$ 7,720,558</u>

**Advances to / from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Public Facility Improvements	\$ 3,348,380
	Internal Service funds	2,344,000
Total		<u>\$ 5,692,380</u>

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The composition of interfund transfers for the year ended June 30, 2019 is as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Purpose</u>
General fund	SHA to Community Development Agency Housing Administration	\$ 319,962	Fund housing programs
	Streets and roads	633,658	Fund street projects
	Proprietary funds	2,998,000	Fund general liability claims, transit operations
	Nonmajor governmental funds	<u>4,016,182</u>	Fund Landscape zones, scheduled debt service, and contributions to replacement funds
		<u>7,967,802</u>	
Development related fees fund	General fund	370,000	Fund projects impacted by new development, senior services
	Streets and roads	48,000	Fund street projects
	Nonmajor governmental funds	<u>1,315,300</u>	Fund scheduled debt service and contributions to replacement and capital project funds
		<u>1,733,300</u>	
Streets and roads fund	General fund	35,129	Return excess street project funding
		<u>35,129</u>	
Nonmajor governmental funds	General fund	2,923,079	Fund administration of public works, police programs, and reimbursement from a capital project fund
	Streets and roads	2,442,493	Fund street projects
	Proprietary fund	3,595,357	Fund transit operations
	Nonmajor governmental funds	<u>7,820,851</u>	Contributions to replacement funds and capital project funds
		<u>16,781,780</u>	
Total governmental funds		<u>26,518,011</u>	
<b><u>Transfers From</u></b>			
Proprietary funds	General fund	186,200	Contributions for pension costs
	Nonmajor governmental funds	<u>310,900</u>	Contributions to replacement funds and fund capital project funds
		<u>497,100</u>	
Total proprietary funds		<u>497,100</u>	
Total transfers		<u>\$ 27,015,111</u>	

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**G. 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. In the event of a default, as defined in the lease agreement, notwithstanding anything in the lease agreement or in the indenture to the contrary, there is no right under any circumstances to accelerate the base rental payments or otherwise declare any base rental payments not then in default to be immediately due and payable, nor do the Authority or the Trustee have any right to re-enter or re-let the property except as described in the lease agreement. As of June 30, 2019, total interest and principal remaining on the bonds is \$23,545,532.
  
- City of Simi Valley Lease Revenue Bonds, Series 2016 NCREBs (New Clean Renewable Energy Bonds) and City of Simi Valley Tax-Exempt Lease, Series 2016:  
The City entered into a lease-leaseback arrangement and a lease arrangement with the SVPFFA to provide financing for the NCREBs Solar Equipment and the Tax-Exempt Project for the financing of the acquisition, construction and installation of certain solar energy and other energy efficiency capital improvements to existing City buildings and property. An allocation of new Clean Renewable Energy Bonds was received by the City for \$9,226,619, interest rates at 1.5% - 2.5%, maturing September 1, 2036. The Tax-Exempt solar component consisted of \$740,459 of bond proceeds also maturing September 1, 2036. As NCREBs financing is restricted only for solar power systems, the Tax-Exempt bonds will be used to finance the re-roofing of City Hall, the resurfacing of the parking lot at the Senior Center, and the installation of electric vehicle chargers at the Civic Center. In the event of a default, as defined in the lease agreement, there is no right under any circumstance to accelerate the lease payments or otherwise declare any lease payments not then in default to be immediately due and payable. As of June 30, 2019, total interest and principal remaining on the 2016 NCREBs and Tax Exempt bonds is \$11,675,961 and \$848,019 respectively.

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- 2017 Tax Exempt Equipment Lease Agreement:

The City entered into an agreement with the SVPFFA as lessor and the City of Simi Valley as lessee to provide financing for a replacement (VoIP) telephone system, and energy efficiency upgrades including LED lighting at City facilities, and HVAC system replacement and improvements. The lease agreement obligates the City to make base lease payments to SVPFFA, and SVPFFA assigned such payments to Bank of America. The Simi Valley Senior Center is the asset which was used as collateral for this tax exempt financing. The issue price of the tax exempt bond associated with this transaction is \$6,408,600, based on an interest rate of 3.00% per year. In the event of a default, as defined in the lease agreement, there is no right under any circumstance to accelerate the lease payments or otherwise declare any lease payments not then in default to be immediately due and payable. As of June 30, 2019, the total interest and principal remaining on the issuance is \$7,363,469.

- 2018 Taxable Equipment Lease/Purchase Agreement:

The City entered into a lease arrangement with Banc of America Leasing & Capital, LLC to provide financing for a purchase and sale agreement and pole license agreement with Southern California Edison (SCE) for the acquisition of streetlights located in Simi Valley. Annual savings of \$510,000 in the City's electrical costs are estimated to be achieved through the owning of the streetlights and their conversion to LED. The newly acquired streetlights act as the pledged asset for this taxable financing. The stated acquisition amount for this transaction is \$5,655,845. The type of debt instrument for this private placement financing is certificates of participation/leases with a stated interest rate of 5.15% and a settlement date of May 15, 2018. In the event of a default, as defined in the lease agreement, there is no right to accelerate any rental payment or otherwise declare any rental payment or other amount payable not then in default to be immediately due and payable. As of June 30, 2019, total interest and principal remaining on the lease agreement is \$8,514,564.

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

- Claims and legal services payable of \$11,478,592, 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, 2019.
- Compensated absences liability of \$6,439,840 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 (84.1%) is attributable to the General fund.

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- Southern California Edison (SCE) on-bill-financing liability of \$4,760. 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 \$38,201,353. This liability consists of the actuarially determined liability attributable to governmental activities and business-type activities of the Enterprise funds. OPEB funds health insurance benefits for retired employees. The liability is liquidated from the funds to which an employee is charged. See Note IV E for additional detail regarding this debt.
- Net pension liability of \$146,261,347. This liability consists of the actuarially determined liability attributable to governmental activities and business-type activities of the Enterprise funds. The liability is liquidated from the funds to which an employee is charged. See Note IV D for additional detail regarding this debt.

**Annual debt service requirements to maturity**

The annual requirements to amortize the bonds and advances as of June 30, 2019, including interest, are as follows:

<b>2014A Lease Revenue Refunding Bonds</b>			
<b>Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 735,000	\$ 738,225	\$ 1,473,225
2021	765,000	705,900	1,470,900
2022	800,000	666,775	1,466,775
2023	845,000	625,650	1,470,650
2024	890,000	582,275	1,472,275
2025-2029	5,180,000	2,178,875	7,358,875
2030-2034	6,485,000	875,738	7,360,738
2035	1,445,000	27,094	1,472,094
	<b>\$ 17,145,000</b>	<b>\$ 6,400,532</b>	<b>\$ 23,545,532</b>

<b>2016 New Clean Renewable Energy Bonds</b>			
<b>Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 347,152	\$ 303,861	\$ 651,013
2021	359,684	291,103	650,787
2022	372,669	277,883	650,552
2023	386,122	264,187	650,309
2024	400,061	249,997	650,058
2025-2029	2,227,653	1,018,534	3,246,187
2030-2034	2,659,842	578,543	3,238,386
2035-2037	1,837,596	101,074	1,938,670
	<b>\$ 8,590,779</b>	<b>\$ 3,085,182</b>	<b>\$ 11,675,961</b>

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**2016 New Clean Renewable Energy Bonds (Tax Exempt)**

Year Ending <u>June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 30,564	\$ 16,641	\$ 47,205
2021	31,325	15,870	47,195
2022	32,104	15,081	47,185
2023	32,904	14,271	47,175
2024	33,723	13,442	47,165
2025-2029	181,638	54,026	235,664
2030-2034	205,407	29,961	235,368
2035-2037	135,929	5,132	141,062
	<u>\$ 683,595</u>	<u>\$ 164,425</u>	<u>\$ 848,019</u>

**2017 Equipment Lease (Tax Exempt)**

Year Ending <u>June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 394,933	\$ 178,908	\$ 573,841
2021	406,871	166,971	573,842
2022	419,169	154,672	573,841
2023	431,840	142,002	573,842
2024	444,893	128,949	573,842
2025-2029	2,434,493	434,715	2,869,208
2030-2034	1,530,138	94,915	1,625,054
	<u>\$ 6,062,337</u>	<u>\$ 1,301,132</u>	<u>\$ 7,363,469</u>

**2018 Equipment Lease/Purchase Agreement**

Year Ending <u>June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 42,558	\$ 525,079	\$ 567,637
2021	282,140	285,498	567,638
2022	296,857	270,780	567,637
2023	312,342	255,296	567,638
2024	328,635	239,003	567,638
2025-2029	1,918,911	919,277	2,838,188
2030-2034	2,474,401	363,787	2,838,188
	<u>\$ 5,655,845</u>	<u>\$ 2,858,720</u>	<u>\$ 8,514,564</u>

**Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2019, was as follows:

See independent auditors' report.

**CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balances</u> <u>June 30, 2018</u>	<u>Debt</u> <u>Incurred</u>	<u>Debt</u> <u>Retired</u>	<u>Balances</u> <u>June 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental activities:</b>					
2014A lease revenue refunding bond	\$ 17,850,000	\$ -	\$ (705,000)	\$ 17,145,000	\$ 735,000
2016 New Clean Renewable Energy Bonds (NCREBs)	8,925,835	-	(335,056)	8,590,779	347,152
2016 NCREBs tax exempt	713,416	-	(29,821)	683,595	30,564
2017 lease agreement	6,408,600	-	(346,263)	6,062,337	394,933
2018 lease agreement	5,655,845	-	-	5,655,845	42,558
Add (less) deferred amounts:					
Bond premium	1,593,601	-	(98,638)	1,494,963	-
Total bonds payable	<u>41,147,297</u>	<u>-</u>	<u>(1,514,778)</u>	<u>39,632,519</u>	<u>1,550,207</u>
Claims and legal services	12,785,357	7,315,941	(8,622,706)	11,478,592	2,786,013
Compensated absences	5,699,895	2,038,901	(2,321,746)	5,417,050	541,705
SoCal Edison on-bill financing	14,065	-	(9,305)	4,760	4,760
Net OPEB obligation	34,482,549	1,251,604	(1,545,205)	34,188,948	-
Net pension liability	<u>121,894,608</u>	<u>8,323,348</u>	<u>(9,799,302)</u>	<u>120,418,654</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 216,023,771</u>	<u>\$ 18,929,794</u>	<u>\$ (23,813,042)</u>	<u>\$ 211,140,523</u>	<u>\$ 4,882,685</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 1,051,422	\$ 41,969	\$ (70,601)	\$ 1,022,790	\$ 102,279
Net OPEB obligation	4,030,341	137,387	(155,323)	4,012,405	-
Net pension liability	<u>26,167,066</u>	<u>1,614,747</u>	<u>(1,939,120)</u>	<u>25,842,693</u>	<u>-</u>
Business-type activity long-term liabilities	<u>\$ 31,248,829</u>	<u>\$ 1,794,103</u>	<u>\$ (2,165,044)</u>	<u>\$ 30,877,888</u>	<u>\$ 102,279</u>

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

Lines of Credit

The City has no available, unused lines of credit.

**H. 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.

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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

**I. 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, 2019, consisted of the following:

Community Facilities District (District No. 04-1)	\$6,090,000
Madera Royal (District No. 98-1)	1,225,000

**J. 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, 2019 was \$18,145,000. 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:

- 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, 2019, is \$8,905,000.
- 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, 2019, is \$2,240,000.
- 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, 2019, 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, 2019, no such amounts were due.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

**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:

	Year ended June 30, 2019	Year ended June 30, 2018
Unpaid claims beginning of fiscal year	\$ 12,785,357	\$ 10,138,334
Incurred claims (including IBNRs and adjusted claims expense)	7,315,941	5,290,328
Claims payments	(8,622,706)	(2,643,305)
Unpaid claims, end of fiscal year	\$ 11,478,592	\$ 12,785,357

**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.

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

**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.

The Plan's provisions and benefits in effect at June 30, 2019, 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	26.371%	26.371%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	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%	12%
Required employer contribution rates	41.361%	41.361%

At June 30, 2018, the following employees were covered by the benefit terms for each Plan\*:

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	612	157
Inactive employees entitled to but not yet receiving benefits	221	16
Active employees	398	114
Total	1,231	287

*\*The most recent data available from CalPERS is from the actuarial valuation dated June 30, 2018.*

**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.

**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 4% of their covered salary, and the City contributes 3%. 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 9% of their covered salary. 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 26.371% 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 41.361% of annual covered payroll for the year ended June 30, 2019. 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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

See independent auditors’ report.



CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

	Miscellaneous	Safety
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
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	3.00%	3.00%

(1) Net of pension plan investment and administrative expenses; includes inflation

The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates includes 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15% for each Plan. 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. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 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:

**CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019**

<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)	\$ 197,914,545	100%	7.15%	\$ 14,150,890
Net Plan to Plan Resource Movement	(488)	50%	7.15%	(17)
Employer Contributions	6,722,128	50%	7.15%	240,316
Employee Contributions	2,010,460	50%	7.15%	71,874
Benefit Payments, including Refunds of Employee Contributions	(13,083,973)	50%	7.15%	(467,752)
Administrative Expense	(309,112)	50%	7.15%	(11,051)
Other Miscellaneous Income/(Expense) (2)	(587,009)	50%	7.15%	(20,986)
<b>Total Projected Earnings</b>				<b>\$13,963,274</b>

(1) Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$453,357 as of June 30, 2017, were excluded for purposes of calculating projected earnings on pension plan investments.

(2) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

<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)	\$ 118,296,601	100%	7.15%	\$ 8,458,207
Net Plan to Plan Resource Movement	(294)	50%	7.15%	(11)
Employer Contributions	5,016,294	50%	7.15%	179,333
Employee Contributions	1,288,167	50%	7.15%	46,052
Benefit Payments, including Refunds of Employee Contributions	(7,827,368)	50%	7.15%	(279,828)
Administrative Expense	(184,426)	50%	7.15%	(6,593)
Other Miscellaneous Income/(Expense) (2)	(350,228)	50%	7.15%	(12,521)
<b>Total Projected Earnings</b>				<b>\$ 8,384,639</b>

(1) Includes any beginning of year adjustment. Contribution receivables for employee service buybacks, totaling \$55,910 as of June 30, 2017, were excluded for purposes of calculating projected earnings on pension plan investments.

(2) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

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 December 19, 2017, 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 and market value of assets shown below reflect the values of the Public Employees' Retirement Fund (PERF) in its entirety as of June 30, 2018. The assets for the City's Miscellaneous and Safety Plans are part of the PERF and are invested accordingly.

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Asset Class	Market Value (\$Billion)	Policy Target Allocation
Public Equity	\$171.8	49.00%
Private Equity	27.2	8.00%
Global Fixed Income	79.1	22.00%
Liquidity	11.8	3.00%
Real Assets	38.1	12.00%
Inflation Sensitive Assets	20.8	6.00%
Other	3.1	0.00%
Total	\$351.9	100.0%

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board of Administration effective on June 30, 2018.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>(1)</sup>	Real Return Years 11+ <sup>(2)</sup>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(1) An expected inflation of 2.00% used for this period.

(2) An expected inflation of 2.92% used for this period.

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

**CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
<b>Miscellaneous Plan:</b>			
Balance at June 30, 2018 (measured as of June 30, 2017)	\$ 288,286,410	\$ 198,367,902	\$ 89,918,508
Changes Recognized for the Measurement Period:			
Service Cost	\$ 4,910,925		\$ 4,910,925
Interest on Total Pension Liability	20,191,587		20,191,587
Changes of Benefit Terms	-		-
Changes of Assumptions	(1,963,446)		(1,963,446)
Differences between Expected and Actual Experience	163,365		163,365
Net Plan to Plan Resource Movement		\$ (488)	488
Contributions - Employer		6,722,128	(6,722,128)
Contributions - Employees		2,010,460	(2,010,460)
Net Investment Income		16,753,819	(16,753,819)
Benefit Payments, Including Refunds of Employee Contributions	(13,083,973)	(13,083,973)	-
Administrative Expense		(309,112)	309,112
Other Miscellaneous Income/(Expense) <sup>1</sup>		(587,009)	587,009
Net changes	\$ 10,218,458	\$ 11,505,825	\$ (1,287,367)
Balance at June 30, 2019 (measured as of June 30, 2018)	\$ 298,504,868	\$ 209,873,727	\$ 88,631,141

<sup>1</sup> During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
<b>Safety Plan:</b>			
Balance at June 30, 2018 (measured as of June 30, 2017)	\$ 176,495,677	\$ 118,352,511	\$ 58,143,166
Changes in the year:			
Service Cost	\$ 3,852,227		\$ 3,852,227
Interest on Total Pension Liability	12,408,410		12,408,410
Changes of Benefit Terms	-		-
Changes of Assumptions	(72,863)		(72,863)
Differences between Expected and Actual Experience	(891,044)		(891,044)
Net Plan to Plan Resource Movement		\$ (294)	294
Contributions - Employer		5,016,294	(5,016,294)
Contributions - Employees		1,288,167	(1,288,167)
Net Investment Income		10,040,177	(10,040,177)
Benefit Payments, Including Refunds of Employee Contributions	(7,827,368)	(7,827,368)	-
Administrative Expense		(184,426)	184,426
Other Miscellaneous Income/(Expense) <sup>1</sup>		(350,228)	350,228
Net changes	\$ 7,469,362	\$ 7,982,322	\$ (512,960)
Balance at June 30, 2019 (measured as of June 30, 2018)	\$ 183,965,039	\$ 126,334,833	\$ 57,630,206

<sup>1</sup> During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

**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

See independent auditors' report.

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calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety	
1% Decrease	6.15%	6.15%	
Net Pension Liability	\$ 125,450,029	\$ 82,595,465	
Current Discount Rate	7.15%	7.15%	
Net Pension Liability	\$ 88,631,141	\$ 57,630,206	
1% Increase	8.15%	8.15%	
Net Pension Liability	\$ 57,765,613	\$ 37,039,466	

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, 2018, the City recognized total pension expense of \$21,936,778. The Miscellaneous Plan portion of pension expense was \$14,527,113, and Safety Plan portion of pension expense was \$7,409,665. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 7,602,813	\$ -
Changes of Assumptions	2,541,999	(1,178,068)
Differences between Expected and Actual Experience	98,019	(474,810)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	413,022	-
Total	\$ 10,655,853	\$ (1,652,878)
	<u>Safety</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,129,019	\$ -
Changes of Assumptions	5,669,197	(406,624)
Differences between Expected and Actual Experience	-	(1,765,879)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	331,347	-
Total	\$ 11,129,563	\$ (2,172,503)

\$12,731,832 reported as total 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, 2020. 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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CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
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Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous	Safety
2019	\$ 3,843,282	\$ 2,538,368
2020	169,945	1,972,517
2021	(2,054,956)	(305,835)
2022	(558,109)	(377,009)
2023	-	-
Thereafter	-	-

At June 30, 2019, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019. 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 \$159,396. Plan assets held in trust at June 30, 2019 totaled \$1,228,108. 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, 2019.

Employees covered – At June 30, 2019 the following employees were covered under PARS:

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Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>3</u>
	<u>20</u>

**Net Pension Liability - PARS**

The total pension liability was determined by an actuarial valuation as of the valuation date of June 30, 2018, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date of June 30, 2019. Any significant changes during this period have been reflected as prescribed by GASB 67 and 68.

*Actuarial Assumptions.*

Inflation	2.50%
Long-term expected rate of return	6.50%, net of 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: Consistent with Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans.

The long-term expected rate of return on pension investment was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of June 30, 2019. 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	10.56%	0.71%	0.71%
US Core Fixed Income	Barclays Aggregate	61.06%	1.83%	1.73%
US Equity Market	Russell 3000	21.23%	4.71%	3.52%
Foreign Developed Equity	MSCI EAFE NR	3.43%	6.06%	4.55%
Emerging Markets Equity	MSCI EM NR	2.42%	8.23%	5.43%
US REITs	FTSE NAREIT Equity REIT	1.30%	5.05%	3.42%
		100.00%		
Assumed Inflation - Mean			2.21%	2.20%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			2.66%	2.51%
Portfolio Nominal Mean Return			4.88%	4.77%
Portfolio Standard Deviation				4.86%
<b>Long-Term Expected Rate of Return</b>				<b>6.50%</b>

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*Discount Rate.* As of June 30, 2019, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Changes in the Net Pension Liability – PARS Plan**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of 6/30/2018	\$ 1,499,285	\$ 1,105,186	\$ 394,099
Changes for the year:			
Interest on total pension liability	94,177		94,177
Effect of economic/demographic gains or losses	165,197		165,197
Effect of assumptions, changes, or inputs	22,316		22,316
Benefit payments	(102,456)	(102,456)	-
Contributions - employer		159,396	(159,396)
Net investment income		66,563	(66,563)
Administrative expenses		(581)	581
Balances as of 6/30/2019	<u>\$ 1,678,519</u>	<u>\$ 1,228,108</u>	<u>\$ 450,411</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 6.50%, as well as what the Plan’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Total pension liability	\$ 1,861,430	\$ 1,678,519	\$ 1,523,656
Fiduciary net position	1,228,108	1,228,108	1,228,108
Net pension liability	<u>\$ 633,322</u>	<u>\$ 450,411</u>	<u>\$ 295,548</u>

The General Fund is liable for PARS plan expenditures. Because the net PARS liability is not material in relation to the government-wide financial statements as a whole, 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 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.

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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.

Management, Sworn Management, and Sworn (police) employees' retiree health benefits are provided per resolution numbers 2018-03; 2018-05 & 2018-05; and 2017-35, 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 number 2017-40. The defined contribution is currently set by contract at 1.00% of salary for General Unit members.

Sworn Management employees with retirement dates effective July 1, 2005 to November 30, 2017, receive a defined contribution toward retiree dental and vision premiums equal to up to 0.5% of total compensation. Sworn Management employees that retire on or after December 1, 2017 receive a contribution up to \$175 per month toward the cost of retiree dental and vision premiums for retirees and eligible dependents. The City also contributes \$110,000 per year to the trust established and managed by the Simi Valley Police Officers' Association for the purposes of funding dental and/or vision benefits for retired Sworn employees who retire on or after July 1, 2005.

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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 \$26.60 in 2018 and \$34.00 in 2019.
- \*\*\* 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 2018: \$713.78 (Employee Only)/\$1,287.08 (Employee plus dependent); and for 2019: \$698.49 (Employee Only)/\$1,396.97 (Employee plus dependent). Employees hired on or after July 1, 2010 are not eligible to receive retiree medical benefits.

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.

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At June 30, 2018, the following employees were covered by the benefit terms:

Category	Management	PMA	POA	General Unit
Active employees	155	18	112	237
Inactive employees or beneficiaries currently receiving benefit payments	91	28	45	37
Inactive employees entitled to but not yet receiving benefit payment*	-	-	-	-
Total	<u>246</u>	<u>46</u>	<u>157</u>	<u>274</u>

\*Information not available at time of most recent census.

Funding Policy and Contributions – 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. Each employee group’s funds are currently maintained in a separate trust for the benefit of that particular group.

### Net OPEB Liability

The City's total OPEB liability was valued as of June 30, 2018 and was used to calculate the net OPEB liability measured as of June 30, 2018.

Actuarial 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 June 30, 2018 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 June 30, 2018 actuarial valuation is being used, the City has not made an election with respect to an asset smoothing formula, or method.

The total OPEB liability for the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Assumptions and Methods

Actuarial Cost Method	Entry-age normal, level percent of pay
Amortization Method	Closed period, level percent of pay
Amortization Period	20 years
Inflation	2.50%
Assumed Payroll Growth	2.750%
Healthcare Trend Rates	4% annually.
Rate of Return on Assets	6.28%
Mortality Rate	CalPERS Rates.
Retirement Rates	CalPERS Rates.

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The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Allocation	Expected Rate of Return
First AM Government Obligations Fd Cl Z	2%	3.05%
Ishares Core SP Small Cap ETF	2%	8.18%
Ishares Edge MSCI USA Quality ETF	2%	7.42%
Vanguard Total International Stock Index	20%	7.96%
Vanguard Total Stock Market Index	35%	7.42%
Vanguard Total Bond Market Index	40%	4.46%
Total/Average	100%	6.28%

Discount rate – The discount rate used to measure the total OPEB liability is 6.28%. This is the expected long-term rate of return on City assets using its current asset allocation provided through its US Bank financial statements. The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Change in the Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<u>General Unit Employees (GU)</u>			
Balance as of Report Date June 30, 2018	\$ 5,778,185	\$ 1,078,357	\$ 4,699,828
Changes for the year:			
Service Cost	115,893	-	115,893
Interest	336,434	-	336,434
Changes of Assumptions	(89,850)	-	(89,850)
Contributions			
Employer - City's Expected Contribution	-	214,276	(214,276)
Net Investment Income	-	72,929	(72,929)
Expected Benefit Payments	(214,276)	(214,276)	-
Administrative Expenses	-	(5,617)	5,617
Net changes	148,201	67,312	80,889
Balance as of Report Date June 30, 2019	\$ 5,926,386	\$ 1,145,669	\$ 4,780,717

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	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<b>Non-Sworn Management (NSM)</b>			
Balance as of Report Date June 30, 2018	\$ 11,290,466	\$ 1,313,165	\$ 9,977,301
Changes for the year:			
Service Cost	87,885	-	87,885
Interest	640,931	-	640,931
Changes of Assumptions	(188,778)	-	(188,778)
Contributions			
Employer - City's Expected Contribution	-	637,236	(637,236)
Net Investment Income	-	88,857	(88,857)
Expected Benefit Payments	(637,236)	(637,236)	-
Administrative Expenses	-	(6,840)	6,840
Net changes	(97,198)	82,017	(179,215)
Balance as of Report Date June 30, 2019	<u>\$ 11,193,268</u>	<u>\$ 1,395,182</u>	<u>\$ 9,798,086</u>
<b>Police Officers' Association (POA)</b>			
Balance as of Report Date June 30, 2018	\$ 19,749,720	\$ 1,110,020	\$ 18,639,700
Changes for the year:			
Service Cost	43,344	-	43,344
Interest	1,095,234	-	1,095,234
Changes of Assumptions	(622,467)	-	(622,467)
Contributions			
Employer - City's Expected Contribution	-	588,456	(588,456)
Net Investment Income	-	75,083	(75,083)
Expected Benefit Payments	(588,456)	(588,456)	-
Administrative Expenses	-	(5,782)	5,782
Net changes	(72,345)	69,301	(141,646)
Balance as of Report Date June 30, 2019	<u>\$ 19,677,375</u>	<u>\$ 1,179,321</u>	<u>\$ 18,498,054</u>
<b>Police Managers' Association (PMA)</b>			
Balance as of Report Date June 30, 2018	\$ 5,445,026	\$ 248,965	\$ 5,196,061
Changes for the year:			
Service Cost	69,984	-	69,984
Interest	302,866	-	302,866
Changes of Assumptions	(168,481)	-	(168,481)
Contributions			
Employer - City's Expected Contribution	-	260,560	(260,560)
Net Investment Income	-	16,670	(16,670)
Expected Benefit Payments	(260,560)	(260,560)	-
Administrative Expenses	-	(1,296)	1,296
Net changes	(56,191)	15,374	(71,565)
Balance as of Report Date June 30, 2019	<u>\$ 5,388,835</u>	<u>\$ 264,339</u>	<u>\$ 5,124,496</u>

**OPEB Plan Fiduciary Net Position** – Detailed information about OPEB plan's fiduciary net position is available in the separately issued financial reports of PFM which may be obtained by writing to PFM Asset Management LLC, 50 California Street, Suite 2300, San Francisco, CA 94111.

**Sensitivity of the net OPEB liability to changes in the discount rate** – the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated

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using a discount rate that is one percentage lower (5.28%) or one percentage point higher (7.28%) follows:

	<u>GU</u>		<u>NSM</u>		<u>POA</u>		<u>PMA</u>
1% Decrease	5.28%		5.28%		5.28%		5.28%
Net OPEB Liability (Asset)	\$ 47,372,547	\$	9,739,971	\$	20,778,991	\$	5,503,428
Discount Rate	6.28%		6.28%		6.28%		6.28%
Net OPEB Liability (Asset)	\$ 4,780,717	\$	9,798,086	\$	18,498,054	\$	5,124,496
1% Increase	7.28%		7.28%		7.28%		7.28%
Net OPEB Liability (Asset)	\$ 2,983,653	\$	7,325,482	\$	14,598,064	\$	4,328,065

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3%) or one percentage point higher (4%) than current healthcare cost trend rates follows:

	<u>GU</u>		<u>NSM</u>		<u>POA</u>		<u>PMA</u>
1% Decrease (3.00%) decreasing to 2.00%	2.00%		2.00%		2.00%		2.00%
Net OPEB Liability (Asset)	\$ 3,276,416	\$	7,324,120	\$	14,547,081	\$	4,332,695
Trend Rate (4.00%) decreasing to 3.00%	3.00%		3.00%		3.00%		3.00%
Net OPEB Liability (Asset)	\$ 4,780,717	\$	9,798,086	\$	18,498,054	\$	5,124,496
1% Increase (5.00%) decreasing to 4.00%	4.00%		4.00%		4.00%		4.00%
Net OPEB Liability (Asset)	\$ 4,067,042	\$	9,706,680	\$	20,795,550	\$	5,476,913

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**OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City recognized OPEB expense of \$2,309,326. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources			
	GU	NSM	POA	PMA
City Contributions subsequent to the Measurement Date*	\$ 214,342	\$ 582,402	\$ 591,841	\$ 270,449
*Based on expected benefit payments per the City's actuary.				
	Deferred Inflows of Resources			
	GU	NSM	POA	PMA
Changes of Assumptions	\$ (75,358)	\$ (158,329)	\$ (522,069)	\$ (141,306)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	(6,716)	(8,217)	(6,924)	(1,416)
Total	\$ (82,074)	\$ (166,546)	\$ (528,993)	\$ (142,722)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Report Year Ending June 30:	Amount			
	GU	NSM	POA	PMA
2020	\$ (16,172)	\$ (32,504)	\$ (102,129)	\$ (27,530)
2021	(16,172)	(32,504)	(102,129)	(27,530)
2022	(16,172)	(32,504)	(102,129)	(27,530)
2023	(16,168)	(32,501)	(102,129)	(27,526)
2024	(14,492)	(30,449)	(100,398)	(27,175)
Thereafter	(2,898)	(6,084)	(20,079)	(5,431)

**F. Contingencies and subsequent events**

**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.

The City entered into a 20-year financing agreement of \$33.85 million for the design and construction of Energy-Related projects at the City's Water Quality Control Plant (WQCP) on December 2, 2019. The projects provide enhanced electrical functions for energy savings as well as replacement and rehabilitation of outdated and worn out equipment.

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**G. 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, 2019, that have effective dates that 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 Statement No. 84 – Fiduciary Activities.** The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2018.

**GASB Statement No. 87 – Leases.** This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2019.

**GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period.** The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**GASB Statement No. 90 – Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61.** The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

**GASB Statement No. 91 –** In May 2019, the Governmental Accounting Standards Board issued Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.



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**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	\$ 3,522,912
Cash and investments with fiscal agent	<u>2,129,909</u>
Total cash and investments	<u>\$ 5,652,821</u>

See independent auditors’ report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

**C. Capital assets**

Capital asset activity for the year ended June 30, 2019, 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	<u>\$ 1,124,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,124,174</u>

**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 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, 2019:

	<u>Balances June 30, 2018</u>	<u>Amortization</u>	<u>Balances June 30, 2019</u>
<b>Fiduciary activities:</b>			
2003 tax allocation bonds			
Deferred loss on refunding	\$ 160,669	\$ 28,482	\$ 132,187

**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, 2019, 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

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

a premium, which has been added to the new debt and is being amortized over the 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 \$24,723,369, payable through September 2030. For the current fiscal year, principal and interest paid was \$2,071,088, and the Redevelopment Property Tax Trust Fund revenue received was \$4,045,725.

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 June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,160,000	\$ 911,088	\$ 2,071,088
2021	1,220,000	848,613	2,068,613
2022	1,285,000	782,856	2,067,856
2023	1,350,000	713,688	2,063,688
2024	1,420,000	642,750	2,062,750
2025-2029	8,240,000	2,046,750	10,286,750
2030-2031	3,905,000	197,624	4,102,624
	<b>\$ 18,580,000</b>	<b>\$ 6,143,369</b>	<b>\$ 24,723,369</b>

Fiduciary fund long-term liability activity for the year ended June 30, 2019, was as follows:

	<b>Balances June 30, 2018</b>	<b>Debt Incurred</b>	<b>Debt Retired</b>	<b>Balances June 30, 2019</b>	<b>Due Within One Year</b>
<b>Fiduciary activities:</b>					
2003 tax allocation bonds	\$ 19,680,000	\$ -	\$ (1,100,000)	\$ 18,580,000	\$ 1,160,000
Add (less) deferred amounts:					
Bond premium	206,130	-	(16,306)	189,824	-
<b>Fiduciary long-term liabilities</b>	<b>\$ 19,886,130</b>	<b>\$ -</b>	<b>\$ (1,116,306)</b>	<b>\$ 18,769,824</b>	<b>\$ 1,160,000</b>

See independent auditors' report.

CITY OF SIMI VALLEY ● NOTES TO THE BASIC FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2019

**F. Deficit fund equity**

As of June 30, 2019, the Private Purpose Trust, a component of the City's Fiduciary funds, has a negative net position of \$16,253,662. Below is a summary of the net position.

Net Position - Beginning Balance	\$ (19,324,523)
Total additions for the year ended June 30, 2018	4,094,900
Total deductions for the year ended June 30, 2018	<u>(1,024,039)</u>
Change in net position	<u>3,070,861</u>
Net Position - Ending Balance	<u><u>\$ (16,253,662)</u></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.

# REQUIRED SUPPLEMENTARY --- INFORMATION (UNAUDITED)

CITY OF SIMI VALLEY • REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2019

**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 for the Measurement Periods Ended June 30

Measurement Period	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>TOTAL PENSION LIABILITY:</b>					
Service Cost	\$ 4,910,925	\$ 4,696,120	\$ 4,496,300	\$ 4,219,980	\$ 4,456,595
Interest on Total Pension Liability	20,191,587	19,479,794	18,974,672	17,854,875	17,085,147
Changes of Assumptions	(1,963,446)	15,251,995	-	(4,159,555)	-
Difference Between Expected and Actual Experience	163,365	(2,848,866)	3,101,741	(1,925,185)	-
Benefit Payments, including Refunds of Employee Contributions	(13,083,973)	(11,972,233)	(11,156,289)	(10,197,516)	(9,289,664)
Net Change in Total Pension Liability	\$ 10,218,458	\$ 24,606,810	\$ 15,416,424	\$ 5,792,599	\$ 12,252,078
Total Pension Liability - Beginning	288,286,410	263,679,600	248,263,176	242,470,577	230,218,499
Total Pension Liability - Ending (a)	\$ 298,504,868	\$ 288,286,410	\$ 263,679,600	\$ 248,263,176	\$ 242,470,577
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 6,722,128	\$ 6,090,808	\$ 5,483,791	\$ 4,865,538	\$ 4,450,276
Contributions - Employee	2,010,460	1,991,500	2,058,371	2,022,358	2,146,980
Net Investment Income <sup>2</sup>	16,753,819	20,322,245	1,027,330	4,079,193	27,589,396
Benefit Payments, including Refunds of Employee Contributions	(13,083,973)	(11,972,233)	(11,156,289)	(10,197,516)	(9,289,664)
Net Plan to Plan Resource Movement	(488)	-	-	(50)	-
Administrative Expense	(309,112)	(269,013)	(112,689)	(208,581)	-
Other Miscellaneous Income/(Expense) <sup>1</sup>	(587,009)	-	-	-	-
Net Change in Fiduciary Net Position	\$ 11,505,825	\$ 16,163,307	\$ (2,699,486)	\$ 560,942	\$ 24,896,988
Plan Fiduciary Net Positions - Beginning <sup>2</sup>	198,367,902	182,204,595	184,904,081	184,343,139	159,446,151
Plan Fiduciary Net Positions - Ending (b)	\$ 209,873,727	\$ 198,367,902	\$ 182,204,595	\$ 184,904,081	\$ 184,343,139
Plan Net Pension Liability/(Asset) - (a) - (b)	\$ 88,631,141	\$ 89,918,508	\$ 81,475,005	\$ 63,359,095	\$ 58,127,438
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.31%	68.81%	69.10%	74.48%	76.03%
Covered Payroll	\$ 30,206,209	\$ 28,645,361	\$ 30,370,147	\$ 28,365,800	\$ 28,976,557
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	293.42%	313.90%	268.27%	223.36%	200.60%

<sup>1</sup> During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. 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:** In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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

CITY OF SIMI VALLEY • REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2019

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

Miscellaneous Plan - Schedule of Plan Contributions for the Fiscal Years Ended June 30<sup>1</sup>

Employer Fiscal Year	2019	2018	2017	2016	2015
Actuarially Determined Contribution <sup>2</sup>	\$ 7,602,813	\$ 6,682,072	\$ 6,228,044	\$ 5,483,791	\$ 4,865,538
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(7,602,813)	(6,682,072)	(6,228,044)	(5,483,791)	(4,865,538)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll <sup>3</sup>	\$ 28,537,793	\$ 30,206,209	\$ 28,645,361	\$ 30,370,147	\$ 28,365,800
Contributions as a Percentage of Covered Payroll <sup>3</sup>	26.64%	22.12%	21.74%	18.06%	17.15%

<sup>1</sup> As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

<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> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

**Notes to Schedule of Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were derived from the June 30, 2015 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2015 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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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

CITY OF SIMI VALLEY • REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2019

**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>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 3,852,227	\$ 3,877,677	\$ 3,487,187	\$ 3,224,243	\$ 3,396,111
Interest on Total Pension Liability	12,408,410	11,900,164	11,477,866	10,911,459	10,489,579
Changes of Assumptions	(72,863)	10,030,117	-	(2,691,829)	-
Difference Between Expected and Actual Experience	(891,044)	(1,477,890)	(19,908)	(1,874,182)	-
Benefit Payments, including Refunds of Employee Contributions	(7,827,368)	(7,558,374)	(7,069,897)	(6,616,558)	(6,306,201)
Net Change in Total Pension Liability	7,469,362	16,771,694	7,875,248	2,953,133	7,579,489
Total Pension Liability - Beginning	176,495,677	159,723,983	151,848,735	148,895,602	141,316,113
Total Pension Liability - Ending (a)	<u>\$ 183,965,039</u>	<u>\$ 176,495,677</u>	<u>\$ 159,723,983</u>	<u>\$ 151,848,735</u>	<u>\$ 148,895,602</u>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 5,016,294	\$ 4,740,604	\$ 4,377,786	\$ 3,953,058	\$ 3,604,044
Contributions - Employee	1,288,167	1,214,011	1,218,073	1,170,676	1,080,530
Net Investment Income	10,040,177	11,967,708	591,543	2,402,091	16,230,427
Other Miscellaneous Income/(Expense) <sup>1</sup>	(350,228)	-	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(7,827,368)	(7,558,374)	(7,069,897)	(6,616,558)	(6,306,201)
Net Plan to Plan Resource Movement	(294)	-	-	-	-
Administrative Expense	(184,426)	(159,674)	(66,489)	(122,781)	-
Net Change in Fiduciary Net Position	7,982,322	10,204,275	(948,984)	786,486	14,608,800
Plan Fiduciary Net Position - Beginning <sup>2</sup>	118,352,511	108,148,236	109,097,220	108,310,734	93,701,934
Plan Fiduciary Net Position - Ending (b)	<u>\$ 126,334,833</u>	<u>\$ 118,352,511</u>	<u>\$ 108,148,236</u>	<u>\$ 109,097,220</u>	<u>\$ 108,310,734</u>
Plan Net Pension Liability/(Asset) - (a) - (b)	<u>\$ 57,630,206</u>	<u>\$ 58,143,166</u>	<u>\$ 51,575,747</u>	<u>\$ 42,751,515</u>	<u>\$ 40,584,868</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.67%	67.06%	67.71%	71.85%	72.74%
Covered Payroll	\$ 13,397,653	\$ 13,342,316	\$ 13,396,286	\$ 12,340,656	\$ 12,471,030
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	430.15%	435.78%	385.00%	346.43%	325.43%

<sup>1</sup> During Fiscal Year 2017-18, as a result of Governmental Accounting Standards board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. 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:** In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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



CITY OF SIMI VALLEY • REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2019

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

*Safety Plan - Schedule of Plan Contributions for the Fiscal Years Ended June 30<sup>1</sup>*

Employer Fiscal Year	2019	2018	2017	2016	2015
Actuarially Determined Contribution <sup>2</sup>	\$ 5,129,019	\$ 4,645,981	\$ 4,658,296	\$ 4,377,786	\$ 3,953,058
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(5,129,019)	(4,645,981)	(4,658,296)	(4,377,786)	(3,953,058)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll <sup>3</sup>	\$ 12,535,238	\$ 13,397,653	\$ 13,342,316	\$ 13,396,286	\$ 12,340,656
Contributions as a Percentage of Covered Payroll <sup>3</sup>	40.92%	34.68%	34.91%	32.68%	32.03%

<sup>1</sup> As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

<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> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17.

**Notes to Schedule of Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were derived from the June 30, 2015 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details see June 30, 2015 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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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

CITY OF SIMI VALLEY • REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2019

**Schedule of Changes in the City's Net OPEB Liability and Related Ratios  
Last Ten Years\***

	Measurement Period	
	2017-18	2016-17
<b>Total OPEB Liability</b>		
Service cost	\$ 317,106	\$ 308,619
Interest on total OPEB liability	2,375,465	2,429,570
Changes in assumptions	(1,069,576)	
Benefit payments, including refunds of employee contributions	(1,700,528)	(1,635,120)
<b>Net change in total OPEB liability</b>	(77,533)	1,103,069
<b>Total OPEB liability - beginning of year</b>	42,263,397	41,160,328
<b>Total OPEB liability - end of year (a)</b>	<u>\$ 42,185,864</u>	<u>\$ 42,263,397</u>
<b>Plan Fiduciary Net Position</b>		
Net investment income	\$ 253,539	\$ 328,517
Contributions - employer	1,700,528	1,635,120
Benefit payments, including refunds of employee contributions	(1,700,528)	(1,635,120)
Administrative expenses	(19,535)	(19,748)
<b>Net change in plan fiduciary net position</b>	234,004	308,769
<b>Plan fiduciary net position - beginning of year</b>	3,750,507	3,441,738
<b>Plan fiduciary net position - end of year (b)</b>	<u>\$ 3,984,511</u>	<u>\$ 3,750,507</u>
<b>Net OPEB liability - end of year (a)-(b)</b>	<u>\$ 38,201,353</u>	<u>\$ 38,512,890</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>9.45%</u>	<u>8.87%</u>
Covered - employee payroll	<u>\$ 43,603,862</u>	<u>\$ 41,987,677</u>
Net OPEB liability as percentage of covered-employee payroll	<u>87.61%</u>	<u>91.72%</u>

\* Fiscal year 2017-18 (measurement period 2016-17) was the first year of implementation, therefore only two years are shown.

CITY OF SIMI VALLEY • REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2019

**Schedule of Contributions  
Last Ten Years\***

Measurement Period:	<b>2017-18</b>	<b>2016-17</b>
Reporting Period:	<b>2018-19</b>	<b>2017-18</b>
Report Date:	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Actuarially determined contributions **	\$ 1,659,034	\$ 1,635,120
Contributions in relation to the actuarially determined contributions	\$ (1,659,034)	\$ (1,635,120)
Contribution deficiency / (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 <u>\$ 43,603,862</u>	 <u>\$ 41,987,677</u>
 Contributions as a percentage of covered-employee payroll	 <u>3.80%</u>	 <u>3.89%</u>

**Notes to Schedule:**

Assumptions and methods

Actuarial cost method	Entry age normal, level percent of pay
Amortization method	Closed period, level percent of pay
Amortization period	20 years
Inflation rate	2.50%
Payroll growth rate	2.75%
Healthcare trend rate	4% annually
Discount rate	6.28%
Mortality rates	CalPERS rates
Retirement rates	CalPERS rates

\* Fiscal year 2018 was the first year of implementation, therefore only two years are shown.

# SUPPLEMENTARY

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# INFORMATION



## **NON-MAJOR GOVERNMENTAL FUNDS**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

*CalHOME Grant* 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 Fees* 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.

*Road Maintenance and Rehabilitation Account* funds are apportioned to the City by formula pursuant to Streets and Highways Code section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system.

*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.

*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”).

*2016 CREBS FTLRB* fund accounts for the resources accumulated and payments made for the principal and interest on long-term debt obtained to finance the solar capital projects.

*2017 Lease Agreement* fund accounts for the resources accumulated and payments made for the principal and interest on long-term debt obtained to finance the replacement of the City telephone system, energy efficient upgrades at City facilities such as LED lighting, and HVAC system replacement and improvements.

*2018 Lease Agreement* fund accounts for the resources accumulated and payments made for the principal and interest on long-term debt obtained to provide financing for a purchase and sale agreement and pole license agreement with Southern California Edison (SCE) for the acquisition of streetlights located in Simi Valley.

### **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.

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

*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.

*Telephone System Capital Projects* fund accounts for the replacement of the Citywide telephone system, installed in 1995 and exceeding its system support life.

*Solar Capital Projects* fund accounts for the activities related to the acquisition and installation of solar panels on City facilities, including the Library, Senior Citizens’ Center, Police Department, City Hall, and Water Quality Control Plant.

*LED Streetlight Project* fund accounts for the activities related to the acquisition of City streetlights from SCE and retrofitting of the streetlight bulbs to Light Emitting Diode (LED) technology.



CITY OF SIMI VALLEY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2019

	Special Revenue				
	CalHome Grant	HOME Grant	Public, Education & Government Fees	Gasoline Tax	Road Maintenance & Rehabilitaion Account
<b>ASSETS</b>					
Cash and investments:					
Held by City	\$ 149,894	\$ 1,569,387	\$ 2,037,826	\$ -	\$ 378,445
Held by bond trustee	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	421,409
Taxes receivable	-	-	70,378	-	-
Grants receivable	-	-	-	-	-
Interest receivable	-	-	10,197	-	3,709
Due from other funds	60	6,183	-	-	-
Loans receivable (net of allowance for uncollectibles)	1,217,138	2,165,882	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,367,092</b>	<b>\$ 3,741,452</b>	<b>\$ 2,118,401</b>	<b>\$ -</b>	<b>\$ 803,563</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 38,285	\$ -	\$ -	-
Salaries and benefits payable	-	-	-	-	-
Due to other funds	-	474,224	-	-	-
Advances from other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>512,509</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-housing programs	1,217,138	2,165,882	-	-	-
Unavailable revenue-public safety	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,217,138</b>	<b>2,165,882</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted					
Housing programs	149,954	1,063,061	-	-	-
Public improvements	-	-	-	-	-
Streets and transportation	-	-	-	-	803,563
Landscape	-	-	-	-	-
Debt service	-	-	-	-	-
Special programs	-	-	2,118,401	-	-
Law enforcement	-	-	-	-	-
Committed					
Equipment	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>149,954</b>	<b>1,063,061</b>	<b>2,118,401</b>	<b>-</b>	<b>803,563</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,367,092</b>	<b>\$ 3,741,452</b>	<b>\$ 2,118,401</b>	<b>\$ -</b>	<b>\$ 803,563</b>

**CITY OF SIMI VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

<b>Special Revenue</b>						
<b>Transportation Funds</b>	<b>Library Services</b>	<b>Police Grants</b>	<b>Community Development Block Grant</b>	<b>Landscape Maintenance District No. 1</b>		
						<b>ASSETS</b>
						Cash and investments:
\$ 4,205,344	\$ 2,009,991	\$ 2,875,467	\$ 324	\$ 764,929		Held by City
-	-	-	-	-		Held by bond trustee
-	-	107,136	-	-		Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	-		Taxes receivable
-	-	64,327	154,469	-		Grants receivable
1,695	5,955	14,712	-	4,657		Interest receivable
-	-	-	-	-		Due from other funds
-	-	-	397,295	-		Loans receivable (net of allowance for uncollectibles)
<b>\$ 4,207,039</b>	<b>\$ 2,015,946</b>	<b>\$ 3,061,642</b>	<b>\$ 552,088</b>	<b>\$ 769,586</b>		<b>TOTAL ASSETS</b>
						<b>LIABILITIES AND FUND BALANCES</b>
						<b>LIABILITIES</b>
\$ 27,107	\$ 158,839	\$ 12,743	\$ 16,208	\$ 76,207		Accounts payable
-	3,054	-	-	-		Salaries and benefits payable
-	-	162,707	138,183	-		Due to other funds
-	-	-	-	-		Advances from other funds
<b>27,107</b>	<b>161,893</b>	<b>175,450</b>	<b>154,391</b>	<b>76,207</b>		<b>TOTAL LIABILITIES</b>
						<b>DEFERRED INFLOWS OF RESOURCES</b>
-	-	-	397,295	-		Unavailable revenue-housing programs
-	-	32,306	-	-		Unavailable revenue-public safety
-	-	<b>32,306</b>	<b>397,295</b>	-		<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>
						<b>FUND BALANCES</b>
						Restricted
						Housing programs
						Public improvements
4,179,932	-	-	-	-		Streets and transportation
-	-	-	-	693,379		Landscape
-	-	-	-	-		Debt service
-	1,854,053	-	402	-		Special programs
-	-	2,853,886	-	-		Law enforcement
						Committed
-	-	-	-	-		Equipment
-	-	-	-	-		Unassigned
<b>4,179,932</b>	<b>1,854,053</b>	<b>2,853,886</b>	<b>402</b>	<b>693,379</b>		<b>TOTAL FUND BALANCES (DEFICITS)</b>
<b>\$ 4,207,039</b>	<b>\$ 2,015,946</b>	<b>\$ 3,061,642</b>	<b>\$ 552,088</b>	<b>\$ 769,586</b>		<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>

(continued)

CITY OF SIMI VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Total Nonmajor Special Revenue Funds	Debt Service			
		2014A Lease Revenue Refunding Bonds	2016 CREBS FTLRB	2017 Lease Agreement	2018 Lease Agreement
<b>ASSETS</b>					
Cash and investments:					
Held by City	\$ 13,991,607	\$ 4,170	\$ -	\$ -	\$ -
Held by bond trustee	-	-	2,362	2,941,641	1,293,727
Accounts receivable (net of allowance for uncollectibles)	528,545	-	-	-	-
Taxes receivable	70,378	-	-	-	-
Grants receivable	218,796	-	-	-	-
Interest receivable	40,925	-	-	-	-
Due from other funds	6,243	-	-	-	-
Loans receivable (net of allowance for uncollectibles)	3,780,315	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 18,636,809</b>	<b>\$ 4,170</b>	<b>\$ 2,362</b>	<b>\$ 2,941,641</b>	<b>\$ 1,293,727</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 329,389	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	3,054	-	-	-	-
Due to other funds	775,114	-	-	-	-
Advances from other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>1,107,557</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-housing programs	3,780,315	-	-	-	-
Unavailable revenue-public safety	32,306	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,812,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted					
Housing programs	1,213,015	-	-	-	-
Public improvements	-	-	-	-	-
Streets and transportation	4,983,495	-	-	-	-
Landscape	693,379	-	-	-	-
Debt service	-	4,170	2,362	2,941,641	1,293,727
Special programs	3,972,856	-	-	-	-
Law enforcement	2,853,886	-	-	-	-
Committed					
Equipment	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>13,716,631</b>	<b>4,170</b>	<b>2,362</b>	<b>2,941,641</b>	<b>1,293,727</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 18,636,809</b>	<b>\$ 4,170</b>	<b>\$ 2,362</b>	<b>\$ 2,941,641</b>	<b>\$ 1,293,727</b>

CITY OF SIMI VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

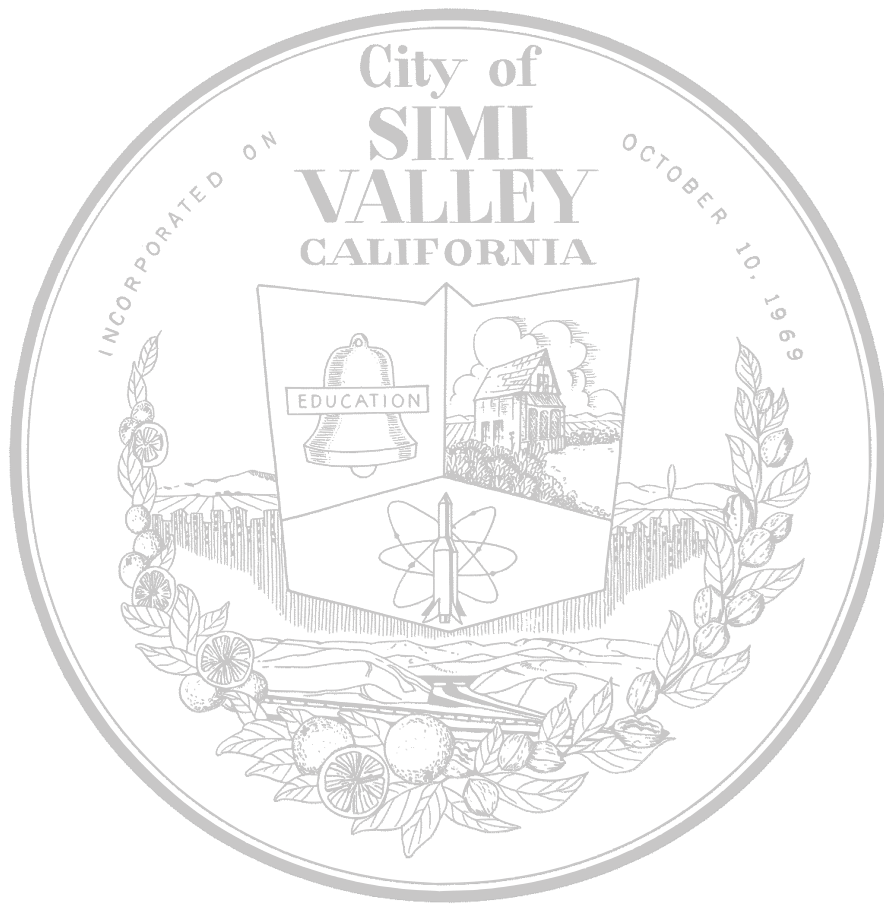
Total Nonmajor Debt Service	Capital Projects				Financial Information System (FIS)	
	Equipment Replacement	Geographic Information System (GIS)	Public Facility Improvements			
						<b>ASSETS</b>
						Cash and investments:
\$ 4,170	\$ 1,733,623	\$ 20,304	\$ 3,224,586	\$ 3,451,827		Held by City
4,237,730	-	-	-	-		Held by bond trustee
-	-	-	-	24,206		Accounts receivable (net of allowance for uncollectibles)
-	-	-	-	-		Taxes receivable
-	-	-	-	-		Grants receivable
-	3,075	105	-	17,131		Interest receivable
-	-	-	-	-		Due from other funds
-	-	-	-	-		Loans receivable (net of allowance for uncollectibles)
<b>\$ 4,241,900</b>	<b>\$ 1,736,698</b>	<b>\$ 20,409</b>	<b>\$ 3,224,586</b>	<b>\$ 3,493,164</b>		<b>TOTAL ASSETS</b>
						<b>LIABILITIES AND FUND BALANCES</b>
						<b>LIABILITIES</b>
-	\$ 143,483	-	\$ 444,114	-		Accounts payable
-	-	-	-	4,878		Salaries and benefits payable
-	-	-	-	-		Due to other funds
-	-	-	3,348,380	-		Advances from other funds
-	143,483	-	3,792,494	4,878		<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
-	-	-	-	-		Public improvements
-	-	-	-	-		Streets and transportation
-	-	-	-	-		Landscape
4,241,900	-	-	-	-		Debt service
-	-	-	-	-		Special programs
-	-	-	-	-		Law enforcement
-	-	-	-	-		Committed
-	1,593,215	20,409	-	3,488,286		Equipment
-	-	-	(567,908)	-		Unassigned
<b>4,241,900</b>	<b>1,593,215</b>	<b>20,409</b>	<b>(567,908)</b>	<b>3,488,286</b>		<b>TOTAL FUND BALANCES (DEFICITS)</b>
<b>\$ 4,241,900</b>	<b>\$ 1,736,698</b>	<b>\$ 20,409</b>	<b>\$ 3,224,586</b>	<b>\$ 3,493,164</b>		<b>TOTAL LIABILITIES AND FUND BALANCES</b>

(continued)

CITY OF SIMI VALLEY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	<u>Capital Projects</u>					
	Police Capital Projects	Telephone System	Solar Capital Projects	LED Streetlight Project	Total Nonmajor Capital Projects	Total Nonmajor Funds
<b>ASSETS</b>						
Cash and investments:						
Held by City	\$ 143,611	\$ 215,473	\$ 53,943	\$ 55,967	\$ 8,899,334	\$ 22,895,111
Held by bond trustee	-	-	-	-	-	4,237,730
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	24,206	552,751
Taxes receivable	-	-	-	-	-	70,378
Grants receivable	-	-	-	-	-	218,796
Interest receivable	-	-	-	-	20,311	61,236
Due from other funds	-	-	-	-	-	6,243
Loans receivable (net of allowance for uncollectibles)	-	-	-	-	-	3,780,315
<b>TOTAL ASSETS</b>	<b>\$ 143,611</b>	<b>\$ 215,473</b>	<b>\$ 53,943</b>	<b>\$ 55,967</b>	<b>\$ 8,943,851</b>	<b>\$ 31,822,560</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 326	\$ -	\$ -	\$ 34,104	\$ 622,027	\$ 951,416
Salaries and benefits payable	-	-	-	-	4,878	7,932
Due to other funds	-	-	-	-	-	775,114
Advances from other funds	-	-	-	-	3,348,380	3,348,380
<b>TOTAL LIABILITIES</b>	<b>326</b>	<b>-</b>	<b>-</b>	<b>34,104</b>	<b>3,975,285</b>	<b>5,082,842</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue-housing programs	-	-	-	-	-	3,780,315
Unavailable revenue-public safety	-	-	-	-	-	32,306
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,812,621</b>
<b>FUND BALANCES</b>						
Restricted						
Housing programs	-	-	-	-	-	1,213,015
Public improvements	-	-	53,943	21,863	75,806	75,806
Streets and transportation	-	-	-	-	-	4,983,495
Landscape	-	-	-	-	-	693,379
Debt service	-	-	-	-	-	4,241,900
Special programs	-	-	-	-	-	3,972,856
Law enforcement	-	-	-	-	-	2,853,886
Committed						
Equipment	-	-	-	-	5,101,910	5,101,910
Unassigned	143,285	215,473	-	-	(209,150)	(209,150)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>143,285</b>	<b>215,473</b>	<b>53,943</b>	<b>21,863</b>	<b>4,968,566</b>	<b>22,927,097</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 143,611</b>	<b>\$ 215,473</b>	<b>\$ 53,943</b>	<b>\$ 55,967</b>	<b>\$ 8,943,851</b>	<b>\$ 31,822,560</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, 2019**

	Special Revenue				
	CalHome Grant	HOME Grant	Public, Education & Government Fees	Gasoline Tax	Road Maintenance & Rehabilitaion Account
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 330,946	\$ -	\$ -
Use of money and property	95,049	124,084	35,575	-	17,162
From other governments	-	-	-	2,645,260	2,361,226
Grants	-	-	-	-	-
Service charges	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	<u>95,049</u>	<u>124,084</u>	<u>366,521</u>	<u>2,645,260</u>	<u>2,378,388</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Community services	-	-	16,793	-	-
Planning	1,224	475,249	-	-	-
Public ways and facilities	-	-	-	-	-
Public safety	-	-	-	-	-
Total current expenditures	<u>1,224</u>	<u>475,249</u>	<u>16,793</u>	<u>-</u>	<u>-</u>
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,224</u>	<u>475,249</u>	<u>16,793</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>93,825</u>	<u>(351,165)</u>	<u>349,728</u>	<u>2,645,260</u>	<u>2,378,388</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(12,100)	(2,645,260)	(2,322,387)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(12,100)</u>	<u>(2,645,260)</u>	<u>(2,322,387)</u>
NET CHANGE IN FUND BALANCES	93,825	(351,165)	337,628	-	56,001
FUND BALANCES (DEFICITS) - BEGINNING	<u>56,129</u>	<u>1,414,226</u>	<u>1,780,773</u>	<u>-</u>	<u>747,562</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 149,954</u>	<u>\$ 1,063,061</u>	<u>\$ 2,118,401</u>	<u>\$ -</u>	<u>\$ 803,563</u>

**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<b>Special Revenue</b>					
<b>Transportation Funds</b>	<b>Library Services</b>	<b>Police Grants</b>	<b>Community Development Block Grant</b>	<b>Landscape Maintenance District No. 1</b>	
					<b>REVENUES</b>
\$ -	\$ 2,424,967	\$ -	\$ -	\$ -	- Taxes
7,696	24,167	53,064	57,149	19,011	- Use of money and property
4,650,042	-	-	-	-	- From other governments
-	15,000	1,021,607	239,281	-	- Grants
-	4,092	-	-	789,495	- Service charges
-	87,456	-	-	-	- Other revenues
<u>4,657,738</u>	<u>2,555,682</u>	<u>1,074,671</u>	<u>296,430</u>	<u>808,506</u>	Total revenues
					<b>EXPENDITURES</b>
					Current:
-	-	-	126,773	97,864	- General government
-	2,032,568	-	-	-	- Community services
-	-	-	132,008	-	- Planning
35,291	-	-	-	1,511,919	- Public ways and facilities
-	-	388,021	-	-	- Public safety
<u>35,291</u>	<u>2,032,568</u>	<u>388,021</u>	<u>258,781</u>	<u>1,609,783</u>	Total current expenditures
-	-	-	-	-	- Capital outlay
					Debt service:
-	-	-	-	-	- Principal
-	-	-	-	-	- Interest
-	-	-	-	-	- Other
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total debt service
<u>35,291</u>	<u>2,032,568</u>	<u>388,021</u>	<u>258,781</u>	<u>1,609,783</u>	Total expenditures
<u>4,622,447</u>	<u>523,114</u>	<u>686,650</u>	<u>37,649</u>	<u>(801,277)</u>	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
					<b>OTHER FINANCING SOURCES (USES)</b>
-	-	-	-	650,000	- Transfers in
(3,715,463)	-	(277,818)	-	-	- Transfers out
<u>(3,715,463)</u>	<u>-</u>	<u>(277,818)</u>	<u>-</u>	<u>650,000</u>	Total other financing sources (uses)
906,984	523,114	408,832	37,649	(151,277)	NET CHANGE IN FUND BALANCES
<u>3,272,948</u>	<u>1,330,939</u>	<u>2,445,054</u>	<u>(37,247)</u>	<u>844,656</u>	FUND BALANCES (DEFICITS)-BEGINNING
<u>\$ 4,179,932</u>	<u>\$ 1,854,053</u>	<u>\$ 2,853,886</u>	<u>\$ 402</u>	<u>\$ 693,379</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, 2019**

	Total Nonmajor Special Revenue Funds	Debt Service			
		2014A Lease Revenue Refunding Bonds	2016 CREBS FTLRB	2017 Lease Agreement	2018 Lease Agreement
<b>REVENUES</b>					
Taxes	\$ 2,755,913	\$ -	\$ -	\$ -	\$ -
Use of money and property	432,957	-	-	-	-
From other governments	9,656,528	-	-	-	-
Grants	1,275,888	-	-	-	-
Service charges	793,587	-	-	-	-
Other revenues	87,456	-	-	-	-
Total revenues	15,002,329	-	-	-	-
<b>EXPENDITURES</b>					
Current:					
General government	224,637	-	-	-	-
Community services	2,049,361	-	-	-	-
Planning	608,481	-	-	-	-
Public ways and facilities	1,547,210	-	-	-	-
Public safety	388,021	-	-	-	-
Total current expenditures	4,817,710	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	705,000	364,877	346,263	-
Interest	-	765,525	333,568	227,579	-
Other	-	2,150	750	-	-
Total debt service	-	1,472,675	699,195	573,842	-
Total expenditures	4,817,710	1,472,675	699,195	573,842	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,184,619	(1,472,675)	(699,195)	(573,842)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	650,000	1,476,845	699,195	573,841	-
Transfers out	(8,973,028)	-	-	(3,419,634)	(4,332,118)
Total other financing sources (uses)	(8,323,028)	1,476,845	699,195	(2,845,793)	(4,332,118)
NET CHANGE IN FUND BALANCES	1,861,591	4,170	-	(3,419,635)	(4,332,118)
FUND BALANCES (DEFICITS)-BEGINNING	11,855,040	-	2,362	6,361,276	5,625,845
FUND BALANCES (DEFICITS)-ENDING	\$ 13,716,631	\$ 4,170	\$ 2,362	\$ 2,941,641	\$ 1,293,727

**CITY OF SIMI VALLEY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Total Nonmajor Debt Service	<u>Capital Projects</u>				
	Equipment Replacement	Geographic Information System (GIS)	Public Facility Improvements	Financial Information System (FIS)	
					<b><u>REVENUES</u></b>
\$ -	\$ -	\$ -	\$ -	\$ -	- Taxes
-	11,289	-	-	61,576	Use of money and property
-	-	-	-	-	From other governments
-	-	-	-	-	Grants
-	-	-	-	-	Service charges
-	-	-	-	28,500	Other revenues
-	11,289	-	-	90,076	Total revenues
					<b><u>EXPENDITURES</u></b>
					Current:
-	-	160	-	-	General government
-	-	-	-	-	Community services
-	-	-	-	-	Planning
-	-	-	-	-	Public ways and facilities
-	-	-	-	-	Public safety
-	-	160	-	-	Total current expenditures
-	1,443,015	-	3,664,071	443,593	Capital outlay
1,416,140	-	-	-	-	Debt service:
1,326,672	-	-	-	-	Principal
2,900	-	-	-	-	Interest
2,745,712	-	-	-	-	Other
2,745,712	1,443,015	160	3,664,071	443,593	Total debt service
					Total expenditures
(2,745,712)	(1,431,726)	(160)	(3,664,071)	(353,517)	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES
					<b><u>OTHER FINANCING SOURCES (USES)</u></b>
2,749,881	1,021,200	-	2,853,587	655,400	Transfers in
(7,751,752)	(57,000)	-	-	-	Transfers out
(5,001,871)	964,200	-	2,853,587	655,400	Total other financing sources (uses)
(7,747,583)	(467,526)	(160)	(810,484)	301,883	NET CHANGE IN FUND BALANCES
11,989,483	2,060,741	20,569	242,576	3,186,403	FUND BALANCES (DEFICITS) - BEGINNING
\$ 4,241,900	\$ 1,593,215	\$ 20,409	\$ (567,908)	\$ 3,488,286	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, 2019**

	<u>Capital Projects</u>				Total Nonmajor Capital Projects	Total Nonmajor Funds
	Police Capital Projects	Telephone System	Solar Capital Projects	LED Streetlight Project		
<b><u>REVENUES</u></b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,755,913
Use of money and property	-	-	-	-	72,865	505,822
From other governments	-	-	-	-	-	9,656,528
Grants	-	-	-	-	-	1,275,888
Service charges	-	-	-	-	-	793,587
Other revenues	75,000	-	-	-	103,500	190,956
Total revenues	75,000	-	-	-	176,365	15,178,694
<b><u>EXPENDITURES</u></b>						
Current:						
General government	-	-	-	-	160	224,797
Community services	-	-	-	-	-	2,049,361
Planning	-	-	-	-	-	608,481
Public ways and facilities	-	-	-	-	-	1,547,210
Public safety	-	-	-	-	-	388,021
Total current expenditures	-	-	-	-	160	4,817,870
Capital outlay	86,279	137,715	-	5,310,255	11,084,928	11,084,928
Debt service:						
Principal	-	-	-	-	-	1,416,140
Interest	-	-	-	-	-	1,326,672
Other	-	-	-	-	-	2,900
Total debt service	-	-	-	-	-	2,745,712
Total expenditures	86,279	137,715	-	5,310,255	11,085,088	18,648,510
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,279)	(137,715)	-	(5,310,255)	(10,908,723)	(3,469,816)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>						
Transfers in	-	1,201,047	-	4,332,118	10,063,352	13,463,233
Transfers out	-	-	-	-	(57,000)	(16,781,780)
Total other financing sources (uses)	-	1,201,047	-	4,332,118	10,006,352	(3,318,547)
NET CHANGE IN FUND BALANCES	(11,279)	1,063,332	-	(978,137)	(902,371)	(6,788,363)
FUND BALANCES (DEFICITS) - BEGINNING	154,564	(847,859)	53,943	1,000,000	5,870,937	29,715,460
FUND BALANCES (DEFICITS) - ENDING	\$ 143,285	\$ 215,473	\$ 53,943	\$ 21,863	\$ 4,968,566	\$ 22,927,097

(concluded)



**SCHEDULES-BUDGET AND  
ACTUAL-INDIVIDUAL FUNDS**

**CITY OF SIMI VALLEY  
CALHOME GRANT  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Use of money and property	\$ -	\$ 95,049	\$ 95,049
Total revenues	<u>-</u>	<u>95,049</u>	<u>95,049</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Planning (ES):			
Housing programs	60,000	1,224	58,776
Total expenditures	<u>60,000</u>	<u>1,224</u>	<u>58,776</u>
 NET CHANGE IN FUND BALANCES	 (60,000)	 93,825	 153,825
 FUND BALANCES (DEFICITS) - BEGINNING	 <u>56,129</u>	 <u>56,129</u>	 <u>-</u>
 FUND BALANCES (DEFICITS) - ENDING	 <u>\$ (3,871)</u>	 <u>\$ 149,954</u>	 <u>\$ 153,825</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, 2019**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Use of money and property	\$ 10,000	\$ 124,084	\$ 114,084
<b><u>EXPENDITURES</u></b>			
Current:			
Planning:			
Materials, supplies, and services	400,600	465,515	(64,915)
Reimbursements to general fund	19,600	9,734	9,866
Total expenditures	420,200	475,249	(55,049)
 NET CHANGE IN FUND BALANCES	 (410,200)	 (351,165)	 59,035
FUND BALANCES (DEFICITS) - BEGINNING	1,414,226	1,414,226	-
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 1,004,026</u>	<u>\$ 1,063,061</u>	<u>\$ 59,035</u>

**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, 2019**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Taxes	\$ 275,000	\$ 330,946	\$ 55,946
Use of money and property	-	35,575	35,575
Total revenues	<u>275,000</u>	<u>366,521</u>	<u>91,521</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Community services:			
Materials, supplies and services	<u>1,317,000</u>	16,793	1,300,207
Total expenditures	<u>1,317,000</u>	<u>16,793</u>	<u>1,300,207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,042,000)</u>	349,728	<u>1,391,728</u>
<b><u>OTHER FINANCING (USES)</u></b>			
Transfers out	<u>(12,100)</u>	<u>(12,100)</u>	-
NET CHANGE IN FUND BALANCES	(1,054,100)	337,628	1,391,728
FUND BALANCES (DEFICITS) - BEGINNING	<u>1,780,773</u>	<u>1,780,773</u>	-
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 726,673</u>	<u>\$ 2,118,401</u>	<u>\$ 1,391,728</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, 2019**

	Budget	Actual	Variance with Budget Positive (Negative)
<hr/>			
<b><u>REVENUES</u></b>			
From other governments	\$ 3,239,500	\$ 2,645,260	\$ (594,240)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	(3,239,500)	(2,645,260)	594,240
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES (DEFICITS) - BEGINNING	-	-	-
FUND BALANCES (DEFICITS) - ENDING	\$ -	\$ -	\$ -



**CITY OF SIMI VALLEY  
ROAD MAINTENANCE & REHABILITATION ACCOUNT  
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b><u>REVENUES</u></b>			
Use of money and property	\$ -	\$ 17,162	\$ 17,162
From other governments	2,114,100	2,361,226	247,126
Total revenues	2,114,100	2,378,388	264,288
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	(2,700,950)	(2,322,387)	378,563
NET CHANGE IN FUND BALANCES	(586,850)	56,001	642,851
FUND BALANCES (DEFICITS) - BEGINNING	747,562	747,562	-
FUND BALANCES (DEFICITS) - ENDING	\$ 160,712	\$ 803,563	\$ 642,851

**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, 2019**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Use of money and property	\$ 500	\$ 7,697	\$ 7,197
From other governments	4,420,400	4,650,042	229,642
Total revenues	<u>4,420,900</u>	<u>4,657,739</u>	<u>236,839</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Public ways and facilities:			
Materials, supplies and services	27,107	35,291	(8,184)
Total expenditures	<u>27,107</u>	<u>35,291</u>	<u>(8,184)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,393,793</u>	<u>4,622,448</u>	<u>228,655</u>
<b><u>OTHER FINANCING (USES)</u></b>			
Transfers out	<u>(7,627,994)</u>	<u>(3,715,463)</u>	<u>3,912,531</u>
NET CHANGE IN FUND BALANCES	(3,234,201)	906,985	4,141,186
FUND BALANCES (DEFICITS) - BEGINNING	<u>3,272,948</u>	<u>3,272,948</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 38,747</u>	<u>\$ 4,179,933</u>	<u>\$ 4,141,186</u>

**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, 2019**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Taxes	\$ 2,413,900	\$ 2,424,967	\$ 11,067
Fines and forfeitures	45,000	30,165	(14,835)
Use of money and property	4,000	24,167	20,167
Grants	1,200	15,000	13,800
Service charges	5,000	4,092	(908)
Other revenues	17,315	57,291	39,976
Total revenues	<u>2,486,415</u>	<u>2,555,682</u>	<u>69,267</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Community services:			
Materials, supplies and services	2,933,490	2,032,568	900,922
Total expenditures	<u>2,933,490</u>	<u>2,032,568</u>	<u>900,922</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(447,075)</u>	<u>523,114</u>	<u>970,189</u>
<b><u>OTHER FINANCING (USES)</u></b>			
Transfers out	-	-	-
NET CHANGE IN FUND BALANCES	(447,075)	523,114	970,189
FUND BALANCES (DEFICITS) - BEGINNING	<u>1,330,939</u>	<u>1,330,939</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 883,864</u>	<u>\$ 1,854,053</u>	<u>\$ 970,189</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, 2019**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Use of money and property	\$ 64,700	\$ 53,064	\$ (11,636)
Grants	644,857	1,021,607	376,750
Other	15,304	-	(15,304)
Total revenues	<u>724,861</u>	<u>1,074,671</u>	<u>349,810</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Public safety:			
Material, supplies and services	<u>762,346</u>	<u>388,021</u>	<u>374,325</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(37,485)</u>	<u>686,650</u>	<u>724,135</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers out	<u>(343,754)</u>	<u>(277,818)</u>	<u>65,936</u>
NET CHANGE IN FUND BALANCES	(381,239)	408,832	790,071
FUND BALANCES (DEFICITS) - BEGINNING	<u>2,445,054</u>	<u>2,445,054</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 2,063,815</u>	<u>\$ 2,853,886</u>	<u>\$ 790,071</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, 2019**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Use of money and property	\$ -	\$ 57,149	\$ 57,149
Grants	610,394	239,281	(371,113)
Total revenues	<u>610,394</u>	<u>296,430</u>	<u>(313,964)</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government:			
Reimbursement to general fund	108,078	108,078	-
Other programs	579,615	18,695	560,920
Total general government	<u>687,693</u>	<u>126,773</u>	<u>560,920</u>
Planning:			
Social programs	<u>252,851</u>	132,008	120,843
Total expenditures	<u>940,544</u>	<u>258,781</u>	<u>681,763</u>
NET CHANGE IN FUND BALANCES	(330,150)	37,649	367,799
FUND BALANCES (DEFICITS) - BEGINNING	<u>(37,247)</u>	<u>(37,247)</u>	-
FUND BALANCES (DEFICITS) - ENDING	<u>\$ (367,397)</u>	<u>\$ 402</u>	<u>\$ 367,799</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, 2019**

	Budget	Actual	Variance with Budget Positive (Negative)
<b><u>REVENUES</u></b>			
Use of money and property	\$ 15,700	\$ 19,011	\$ 3,311
Service charges	787,800	789,495	1,695
Total revenues	<u>803,500</u>	<u>808,506</u>	<u>5,006</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government:			
Reimbursement to general fund	<u>103,800</u>	<u>97,864</u>	<u>5,936</u>
Public ways and facilities:			
Landscape maintenance contract	1,266,800	1,049,055	217,745
Utilities	506,300	462,864	43,436
Total public ways and facilities	<u>1,773,100</u>	<u>1,511,919</u>	<u>261,181</u>
Total expenditures	<u>1,876,900</u>	<u>1,609,783</u>	<u>267,117</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,073,400)</u>	<u>(801,277)</u>	<u>272,123</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	<u>650,000</u>	<u>650,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(423,400)	(151,277)	272,123
FUND BALANCES (DEFICITS) - BEGINNING	<u>844,656</u>	<u>844,656</u>	<u>-</u>
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 421,256</u>	<u>\$ 693,379</u>	<u>\$ 272,123</u>



## **INTERNAL SERVICE AND FIDUCIARY FUNDS**

**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2019**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<b><u>ASSETS</u></b>					
Current assets:					
Cash and investments	\$ 1,282,124	\$ 14,153,194	\$ 111,478	\$ 410,895	\$ 15,957,691
Customer receivable	-	807	-	-	807
Interest receivable	17,259	72,303	485	1,985	92,032
<b>TOTAL ASSETS</b>	<b>1,299,383</b>	<b>14,226,304</b>	<b>111,963</b>	<b>412,880</b>	<b>16,050,530</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>					
Related to pensions	-	69,342	-	-	69,342
Related to other postemployment benefits	-	1,722	-	-	1,722
Total deferred outflows of resources	-	71,064	-	-	71,064
<b><u>LIABILITIES</u></b>					
Current liabilities:					
Accounts payable	25,867	4,700	-	-	30,567
Salaries and benefits payable	-	3,762	-	-	3,762
Compensated absences	-	3,321	-	-	3,321
Claims and legal services payable	560,754	2,225,259	-	-	2,786,013
Total current liabilities	586,621	2,237,042	-	-	2,823,663
Noncurrent liabilities:					
Advances from other funds	-	2,344,000	-	-	2,344,000
Compensated absences	-	29,887	-	-	29,887
Claims and legal services payable	1,293,655	7,398,924	-	-	8,692,579
Net pension liability	-	554,170	-	-	554,170
Net other postemployment benefits obligation	-	48,186	-	-	48,186
Total noncurrent liabilities	1,293,655	10,375,167	-	-	11,668,822
<b>TOTAL LIABILITIES</b>	<b>1,880,276</b>	<b>12,612,209</b>	<b>-</b>	<b>-</b>	<b>14,492,485</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Related to pensions	-	17,485	-	-	17,485
Related to other post employment benefits	-	626	-	-	626
Total deferred inflows of resources	-	18,111	-	-	18,111
<b><u>NET POSITION</u></b>					
Unrestricted	(580,893)	1,667,048	111,963	412,880	1,610,998
<b>TOTAL NET POSITION</b>	<b>\$ (580,893)</b>	<b>\$ 1,667,048</b>	<b>\$ 111,963</b>	<b>\$ 412,880</b>	<b>\$ 1,610,998</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, 2019**

	Liability Insurance	Workers' Compensation Insurance	GIS/Permits Operations	FIS Operations	Total
<b><u>OPERATING REVENUES</u></b>					
Total charges for sales and services	\$ 1,869,600	\$ 3,914,500	\$ 83,900	\$ 139,900	\$ 6,007,900
<b><u>OPERATING EXPENSES</u></b>					
Salaries and benefits	-	350,990	-	-	350,990
Excess insurance premiums	368,341	418,196	-	-	786,537
Claims and legal expenses	2,999,910	3,129,269	-	-	6,129,179
Reduction of reserves	946,952	259,823	-	-	1,206,775
General administration	169,400	361,200	-	-	530,600
Other	-	4,641	64,515	52,000	121,156
Total operating expenses	4,484,603	4,524,119	64,515	52,000	9,125,237
OPERATING INCOME (LOSS)	(2,615,003)	(609,619)	19,385	87,900	(3,117,337)
NONOPERATING REVENUES AND EXPENSES:					
Interest	51,815	268,309	1,656	7,022	328,802
INCOME (LOSS) BEFORE TRANSFERS	(2,563,188)	(341,310)	21,041	94,922	(2,788,535)
<b><u>TRANSFERS</u></b>					
Transfers in	2,344,000	-	-	-	2,344,000
Transfers out	(3,000)	(3,200)	-	-	(6,200)
Total transfers	2,341,000	(3,200)	-	-	2,337,800
CHANGE IN NET POSITION	(222,188)	(344,510)	21,041	94,922	(450,735)
NET POSITION-BEGINNING	(358,705)	2,011,558	90,922	317,958	2,061,733
NET POSITION-ENDING	\$ (580,893)	\$ 1,667,048	\$ 111,963	\$ 412,880	\$ 1,610,998

**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	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)	\$ 1,869,600	\$ 3,914,500	\$ 83,900	\$ 139,900	\$ 6,007,900
Cash paid for salaries and benefits	-	(305,247)	-	-	(305,247)
Cash paid for general administration	(169,400)	(361,200)	-	-	(530,600)
Cash paid for services	(6,168,937)	(3,369)	(66,615)	(54,000)	(6,292,921)
Cash paid for insurance premiums and claims	(388,354)	(2,951,485)	-	-	(3,339,839)
Net cash provided (used) by operating activities	<u>(4,857,091)</u>	<u>293,199</u>	<u>17,285</u>	<u>85,900</u>	<u>(4,460,707)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>					
Transfers to other funds	(3,000)	(3,200)	-	-	(6,200)
Net cash provided (used) by noncapital financing activities	<u>(3,000)</u>	<u>(3,200)</u>	<u>-</u>	<u>-</u>	<u>(6,200)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>					
Interest on investments	55,452	244,647	1,445	6,094	307,638
Net cash provided (used) by investing activities	<u>55,452</u>	<u>244,647</u>	<u>1,445</u>	<u>6,094</u>	<u>307,638</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(4,804,639)	534,646	18,730	91,994	(4,159,269)
CASH AND INVESTMENTS, BEGINNING OF YEAR	6,086,763	13,618,548	92,748	318,901	20,116,960
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 1,282,124</u>	<u>\$ 14,153,194</u>	<u>\$ 111,478</u>	<u>\$ 410,895</u>	<u>\$ 15,957,691</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>					
Operating income (loss)	\$ (2,615,003)	\$ (609,619)	\$ 19,385	\$ 87,900	\$ (3,117,337)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(Increase) decrease in prepaid expenses	-	49,564	-	-	49,564
Increase (decrease) in accounts payable	(79,521)	1,273	(2,100)	(2,000)	(82,348)
Increase (decrease) in accrued payroll	-	(121)	-	-	(121)
Increase (decrease) in compensated absences	-	1,194	-	-	1,194
Increase (decrease) in claims and legal services payable	(2,162,567)	855,803	-	-	(1,306,764)
Increase (decrease) net pension liability	-	(4,647)	-	-	(4,647)
Increase (decrease) net other postemployment benefits liability	-	(248)	-	-	(248)
Total adjustments	<u>(2,242,088)</u>	<u>902,818</u>	<u>(2,100)</u>	<u>(2,000)</u>	<u>(1,343,370)</u>
Net cash provided (used) by operating activities	<u>\$ (4,857,091)</u>	<u>\$ 293,199</u>	<u>\$ 17,285</u>	<u>\$ 85,900</u>	<u>\$ (4,460,707)</u>

**CITY OF SIMI VALLEY  
 COMBINING SCHEDULE OF NET POSITION  
 PRIVATE PURPOSE TRUST FUND  
 JUNE 30, 2019**

**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)	\$ 1	\$ 3,549,884
Held by bond trustee	-	-	-	-
Interest receivable	-	-	-	6,005
Capital assets not being depreciated	-	1,124,174	-	-
<b>TOTAL ASSETS</b>	<b>-</b>	<b>1,013,805</b>	<b>1</b>	<b>3,555,889</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred loss 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	-	4,093,534	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>4,093,534</b>	<b>-</b>	<b>-</b>
<b><u>NET POSITION</u></b>				
Held in trust for other purposes	\$ -	\$ (3,079,729)	\$ 1	\$ 3,555,889

(continued)

**CITY OF SIMI VALLEY  
COMBINING SCHEDULE OF NET POSITION  
PRIVATE PURPOSE TRUST FUND  
JUNE 30, 2019**

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

2003 Tax Allocation Refunding Bonds	CDA Projects	Total Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund	
\$ 45,737	\$ 37,659	\$ 3,522,912	<b>ASSETS</b>
2,129,909	-	2,129,909	Cash and investments:
3,897	194	10,096	Held by City
-	-	1,124,174	Held by bond trustee
2,179,543	37,853	6,787,091	Interest receivable
			Capital assets not being depreciated
			<b>TOTAL ASSETS</b>
132,187	-	132,187	<b>DEFERRED OUTFLOWS OF RESOURCES</b>
132,187	-	132,187	Deferred loss on refunding
			<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>
-	-	-	<b>LIABILITIES</b>
309,582	-	309,582	Accounts payable and accrued liabilities
-	-	4,093,534	Accrued interest payable
1,160,000	-	1,160,000	Loans payable - City
17,609,824	-	17,609,824	Long-term debt:
19,079,406	-	23,172,940	Due within one year
			Due in more than one year
			<b>TOTAL LIABILITIES</b>
\$ (16,767,676)	\$ 37,853	\$ (16,253,662)	<b>NET POSITION</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, 2019**

**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	\$ -	\$ -	\$ -	\$ 4,045,725
Investment earnings	-	-	-	5,649
Transfers in	49,350	1,599,812	-	-
<b>TOTAL ADDITIONS</b>	<b>49,350</b>	<b>1,599,812</b>	<b>-</b>	<b>4,051,374</b>
<b><u>DEDUCTIONS</u></b>				
Administrative expenses	-	-	-	-
Interest and fiscal agency expenses of former Simi Valley Community Development Agency	-	-	-	-
Contributions to other governments	49,350	-	-	-
Transfers out	-	-	-	3,726,385
<b>TOTAL DEDUCTIONS</b>	<b>49,350</b>	<b>-</b>	<b>-</b>	<b>3,726,385</b>
<b>CHANGE IN NET POSITION</b>	<b>-</b>	<b>1,599,812</b>	<b>-</b>	<b>324,989</b>
<b>NET POSITION - BEGINNING</b>	<b>-</b>	<b>(4,679,541)</b>	<b>1</b>	<b>3,230,900</b>
<b>NET POSITION - ENDING</b>	<b>\$ -</b>	<b>\$ (3,079,729)</b>	<b>\$ 1</b>	<b>\$ 3,555,889</b>

(continued)

**CITY OF SIMI VALLEY  
 COMBINING SCHEDULE OF CHANGES IN NET POSITION  
 PRIVATE PURPOSE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<b>Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund</b>			
<b>2003 Tax Allocation Refunding Bonds</b>	<b>CDA Projects</b>	<b>Total Successor Agency to the Simi Valley CDA Private-Purpose Trust Fund</b>	
\$ -	-	-	<b>ADDITIONS</b>
43,526	-	4,045,725	Property taxes
2,109,117	-	49,175	Investment earnings
<u>2,152,643</u>	<u>-</u>	<u>3,758,279</u>	Transfers in
			<b>TOTAL ADDITIONS</b>
			<b>DEDUCTIONS</b>
7,250	-	7,250	Administrative expenses
960,884	6,555	967,439	Interest and fiscal agency expenses of former Simi Valley Community Development Agency
31,894	-	49,350	Contributions to other governments
<u>1,000,028</u>	<u>6,555</u>	<u>3,758,279</u>	Transfers out
			<b>TOTAL DEDUCTIONS</b>
1,152,615	(6,555)	3,070,861	CHANGE IN NET POSITION
(17,920,291)	44,408	(19,324,523)	NET POSITION - BEGINNING
<u>\$ (16,767,676)</u>	<u>\$ 37,853</u>	<u>\$ (16,253,662)</u>	NET POSITION - ENDING

(concluded)

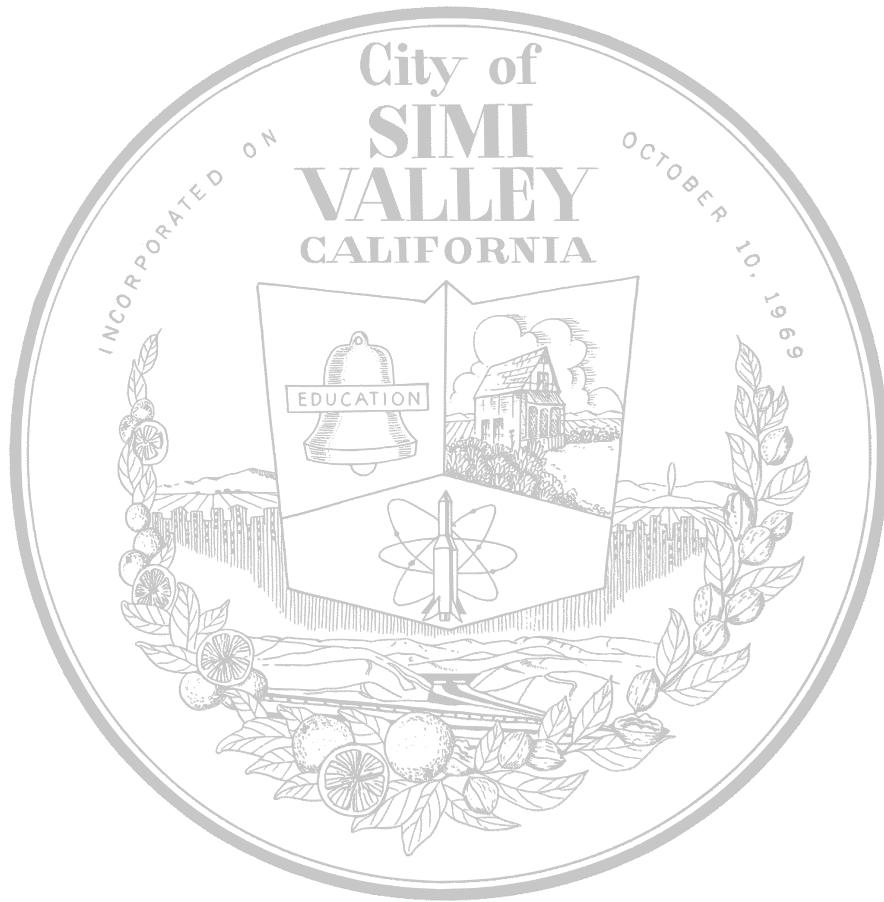
**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF NET POSITION  
AGENCY FUNDS  
JUNE 30, 2019**

	<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	\$ 5,515,486	\$ 1,246,794	\$ 6,762,280
Held by bond trustee	-	1,016,096	1,016,096
Accounts receivable	-	5,629	5,629
<b>TOTAL ASSETS</b>	<b>\$ 5,515,486</b>	<b>\$ 2,268,519</b>	<b>\$ 7,784,005</b>
 <b><u>LIABILITIES</u></b>			
Accounts payable	\$ 86,232	\$ 4,050	\$ 90,282
Deposits	5,429,254	-	5,429,254
Due to bondholders	-	2,264,469	2,264,469
<b>TOTAL LIABILITIES</b>	<b>\$ 5,515,486</b>	<b>\$ 2,268,519</b>	<b>\$ 7,784,005</b>

**CITY OF SIMI VALLEY  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance at June 30, 2018	Additions	Deductions	Balance at June 30, 2019
<b>AGENCY FUND - CITY OF SIMI VALLEY</b>				
ASSETS:				
Cash and investments held by City	\$ 4,726,409	\$ 1,313,703	\$ 524,626	\$ 5,515,486
<b>TOTAL ASSETS</b>	<b>\$ 4,726,409</b>	<b>\$ 1,313,703</b>	<b>\$ 524,626</b>	<b>\$ 5,515,486</b>
LIABILITIES:				
Accounts payable	\$ 32,066	\$ 578,792	\$ 524,626	\$ 86,232
Deposits	4,694,343	1,303,435	568,524	5,429,254
<b>TOTAL LIABILITIES</b>	<b>\$ 4,726,409</b>	<b>\$ 1,882,227</b>	<b>\$ 1,093,150</b>	<b>\$ 5,515,486</b>
<b>ASSESSMENT DISTRICTS - CITY OF SIMI VALLEY</b>				
ASSETS:				
Cash and investments held by City	\$ 1,187,682	\$ 829,507	\$ 770,395	\$ 1,246,794
Cash and investments held by bond trustee	997,296	1,523,878	1,505,078	1,016,096
Accounts receivable	3,713	5,629	3,713	5,629
<b>TOTAL ASSETS</b>	<b>\$ 2,188,691</b>	<b>\$ 2,359,014</b>	<b>\$ 2,279,186</b>	<b>\$ 2,268,519</b>
LIABILITIES:				
Accounts payable	\$ 5,073	\$ 770,522	\$ 771,545	\$ 4,050
Due to bondholders	2,183,618	1,514,588	1,433,737	2,264,469
<b>TOTAL LIABILITIES</b>	<b>\$ 2,188,691</b>	<b>\$ 2,285,110</b>	<b>\$ 2,205,282</b>	<b>\$ 2,268,519</b>
<b>TOTAL AGENCY FUNDS</b>				
ASSETS:				
Cash and investments held by City	\$ 5,914,091	\$ 2,143,210	\$ 1,295,021	\$ 6,762,280
Cash and investments held by bond trustee	997,296	1,523,878	1,505,078	1,016,096
Accounts receivable	3,713	5,629	3,713	5,629
<b>TOTAL ASSETS</b>	<b>\$ 6,915,100</b>	<b>\$ 3,672,717</b>	<b>\$ 2,803,812</b>	<b>\$ 7,784,005</b>
LIABILITIES:				
Accounts payable	\$ 37,139	\$ 1,349,314	\$ 1,296,171	\$ 90,282
Deposits	4,694,343	1,303,435	568,524	5,429,254
Due to bondholders	2,183,618	1,514,588	1,433,737	2,264,469
<b>TOTAL LIABILITIES</b>	<b>\$ 6,915,100</b>	<b>\$ 4,167,337</b>	<b>\$ 3,298,432</b>	<b>\$ 7,784,005</b>





# STATISTICAL SECTION

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**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.

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<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.....	142
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.....	152
<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.....	158
<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. ..	162
<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.....	164

**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**

	Fiscal Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
Governmental activities					
Net investment in capital assets	\$ 192,161,001	\$ 193,042,793	\$ 185,373,875	\$ 182,759,929	\$ 186,806,245
Restricted	87,739,866	86,293,818	68,151,365	61,520,939	58,246,665
Unrestricted	257,677	2,314,831	37,498,659	34,169,932	37,002,698
Total governmental activities net position	<u>\$ 280,158,544</u>	<u>\$ 281,651,442</u>	<u>\$ 291,023,899</u>	<u>\$ 278,450,800</u>	<u>\$ 282,055,608</u>
Business-type activities					
Net investment in capital assets	\$ 126,957,605	\$ 130,816,874	\$ 131,301,986	\$ 129,933,391	\$ 132,775,502
Restricted	8,239,133	6,755,144	6,472,751	5,886,068	4,894,656
Unrestricted	39,436,550	42,011,607	43,346,788	42,641,507	38,232,485
Total business-type activities net position	<u>\$ 174,633,288</u>	<u>\$ 179,583,625</u>	<u>\$ 181,121,525</u>	<u>\$ 178,460,966</u>	<u>\$ 175,902,643</u>
Primary Government					
Net investment in capital assets	\$ 319,118,606	\$ 323,859,667	\$ 316,675,861	\$ 312,693,320	\$ 319,581,747
Restricted	95,978,999	93,048,962	74,624,116	67,407,007	63,141,321
Unrestricted	39,694,227	44,326,438	80,845,447	76,811,439	75,235,183
Total primary government net position	<u>\$ 454,791,832</u>	<u>\$ 461,235,067</u>	<u>\$ 472,145,424</u>	<u>\$ 456,911,766</u>	<u>\$ 457,958,251</u>

Continued

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

Fiscal Year					
2014-15	2015-16	2016-17	2017-18	2018-19	
\$ 207,788,585	\$ 211,751,365	\$ 210,531,356	\$ 196,724,305	\$ 208,951,633	Governmental activities
57,372,815	57,552,738	64,139,877	71,851,898	60,704,865	Net investment in capital assets
(55,691,639)	(52,859,886)	(62,293,358)	(88,047,192)	(90,524,428)	Restricted
					Unrestricted
<u>\$ 209,469,761</u>	<u>\$ 216,444,217</u>	<u>\$ 212,377,875</u>	<u>\$ 180,529,011</u>	<u>\$ 179,132,070</u>	Total governmental activities net position
\$ 141,770,140	\$ 143,093,105	\$ 141,317,489	\$ 139,670,875	\$ 137,805,536	Business-type activities
4,716,713	5,140,128	5,941,420	7,011,040	7,874,785	Net investment in capital assets
15,841,185	17,627,461	19,496,282	18,695,056	24,888,703	Restricted
					Unrestricted
<u>\$ 162,328,038</u>	<u>\$ 165,860,694</u>	<u>\$ 166,755,191</u>	<u>\$ 165,376,971</u>	<u>\$ 170,569,024</u>	Total business-type activities net position
\$ 349,558,725	\$ 354,844,470	\$ 351,848,845	\$ 336,395,180	\$ 346,757,169	Primary Government
62,089,528	62,692,866	70,081,297	78,862,938	68,579,650	Net investment in capital assets
(39,850,454)	(35,232,425)	(42,797,076)	(69,352,136)	(65,635,725)	Restricted
					Unrestricted
<u>\$ 371,797,799</u>	<u>\$ 382,304,911</u>	<u>\$ 379,133,066</u>	<u>\$ 345,905,982</u>	<u>\$ 349,701,094</u>	Total primary government net position

Concluded

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

	Fiscal Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Expenses</b>					
Governmental activities:					
General government	\$ 27,176,047	\$ 23,126,537	\$ 15,257,184	\$ 19,086,724	\$ 19,924,154
Community services	4,124,494	3,925,587	4,385,668	4,441,851	6,042,418
Planning	9,188,637	8,970,708	7,606,116	5,852,282	5,665,265
Public ways and facilities	16,224,562	15,796,789	16,585,197	16,902,636	17,004,864
Public safety	31,040,123	30,259,418	33,242,551	31,460,391	30,566,135
Interest on long-term debt	3,040,452	2,976,163	2,044,426	1,206,096	1,059,055
Refunding bond issuance costs	-	-	-	-	-
Total governmental activities expenses	<u>90,794,315</u>	<u>85,055,202</u>	<u>79,121,142</u>	<u>78,949,980</u>	<u>80,261,891</u>
Business-type activities:					
Sanitation	14,165,394	14,617,402	14,286,220	15,050,164	17,180,903
Waterworks district no. 8	29,110,566	31,868,849	33,913,655	37,542,008	40,980,119
Transit	6,453,772	5,963,797	6,087,068	6,369,369	6,207,520
Total business-type activities expenses	<u>49,729,732</u>	<u>52,450,048</u>	<u>54,286,943</u>	<u>58,961,541</u>	<u>64,368,542</u>
Total primary government expenses	<u>\$ 140,524,047</u>	<u>\$ 137,505,250</u>	<u>\$ 133,408,085</u>	<u>\$ 137,911,521</u>	<u>\$ 144,630,433</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 395,880	\$ 324,088	\$ 298,136	\$ 281,940	\$ 380,835
Community services	214,853	199,441	686,018	788,384	911,308
Planning	1,506,323	3,668,347	1,893,951	1,915,769	2,191,796
Public ways and facilities	1,711,132	1,728,219	1,795,810	1,651,506	3,322,178
Public safety	766,149	770,606	844,549	837,559	854,386
Operating grants and contributions	7,436,473	6,903,665	9,208,075	8,946,791	11,617,046
Capital grants and contributions	21,281,299	8,467,152	1,799,184	4,959,909	11,108,870
Total governmental activities program revenues	<u>33,312,109</u>	<u>22,061,518</u>	<u>16,525,723</u>	<u>19,381,858</u>	<u>30,386,419</u>
Business-type activities:					
Charges for services:					
Sanitation	14,783,194	14,527,144	14,600,252	14,733,151	14,831,706
Waterworks district no. 8	30,010,924	31,426,920	33,332,611	35,285,062	37,042,247
Transit	517,745	465,502	467,415	427,115	415,476
Operating grants and contributions	2,352,998	2,179,217	2,656,313	2,376,527	2,573,874
Capital grants and contributions	7,118,535	4,991,973	1,832,677	1,172,661	4,016,047
Total business-type activities program revenues	<u>54,783,396</u>	<u>53,590,756</u>	<u>52,889,268</u>	<u>53,994,516</u>	<u>58,879,350</u>
Total primary governmental program revenues	<u>\$ 88,095,505</u>	<u>\$ 75,652,274</u>	<u>\$ 69,414,991</u>	<u>\$ 73,376,374</u>	<u>\$ 89,265,769</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	(57,482,206)	(62,993,684)	(62,595,419)	(59,568,122)	(49,875,472)
Business-type activities	5,053,664	1,140,708	(1,397,675)	(4,967,025)	(5,489,192)
Total primary government net expense	<u>\$ (52,428,542)</u>	<u>\$ (61,852,976)</u>	<u>\$ (63,993,094)</u>	<u>\$ (64,535,147)</u>	<u>\$ (55,364,664)</u>

Continued

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

		Fiscal Year					
	2014-15	2015-16	2016-17	2017-18	2018-19		
						<b>Expenses</b>	
						Governmental activities:	
\$	19,604,979	\$ 16,442,755	\$ 13,323,582	\$ 18,661,104	\$ 17,720,443	General government	
	6,264,358	6,397,826	7,068,775	7,469,961	7,234,363	Community services	
	5,699,916	6,308,221	6,001,235	6,459,507	6,002,066	Planning	
	16,822,400	16,641,718	18,569,074	19,580,854	19,651,601	Public ways and facilities	
	31,445,540	31,286,515	34,501,473	38,809,004	36,836,767	Public safety	
	265,922	720,840	937,079	1,230,782	1,440,347	Interest on long-term debt	
	-	194,069	-	-	-	Refunding bond issuance costs	
	<u>80,103,115</u>	<u>77,991,944</u>	<u>80,401,218</u>	<u>92,211,212</u>	<u>88,885,587</u>	Total governmental activities expenses	
						Business-type activities:	
	16,136,164	14,845,944	18,151,061	18,222,816	17,375,318	Sanitation	
	37,984,287	34,249,031	36,967,538	42,900,423	40,552,517	Waterworks district no. 8	
	6,722,692	7,117,042	7,369,511	9,135,850	9,387,703	Transit	
	<u>60,843,143</u>	<u>56,212,017</u>	<u>62,488,110</u>	<u>70,259,089</u>	<u>67,315,538</u>	Total business-type activities expenses	
	<u>\$ 140,946,258</u>	<u>\$ 134,203,961</u>	<u>\$ 142,889,328</u>	<u>\$ 162,470,301</u>	<u>\$ 156,201,125</u>	Total primary government expenses	
						<b>Program Revenues</b>	
						Governmental activities:	
						Charges for services:	
\$	531,683	\$ 1,606,097	\$ 800,874	\$ 2,497,172	\$ 2,580,241	General government	
	882,739	1,109,053	924,269	1,015,074	1,086,783	Community services	
	2,202,730	2,738,543	4,256,995	4,430,830	4,742,278	Planning	
	1,913,193	1,821,043	1,936,852	2,719,170	2,927,559	Public ways and facilities	
	866,031	771,002	626,340	889,379	896,399	Public safety	
	12,519,780	9,643,713	9,398,940	9,348,042	11,987,812	Operating grants and contributions	
	28,819,982	13,530,222	3,694,804	2,117,322	1,619,868	Capital grants and contributions	
	<u>47,736,138</u>	<u>31,219,673</u>	<u>21,639,074</u>	<u>23,016,989</u>	<u>25,840,940</u>	Total governmental activities program revenues	
						Business-type activities:	
	14,567,947	16,047,248	17,645,619	19,241,722	20,591,589	Charges for services:	
	33,215,428	30,877,802	36,529,274	43,808,330	40,967,174	Sanitation	
	401,369	430,804	426,246	406,387	402,517	Waterworks district no. 8	
	2,526,193	2,602,009	2,639,740	2,667,120	2,673,492	Transit	
	11,698,157	5,458,314	1,921,558	2,064,181	1,952,893	Operating grants and contributions	
	<u>62,409,094</u>	<u>55,416,177</u>	<u>59,162,437</u>	<u>68,187,740</u>	<u>66,587,665</u>	Capital grants and contributions	
	<u>\$ 110,145,232</u>	<u>\$ 86,635,850</u>	<u>\$ 80,801,511</u>	<u>\$ 91,204,729</u>	<u>\$ 92,428,605</u>	Total business-type activities program revenues	
						Total primary governmental program revenues	
						<b>Net (Expense)/Revenue</b>	
	(32,366,977)	(46,772,271)	(58,762,144)	(69,194,223)	(63,044,647)	Governmental activities	
	1,565,951	(795,840)	(3,325,673)	(2,071,349)	(727,873)	Business-type activities	
	<u>\$ (30,801,026)</u>	<u>\$ (47,568,111)</u>	<u>\$ (62,087,817)</u>	<u>\$ (71,265,572)</u>	<u>\$ (63,772,520)</u>	Total primary government net expense	

Continued

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

	Fiscal Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
<b>General Revenues</b>					
<b>and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 24,022,375	\$ 22,864,848	\$ 23,461,856	\$ 24,823,215	\$ 27,438,436
Tax increment	21,138,010	19,170,235	9,262,457	-	-
Sales tax	12,969,115	14,632,972	15,018,520	15,617,678	15,440,917
Motor fuel tax	369,992	641,204	-	-	-
Franchise tax	4,304,353	4,719,987	4,789,947	4,809,762	4,849,204
Business tax	1,659,666	1,751,072	1,509,209	1,536,743	1,601,785
Other taxes	1,560,873	1,578,252	1,692,627	1,857,033	1,975,930
Contributions from other governments	-	-	1,280,200	457,220	3,074,897
Investment earnings	2,255,728	1,604,653	1,041,686	228,258	1,046,411
Extraordinary gain on dissolution of redevelopment agency	-	-	16,832,057	-	-
Transfers	(2,326,794)	(2,476,641)	(2,143,949)	(1,844,949)	(1,672,300)
Contributions to other governments	-	-	-	-	-
Total governmental activities	<u>65,953,318</u>	<u>64,486,582</u>	<u>72,744,610</u>	<u>47,484,960</u>	<u>53,755,280</u>
Business-type activities:					
Investment earnings	1,301,289	930,122	697,813	345,334	1,030,711
Miscellaneous	180,356	438,359	93,813	116,183	227,858
Transfers	2,326,794	2,476,641	2,143,949	1,844,949	1,672,300
Total business-type activities	<u>3,808,439</u>	<u>3,845,122</u>	<u>2,935,575</u>	<u>2,306,466</u>	<u>2,930,869</u>
Total primary government	<u>\$ 69,761,757</u>	<u>\$ 68,331,704</u>	<u>\$ 75,680,185</u>	<u>\$ 49,791,426</u>	<u>\$ 56,686,149</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 8,471,112	\$ 1,492,898	\$ 10,149,191	\$ (12,083,162)	\$ 3,879,808
Business-type activities	8,862,103	4,985,830	1,537,900	(2,660,559)	(2,558,323)
Total primary government	<u>\$ 17,333,215</u>	<u>\$ 6,478,728</u>	<u>\$ 11,687,091</u>	<u>\$ (14,743,721)</u>	<u>\$ 1,321,485</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					
2014-15	2015-16	2016-17	2017-18	2018-19	
					<b>General Revenues</b>
					<b>and Other Changes in Net Position</b>
					Governmental activities:
					Taxes:
\$ 28,340,047	\$ 29,835,623	\$ 31,120,875	\$ 32,303,044	\$ 34,011,044	Property taxes
-	-	-	-	-	Tax increment
15,944,424	17,432,505	16,842,335	17,857,830	18,961,367	Sales tax
-	-	-	-	-	Motor fuel tax
4,757,607	5,025,802	4,740,682	4,445,972	4,931,918	Franchise tax
1,742,469	1,786,153	1,787,587	1,967,065	2,106,344	Business tax
2,128,115	2,587,113	2,561,922	2,703,566	2,849,714	Other taxes
373,512	-	-	2,082,766	49,350	Contributions from other governments
819,685	835,387	964,495	1,290,234	2,496,426	Investment earnings
-	-	-	-	-	Extraordinary gain on dissolution of redevelopment agency
(2,869,014)	(3,255,695)	(3,572,095)	(3,512,087)	(3,758,457)	Transfers
-	(63,992)	250,000	-	-	Contributions to other governments
<u>51,236,845</u>	<u>54,182,896</u>	<u>54,695,802</u>	<u>59,138,390</u>	<u>61,647,706</u>	Total governmental activities
					Business-type activities:
955,624	811,714	520,855	821,540	2,041,917	Investment earnings
105,367	261,087	127,220	119,408	119,552	Miscellaneous
2,869,014	3,255,695	3,572,095	3,512,087	3,758,457	Transfers
<u>3,930,005</u>	<u>4,328,496</u>	<u>4,220,170</u>	<u>4,453,035</u>	<u>5,919,926</u>	Total business-type activities
<u>\$ 55,166,850</u>	<u>\$ 58,511,392</u>	<u>\$ 58,915,972</u>	<u>\$ 63,591,425</u>	<u>\$ 67,567,632</u>	Total primary government
					<b>Change in Net Position</b>
\$ 18,869,868	\$ 7,410,625	\$ (4,066,342)	\$ (10,055,833)	\$ (1,396,941)	Governmental activities
5,495,956	3,532,656	894,497	2,381,686	5,192,053	Business-type activities
<u>\$ 24,365,824</u>	<u>\$ 10,943,281</u>	<u>\$ (3,171,845)</u>	<u>\$ (7,674,147)</u>	<u>\$ 3,795,112</u>	Total primary government

Concluded

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

	Fiscal Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
General fund					
Reserved	\$ 19,550,414.00	\$ -	\$ -	\$ -	\$ -
Unreserved	16,176,234				
Nonspendable, reported in:					
Long-term receivables		19,752,241	19,384,570	22,246,241	18,509,076
Committed, reported in:					
Retiree benefits		628,659	805,028	630,447	846,723
Special programs		-	229,687	185,195	272,722
Economic recovery		-	-	6,839,684	6,084,838
Prudent reserve		-	-	-	11,881,778
Assigned, reported in:					
Capital		9,209,774	9,304,096	4,198,811	6,029,111
Unassigned		9,799,992	10,059,954	11,406,896	-
Total general fund	<u>\$ 35,726,648</u>	<u>\$ 39,390,666</u>	<u>\$ 39,783,335</u>	<u>\$ 45,507,274</u>	<u>\$ 43,624,248</u>
All other government funds					
Reserved	\$ 11,750,943.00	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	30,816,901				
Debt service	-				
Capital projects funds	12,519,153				
Non-spendable, reported in:					
Long-term receivables		2,500,000	2,500,000	-	-
Restricted, reported in:					
Housing programs		17,176,503	5,432,733	6,045,598	6,389,178
Public improvements		21,277,646	19,029,472	16,794,452	15,748,357
Streets		849,804	889,134	869,822	2,314,747
Lighting		5,892,439	7,241,174	-	-
Landscape		1,373,263	929,495	952,063	848,183
Debt service		6,763,374	2,635,890	2,637,044	1,656,157
Special programs		638,599	493,194	792,788	1,037,576
Law enforcement		265,017	406,183	892,103	774,724
Committed, reported in:					
Streets		3,853,912	3,117,412	1,996,149	2,531,276
Equipment		3,284,875	3,525,143	3,858,038	4,421,827
Assigned, reported in:					
Capital		1,018,979	216,560	129,089	143,103
Unassigned		(13,848,190)	-	(42,047)	(108,051)
Total all other governmental funds	<u>\$ 55,086,997</u>	<u>\$ 51,046,221</u>	<u>\$ 46,416,390</u>	<u>\$ 34,925,099</u>	<u>\$ 35,757,077</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								
		2014-15	2015-16	2016-17	2017-18	2018-19				
\$	-	\$	-	\$	-	\$	-	General fund Reserved Unreserved		
	16,988,891		15,769,102		14,039,905		14,035,421		10,017,212	Nonspendable, reported in: Long-term receivables
	863,564		535,057		17,609				30,008	Committed, reported in: Retiree benefits
	283,828		319,322		333,021		386,105		421,164	Special programs
	6,084,838		6,084,838		6,084,838		5,084,838		5,084,838	Economic recovery
	11,682,715		11,665,494		11,737,044		12,315,232		12,670,975	Prudent reserve
	7,968,732		9,374,012		9,647,610		10,672,125		17,873,825	Assigned, reported in: Capital
	-		-		-		(472,818)		-	Unassigned
<u>\$</u>	<u>43,872,568</u>	<u>\$</u>	<u>43,747,825</u>	<u>\$</u>	<u>41,860,027</u>	<u>\$</u>	<u>42,020,903</u>	<u>\$</u>	<u>46,098,022</u>	Total general fund
\$	-	\$	-	\$	-	\$	-	\$	-	All other government funds Reserved Unreserved, reported in: Special revenue funds Debt service Capital projects funds
	-		-		-		-		-	Non-spendable, reported in: Long-term receivables
	8,376,955		10,483,070		11,334,690		12,044,976		13,008,731	Restricted, reported in: Housing programs
	12,760,231		11,949,371		10,966,923		10,456,563		8,949,351	Public improvements
	3,075,194		3,872,702		3,846,189		4,815,203		5,991,314	Streets
	-		-		-		-		-	Lighting
	1,233,583		1,404,310		1,104,197		844,656		693,379	Landscape
	7,963		-		6,424,000		11,989,483		4,241,900	Debt service
	1,603,522		2,199,119		2,583,864		3,074,465		3,972,856	Special programs
	2,090,806		2,852,712		2,620,596		2,445,054		2,853,886	Law enforcement
	2,460,203		2,789,142		2,202,918		4,162,511		2,565,480	Committed, reported in: Streets
	5,409,661		5,306,436		5,230,390		5,267,713		5,101,910	Equipment
	130,083		59,446		-		-		-	Assigned, reported in: Capital
	(164,935)		(55,000)		(4,618,291)		(693,295)		(209,150)	Unassigned
<u>\$</u>	<u>36,983,266</u>	<u>\$</u>	<u>40,861,308</u>	<u>\$</u>	<u>41,695,476</u>	<u>\$</u>	<u>54,407,329</u>	<u>\$</u>	<u>47,169,657</u>	Total all other governmental funds

Concluded

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

	Fiscal Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenues</b>					
Taxes	\$ 44,026,482	\$ 45,736,089	\$ 46,313,876	\$ 48,405,537	\$ 51,630,610
Tax increment	21,138,010	19,170,235	9,262,457	-	-
Licenses and permits	1,150,132	1,200,244	1,549,642	1,526,942	1,641,301
Fines and forfeitures	489,711	566,057	590,625	562,301	567,379
Use of money and property	2,715,919	2,437,963	1,401,486	1,308,808	1,371,779
From other governments	9,287,441	7,412,657	7,885,687	7,485,213	9,875,682
Grants	4,917,901	3,502,622	2,089,328	6,209,316	3,795,247
Service charges	2,197,536	1,990,630	1,992,262	1,861,540	3,247,246
Other revenues	825,701	3,092,920	1,438,435	2,320,567	2,411,592
Contributions from other governments	-	-	1,280,200	464,854	3,073,464
<b>Total revenues</b>	<u>86,748,833</u>	<u>85,109,417</u>	<u>73,803,998</u>	<u>70,145,078</u>	<u>77,614,300</u>
<b>Expenditures</b>					
Current:					
General government	4,605,291	5,865,259	5,024,456	6,760,196	8,977,728
Community services	3,992,786	3,957,419	4,274,451	4,366,229	5,759,582
Planning	12,369,305	11,524,418	7,961,160	7,395,246	8,954,977
Public ways and facilities	15,462,223	14,871,235	14,710,961	14,558,261	14,683,649
Public safety	28,094,953	28,081,837	28,845,564	28,918,401	29,922,421
Capital outlay	8,687,535	6,029,063	3,544,377	9,466,790	4,346,397
Debt service:					
Principal	1,955,000	2,045,000	2,130,000	1,360,000	3,220,000
Interest	3,038,631	2,962,880	1,940,460	1,242,425	1,129,784
Refunding escrow	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Other	12,838	16,441	13,032	7,933	6,710
Intergovernmental	13,109,707	7,423,382	39,517	-	-
<b>Total expenditures</b>	<u>91,328,269</u>	<u>82,776,934</u>	<u>68,483,978</u>	<u>74,075,481</u>	<u>77,001,248</u>
Excess (deficiency) of revenues over expenditures	<u>(4,579,436)</u>	<u>2,332,483</u>	<u>5,320,020</u>	<u>(3,930,403)</u>	<u>613,052</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	25,099,047	26,735,331	16,499,059	27,577,674	16,997,812
Transfers out	(27,418,641)	(29,444,572)	(18,635,008)	(29,414,623)	(18,661,912)
Bonds issued	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Contributions from other governments	-	-	-	-	-
Contributions to other governments	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(2,319,594)</u>	<u>(2,709,241)</u>	<u>(2,135,949)</u>	<u>(1,836,949)</u>	<u>(1,664,100)</u>
Extraordinary gain	-	-	-	(7,622,494)	-
<b>Net change in fund balances</b>	<u>\$ (6,899,030)</u>	<u>\$ (376,758)</u>	<u>\$ 3,184,071</u>	<u>\$ (13,389,846)</u>	<u>\$ (1,051,048)</u>
Debt service as a percentage of noncapital expenditures	6.08%	6.50%	6.24%	3.86%	6.24%

Continued

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

		<b>Fiscal Year</b>					
<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>			
\$ 54,024,712	\$ 56,667,196	\$ 57,053,401	\$ 59,277,477	\$ 62,860,387		<b>Revenues</b>	
-	-	-	-	-		Taxes	
1,965,120	2,561,293	2,158,210	2,523,744	2,618,558		Tax increment	
613,301	597,889	403,841	568,456	562,503		Licenses and permits	
2,901,802	2,901,207	1,276,619	1,796,416	3,049,771		Fines and forfeitures	
9,489,007	7,715,746	7,094,051	8,092,405	10,014,798		Use of money and property	
4,650,237	3,858,045	4,417,808	2,838,349	2,933,635		From other governments	
2,111,740	3,300,023	3,304,023	3,970,562	4,185,273		Grants	
1,865,966	1,732,533	2,783,106	4,629,045	4,982,086		Service charges	
376,588	-	-	-	-		Other revenues	
77,998,473	79,333,932	78,491,059	83,696,454	91,207,011		Contributions from other governments	
						<b>Total revenues</b>	
						<b>Expenditures</b>	
						Current:	
6,764,233	5,784,087	6,457,231	8,530,647	6,309,774		General government	
6,245,135	6,581,050	6,763,706	6,927,525	6,673,466		Community services	
6,440,023	6,246,916	6,387,901	6,447,721	5,533,197		Planning	
14,791,346	15,988,868	16,076,033	16,467,229	15,610,695		Public ways and facilities	
31,605,027	32,811,987	33,107,205	33,565,393	34,156,673		Public safety	
4,987,471	3,362,875	16,914,455	7,153,833	17,291,140		Capital outlay	
						Debt service:	
270,000	-	-	1,002,827	1,416,140		Principal	
742,212	806,625	806,625	1,289,250	1,326,672		Interest	
1,396,316	-	-	-	-		Refunding escrow	
194,069	-	-	-	-		Bond issuance costs	
1,150	1,150	103,816	80,624	2,900		Other	
-	-	-	-	-		Intergovernmental	
73,436,982	71,583,558	86,616,972	81,465,049	88,320,657		<b>Total expenditures</b>	
						Excess (deficiency) of revenues over expenditures	
4,561,491	7,750,374	(8,125,913)	2,231,405	2,886,354			
						<b>Other Financing Sources (Uses)</b>	
12,214,657	8,301,888	18,175,804	13,912,428	20,421,754		Transfers in	
(15,503,671)	(11,604,733)	(21,320,599)	(17,418,315)	(26,518,011)		Transfers out	
20,767,747	-	9,967,078	12,064,445	-		Bonds issued	
(20,565,715)	-	-	-	-		Payment to escrow agent	
-	250,000	250,000	2,082,766	49,350		Contributions from other governments	
-	(313,992)	-	-	-		Contributions to other governments	
(3,086,982)	(3,366,837)	7,072,283	10,641,324	(6,046,907)		<b>Total other financing sources (uses)</b>	
						Extraordinary gain	
\$ 1,474,509	\$ 4,383,537	\$ (1,053,630)	\$ 12,872,729	\$ (3,160,553)		<b>Net change in fund balances</b>	
1.46%	1.20%	1.16%	3.10%	3.85%		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)**

**Gross Assessed Valuation <sup>1</sup>**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property</b>	<b>Total Secured Property</b>
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
2016-17	14,491,714,823	1,453,070,630	747,791,168	281,441,169	16,974,017,790
2017-18	15,171,707,742	1,512,280,692	775,292,210	290,374,174	17,749,654,818
2018-19	15,913,650,843	1,508,895,877	827,029,445	291,674,652	18,541,250,817

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. 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)**

**Gross Assessed Valuation <sup>1</sup>**

<u>Utility <sup>2</sup></u>	<u>Unsecured</u>	<u>Total</u>	<u>Percent Change</u>	<u>Total Direct Tax Rate</u>	<u>Fiscal Year</u>
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
144,746	348,808,162	17,322,970,698	4.4%	1.00%	2016-17
144,746	353,999,429	18,103,798,993	4.5%	1.00%	2017-18
144,746	356,420,499	18,897,816,062	4.4%	1.00%	2018-19

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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</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	0.051900	0.054400	0.057800	0.061500	0.059800
Metropolitan Water District	0.004300	0.003700	0.003700	0.003500	0.003500
Ventura Community College District	0.013900	0.015100	0.014000	0.019100	0.016700
Total direct and overlapping	<u><u>1.070100</u></u>	<u><u>1.073200</u></u>	<u><u>1.075500</u></u>	<u><u>1.084100</u></u>	<u><u>1.080000</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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</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
0.061800	0.054100	0.052800	0.079100	0.077100	Simi Valley Unified School District
0.003500	0.003500	0.003500	0.003500	0.003500	Metropolitan Water District
0.017600	0.013000	0.015500	0.015100	0.015200	Ventura Community College District
<u>1.082900</u>	<u>1.070600</u>	<u>1.071800</u>	<u>1.097700</u>	<u>1.095800</u>	Total direct and overlapping

Concluded

SOURCE:  
California Municipal Statistics, Inc.

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

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
DP 241 Country Club LP	\$ 106,144,420	1	0.66%	-		
NF Creekside Apartments LLC	75,588,413	2	0.47%	-		
SRGMF II Country Club Simi	63,185,363	3	0.39%	-		
SE-Shadow Ridge LLC	46,713,684	4	0.29%			
ESG Properties LLC	45,554,378	5	0.28%	\$ 40,021,044	9	0.26%
DP 849 Country Club LP	38,285,860	6	0.24%			
Runkle Canyon LLC	37,770,680	7	0.23%	-		
RAAS Nutritionals LLC	33,739,649	8	0.21%			
Essex Meadowood	33,490,009	9	0.21%			
Miracle Mile Properties Lp	33,034,052	10	0.21%			
Bank of America	-			144,338,503	1	0.94%
Simi Valley Mall LLC	-			134,018,839	2	0.87%
Tishman Archstone & Smith				86,498,000	3	0.56%
Mountain Gate Associates LLC				82,859,758	4	0.54%
Fountains Apartments Ltd	-			75,052,196	5	0.49%
South Street Center LLC				45,180,440	6	0.29%
CLF Simi Valley business TR/ CLF Galena SV Business TR	-			42,336,000	7	0.27%
Stone Creek Investors	-			40,598,841	8	0.26%
Tapo Canyon Warehouse Inc	-			35,600,000	10	0.23%
<b>Total Taxable Assessed Value Ten Largest Taxpayers</b>	<b>\$ 513,506,508</b>		<b>3.19%</b>	<b>\$ 726,503,621</b>		<b>4.72%</b>

SOURCE:  
HdL Coren Cone

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

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collections within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2009-10	33,690,500	27,706,277	82.24%	84,137	27,790,414	82.49%
2010-11	32,672,899	28,924,095	88.53%	90,822	29,014,918	88.80%
2011-12	31,380,139	27,921,798	88.98%	86,799	28,008,597	89.26%
2012-13	31,451,572	28,397,076	90.29%	104,803	28,501,880	90.62%
2013-14	32,257,545	29,392,698	91.12%	172,785	29,565,483	91.65%
2014-15	34,131,863	33,369,651	97.77%	168,360	33,538,011	98.26%
2015-16	37,179,612	34,029,242	91.53%	202,639	34,231,881	92.07%
2016-17	39,105,618	35,443,930	90.64%	240,814	35,684,744	91.25%
2017-18	42,348,149 <sup>2</sup>	37,295,853	88.07%	202,480	37,498,333	88.55%
2018-19	42,471,808	38,746,266	91.23%		38,746,266	91.23%

1. Only the secured property tax data for the City of Simi Valley and its Redevelopment Agency is presented in this table.
2. This number is restated from last year, as more information made available.

**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.

**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>			
2010	27,775,878	4,815,000	24,311,499	56,902,377	1.43%	450.43
2011	27,008,054	4,120,000	23,758,612	54,886,666	1.24%	434.35
2012	26,210,230	3,385,000	23,185,726	52,780,956	1.26%	417.33
2013	-	2,610,000	22,587,840	25,197,840	0.55%	198.68
2014	-	- <sup>3</sup>	21,964,953	21,964,953	0.45%	173.24
2015	-	20,414,513	- <sup>4</sup>	20,414,513	0.45%	160.96
2016	-	20,315,876 <sup>2,4</sup>	-	20,315,876	0.43%	159.88
2017	-	30,184,317 <sup>2,4</sup>	-	30,184,317	0.59%	236.93
2018	-	41,147,298 <sup>2,4</sup>	-	41,147,298	0.83%	321.83
2019	-	39,632,520 <sup>2,4</sup>	-	39,632,520	0.78%	308.00

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. In September 2016, the City issued Lease Revenue Bonds, Series 2016 NCREBs, for \$9,226,619, and a Tax-Exempt Lease, Series 2016, for \$740,459, both maturing on September 1, 2036. In December 2017, the City issued Tax-Exempt Lease Series 2017, for \$6,408,600, maturing March 1, 2033. In May 2018, the City issued a Taxable Equipment Lease for \$5,655,845, maturing in March 2034.

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, 2019 (see notes)**

	Outstanding Debt 6/30/19	Percentage Applicable <sup>1</sup>	Estimated Share of Overlapping Debt 6/30/19
<u>Overlapping and Assessment Debt Repaid with Property Taxes</u>			
Metropolitan Water District	\$ 48,050,000	0.648 %	\$ 311,364
Ventura County Community College District	275,097,579	14.013	38,549,424
Simi Valley Unified School District	231,165,558	96.973	224,168,206
City of Simi Valley Community Facilities Dist No.2004-1	6,090,000	100.000	6,090,000
City of Simi Valley 1915 Act Bonds	1,225,000	100.000	1,225,000
<u>Overlapping Other Debt</u>			
Ventura County General Fund Obligations	324,780,000	14.007	45,491,935
Ventura County Superintendent of Schools Certificates	9,220,000	14.007	1,291,445
Simi Valley Unified School District Certificates	9,054,159	96.973	8,780,090
Total overlapping and assessment debt			325,907,464
<u>City Direct Debt</u>			
City of Simi Valley 2014A Lease Revenue Refunding Bond	18,639,964	100.000	18,639,964
City of Simi Valley 2016 New Clean Renewable Energy Bond	8,590,779	100.000	8,590,779
City of Simi Valley 2016 Tax Exempt Energy Bond	683,595	100.000	683,595
City of Simi Valley 2017 Tax Exempt Bond	6,062,337	100.000	6,062,337
City of Simi Valley 2018 Tax Equipment Lease	5,655,845	100.000	5,655,845
Total direct debt			39,632,520
Total direct and overlapping debt			<u>\$ 365,539,984</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				
	2010	2011	2012	2013	2014
Debt limit	\$ 557,545,466	\$ 554,782,685	\$ 550,211,813	\$ 545,958,007	\$ 564,595,406
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 557,545,466</u>	<u>\$ 554,782,685</u>	<u>\$ 550,211,813</u>	<u>\$ 545,958,007</u>	<u>\$ 564,595,406</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					
2015	2016	2017	2018	2019	
\$ 596,574,778	\$ 622,348,000	\$ 649,611,401	\$ 678,892,462	\$ 708,668,102	Debt limit
-	-	-	-	-	Total net debt applicable to limit
<u>\$ 596,574,778</u>	<u>\$ 622,348,000</u>	<u>\$ 649,611,401</u>	<u>\$ 678,892,462</u>	<u>\$ 708,668,102</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 2019**

Assessed value	\$	18,897,816,062
Debt limit (3.75% of assessed value) <sup>1</sup>	\$	708,668,102
General obligation bonds		-
Legal debt margin	\$	708,668,102

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>
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%
2017	127,400	5,100,332	40,034	40.1	16,905	3.9%
2018	127,855	4,977,012	38,927	40.0	16,594	3.7%
2019	128,678	5,076,604	39,452	40.3	16,432	3.4%

**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>2019</b>			<b>2010</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	2,080	1	3.15%	3,207	1	4.59%
Meggitt Safety Systems, Inc	653	2	0.99%	323	8	0.46%
Rancho Simi Parks & Recreation District	526	3	0.80%	383	6	0.55%
City of Simi Valley	492	4	0.74%	568	4	0.81%
Milgard Windows & Doors	488	5	0.74%	245	10	0.35%
Costco	296	6	0.45%			
Rexnord - PSI Bearings	235	7	0.36%			
USTE, Inc (dba Vista Professional)	165	8	0.25%			
Vallarta Supermarkets	165	9	0.25%			
Polytainer Inc	150	10	0.23%			
Simi Valley Hospital - Adventist Health				927	3	1.33%
Aerovironment, Inc.				480	5	0.69%
Wal-Mart, Inc.			0.00%	250	9	0.36%
Farmers Insurance Group				1,200	2	1.72%
Vons Grocery Stores*				369	7	0.53%
<b>Total</b>	<b>5,250</b>		<b>7.96%</b>	<b>7,952</b>		<b>11.39%</b>

**NOTE:**

Of ninety-seven employers surveyed by the City of Simi Valley, sixty-eight employers responded (69%).

**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>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
General government	55	57	55	57	57	61	53	58	56	54
Community services	34	32	29	28	29	31	27	24	27	27
Planning and Community Services	54	51	49	42	40	39	36	36	33	30
Public ways and facilities	97	92	92	89	88	90	87	87	87	83
Public safety										
Sworn police personnel	118	119	123	120	119	123	121	121	115	118
Civilians	57	55	52	52	52	52	49	50	53	47
Sanitation	54	54	53	56	51	54	47	54	53	52
Waterworks district no. 8	43	43	43	44	45	43	45	41	40	41
Transit	46	42	40	41	38	39	38	42	40	40
<b>Total</b>	<b>558</b>	<b>545</b>	<b>536</b>	<b>529</b>	<b>519</b>	<b>532</b>	<b>503</b>	<b>513</b>	<b>504</b>	<b>492</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**

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>General government</b>										
Business tax applications and renewals	10,310	10,177	10,257	9,764	9,709	9,643	9,709	9,437	9,028	9,403
Business tax receipts issued	8,352	9,463	9,196	9,060	8,936	8,563	9,480	8,366	7,922	7,315
Business tax revenues (\$)	1,662,604	1,751,072	1,509,209	1,536,702	1,601,875	1,742,469	1,786,153	1,787,587	1,967,065	2,106,344
<b>Community services</b>										
Cultural arts center events	372	349	334	344	362	354	378	392	369	370
Cultural arts center attendance	40,682	40,994	35,418	39,388	38,643	36,403	39,473	36,248	38,913	33,564
Senior center attendance <sup>1</sup>	184,511	187,968	189,302	192,107	182,368	172,233	160,805	153,803	166,441	172,079
Library card holders <sup>2</sup>	-	-	-	-	20,498	28,298	33,830	39,135	45,159	46,406
Library total collection <sup>3</sup>	-	-	-	-	139,104	146,623	158,596	170,848	164,748	161,450
Library total circulation <sup>3</sup>	-	-	-	-	344,358	330,838	333,068	285,089	299,182	317,085
<b>Planning</b>										
Building permits	1,196	1,362	1,623	1,590	2,382	2,054	2,200	2,500	2,600	2,750
Plumbing, mechanical, and electrical permits	1,899	2,284	2,590	2,592	3,473	3,213	2,950	3,400	3,640	3,750
Permit valuation (thousands \$)	34,197	37,685	49,992	47,316	55,300	41,766	66,800	76,800	71,300	76,740
<b>Public Safety</b>										
Arrests	3,310	3,507	3,857	3,472	2,961	3,459	3,377	2,939	3,134	2,964
Enforcement citations	6,350	7,301	6,827	7,688	8,518	8,308	8,300	6,936	8,988	8,230
<b>Public ways and facilities</b>										
Street resurfacing (miles)	16.57	9.66	2.23	6.66	5.67	3.93	3.73	6.38	10.12	23.77
<b>Sanitation</b>										
Wastewater customers	36,428	36,250	36,604	36,704	36,796	36,761	36,769	37,079	36,949	35,773
Average dry weather flow (MGD)	9.30	9.20	8.80	8.60	8.50	8.10	7.80	7.70	7.92	7.78
<b>Waterworks district no. 8</b>										
Customers	24,920	24,942	25,059	25,156	25,093	25,585	25,664	25,558	25,433	25,622 <sup>4</sup>
Water delivered (million gallons)	7,192.0	6,502.0	6,305.1	7,352.8	8,083.5	6,517.0	5,176.0	5,486.0	6,925.0	6,227.0
<b>Transit</b>										
Fixed-route revenue miles	471,267	415,973	420,295	400,425	426,057	426,057	404,857	380,354	378,284	376,506
Fixed-route passengers	479,456	435,416	417,156	434,512	347,929	378,452	333,619	364,810	251,917	266,718
Fixed-route revenue hours	31,223	26,177	25,776	24,882	25,551	25,551	25,346	26,904	27,340	26,727
Paratransit revenue miles	189,264	179,944	180,763	184,074	183,407	172,444	158,604	160,043	162,551	159,508
Paratransit passengers	51,204	47,054	45,756	46,290	50,308	45,364	43,485	45,009	43,406	50,134
Paratransit revenue hours	17,571	17,604	17,486	18,966	17,984	17,009	17,356	17,832	17,709	17,226

NOTE:

1. Due to State Budget cuts effective 2014, 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 13,633 customers, serviced by Golden State Water Co. during fiscal year 2019.

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fleet size	90	91	91	94	96	97	99	101	103	103
Public ways and facilities										
Streets (miles)	324.10	324.10	324.91	324.91	326.91	332.69	336.41	337.57	337.57	337.57
Streetlights <sup>1</sup>	7,815	7,932	7,937	7,942	8,241	8,225	8,223	8,243	8,268	8,479
Traffic signals <sup>2</sup>	118	121	121	121	121	121	121	121	121	121
Sanitation										
Sewerlines (miles) <sup>3</sup>	362	362	374	374	374	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) <sup>4</sup>	375	375	375	375	380	380	380	380	337	345
Fire hydrants	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,875	2,850
Storage capacity (million gallons)	55.8	55.8	55.8	55.8	55.8	55.8	55.8	55.8	55.8	55.8
Transit										
Buses - 40 foot	11	11	11	11	11	8	8	8	8	8
Buses - 35 foot	2	2	0	0	0	3	3	3	3	3
Paratransit Vehicles	12	12	11	11	11	11	11	12	12	12

NOTES:

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

1. Streetlights acquired from Southern California Edison as of 11/01/18.
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.
4. Reduction in water main miles in FY 2018 reflects updates in GIS accuracy for active mails, versus active plus abandoned.

Sources:  
City of Simi Valley  
Southern California Edison